Consolidated income statement

for the period 1 January to 31 December 2011

	Note	2011 €m	2010 €m
Sales revenue	4	2,233.3	2,106.3
Net interest income from banking business	5	75.1	59.4
Other operating income	6	57.0	61.0
Total revenue		**2,365.4**	**2,226.7**
Volume-related costs		−244.0	−210.9
Total revenue less volume-related costs		**2,121.4**	**2,015.8**
Staff costs	7	−396.9	−502.0
Depreciation, amortisation and impairment losses	13, 14	−91.4	−583.5
Other operating expenses	8	−485.0	−414.7
Operating costs		**−973.3**	**−1,500.2**
Result from equity investments	10	3.6	12.2
Earnings before interest and tax (EBIT)		**1,151.7**	**527.8**
Financial income	11	135.1	24.0
Financial expense	11	−136.4	−132.2
Earnings before tax (EBT)		**1,150.4**	**419.6**
Income tax expense	12	−279.0	−24.5
Net profit for the year		**871.4**	**395.1**
thereof shareholders of parent company (net income)		848.8	417.8
thereof non-controlling interests		22.6	−22.7
Earnings per share (basic) (€)	36	**4.57**	**2.25**
Earnings per share (diluted) (€)	36	**4.56**	**2.24**

Consolidated balance sheet

as at 31 December 2011

Assets

	Note	2011 €m	2010 €m
NONCURRENT ASSETS			
Intangible assets	13		
Software		101.2	50.2
Goodwill		2,095.2	2,059.6
Payments on account and construction in progress		56.3	65.2
Other intangible assets		911.1	914.9
		3,163.8	3,089.9
Property, plant and equipment	14		
Fixtures and fittings		46.0	39.0
Computer hardware, operating and office equipment		85.0	70.2
Payments on account and construction in progress		0.1	29.0
		131.1	138.2
Financial assets	15		
Investments in associates		158.1	172.6
Other equity investments		111.7	64.7
Receivables and securities from banking business		1,404.6	1,555.6
Other financial instruments		16.6	12.1
Other loans[1]		0.6	1.0
		1,691.6	1,806.0
Other noncurrent assets		25.2	27.7
Deferred tax receivables	12	12.4	7.7
Total noncurrent assets		5,024.1	5,069.5
CURRENT ASSETS			
Receivables and other current assets			
Financial instruments of Eurex Clearing AG	17	183,618.1	128,823.7
Receivables and securities from banking business	18	12,945.2	7,585.3
Trade receivables	19	224.3	212.1
Associate receivables		2.7	5.6
Receivables from other related parties		5.1	4.4
Income tax receivables[2]		27.3	25.6
Other current assets	20	173.9	141.4
		196,996.6	136,798.1
Restricted bank balances	21	15,060.4	6,185.8
Other cash and bank balances		925.2	797.1
Total current assets		212,982.2	143,781.0
Total assets		218,006.3	148,850.5

1) Thereof €0.6 million (2010: €1.0 million) in associate receivables
2) Thereof €12.4 million (2010: €14.1 million) with a remaining maturity of more than one year from corporation tax credits in accordance with section 37 (5) of the Körperschaftsteuergesetz (KStG, the German Corporation Tax Act)

Equity and liabilities

	Note	2011 €m	2010 €m
EQUITY	22		
Subscribed capital		195.0	195.0
Share premium		1,247.0	1,247.0
Treasury shares		–691.7	–586.5
Revaluation surplus		86.8	124.9
Accumulated profit		2,116.6	1,971.0
Shareholders' equity		**2,953.7**	**2,951.4**
Non-controlling interests		212.6	458.9
Total equity		**3,166.3**	**3,410.3**
NONCURRENT LIABILITIES			
Provisions for pensions and other employee benefits	24	17.3	21.3
Other noncurrent provisions	25, 26	77.4	86.6
Deferred tax liabilities	12	323.0	297.7
Interest-bearing liabilities	27	1,458.3	1,455.2
Other noncurrent liabilities		10.9	9.6
Total noncurrent liabilities		**1,886.9**	**1,870.4**
CURRENT LIABILITIES			
Tax provisions (thereof income tax due: €162.6 million; 2010: €302.1 million)	25, 28	219.6	345.0
Other current provisions	25, 29	105.4	134.8
Financial instruments of Eurex Clearing AG	17	183,618.1	128,823.7
Liabilities from banking business [1]	30	14,169.6	7,822.0
Other bank loans and overdrafts		0.4	20.1
Trade payables		114.6	96.5
Payables to associates		13.2	4.0
Liabilities to other related parties	27	528.7	13.6
Cash deposits by market participants	31	13,861.5	6,064.2
Other current liabilities	32	322.0	245.9
Total current liabilities		**212,953.1**	**143,569.8**
Total liabilities		**214,840.0**	**145,440.2**
Total equity and liabilities		**218,006.3**	**148,850.5**

1) Thereof €0.1 million (2010: €0.1 million) liabilities to associates

Consolidated statement of comprehensive income

for the period 1 January to 31 December 2011

	Note	2011 €m	2010 €m
Net profit for the year reported in consolidated income statement		**871.4**	**395.1**
Exchange rate differences[1]	22	31.2	102.9
Remeasurement of cash flow hedges		–13.7	8.1
Remeasurement of other financial instruments		–32.2	–9.3
Deferred taxes	12, 22	–11.2	–29.9
Other comprehensive income		**–25.9**	**71.8**
Total comprehensive income		**845.5**	**466.9**
thereof shareholders of parent company		839.6	470.4
thereof non-controlling interests		5.9	–3.5

1) Exchange rate differences include €1.9 million (2010: €6.1 million) taken directly to accumulated profit as part of the result from equity investments.

Consolidated cash flow statement

for the period 1 January to 31 December 2011

	Note	2011 €m	2010 €m
Net profit for the year		871.4	395.1
Depreciation, amortisation and impairment losses	13, 14	91.4	583.5
Decrease in noncurrent provisions		−13.5	−2.9
Deferred tax expense/(income)	12	4.5	−205.8
Other non-cash income		−70.8	−1.0
Changes in working capital, net of non-cash items:			
(Increase)/decrease in receivables and other assets		−45.8	50.4
(Decrease)/increase in current liabilities		−48.4	152.7
Decrease in noncurrent liabilities		−3.0	−12.6
Net gain on disposal of noncurrent assets		−0.2	−15.5
Cash flows from operating activities	35	**785.6**	**943.9**
Payments to acquire intangible assets		−74.0	−56.2
Payments to acquire property, plant and equipment		−41.6	−77.7
Payments to acquire noncurrent financial instruments		−345.0	−771.0
Payments to acquire investments in associates		−66.2	−6.8
Payments to acquire subsidiaries, net of cash acquired		−2.8	0.1
Effects of the disposal of (shares in) subsidiaries, net of cash disposed		0	10.4
Proceeds from the disposal of shares in associates		23.7[1)]	0
Net decrease/(net increase) in current receivables and securities from banking business with an original term greater than three months		770.1	−12.4
Proceeds from disposals of available-for-sale noncurrent financial instruments		558.3	393.5
Proceeds from the disposal of property, plant and equipment		0.7	0
Cash flows from investing activities	35	**823.2**	**−520.1**
Purchase of treasury shares		−111.7	0
Payments to non-controlling interests		−7.9	0
Net cash received from non-controlling interests		9.7	4.0
Repayment of long-term financing		−5.0	−97.2
Repayment of short-term financing		0	−103.7
Finance lease payments		0	−0.5
Dividends paid		−390.7	−390.5
Cash flows from financing activities		**−505.6**	**−587.9**
Net change in cash and cash equivalents		**1,103.2**	**−164.1**

	Note	2011 €m	2010 €m
Net change in cash and cash equivalents (brought forward)		**1,103.2**	**–164.1**
Effect of exchange rate differences[2]		–0.5	4.0
Cash and cash equivalents as at beginning of period[3]		–445.5	–285.4
Cash and cash equivalents as at end of period[3]	35	**657.2**	**–445.5**
Interest income and other similar income[4]		53.9	21.4
Dividends received[4]		7.9	7.4
Interest paid[4]		–120.4	–105.9
Income tax paid		–401.1	–178.6

1) Return of capital of Direct Edge Holdings, LLC
2) Primarily includes the exchange rate differences arising on translation of the ISE subgroup
3) Excluding cash deposits by market participants
4) Interest and dividend payments are allocated to cash flows from operating activities.

Consolidated statement of changes in equity

for the period 1 January to 31 December 2011

	Note	2011 €m	2010 €m	thereof included in total comprehensive income 2011 €m	thereof included in total comprehensive income 2010 €m
Subscribed capital					
Balance as at 1 January		195.0	195.0		
Balance as at 31 December		**195.0**	**195.0**		
Share premium					
Balance as at 1 January		1,247.0	1,247.0		
Balance as at 31 December		**1,247.0**	**1,247.0**		
Treasury shares					
Balance as at 1 January		–586.5	–587.8		
Purchase of treasury shares		–111.7	0		
Sales within the Group Share Plan		6.5	1.3		
Balance as at 31 December		**–691.7**	**–586.5**		
Revaluation surplus	22				
Balance as at 1 January		124.9	125.2		
Remeasurement of cash flow hedges		–13.7	8.1	–13.7	8.1
Remeasurement of other financial instruments		–32.2	–9.3	–32.2	–9.3
Increase in share-based payments		–2.2	–1.4	0	0
Deferred taxes on remeasurement of financial instruments	12	10.0	2.3	10.0	2.3
Balance as at 31 December		**86.8**	**124.9**		
Accumulated profit	22				
Balance as at 1 January		1,971.0	1,886.8		
Dividends paid	23	–390.7	–390.5	0	0
Acquisition of the interest of non-controlling shareholders in Eurex Zürich AG		–332.9	0	0	0
Net income		848.8	417.8	848.8	417.8
Exchange rate differences and other adjustments		41.6	89.1	47.9	83.7
Deferred taxes	12	–21.2	–32.2	–21.2	–32.2
Balance as at 31 December		**2,116.6**	**1,971.0**		
Shareholders' equity as at 31 December		**2,953.7**	**2,951.4**	**839.6**	**470.4**

	Note	2011 €m	2010 €m	thereof included in total comprehensive income 2011 €m	thereof included in total comprehensive income 2010 €m
Shareholders' equity (brought forward)		2,953.7	2,951.4	839.6	470.4
Non-controlling interests					
Balance as at 1 January		458.9	472.6		
Acquisition of the interest of non-controlling shareholders in Eurex Zürich AG		–252.5	0	0	0
Changes due to capital increases/(decreases)		1.3	–10.5	0	0
Changes due to share in net income of subsidiaries for the period		22.6	–22.7	22.6	–22.7
Exchange rate differences and other adjustments		–17.7	19.5	–16.7	19.2
Balance as at 31 December		212.6	458.9	5.9	–3.5
Total equity as at 31 December		3,166.3	3,410.3	845.5	466.9

Notes to the consolidated financial statements of Deutsche Börse AG as at 31 December 2011

Notes to the consolidated financial statements
Basis of preparation

1. General principles

Deutsche Börse AG ("the Company") is incorporated as a German public limited company ("Aktiengesellschaft") and is domiciled in Germany. The Company's registered office is in Frankfurt/Main.

The 2011 consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRSs) and the related interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union in accordance with Regulation No. 1606/2002 of the European Parliament and of the Council on the application of International Accounting Standards. As at 31 December 2011, there were no effective standards or interpretations not yet adopted by the European Union affecting the consolidated financial statements. Accordingly, the consolidated financial statements also comply with the IFRSs as issued by the IASB.

The disclosures required in accordance with HGB section 315a (1) have been presented in the notes to the consolidated financial statements and the remuneration report, which forms part of the Group management report. The consolidated financial statements are also based on the interpretations issued by the Rechnungslegungs Interpretations Committee (Accounting Interpretations Committee) of the Deutsches Rechnungslegungs Standards Committee e.V. (Accounting Standards Committee of Germany), to the extent that these do not contradict the standards and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or the IASB.

Effects of new accounting standards – implemented in the year under review
The following standards and interpretations issued by the IASB and adopted by the European Commission became effective for Deutsche Börse AG as at 1 January 2011 and were applied for the first time in the 2011 reporting period:

Changes resulting from the "Annual Improvements Project" (May 2010)
The amendments relate to six standards and one interpretation. Most of the amendments are effective for financial years which began on or after 1 January 2011.

Revised IAS 24 “Related Party Disclosures” (November 2009)

The revised version of the standard partially exempts state-controlled entities from disclosure requirements and defines “related parties” more precisely. The standard must be applied for periods which began on or after 1 January 2011.

Amendments to IAS 32 “Classification of Rights Issues” (October 2009)

The changes relate to the accounting treatment of subscription rights issues (rights, options or warrants), denominated in a currency other than the functional currency of the issuer. These rights must be classified as equity instruments if they are offered to all current shareholders holding shares of the same share category at a fixed amount proportionate to their shareholding. The changes are effective for periods which began on or after 1 February 2010.

Amendments to IFRIC 14 “Prepayments of a Minimum Funding Requirement” (November 2009)

The amendments are designed to remove unintended consequences of IFRIC 14. If there is a minimum funding requirement for a defined benefit plan, this prepayment must be recognised as an asset in accordance with amendments. The interpretation is effective at the latest for financial years which began after 31 December 2010.

IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments” (November 2009)

IFRIC 19 provides guidelines on accounting for equity instruments issued by a debtor to fully or partially extinguish a financially liability after renegotiating the terms of the financial liability. The interpretation is effective at the latest for financial years which began after 30 June 2010.

New accounting standards – not yet implemented

The following standards and interpretations, which are relevant to Deutsche Börse Group and which Deutsche Börse Group did not adopt in 2011 prior to the effective date, have been published by the IASB prior to the publication of the 2011 annual report and partially adopted by the European Commission.

IFRS 9 “Financial Instruments” (November 2009)

IFRS 9 introduces new requirements for the classification and measurement of financial assets. These stipulate that all financial assets that have to date fallen within the scope of IAS 39 are either recognised at amortised cost or at fair value. The standard is, taking account of the changes made in 2011, effective for financial years beginning on or after 1 January 2015; earlier application is permitted. The standard has not been adopted by the EU yet.

Amendments to IFRS 7 "Financial Instruments: Disclosures – Transfers of Financial Assets" (October 2010)

The amendments require enhanced disclosures on transactions that lead to the transfer of financial assets. They aim to create greater transparency with regard to risks that are retained by the transferor. The amendments are effective for financial years beginning on or after 1 July 2011; earlier application is permitted. The amendments were adopted by the EU in November 2011.

Amendments to IFRS 9 "Financial Instruments" (October 2010)

The amendments extend IFRS 9 "Financial Instruments" to include rules on accounting for financial liabilities. If the fair value option is applied to financial liabilities, revisions to the recognition of changes in an entity's own credit risk must be taken into account: a change in credit risk must now be recognised in other comprehensive income rather than in profit or loss. The amendments are effective, taking into account the changes made in December 2011, for financial years beginning on or after 1 January 2015. Earlier application is permitted if the rules on accounting for financial assets are also applied. The standard has not been adopted by the EU yet.

Amendments to IFRS 9 and IFRS 7 – "Mandatory Effective Date and Transition Disclosures in the Notes" (December 2011)

The IASB has published amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures", deferring the mandatory effective date of IFRS 9 to annual periods beginning on or after 1 January 2015. In addition, IFRS 9 (rev. 2011) includes exceptions that allow an entity to make additional disclosures in the notes on transition to IFRS 9 instead of adjusting prior-period financial statements. Depending on the adoption date, the following arrangements apply: entities adopting IFRS 9 for the first time for reporting periods

- beginning before 1 January 2012 are not required to adjust prior periods or provide additional transition disclosures in the notes.
- beginning between 1 January 2012 and 31 December 2012 must adjust prior periods, unless they provide the additional transition disclosures in the notes.
- beginning on or after 1 January 2013 are not required to adjust prior periods, but are in all cases required to provide the additional transition disclosures in the notes.

The additional disclosures in the notes required in IFRS 9 have been added as an amendment to IFRS 7: the disclosures required include in particular recognition and measurement for the first reporting period in which IFRS 9 is adopted, the changes in carrying amounts resulting from the transition to IFRS 9, unless they relate to measurement effects at the time of transition, as well as the changes in carrying amounts attributable to such effects. In addition, it must be possible, on the basis of the information disclosed, to reconcile the measurement categories according to IAS 39 and IFRS 9 to individual line items in the financial statements or classes of financial instruments. The amendments to the two standards have not yet been adopted by the EU.

Amendments to IAS 12 "Deferred Tax: Recovery of Underlying Assets" (December 2010)
In accordance with IAS 12, deferred taxes on assets measured using the fair value model of IAS 40 should take into account the varying tax consequences that follow from the different ways of recovering the carrying amount of the asset through sale or through use. Regardless of this distinction, the amendments to the standard presume that the carrying amount will normally be recovered by selling the asset. The amendments must be applied for financial years beginning on or after 1 January 2012. The amendments to the standard have not yet been adopted by the EU.

IFRS 10 "Consolidated Financial Statements" and IAS 27 (2011) "Separate Financial Statements" (May 2011)
IFRS 10 replaces the guidance on control and consolidation contained in IAS 27 (2009) "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation – Special Purpose Entities" by uniform principles and accounting requirements that are applied to all companies to determine control. In the future, IAS 27 will only contain requirements governing separate financial statements. The standards must be applied for financial years beginning on or after 1 January 2013. The standards have not yet been adopted by the EU.

IFRS 11 "Joint Arrangements" (May 2011)
The standard introduces two types of joint arrangement: "joint operations" and "joint ventures". It supersedes IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". The previous option to use proportionate consolidation for jointly controlled entities has been abolished. Venturers in a joint venture must use the equity method of accounting. This standard must be applied for financial years beginning on or after 1 January 2013. IFRS 11 has not yet been adopted by the EU.

IFRS 12 "Disclosure of Interests in Other Entities" (May 2011)
IFRS 12 defines the required disclosures for entities that apply IFRS 10 "Consolidated Financial Statements" and IFRS 11 "Joint Arrangements": these entities must disclose information that enables users of their financial statements to evaluate the nature of, and the risks associated with, their interests in other entities and the effects of those interests on their financial position, financial performance and cash flows. This standard must be applied for financial years beginning on or after 1 January 2013. IFRS 12 has not yet been adopted by the EU.

IFRS 13 “Fair Value Measurement” (May 2011)
This standard describes how to determine fair value and extends the related disclosures. Fair value is defined in IFRS 13 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This standard must be applied for financial years beginning on or after 1 January 2013. IFRS 13 has not yet been adopted by the EU.

Amendments to IAS 28 “Investments in Associates and Joint Ventures” (May 2011)
One of the amendments to IAS 28 was to include accounting disclosures for joint ventures in the standard; the basic approach for assessing the existence of significant influence and rules for applying the equity method have been retained. This standard must be applied for financial years beginning on or after 1 January 2013. The amendments to the standard have not yet been adopted by the EU.

Amendments to IAS 1 “Presentation of Financial Statements” (June 2011)
The amendments to IAS 1 henceforth require entities to classify expenses and income recognised in other comprehensive income into two categories. The classification will depend on whether or not the item is reclassified (recycled) to profit or loss in the future. Items that are not recycled to the income statement must be presented separately from items that are recognised in profit or loss in the future. The amendments are effective retrospectively for financial years beginning on or after 1 July 2012. The amendments to the standard have not yet been adopted by the EU.

Amendment to IAS 19 “Employee Benefits” (June 2011)
This amendment to the standard relates in particular to the recognition of actuarial gains and losses in other comprehensive income; the previously permitted corridor approach has been removed. Past service cost must still be recognised in the period in which the plan amendment occurs; as a result, the standard no longer allows this cost to be allocated over the entire period until the claims vest. In addition, a uniform interest rate to be determined on the basis of the return on high-quality corporate bonds must be used to calculate the net interest expense/income on net assets and net liabilities. The amendments are effective retrospectively for financial years beginning on or after 1 January 2013. The amendment to the standard has not yet been adopted by the EU.

Amendments to IAS 32 and IFRS 7 – "Offsetting of Financial Assets and Financial Liabilities" (December 2011)

The IASB has revised the guidance for offsetting financial assets and financial liabilities and published the results in the form of amendments to IAS 32 "Financial Instruments: Presentation" and to IFRS 7 "Financial Instruments: Disclosures".

The offsetting requirements laid down in IAS 32 have been retained in principle, and additional guidance has been provided for clarification. In this guidance, the IASB emphasises firstly that an unconditional, legally enforceable right of set-off must exist, even if one of the parties involved is insolvent. Secondly, it lists illustrative criteria under which gross settlement of a financial asset and a financial liability nevertheless leads to offsetting. The additional guidance is effective retrospectively for financial years beginning on or after 1 January 2014. The amendments have not yet been adopted by the EU.

Amendments to IFRS 7 "Financial Instruments: Disclosures" (December 2011)

The amendments introduce new disclosure requirements for certain offsetting arrangements: the disclosure requirement applies regardless of whether the offsetting arrangement has in fact led to the financial assets and financial liabilities being offset. In addition to a qualitative description of the rights of set-off, the guidance specifically also requires quantitative disclosures. The amendments to IFRS 7 are effective retrospectively for financial years beginning on or after 1 January 2013. The amendments have not yet been adopted by the EU.

Deutsche Börse Group cannot at this stage assess conclusively what the impact of the application of the new and amended standards and interpretations will be. In addition to extended disclosure requirements, a material effect on the consolidated financial statements is expected especially from the initial application of IAS 19 and IFRS 9. Due to the previous application of the corridor method for accounting in accordance with IAS 19, the first-time adoption of the amended standard based on the values as at 31 December 2011 would lead to an increase in pension obligations. Actuarial gains and losses will be reflected in other comprehensive income without any effect on the income statement in the future.

2. Basis of consolidation

Deutsche Börse AG's equity interests in subsidiaries, associates and joint ventures as at 31 December 2011 included in the consolidated financial statements are presented in the following tables. Unless otherwise stated, the financial information in these tables is presented in accordance with the generally accepted accounting principles in the companies' countries of domicile.

Fully consolidated subsidiaries

Company	Domicile	Equity interest as at 31 Dec. 2011 direct (indirect) %
Clearstream Holding AG	Germany	100.00
Clearstream International S.A.	Luxembourg	(100.00)
Clearstream Banking S.A.	Luxembourg	(100.00)
Clearstream Banking Japan, Ltd.	Japan	(100.00)
REGIS-TR S.A.	Luxembourg	(50.00)
Clearstream Banking AG	Germany	(100.00)
Clearstream Services S.A.	Luxembourg	(100.00)
Clearstream Operations Prague s.r.o	Czech Republic	(100.00)
LuxCSD S.A.	Luxembourg	(50.00)
Deutsche Boerse Systems, Inc.	USA	100.00[3]
Eurex Zürich AG	Switzerland	50.00[4]
Eurex Frankfurt AG	Germany	(50.00)[4]
Eurex Bonds GmbH	Germany	(39.72)[6]
Eurex Clearing AG	Germany	(50.00)[4]
Eurex Repo GmbH	Germany	(50.00)[4]
Eurex Services GmbH	Germany	(50.00)[4]
U.S. Exchange Holdings, Inc.	USA	(50.00)[4]
International Securities Exchange Holdings, Inc.	USA	(50.00)[4]
ETC Acquisition Corp.	USA	(50.00)[4]
International Securities Exchange, LLC	USA	(50.00)[4]
Longitude LLC	USA	(50.00)[4]
Finnovation S.A.	Luxembourg	100.00
Infobolsa S.A.	Spain	50.00
Difubolsa, Serviços de Difusão e Informaçao de Bolsa, S.A.	Portugal	(50.00)
Infobolsa Deutschland GmbH	Germany	(50.00)
Open Finance, S.L.	Spain	(31.00)
Market News International Inc.	USA	100.00
MNI Financial and Economic Information (Beijing) Co. Ltd.	China	(100.00)
Need to Know News, LLC	USA	(100.00)
Risk Transfer Re S.A.	Luxembourg	100.00
STOXX Ltd.	Switzerland	50.10
Tradegate Exchange GmbH	Germany	76.25[7]
Deutsche Börse Services s.r.o	Czech Republic	100.00[3]

1) Includes capital reserves and retained earnings, accumulated gains or losses and net profit or loss for the year and, if necessary, further components according to the respective local GAAP
2) Before profit transfer or loss absorption
3) Direct interest as a result of the merger of Deutsche Börse Systems AG with Deutsche Börse AG (2010: indirect interest)
4) Beneficial interest in profit or loss: 85 percent
5) Thereof income from profit pooling agreements with their subsidiaries amounting to €65,563 thousand is included.
6) Beneficial interest in profit or loss: 67.52 percent
7) Thereof, 1.25 percent are indirectly held via Tradegate AG Wertpapierhandelsbank.

Currency	Ordinary share capital thousands	Equity[1)] thousands	Total assets thousands	Sales revenue 2011 thousands	Net profit/loss 2011 thousands	Initially consolidated
€	101,000	2,115,314	2,288,922	0	173.436[2)]	2007
€	25,000	866,230	883,511	66,389	227,543	2002
€	57,808	521,330	15,393,830	502,072	162,154	2002
JPY	6,500	29,688	68,217	69,798	4,810	2009
€	3,600	2,798	2,935	0	–789	9 Dec. 2010
€	25,000	286,441	938,129	347,792	102,562	2002
€	30,000	60,827	106,576	186,633	8,109	2002
CZK	35,200	61,445	273,375	284,396	12,233	2008
€	6,000	5,700	6,433	0	–296	21 July 2010
US$	400	3,489	3,991	9,764	258	2000
CHF	10,000	300,452	325,132	34,976	3,348	1998
€	6,000	897,959	1,608,962	0	33.548[5)]	1998
€	3,600	6,087	7,143	4,295	1,494	2001
€	25,000	113,624	14,254,988	0	897[2)]	1998
€	100	550	11,278	11,805	9.543[2)]	2001
€	25	1,182,469	1,238,250	0	55.770[2)]	2007
US$	1,000	0	1,032,673	0	–55,246	2003
US$	0	1,796,338	2,071,328	0	63,644	2007
US$	0	3,510	3,510	580	580	2007
US$	0	87,554	174,556	269,359	54,406	2007
US$	0	21	210	0	–556	2007
€	107,400	88,968	94,141	6,457	–6,560	2008
€	331	12,019	13,871	8,584	729	2002
€	50	137	180	200	31	2002
€	100	1,226	1,253	85	55	2003
€	4	811	1,237	2,143	222	31 Jan. 2011
US$	5,718	15,726	15,775	4,874	924	2009
CNY	0	140	149	248	–64	3 Mar. 2011
US$	4,193	5,686	8,259	69	1,202	2009
€	1,225	1,225	10,024	1,317	0	2004
CHF	1,000	103,927	127,555	92,192	36,168	2009
€	500	883	1,284	1,491	311	8 Jan. 2010
CZK	200	88,472	171,863	370,724	11,633	2006

Deutsche Börse AG holds 50 percent of the voting rights in Infobolsa S.A. The key decision-making body of Infobolsa S.A. is the Board of Directors, where the casting vote gives Deutsche Börse AG the majority of the votes.

In addition, as at 31 December 2011, Deutsche Börse AG held 50 percent of the voting rights in Eurex Zürich AG. Since the key decision-making body of Eurex Zürich AG, the Supervisory Board, is controlled by a Deutsche Börse AG majority, Deutsche Börse AG can govern the company's financial and operating policies through this body.

Deutsche Börse AG indirectly holds 39.7 percent of the voting rights in Eurex Bonds GmbH. Through its subsidiary Eurex Zürich AG, which holds 79.4 percent of the voting rights, it can govern the financial and operating policies of Eurex Bonds GmbH.

Deutsche Börse AG indirectly holds 50 percent of the voting rights in LuxCSD S.A. Since its subsidiary Clearstream International S.A., which holds 50 percent of the voting rights, has the right to appoint the Chairman of the Supervisory Board, who also has a casting vote, there is a presumption of control.

Moreover, Deutsche Börse AG indirectly holds 50 percent of the voting rights in REGIS-TR S.A. Since its subsidiary Clearstream Banking S.A., which holds 50 percent of the voting rights, has the right to appoint the Chairman of the Supervisory Board, who in turn has a casting vote, there is a presumption of control.

Changes to consolidated subsidiaries

	Germany	Foreign	Total
As at 1 January 2011	12	22	34
Additions	0	2	2
Disposals	–3	0	–3
As at 31 December 2011	**9**	**24**	**33**

On 31 January 2011, Infobolsa S.A., Madrid, Spain, acquired a share of 62 percent in Open Finance, S.L., Valencia, Spain, for a purchase price of €3.5 million. Goodwill amounting to €3.1 million resulted from the transaction. Deutsche Börse AG indirectly holds 31 percent of the voting rights in Open Finance, S.L. It can govern the financial and operating policies of Open Finance, S.L. through its subsidiary Infobolsa S.A. The company was fully included in the consolidated financial statements for the first time as at 31 January 2011.

Deutsche Börse Systems AG, Deutsche Gesellschaft für Wertpapierabwicklung mbH and Xlaunch GmbH, all Frankfurt/Main, Germany, were merged with Deutsche Börse AG on 31 March, 27 June and 22 August 2011, respectively.

Effective 3 March 2011, Market News International Inc., Chicago, USA, formed MNI Financial and Economic Information (Beijing) Co. Ltd., Beijing, China. Since Market News International Inc. is the sole shareholder and therefore holds more than half the voting rights, there is a presumption of control. The subsidiary has been included in full in the consolidated financial statements since the first quarter.

On 7 June 2011, Deutsche Börse AG, SIX Group AG and SIX Swiss Exchange AG entered into a share purchase agreement under which SIX Swiss Exchange AG undertakes to contribute the Swiss derivatives business relating to Eurex Zürich AG to a subsidiary to be newly formed and to distribute 100 percent of the shares of this subsidiary as a non-cash dividend to SIX Group AG. SIX Group AG will then sell these shares to Deutsche Börse AG for a total purchase price of €590 million. The purchase price will be settled in cash in the amount of €295 million as well as by delivery of 5,286,738 shares of Deutsche Börse AG. As the completion of the transaction with SIX Group AG or SIX Swiss Exchange AG, respectively, is tied to certain requirements that relate among other things to the end of 31 March 2012, the share purchase agreement was not fulfilled as at 31 December 2011.

Associates and joint ventures accounted for using the equity method as at 31 December 2011 in accordance with IAS 28 or IAS 31 are indicated in the following table:

Associates and joint ventures

Company, domicile	Segment[1]	Equity interest as at 31 Dec. 2011 direct (indirect) %	Currency	Ordinary share capital thousands	Assets thousands	Liabilities thousands	Sales revenue 2011 thousands	Net profit/loss 2011 thousands	Associate since
Deutsche Börse Commodities GmbH, Germany	Xetra	16.20	€	1,000	2,061,127[2]	2,058,475[2]	4,549[2]	1,280[2]	2007
European Energy Exchange AG, Germany[3][4]	Eurex	(28.07)	€	40,050	504,654	394,999	45,586	11,299	1999
ID's SAS, France	Eurex	14.49	€	9	1,941[2]	597[2]	855[2]	–176[2]	4 Nov. 2010
Digital Vega FX Ltd., United Kingdom	Market Data & Analytics	13.02	GBP	0[7]	1,851[7]	266[7]	0[7]	–607[7]	24 June 2011
Link-Up Capital Markets, S.L., Spain	Clearstream	(23.47)	€	60	8,477[2]	2,226[2]	1,125[2]	–2,362[2]	2008
Scoach Holding S.A., Luxembourg[3][4]	Xetra	50.01	€	100	40,896[2]	9,118[2]	56,166[2]	12,654[2]	2009
Indexium AG, Switzerland	Market Data & Analytics	49.90	CHF	100	3,690	10,299	61	–8,050	2009
Phineo gAG, Germany	Xetra	25.00	€	50	1,557[2]	72[2]	71[2]	30[2]	12 Mar. 2010
The Options Clearing Corporation, USA	Eurex	(10.00)	US$	600[6]	3,315,384[6]	3,295,048[6]	158,107[6]	8,174[6]	2007
Tradegate AG Wertpapier-handelsbank, Germany[5]	Xetra	5.00	€	24,525	40,113[2]	3,707[2]	34,452[2]	4,444[2]	8 Jan. 2010

1) For associates and joint ventures allocated to the Eurex segment, the figures reported reflect 50 percent of the Eurex subgroup's equity interest. In 2011, the beneficial interest in profit or loss amounts to 85 percent of the Eurex subgroup's equity interest.
2) Preliminary figures
3) Subgroup figures
4) There is no control.
5) At the balance sheet date the fair value of the 5 percent stake in the listed company amounted to €6.7 million.
6) Figures as at 31 December 2010
7) Shortened financial year; period ended 30 November 2011

The equity investment agreement relating to Scoach Holding S.A. between Deutsche Börse AG and SIX Swiss Exchange AG requires the parties to take unanimous decisions on the operating budget of, and investment decisions by, Scoach. Consequently, Scoach Holding S.A. is classified as an associate, because, although Deutsche Börse AG holds over 50 percent of the voting rights in Scoach Holding S.A., it does not have control over the company. For this reason, Scoach Holding S.A. is classified as a joint venture and accounted for using the equity method.

On 23 December 2010, Eurex Zürich AG and Landesbank Baden-Württemberg (LBBW) reached an agreement regarding the acquisition of the shares in European Energy Exchange AG (EEX) previously held by LBBW through Eurex Zürich AG. After the closing of the tender process set out in the consortium agreement, 31 out of 40 EEX shareholders had waived a pro rata acquisition. The purchase price paid by Eurex Zürich AG on 12 April 2011 amounted to €64.9 million. The interest of Eurex Zürich AG in EEX rose from 35.23 percent to 56.14 percent. As Deutsche Börse Group does not hold the majority in EEX's supervisory board, the Group does not have control. Thus, the company will continue to be accounted for as associate in Deutsche Börse Group's consolidated financial statements.

Effective 24 June 2011, Deutsche Börse AG acquired a 13.02 percent share in Digital Vega FX Ltd., London, United Kingdom, for a purchase price of US$1.8 million. Purchase price allocation, which had been completed as at the reporting date, resulted in goodwill of US$1.4 million. Although Deutsche Börse AG holds less than 20 percent of the voting rights in the company, Deutsche Börse AG has significant influence in accordance with IAS 28.7 (a) because representatives of Deutsche Börse Group are members of the Board of Directors and in accordance with IAS 28.7 (b) because representatives of Deutsche Börse Group participate in decisions on financial policy. As Deutsche Börse AG exercises significant influence, the company has been classified as an associate and accounted for using the equity method since that date.

With the publication of the 2010 annual financial statements of ID's SAS, Paris, France, on 26 April 2011, it was officially announced that the earn-out component of the agreement on the pre-emptive rights between ID's SAS and Deutsche Börse AG had not been achieved. As a result, Deutsche Börse AG acquired the right to exercise the options for the 2010 tranche. Consequently, Deutsche Börse AG purchased an additional 5 percent of ID's SAS on 1 June 2011 at a purchase price of €484.00, bringing its total interest held to 14.5 percent. As Deutsche Börse AG exercises significant influence within the meaning of IAS 28, the company continues to be classified as an associate and accounted for using the equity method.

On 22 December 2011, the US Department of Justice approved, subject to conditions, the transaction planned at the time between Deutsche Börse Group and NYSE Euronext. Deutsche Börse AG and NYSE Euronext agreed to these conditions on the same date. These included in particular the requirement to dispose of the interest in Direct Edge Holdings, LLC. With effect from the announcement, the significant influence over Direct Edge was no longer allowed to be exercised; in particular, the members of the management and supervisory bodies of Direct Edge appointed by Deutsche Börse Group were no longer allowed to participate in decisions or receive non-public information from Direct Edge. As a result of this relinquishment of significant influence, the company was no longer classified as an associate as at 31 December 2011. Following the European Commission's prohibition of the transaction, the US Department of Justice, invalidated its judgement with all conditions included therein on 9 February 2012. Since therefore Deutsche Börse Group attained power to excercise significant influence on Direct Edge Holdings, LLC again, the company has been again classified as an associate and accounted for using the equity method.

Where Deutsche Börse Group's share of the voting rights in a company amounts to less than 20 percent, Deutsche Börse Group's significant influence is exercised in accordance with IAS 28.7 (a) at least through the Group's representation on the Supervisory Board or the Board of Directors of the following companies as well as through corresponding monitoring systems: Deutsche Börse Commodities GmbH, The Options Clearing Corporation and Tradegate AG Wertpapierhandelsbank.

3. Accounting policies

Deutsche Börse AG's consolidated financial statements have been prepared in euros, the functional currency of Deutsche Börse AG. Unless stated otherwise, all amounts are shown in millions of euros (€m). The annual financial statements of subsidiaries included in the consolidated financial statements have been prepared on the basis of the Group-wide accounting principles based on IFRSs that are described in the following.

Recognition of revenue and expenses
Trading, clearing and settlement fees are recognised on the trade day and billed on a monthly basis. Custody revenue and revenue for systems development and systems operation are generally recognised ratably and billed on a monthly basis. Sales of price information are billed on a monthly basis. Fees charged to trading participants in connection with International Securities Exchange, LLC's expenses for supervision by the U.S. Securities and Exchange Commission (SEC) are recognised at the settlement date.

International Securities Exchange, LLC earns market data revenue from the sale of trade and quote information on options through the Options Price Reporting Authority, LLC (OPRA, the regulatory authority responsible for distributing market data revenues among the US options exchanges). Pursuant to SEC regulations, US exchanges are required to report trade and quote information to OPRA. International Securities Exchange, LLC earns a portion of the income of the US option exchange association based on its share of eligible trades for option securities. Revenue is recorded as transactions occur on a trade date basis and is collected quarterly.

As a rule, rebates are deducted from sales revenue. They are recognised as an expense under volume-related costs to the extent that they exceed the associated sales revenue. The item also comprises expenses that depend on the number of certain trade or settlement transactions, the custody volume, or the Global Securities Financing volume or that result from revenue sharing agreements.

Interest income and expenses are recognised using the effective interest method over the respective financial instrument's term to maturity. Interest income is recognised when it is probable that the economic benefits associated with the transaction will flow to the entity and the income can be measured reliably. Interest expenses are recognised as an expense in the period in which they are incurred. Interest income and expenses from banking business are netted in the consolidated income statement and disclosed separately in note 5.

Dividends are recognised in the result from equity investments if the right to receive payment is based on legally assertable claims.

Research and development costs

Research costs are expensed in the period in which they are incurred. Development costs are capitalised, provided that they satisfy the recognition criteria set out in IAS 38. These development costs include direct labour costs, costs of purchased services and workplace costs, including proportionate overheads that can be directly attributed to the preparation of the respective asset for use, such as costs for the software development environment. Development costs that do not meet the requirements for capitalisation in accordance with IAS 38 are recognised in the consolidated income statement. Interest expense that cannot be allocated directly to one of the developments is recognised in profit or loss in the year under review and not included in capitalised development cost. If research and development costs cannot be separated, the expenditures are recognised as expenses in the period in which they are incurred.

All development costs (both primary costs and costs incurred subsequently) are allocated to projects. The projects are broken down into the following phases in order to decide which cost components need capitalising and which do not:

Non-capitalised phases

1. Design:
- Definition of product design
- Specification of the expected economic benefit
- Initial cost and revenue forecast

Capitalised phases

2. Detailed specifications:
- Compilation and review of precise specifications
- Troubleshooting process

3. Building and testing:
- Software programming
- Product testing

Non-capitalised phases

4. Acceptance:
- Planning and implementation of acceptance tests

5. Simulation:
- Preparation and implementation of simulation
- Compilation and testing of simulation software packages
- Compilation and review of documents

6. Roll-out:
- Planning of product launch
- Compilation and dispatch of production systems
- Compilation and review of documents

In accordance with IAS 38, only tasks belonging to the “Detailed specifications” and “Building and testing” phases are capitalised. All other earlier or later phases of the software development projects are expensed.

Intangible assets

Capitalised development costs are amortised from the date of first use of a software using the straight-line method over its expected useful life. The useful life of internally developed software is generally assumed to be five years; a useful life of seven years is used as the basis in the case of newly developed trading platforms.

Purchased software is carried at cost and reduced by systematic amortisation and, where necessary, impairment losses. Amortisation is charged using the straight-line method over the expected useful life or at most until the right of use has expired.

Useful life of software

Asset	Amortisation period
Standard software	3 to 10 years
Purchased custom software	3 to 6 years
Internally developed custom software	3 to 7 years

Intangible assets are derecognised on disposal or when no further economic benefits are expected to flow from them.

The amortisation period for intangible assets with finite useful lives is reviewed at least at the end of each financial year. If the expected useful life of an asset differs from previous estimates, the amortisation period is adjusted accordingly.

Goodwill is recognised at cost and tested at least once a year for impairment.

The cost of the other intangible assets acquired in the course of business combinations corresponds to the fair value as at the acquisition date. Assets with a finite useful life are amortised using the straight-line method over the expected useful life. Assets with an indefinite useful life are tested for impairment at least once a year.

Useful life of other intangible assets arising out of business combinations

Asset	Amortisation period
ISE's exchange licence	indefinite
Member relationships	30 years
Customer relationships	12, 30 years
ISE trade name	10 years
STOXX trade name	indefinite
Historical data	5 years
Restrictions on competition	1 to 3 years

As ISE's exchange licence has an indefinite term and ISE expects to retain the licence as part of its overall business strategy, the useful life of this asset is classified as indefinite. The STOXX trade name includes the trade name itself, the index methodologies and the Internet domains because these can generally not be transferred separately. There are no indications that time limitations exist with regard to the useful life of the STOXX trade name. A review is performed each reporting period to determine whether the events and circumstances still justify classifying as indefinite the useful life of ISE's exchange licence and the STOXX trade name.

Property, plant and equipment

Depreciable property, plant and equipment is carried at cost less cumulative depreciation. The straight-line depreciation method is used. Costs of an item of property, plant and equipment comprises all costs directly attributable to the production process, as well as an appropriate proportion of production overheads. Financing costs were not recognised in the year under review, as they could not be directly allocated to any particular development.

Useful life of property, plant and equipment

Asset	Depreciation period
Computer hardware	3 to 5 years
Office equipment	5 to 25 years
Leasehold improvements	based on lease term

Repair and maintenance costs are expensed as incurred.

If it is probable that the future economic benefits associated with an item of property, plant and equipment will flow to the Group and the cost of the respective asset can be reliably determined, expenditure subsequent to acquisition is added to the carrying amount of the asset as incurred. The carrying amounts of the parts of the asset that have been replaced are derecognised.

Financial assets

Financial assets comprise investments in associates and financial assets as described in the “Financial instruments” section.

Investments in associates consist of investments in joint ventures and other associates. They are measured at cost on initial recognition and accounted for using the equity method upon subsequent measurement.

Impairment testing

In accordance with IAS 36, noncurrent non-financial assets are tested for impairment. At each balance sheet date, the Group assesses whether there is any indication that an asset may be impaired. In this case, the carrying amount is compared with the recoverable amount (the higher of value in use and fair value less costs to sell) to determine the amount of any potential impairment. The value in use is estimated on the basis of the discounted estimated future cash flows from continuing use of the asset and from its ultimate disposal, before taxes. For this purpose, discount rates are estimated based on the prevailing pre-tax weighted average cost of capital. If no recoverable amount can be determined for an asset, it is allocated to a cash-generating unit, for which the recoverable amount is calculated.

Irrespective of any indications of impairment, intangible assets with indefinite useful lives and intangible assets not yet available for use must be tested for impairment annually at least. Impairment tests are performed where there are indications of impairment. If the estimated recoverable amount is lower than the carrying amount, an impairment loss is recognised, and the net book value of the asset is reduced to its estimated recoverable amount.

Goodwill is allocated to identifiable groups of assets (cash-generating units) or groups of cash-generating units that create synergies from the respective acquisition. This corresponds to the lowest level at which Deutsche Börse Group monitors goodwill. An impairment loss is recognised if the carrying amount of the cash-generating unit to which goodwill is allocated (including the carrying amount of this goodwill) is higher than the recoverable amount of this group of assets. The impairment loss is first allocated to the goodwill, then to the other assets in proportion to their carrying amounts.

A review is conducted at every balance sheet date to see whether there is any indication that an impairment loss recognised on noncurrent assets (excluding goodwill) in the previous period no longer applies. If this is the case, the carrying amount of the asset is increased and the difference is recognised in profit or loss. The maximum amount of this reversal is limited to the carrying amount that would have resulted if no impairment loss had been recognised in previous periods. In accordance with IAS 36, impairment losses on goodwill are not reversed.

Financial instruments
Financial instruments comprise financial assets and liabilities. For Deutsche Börse Group, financial assets are, in particular, other equity investments, receivables and securities from banking business, other financial instruments and other loans, receivables and other assets as well as bank balances. Financial liabilities relate primarily to interest-bearing liabilities, other noncurrent liabilities, liabilities from banking business, financial instruments of Eurex Clearing AG, cash deposits by market participants as well as trade payables.

Recognition of financial assets and liabilities
Financial assets and liabilities are recognised when a Group company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are generally recognised at the trade date. Loans and receivables from banking business, available-for-sale financial assets from banking business as well as purchases and sales of equities via the central counterparty (i.e. Eurex Clearing AG) are recognised at the settlement date.

Financial assets are initially measured at fair value; in the case of a financial asset that is not measured at fair value through profit or loss in subsequent periods, this includes transaction costs.

Subsequent measurement of financial assets and liabilities
Subsequent measurement of financial instruments follows the categories to which they are allocated in accordance with IAS 39 and which are described below. As in previous years, Deutsche Börse Group did not take advantage of the option to allocate financial assets to the “held-to-maturity investments” category in the year under review. In addition, the Group waived the possibility to designate financial assets or liabilities at fair value through profit and loss (fair value option).

Assets held for trading
Derivatives that are not designated as hedging instruments as well as financial instruments of Eurex Clearing AG (see details below) are measured at fair value through profit or loss. Apart from financial instruments of Eurex Clearing AG this category includes in particular interest rate swaps, currency swaps and forward foreign exchange transactions.

Fair value of these derivatives is calculated based on observable current market rates. If resulting from banking business, realised and unrealised gains and losses are immediately recognised in the consolidated income statement as “other operating income” and “other operating expenses” or, if incurred outside the banking business, as “financial income” and “financial expenses”.

Loans and receivables

Loans and receivables comprise in particular current and noncurrent receivables from banking business, trade receivables as well as other current receivables. They are recognised at amortised cost, taking into account any potential impairment losses, if applicable. Premiums and discounts are included in the amortised cost of the instrument concerned and are amortised using the effective interest method; they are contained in “net interest income from banking business” if they relate to banking business, or in “financial income” and “financial expense”.

Available-for-sale financial assets

Non-derivative financial assets are classified as “available-for-sale financial assets”, if they cannot be allocated to the “loans and receivables” and “assets held for trading” categories. These assets comprise debt and equity investments recognised in the “other equity investments” and “other financial instruments” items as well as debt instruments recognised in the current and noncurrent receivables and securities from banking business items.

Available-for-sale financial assets are generally measured at the fair value observable in an active market. Unrealised gains and losses are recognised directly in equity in the revaluation surplus. Impairment and effects of exchange rates on monetary items are excluded from this general rule; they are recognised in profit or loss.

Equity instruments for which no active market exists are measured on the basis of current comparable market transactions, if these are available. If an equity instrument is not traded in an active market and alternative valuation methods cannot be applied to that equity instrument, it is measured at cost, subject to an impairment test.

Realised gains and losses are generally recognised under financial income or financial expense. Interest income is recognised in the consolidated income statement in net interest income from banking business based on the effective interest rate method. Other realised gains and losses are recognised in the consolidated income statement in “other operating income” and “other operating expenses”.

If debt instruments of banking business are hedged instruments under fair value hedges, hedge accounting is applied for fair value adjustments corresponding to the hedged item (see “Fair value hedges” below).

Derecognition of financial assets and liabilities

Financial assets are derecognised when the contractual rights to the cash flows expire or when substantially all the risks and rewards of ownership of the financial assets are transferred. Financial liabilities are derecognised when the obligations specified in the contracts are discharged or cancelled.

Clearstream Banking S.A. acts as principal in securities borrowing and lending transactions in the context of the ASLplus securities lending system. Legally, it operates between the lender and the borrower without being an economic contracting partner (transitory items). In these transactions, the securities borrowed and lent match each other. Consequently, these transactions are not recognised in the consolidated balance sheet.

Netting of financial assets and liabilities
Financial assets and liabilities are offset and only the net amount is presented in the consolidated balance sheet when a Group company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Impairment of financial assets
Financial assets that are not measured at fair value through profit or loss are reviewed at each balance sheet date to establish whether there is any indication of impairment.

Deutsche Börse Group has laid down criteria for assessing whether there is evidence of impairment. These criteria primarily include significant financial difficulties on the part of the debtor and breaches of contract.

The amount of an impairment loss for a financial asset measured at amortised cost is the difference between the carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. A subsequent reversal is recognised at a maximum at the carrying amount that would have resulted if no impairment loss had been recognised.

The amount of an impairment loss for a financial asset (non-listed equity instrument) measured at cost is the difference between the carrying amount and the present value of the estimated future cash flows, discounted at a current market interest rate. Subsequent reversal is not permitted.

In the case of available-for-sale financial assets, the impairment loss is calculated as the difference between cost and fair value. Any reduction in fair value already recognised in equity is reclassified to profit or loss upon determination of the impairment loss. A subsequent reversal may only be recognised for debt instruments if the reason for the original impairment loss no longer applies.

Financial liabilities not measured at fair value through profit and loss
Financial liabilities not held for trading are carried at amortised cost. These liabilities comprise issued bonds and private placements. The borrowing costs associated with the placement of financial liabilities are included in the carrying amount if they are directly attributable. Discounts reduce the carrying amount of liabilities and are amortised over the term of the liabilities.

Financial liabilities measured at fair value through profit and loss
A forward transaction with a non-controlling shareholder for the acquisition of non-controlling interests that is settled in cash or by delivering other financial assets is a financial liability recognised at fair value. It is subsequently measured at fair value through profit and loss. The equity interest attributable to a non-controlling shareholder underlying the transaction is accounted for as if it had already been acquired at the time of the transaction.

Derivatives and hedges
Derivatives are used to hedge interest rate risk or foreign exchange risk associated with the activities of Deutsche Börse Group. All derivatives are carried at their fair values. The fair value of interest rate swaps is determined on the basis of current observable market interest rates. The fair value of forward foreign exchange transactions is determined on the basis of forward foreign exchange rates at the balance sheet date for the remaining period to maturity.

Hedge accounting is applied for derivatives that are part of a hedging relationship determined to be highly effective under IAS 39 and for which the conditions of IAS 39.88 are met, as follows.

Cash flow hedges
The portion of the gain or loss on the hedging instrument determined to be highly effective is recognised directly in equity. This gain or loss ultimately adjusts the value of the hedged cash flow, i.e. the gain or loss from the hedging instrument is recognised in profit or loss when the hedged item is recognised in the balance sheet or in profit or loss. The ineffective portion of the gain or loss is recognised immediately in the consolidated income statement.

Fair value hedges
The gain or loss on the hedging instrument, together with the gain or loss on the hedged item (underlying) attributable to the hedged risk, is recognised immediately in the consolidated income statement. Any gain or loss on the hedged item adjusts its carrying amount.

Hedges of a net investment in a foreign operation
The effective portion of the gain or loss from a hedging transaction that is designated as a highly effective hedge is recognised directly in equity. It is recognised in profit or loss when the foreign operation is sold. The ineffective portion of the gain or loss is recognised immediately in the consolidated income statement.

Derivatives that are not part of a hedging relationship
Gains or losses on derivative instruments that are not part of a highly effective hedging relationship are recognised immediately in the consolidated income statement.

Financial instruments of Eurex Clearing AG (central counterparty)
Eurex Clearing AG acts as the central counterparty and guarantees the settlement of all transactions involving futures and options on the Eurex exchanges (Eurex Deutschland and Eurex Zürich AG). As the central counterparty, it also guarantees the settlement of all transactions for Eurex Bonds (bond trading platform) and Eurex Repo (repo trading platform), certain exchange transactions in equities on Frankfurter Wertpapierbörse (FWB, the Frankfurt Stock Exchange) and certain cash market transactions on the Irish Stock Exchange. In addition, Eurex Clearing AG guarantees the settlement of all OTC (over-the-counter, i.e. off-exchange) transactions entered in the trading system of the Eurex exchanges, Eurex Bonds, Eurex Repo, the Frankfurt Stock Exchange and the Irish Stock Exchange. These transactions are only executed between Eurex Clearing AG and a clearing member.

In accordance with IAS 39.38, purchases and sales of equities via the central counterparty are recognised and simultaneously derecognised at the settlement date.

For products that are marked to market (futures and options on futures), Eurex Clearing AG recognises gains and losses on open positions of clearing members on each exchange day. By means of the variation margin, profits and losses on open futures positions resulting from market price fluctuations are settled on a daily basis. The difference between this and other margin types is that the variation margin does not comprise collateral, but is a daily offsetting of profits and losses in cash. In accordance with IAS 39.17 (a) and IAS 39.39, futures are therefore not reported in the consolidated balance sheet. For future-style options, the option premium is not required to be paid in full until the end of the term or upon exercise. Option premiums are carried in the consolidated balance sheet as receivables and liabilities at their fair value on the trade date.

“Traditional” options, for which the buyer must pay the option premium in full upon purchase, are carried in the consolidated balance sheet at fair value. Correspondingly, credit default swaps are also carried at fair value. Fixed-income bond forwards are recognised as derivatives and carried at fair value until the settlement date. Receivables and liabilities from repo transactions are classified as held for trading and carried at fair value. Receivables and liabilities from variation margins and cash collateral that is determined on the reporting date and only paid on the following day are carried at their nominal amount.

The fair values recognised in the consolidated balance sheet are based on daily settlement prices. These are calculated and published by Eurex Clearing AG in accordance with the rules set out in the contract specifications (see also the Clearing Conditions of Eurex Clearing AG).

Cash or securities collateral of Eurex Clearing AG
As Eurex Clearing AG guarantees the settlement of all traded contracts, it has established a multi-level collateral system. The central pillar of the collateral system is the determination of the overall risk per clearing member (margin) to be covered by cash or securities collateral. Losses calculated on the basis of current prices and potential future price risks are covered up to the date of the next collateral payment.

In addition to these daily collateral payments, each clearing member must make contributions to the clearing fund (for further details, see the risk report in the Group management report). Cash collateral is reported in the consolidated balance sheet under “cash deposits by market participants” and the corresponding amounts under “restricted bank balances”. In accordance with IAS 39.20 (b) in conjunction with IAS 39.37, securities collateral is not derecognised by the clearing member providing the collateral, as the transfer of securities does not meet the conditions for derecognition.

Treasury shares
The treasury shares held by Deutsche Börse AG at the reporting date are deducted directly from shareholders’ equity. In accordance with IAS 32.33, gains or losses on treasury shares are taken directly to equity. The transaction costs directly attributable to the acquisition of treasury shares are accounted for as a deduction from shareholders’ equity (net of any related income tax benefit).

Other current assets
Receivables, other assets, and cash and cash equivalents are carried at their nominal amount. Adequate valuation allowances take account of identifiable risks.

Restricted bank balances include cash deposits by market participants which are invested largely overnight, mainly in the form of reverse repurchase agreements with banks. Cash funds attributable to the Clearstream subgroup arising from minimum reserve requirements at central banks are also included in this item.

Provisions for pensions and other employee benefits
Provisions for pension obligations are measured using the projected unit credit method on the basis of actuarial reports in accordance with IAS 19. The obligations are measured at the balance sheet date each year using actuarial methods that conservatively estimate the relevant parameters. The pension benefits expected on the basis of projected salary growth are spread over the remaining length of service of the employees. The calculations are based on generally accepted industry mortality tables. In Germany, the "2005 G" mortality tables (generation tables) developed by Prof Dr Klaus Heubeck are used, modified by statistical information gathered by the German Federal Statistical Office and Deutsche Rentenversicherung (the German statutory pension insurance scheme) in the years 2006 to 2008.

In accordance with IAS 19.92, Deutsche Börse Group recognises a portion of its actuarial gains and losses as income or expense if the net cumulative unrecognised actuarial gains or losses of each company and plan at the end of the previous reporting period have exceeded the greater of 10 percent of the present value of the defined benefit obligation before deduction of plan assets and 10 percent of the fair value of plan assets. The portion of actuarial gains and losses recognised is the excess determined above, divided by the expected average remaining working lives of the employees participating in the retirement benefit plans.

Retirement provision for Group employees is ensured by a variety of retirement benefit plans, the use of which varies from country to country.

There has been a deferred compensation plan for employees of Deutsche Börse Group in Germany since 1 July 1999. Since its introduction, new commitments have been entered into on the basis of this deferred compensation plan; the existing pension plans were closed for new staff as at 30 June 1999. Employees with pension commitments under the old retirement benefit arrangements were given an option to participate in the deferred compensation plan by converting their existing pension rights. Individual commitment plans exist for members of the executive boards of Group companies.

In the period from 1 January 2004 to 30 June 2006, senior executives in Germany were offered the opportunity to participate in the following pension system based on "capital components": the benefit is based on annual income received, composed of fixed annual salary and the variable remuneration. Every year, participating Group companies provide for an amount that corresponds to a certain percentage of the pensionable income. This amount is multiplied by a capitalisation factor depending on age, resulting in the "annual capital component". The benefit assets equal the total of the acquired capital components of the individual years and are converted into a lifelong pension once the benefits fall due.

The employees of the Clearstream subgroup in Luxembourg participate in separate defined benefit pension plans. The defined benefit pension plan in favour of Luxembourg employees of the Clearstream subgroup is funded by means of cash contributions to an "association d'épargne pension" (ASSEP) organised in accordance with Luxembourg law. Contributions may or may not cover the entire provisions calculated as per IAS 19, but they must cover pension provisions as determined under Luxembourg law.

Deutsche Börse Group uses external funds to cover some of its pension obligations. The amount of the annual net pension expense is reduced by the expected return on the plan assets of the funds. The defined benefit obligations are offset by the fair value of the plan assets taking into account unrecognised actuarial gains and losses as well as past service cost as yet unrecognised. In addition, the pension obligations of Deutsche Börse Group are secured in part by reinsurance policies. The capitalised surrender value of these reinsurance policies is carried under "other noncurrent assets".

Employees of STOXX Ltd. and Eurex Zürich AG participate in separate defined benefit pension plans. The employees are insured by a pension fund from SIX Swiss Exchange AG at PREVAS Sammelstiftung, Zurich. Assets from this pension fund attributable to the employees of STOXX Ltd. and Eurex Zürich AG are recognised as plan assets in accordance with IAS 19.

There are defined contribution pension plans for employees working in Germany, Luxembourg, Switzerland, the Czech Republic, the UK or the USA. The employer pays contributions to these employees' private pension funds.

Other long-term benefits for employees and members of executive boards (total disability pension, transitional payments and surviving dependents' pensions) are also measured using the projected unit credit method. In accordance with IAS 19.127, actuarial gains and losses and past service cost are recognised immediately and in full.

Other provisions

Provisions are recognised if the Group has a present obligation from an event in the past, an outflow of resources with economic benefit to settle the obligation is probable and it is possible to reliably estimate the amount of this obligation. The amount of the obligation corresponds to the best possible estimate of the expense which is necessary to settle the obligation at the balance sheet date. A provision for restructuring is only recognised when an entity has a detailed formal plan for the restructuring and has raised a valid expectation in those affected that the restructuring measures will be implemented, for example by starting to implement that plan or announcing its main features to those affected by it. Contingent liabilities are not recognised, but disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Group Share Plan, phantom stock option plan and Stock Bonus Plan (SBP)

Accounting for the Group Share Plan, the phantom stock option plan and the Stock Bonus Plan follows IFRS 2 "Share-based payment".

Group Share Plan

Under the Group Share Plan, shares are granted at a discount to the market price. The expense of this discount is recognised in the income statement at the grant date. Options granted follow the accounting principles for share-based payments with a choice of settlement in cash or equity instruments. In 2010, the Company resolved the cash settlement of all GSP tranches in existence at that time. In line with this, the 2005 GSP tranche, which fell due on 30 June 2011, was settled in full as a cash-settled share-based payment transaction in financial year 2011. The expenses for the options are determined using an option pricing model (fair value measurement) and recognised in staff costs.

The cost of the GSP shares offered to the employees of the US subsidiary International Securities Exchange Holdings, Inc. at a discount is recognised in the income statement at the grant date. GSP share grants are accounted for as equity-settled share-based payments. The GSP shares are measured at their fair value at the grant date and recognised in the income statement over a three-year vesting period, with a corresponding increase in shareholders' equity.

Phantom stock option plan

Options granted followed the accounting principles for cash-settled share-based payments. The cost of the options was estimated using an option pricing model (fair value measurement) and recognised in staff costs in the income statement. Deutsche Börse Group's stock option plan expired in February 2011 when the last tranche was exercised.

Stock Bonus Plan (SBP)

The SBP shares are generally accounted for as share-based payments for which Deutsche Börse AG has a choice of settlement in cash or equity instruments. In 2009, the Company resolved to settle the SBP tranche due in 2010 in cash for the first time. In 2010 and 2011, the Company also resolved to settle the tranches due in 2011 and 2012 in cash. Under these circumstances, there is at present a presumption in accordance with IFRS 2 that all SBP shares will be settled in cash. Accordingly, Deutsche Börse Group has measured the SBP shares as cash-settled share-based payment transactions.The cost of the options is estimated using an option pricing model (fair value measurement) and recognised in staff costs in the income statement. Any right to payment of a stock bonus only vests after the expiration of the three-year performance period on which the Plan is based.

A separate variable share-based payment has been agreed for Deutsche Börse AG's Executive Board since financial year 2010. The number of virtual shares for each Executive Board member is calculated on the basis of Deutsche Börse AG's average share price in the two months preceding the point in time at which the Supervisory Board establishes the 100 percent target value for the variable share component. The calculation of the subsequent payout amount of the stock bonus depends on the change in relative shareholder return and Deutsche Börse AG's share price performance. Claims under this stock bonus programme are settled in cash after the expiration of the three-year performance period.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are computed using the balance sheet approach in accordance with IAS 12. The deferred tax calculation is based on temporary differences between the carrying amounts in the tax accounts and the carrying amounts in the IFRS financial statements that lead to a future tax liability or benefit when assets are used or sold or liabilities are settled.

The deferred tax assets or liabilities are measured using the tax rates that are currently expected to apply when the temporary differences reverse, based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognised for the carryforward of unused tax losses only to the extent that it is probable that future taxable profit will be available. Deferred tax assets and deferred tax liabilities are offset where a legally enforceable right to set off current tax assets against current tax liabilities exists and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

Leases

Leases are classified as operating leases or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the asset from the lessor to the lessee. All other leases are classified as operating leases.

Leased assets and the associated liabilities are recognised at the lower of fair value and the present value of the minimum lease payments if the criteria for classification as a finance lease are met. The leased asset is depreciated or amortised using the straight-line method over its useful life or the lease term, if shorter. In subsequent periods, the liability is measured using the effective interest method.

Expenses incurred in connection with operating leases are recognised as an expense on a straight-line basis over the lease term.

Consolidation

All subsidiaries directly or indirectly controlled by Deutsche Börse AG are included in Deutsche Börse AG's consolidated financial statements. This condition is generally met if Deutsche Börse AG directly or indirectly holds more than half of the voting rights or is otherwise able to govern the financial and operating policies of the other entity.

Initial consolidation of subsidiaries in the course of business combinations uses the purchase method. The acquiree's identifiable assets, liabilities and contingent liabilities are recognised at their fair values at the acquisition date. Any excess of cost over the acquirer's interest in the net fair value of the subsidiary's net identifiable assets is recognised as goodwill. Goodwill is measured in subsequent periods at cost less accumulated impairment losses.

Intragroup assets and liabilities are eliminated. Income arising from intragroup transactions is eliminated against the corresponding expenses. Profits or losses arising from deliveries of intragroup goods and services, as well as dividends distributed within the Group, are eliminated. Deferred tax assets or liabilities are recognised for consolidation adjustments where these are expected to reverse in subsequent years.

Interests in equity attributable to non-controlling interest shareholders are carried under "non-controlling interests" within equity. Where these are classified as "puttable instruments", they are reported under "liabilities".

Currency translation

Foreign currency transactions are translated at the exchange rate prevailing at the transaction date.

At the balance sheet date, monetary balance sheet items in foreign currency are measured at the exchange rate at the balance sheet date, while non-monetary balance sheet items recognised at historical cost are measured at the exchange rate on the transaction day. Non-monetary balance sheet items measured at fair value are translated at the closing rate on the valuation date. Exchange rate differences are recorded as other operating income or expense in the period in which they arise unless the underlying transactions are hedged. Gains and losses from a monetary item that forms part of a net investment in a foreign operation are recognised directly in "accumulated profit".

The annual financial statements of companies whose functional currency is not the euro are translated into the reporting currency as follows: assets and liabilities are translated into euros at the closing rate. The items in the consolidated income statement are translated at the average exchange rates for the period under review. Resulting exchange differences are recognised directly in accumulated profit. When the relevant subsidiary is sold, these exchange differences are recognised in consolidated profit for the period in which the deconsolidation gain or loss is realised.

The following euro exchange rates of consequence to Deutsche Börse Group were applied:

Exchange rates

		Average rate 2011	Average rate 2010	Closing price as at 31 Dec. 2011	Closing price as at 31 Dec. 2010
Swiss francs	CHF	1.2270	1.3338	1.2165	1.2499
US dollars	USD (US$)	1.4038	1.3153	1.2918	1.3342
Czech koruna	CZK	24.6412	25.2213	25.8195	25.0554

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising from initial consolidation are presented in the functional currency of the foreign operation and translated at the closing rate.

Key sources of estimation uncertainty and management judgements

The application of accounting policies, presentation of assets and liabilities and recognition of income and expenses requires the Executive Board to make certain judgements and estimates. Adjustments in this context are taken into account in the period the change was made as well as in subsequent periods, where necessary.

Note 13 contains information on the assumptions applied in performing annual impairment tests on goodwill and intangible assets with an indefinite useful life. In each case, the respective business plans serve as the basis for determining any impairment. These plans contain projections of the future financial performance of the cash-generating units. If their actual financial performance fails to meet these expectations, corresponding adjustments may be necessary.

Accounting for provisions for pensions and similar obligations requires the application of certain actuarial assumptions (e. g. discount rate, staff turnover rate) so as to estimate their carrying amounts (see above). Note 24 shows the present value of the obligations at each balance sheet date. These assumptions may fluctuate considerably, for example because of changes in the macroeconomic environment, and may thus materially affect provisions already recognised. However, this effect is mitigated by application of the corridor method.

Deutsche Börse AG or its group companies are subject to litigation. Such litigation may lead to orders to pay against the entities of the group. If it is more likely than not that an outflow of resources will occur, a provision will be recognised based on an estimate of the most probable amount necessary to settle the obligation. Management judgement includes the determination whether there is a possible obligation from past events, the evaluation of the probability that an outflow will occur and the estimation of the potential amount. As the outcome of litigation is usually uncertain, the judgement is reviewed continuously.

Note 41 contains disclosures on the valuation model used for the stock options. Where the estimates of the valuation parameters originally applied differ from the actual values available when the options are exercised, adjustments are necessary; such adjustments are recognised in the consolidated income statement for the period if they relate to cash-settled share-based payment transactions.

In addition, the probable utilisation applied when establishing provisions for expected losses from rental agreements is estimated (see note 26). In the creation of personnel-related restructuring provisions, certain assumptions were made with regard to, for example, fluctuation rate, discount rate and salary trends. Should the actual values deviate from these assumptions, adjustments may be necessary.

Consolidated income statement disclosures

4. Sales revenue

Composition of external sales revenue by segment

	2011 €m	2010 €m
Xetra		
Xetra trading fees	108.3	102.5
Clearing and settlement fees	44.4	45.2
Xetra Frankfurt specialist trading	32.6	23.4
Connectivity	21.6	20.5
Other sales revenue	32.2	30.7
Allocated IT revenues	36.0	40.0
	275.1	**262.3**
Eurex		
Equity index derivatives	430.4	378.9
Interest rate derivatives	192.4	182.0
US options (ISE)	145.2	112.9
Equity derivatives	39.8	45.6
Other sales revenue	110.0	110.2
Allocated IT revenues	28.1	29.1
	945.9	**858.7**
Clearstream		
Custody fees	441.7	451.8
Transaction fees	117.6	118.4
Global Securities Financing	83.9	68.1
Other sales revenue	115.7	102.2
Allocated IT revenues	17.0	20.2
	775.9	**760.7**
Market Data & Analytics		
Sales of price information[1]	157.0	155.9
Indices[2]	56.0	46.1
Other sales revenue	23.4	22.6
	236.4	**224.6**
Total	**2,233.3**	**2,106.3**

1) As the products of Market News International Inc. and Need To Know News, LLC have been fully integrated, the sales revenue of these two companies is reported under the sales of price information for the Market Data & Analytics segment. Prior-year figures have been adjusted accordingly.
2) Due to the similarities in content, the STOXX and issuer product groups (included in other sales revenue until 2010) have been combined under “indices”. Prior-year figures have been adjusted accordingly.

5. Net interest income from banking business

Composition of net interest income from banking business

	2011 €m	2010 €m
Loans and receivables	134.8	101.8
Financial liabilities measured at amortised cost	–68.5	–66.0
Available-for-sale financial assets	23.6	27.4
Financial assets or liabilities measured at fair value through profit or loss:		
Interest income	5.5	7.1
Interest expense	–18.0	–7.1
Interest income – interest rate swaps – fair value hedges	1.1	0.9
Interest expense – interest rate swaps – fair value hedges	–3.4	–4.7
Total	**75.1**	**59.4**

6. Other operating income

Composition of other operating income

	2011 €m	2010 €m
Income from agency agreements	29.1	23.7
Income from exchange rate differences	7.5	6.6
Gains on the disposal of equity investments and subsidiaries	4.7	10.7
Rental income from sublease contracts	2.6	4.1
Miscellaneous	13.1	15.9
Total	**57.0**	**61.0**

Gains on the disposal of equity investments and subsidiaries amounting to €4.7 million result from the sale of the entire 1 percent interest in Bolsa Mexicana de Valores, S.A. de C.V. (2010: €10.7 million from the sale of the 77 percent interest in Avox Ltd).

7. Staff costs

Composition of staff costs

	2011 €m	2010 €m
Wages and salaries	310.1	403.6
Social security contributions, retirement and other benefits	86.8	98.4
Total	**396.9**	**502.0**

Staff costs include costs of €–6.7 million (2010: €101.5 million) recognised in connection with efficieny programmes.

8. Other operating expenses

Composition of other operating expenses

	2011 €m	2010 €m
Costs for IT services providers and other consulting services	192.5	124.6
IT costs	75.8	81.4
Premises expenses	71.2	72.6
Non-recoverable input tax	39.9	34.3
Advertising and marketing costs	21.3	16.6
Travel, entertainment and corporate hospitality expenses	19.4	15.5
Cost of agency agreements	15.5	14.9
Insurance premiums, contributions and fees	12.3	11.6
Non-wage labour costs and voluntary social benefits	11.6	8.6
Supervisory Board remuneration	4.6	4.5
Cost of exchange rate differences	2.1	8.8
Miscellaneous	18.8	21.3
Total	**485.0**	**414.7**

Costs for IT services providers and other consulting services relate mainly to expenses in conjunction with software development. An analysis of development costs is presented in note 9. These costs also contain costs of strategic and legal consulting services as well as of audit activities. The increase in 2011 is primarily due to the cost of the planned combination of Deutsche Börse Group and NYSE Euronext, which was prohibited on 1 February 2012.

Composition of fees for the auditor

	2011 €m	2010 €m
Statutory audit	2.2	1.8
Tax advisory services	0.7	1.2
Other assurance or valuation services	0.7	0.2
Other services	1.0	0.8
Total	**4.6**	**4.0**

9. Research and development costs

Own expenses capitalised relate solely to development costs of internally developed software, involving the following systems and projects in the individual segments:

Research and development costs

	Total expense for software development		of which capitalised	
	2011 €m	2010 €m	2011 €m	2010 €m
Xetra				
Xetra software	6.9	2.9	3.7	1.2
New trading platform Xetra/Eurex	1.6	1.1	0.4	0
CCP releases	2.1	4.3	0	1.0
	10.6	**8.3**	**4.1**	**2.2**
Eurex				
Eurex software	17.3	10.0	5.9	0
New trading platform Xetra/Eurex	14.7	5.0	11.8	1.9
Eurex Clearing Prisma	8.8	0	5.2	0
New trading platform ISE	10.9	26.1	7.5	20.7
EurexOTC Clear	4.6	0	1.1	0
	56.3	**41.1**	**31.5**	**22.6**
Clearstream				
Collateral Management and Settlement	21.8	28.7	14.6	14.5
Custody	12.9	9.9	7.9	3.4
Connectivity	1.9	4.1	1.3	0
Investment funds	4.2	4.3	1.3	1.5
	40.8	**47.0**	**25.1**	**19.4**
Market Data & Analytics	**2.5**	**2.1**	**0.7**	**0.5**
Research expense	**1.4**	**0.4**	**0**	**0**
Total	**111.6**	**98.9**	**61.4**	**44.7**

10. Result from equity investments

Composition of result from equity investments

	2011 €m	2010 €m
Equity method-accounted result of associates		
Scoach Holding S.A.	7.7	7.2
Direct Edge Holdings, LLC[1]	1.5	4.1
European Energy Exchange AG	6.8	4.0
Tradegate AG Wertpapierhandelsbank	0.2	0.2
Deutsche Börse Commodities GmbH	0.2	0.1
ID's SAS	0.1	0
Total income from equity method measurement	**16.5**	**15.6**
Indexium AG	–3.4	–0.3
Link-Up Capital Markets, S.L.	–0.3	–1.0
Digital Vega FX Ltd.	–0.2	0
Total expenses[2] from equity method measurement from associates	**–3.9**	**–1.3**
Result from associates	**12.6**	**14.3**
Result from other equity investments	**–9.0**	**–2.1**
Result from equity investments	**3.6**	**12.2**

1) Associate until 30 December 2011
2) Including impairments

The result from associates in financial year 2011 contains impairment losses of €3.0 million (2010: nil). These relate to the loan granted to Indexium AG by Deutsche Börse AG, whose recoverability was partially eroded due to the continuing loss situation and the losses in excess of the carrying amount of the investment in Indexium AG.

The result from other equity investments includes impairment losses of €17.2 million (2010: €3.2 million) relating to the available-for-sale investment in Bombay Stock Exchange Ltd. The negative performance is attributable especially to the difficult capital market environment, the company's declining market share and the weak exchange rate of the Indian Rupee against the Euro during financial year 2011.

Dividends of €5.8 million (2010: €6.2 million) were received from interests in associates and €2.2 million (2010: €1.1 million) from interests in other equity investments in the year under review.

11. Financial result

Composition of financial income

	2011 €m	2010 €m
Interest-like income for subsequent measurement of liabilities to SIX Group AG	80.8	0
Interest on reverse repurchase agreements categorised as "loans and receivables"	51.2	16.6
Interest on bank balances categorised as "loans and receivables"	1.6	1.0
Other interest and similar income	0.6	3.5
Income from available-for-sale securities	0.5	0.3
Interest-like income from revaluation of derivatives held for trading	0.4	0.5
Interest-like income from derivatives held as hedging instruments	0	2.1
Total	**135.1**	**24.0**

Composition of financial expense

	2011 €m	2010 €m
Interest on noncurrent loans[1)]	86.3	95.8
Interest paid on Eurex participants' cash deposits	30.6	3.9
Interest on taxes	9.5	22.5
Expenses from the unwinding of the discount on the liability to SIX Group AG[1)]	3.4	0
Transaction costs of noncurrent liabilities[1)]	1.4	1.9
Interest-like expenses for derivatives held as hedging instruments	1.0	0
Interest on current liabilities[1)]	0.5	2.6
Interest-like expenses for exchange rate differences on liabilities[1)]	0.5	0.8
Subsequent valuation of derivatives held for trading	0	2.2
Other costs	3.2	2.5
Total	**136.4**	**132.2**

1) Measured at amortised cost

12. Income tax expense

Composition of income tax expense (main components)

	2011 €m	2010 €m
Current income taxes:		
of the year under review	278.0	249.3
from previous years	–3.5	–18.9
Deferred tax expense/(income) on temporary differences	4.5	–205.9
Total	**279.0**	**24.5**

A tax rate of 26 percent was used in the year under review to calculate deferred taxes for the German companies (2010: 26 to 31 percent). This reflects trade income tax at multipliers of 280 to 460 percent (2010: 280 to 460 percent) on the tax base value of 3.5 percent (2010: 3.5 percent), corporation tax of 15 percent (2010: 15 percent) and the 5.5 percent solidarity surcharge (2010: 5.5 percent) on the corporation tax.

A tax rate of 28.80 percent (2010: 28.59 percent) was used for the Luxembourg companies, reflecting trade income tax at a rate of 6.75 percent (2010: 6.75 percent) and corporation tax at 22.05 percent (2010: 21.84 percent).

Tax rates of 17 to 45 percent were applied to the companies in the UK, Portugal, Singapore, Switzerland, Spain, the Czech Republic and the USA (2010: 17 to 45 percent).

The following table shows the carrying amounts of deferred tax assets and liabilities as well as the related tax expenses recognised in income or directly in equity.

Composition of deferred taxes

	Deferred tax assets		Deferred tax liabilities		Exchange rate differences	Deferred tax expense/(income)		Tax expense/(income) recognised directly in equity	
	2011 €m	2010 €m	2011 €m	2010 €m	2011 €m	2011 €m	2010 €m	2011 €m	2010 €m
Pension provisions and other employee benefits	16.7	15.4	0	0	0	–1.3	–2.9	0	0
Other provisions	7.3	15.1	0	0	–0.4	8.2	6.4	0	0
Interest-bearing liabilities	0	0	–0.7	–1.1	0	–0.4	–0.5	0	0
Intangible assets	0	0	–10.0	–7.0	0	3.0	–4.5	0	0
Intangible assets from purchase price allocation	0	0	–274.1	–275.8	5.3	–7.0	–204.3[1]	0	0
Noncurrent assets	0	0	–3.6	–2.4	0	1.2	–0.9	0	0
Investment securities	2.7	0	0	–2.4	0	1.7	0.5	–6.8[2]	–4.0[2]
Other noncurrent assets	1.5	0	0	–2.6	0	–0.9	0.3	–3.2[2]	1.7[2]
Exchange rate differences	0	0	–50.4	–29.2	0	0	0	21.2[3]	32.2[3]
Gross amounts	**28.2**	**30.5**	**–338.8**	**–320.5**	**4.9**	**4.5**	**–205.9**	**11.2**	**29.9**
Netting of deferred taxes	–15.8	–22.8	15.8	22.8	–	–	–	–	–
Total	**12.4**	**7.7**	**–323.0**	**–297.7**	**4.9**	**4.5**	**–205.9**	**11.2**	**29.9**

1) Thereof €–190.4 million from impairments of other intangible assets of ISE
2) Separate disclosure in the consolidated statement of changes in equity under "revaluation surplus"
3) Separate disclosure in the consolidated statement of changes in equity under "accumulated profit"

Changes taken directly to equity relate to deferred taxes on changes in the measurement of securities carried at fair value (see also note 22).

€16.7 million (2010: €15.4 million) of deferred tax assets and €268.5 million (2010: €278.4 million) of deferred tax liabilities have an expected remaining maturity of more than one year.

Deferred tax liabilities have not been recognised in respect of the tax on future dividends that may be paid from retained earnings by subsidiaries and associated companies. In accordance with section 8b (5) of the Körperschaftsteuergesetz (KStG, the German Corporation Tax Act), 5 percent of dividends and similar income received by German companies is treated as non-deductible expenses for tax purposes.

Reconciliation between the expected and the reported tax expense

	2011 €m	2010 €m
Expected income taxes derived from earnings before tax	299.1	117.4
Change of not recognised losses carried forward	11.5	14.7
Tax increases due to other non-tax-deductible expenses	4.6	5.3
Effects resulting from different tax rates	7.1	–22.7
Tax decreases due to dividends and income from the disposal of equity investments	–24.7	–42.1
Exchange rate differences	–14.7	–28.8
Other	–0.4	–0.4
Income tax expense arising from current year	**282.5**	**43.4**
Prior-period income taxes	–3.5	–18.9
Income tax expense	**279.0**	**24.5**

To determine the expected tax expense, earnings before tax have been multiplied by the composite tax rate of 26 percent assumed for 2011 (2010: 28 percent). The reduction in the composite tax rate is mainly based on the relocation of the Group's German companies from Frankfurt/Main to Eschborn.

At the end of the financial year, accumulated unused tax losses amounted to €97.6 million (2010: €54.7 million), for which no deferred tax assets were recognised. Tax losses of €1.3 million were utilised in 2011 (2010: €0.7 million).

The losses can be carried forward in Germany subject to the minimum taxation rules, and in Luxembourg indefinitely as the law now stands. Losses in other countries can be carried forward for periods of up to 20 years.

Tax decreases due to dividends and the disposal of equity investments for 2011 include an offsetting one-off effect of €20.1 million resulting from the remeasurement of the purchase price liability to be settled in shares for the acquisition of the Swiss derivatives business.

Consolidated balance sheet disclosures

13. Intangible assets

Intangible assets

	Purchased software €m	Internally developed software €m	Goodwill €m	Payments on account and construction in progress[1] €m	Other intangible assets €m	Total €m
Historical cost as at 1 Jan. 2010	**298.7**	**754.8**	**1,994.8**	**26.0**	**1,822.8**	**4,897.1**
Changes in the basis of consolidation[2]	−2.3	0	0	0	0	−2.3
Additions	12.0	1.6	4.3	43.1	0	61.0
Disposals	−2.3	−0.8	0	−0.1	0	−3.2
Reclassifications	−0.7	5.1	0	−4.4	0	0
Exchange rate differences	0.8	1.8	71.2	0.6	108.7	183.1
Historical cost as at 31 Dec. 2010	**306.2**	**762.5**	**2,070.3**	**65.2**	**1,931.5**	**5,135.7**
Changes in the basis of consolidation[3]	0	0	3.1	0	0	3.1
Additions	10.3	4.4	1.6	57.0	0.7	74.0
Disposals	−15.3	−83.1	−0.7	0	−0.9	−100.0
Reclassifications	2.7	66.3	0	−65.7	0	3.3
Exchange rate differences	0.3	1.4	31.6	−0.2	49.0	82.1
Historical cost as at 31 Dec. 2011	**304.2**	**751.5**	**2,105.9**	**56.3**	**1,980.3**	**5,198.2**
Amortisation and impairment losses as at 1 Jan. 2010	**273.5**	**695.5**	**7.5**	**0**	**489.1**	**1,465.6**
Changes in the basis of consolidation[2]	−2.3	0	0	0	0	−2.3
Amortisation	18.8	24.7	0	0	35.6	79.1
Impairment losses	1.1	7.5	3.2	0	453.1	464.9
Disposals	−2.4	0	0	0	0	−2.4
Exchange rate differences	0.7	1.4	0	0	38.8	40.9
Amortisation and impairment losses as at 31 Dec. 2010	**289.4**	**729.1**	**10.7**	**0**	**1,016.6**	**2,045.8**
Amortisation	10.9	22.7	0	0	18.4	52.0
Disposals	−15.3	−83.1	0	0	−0.8	−99.2
Reclassifications	−0.5	0.5	0	0	0	0
Exchange rate differences	0	0.8	0	0	35.0	35.8
Amortisation and impairment losses as at 31 Dec. 2011	**284.5**	**670.0**	**10.7**	**0**	**1,069.2**	**2,034.4**
Carrying amount as at 1 Jan. 2010	25.2	59.3	1,987.3	26.0	1,333.7	3,431.5
Carrying amount as at 31 Dec. 2010	16.8	33.4	2,059.6	65.2	914.9	3,089.9
Carrying amount as at 31 Dec. 2011	**19.7**	**81.5**	**2,095.2**	**56.3**	**911.1**	**3,163.8**

1) Additions in payments on account and construction in progress in the year under review relate exclusively to internally developed software.
2) This relates exclusively to disposals as part of the sale of Avox Ltd.
3) This relates exclusively to additions as part of the acquisition of Open Finance, S.L.

Software, payments on account and construction in progress
Additions to and reclassifications of software relate primarily to the development of software products for the Clearstream segment and to the development of the new derivatives platform of the Eurex segment and ISE's electronic trading system.

Payments on account and construction in progress relate to software.

Carrying amounts of software and construction in progress as well as remaining amortisation periods of software

	Carrying amount as at		Remaining amortisation period as at	
	31 Dec. 2011 €m	31 Dec. 2010 €m	31 Dec. 2011 years	31 Dec. 2010 years
Xetra				
Xetra Release 12.0	3.4	0.4	4.9	n.a.
Xetra Release 10.0	1.7	2.4	2.5	3.5
Xetra Release 9.0	1.7	3.0	1.3	2.3
CCP 5.0	1.4	1.9	2.8	3.8
	8.2	**7.7**		
Eurex				
ISE trading platform including applications	42.1	39.4	5.3	n.a.
Derivatives trading platform	14.9	1.9	n.a.	n.a.
Eurex Clearing Prisma	5.2	n.a.	n.a.	n.a.
Eurex Release 14.0 Clearing	2.1	n.a.	n.a.	n.a.
CCP 7.0 Securities Lending	1.8	n.a.	n.a.	n.a.
OCC link	1.3	1.6	4.0	n.a.
Eurex Release 10.0	1.2	2.4	0.9	1.9
EurexOTC Clear	1.1	n.a.	n.a.	n.a.
Eurex Release 12.0	1.0	2.2	0.9	1.9
	70.7	**47.5**		
Clearstream (construction in progress)				
Settlement	14.2	11.0	n.a.	n.a.
Custody	11.4	3.4	n.a.	n.a.
Global Securities Financing (GSF)	2.4	4.1	n.a.	n.a.
Investment funds	0.9	1.5	n.a.	n.a.
	28.9	**20.0**		
Clearstream (software applications)				
Global Securities Financing (GSF)	8.9	6.6	1.5–4.5	1.9–4.2
Settlement	6.9	0.6	3.7–4.7	3.9
Investment funds	2.5	2.1	1.5–4.2	2.3
Custody	1.0	1.4	2.9	3.9
	19.3	**10.7**		
Other software assets and construction in progress[1]	**10.7**	**12.7**		
Total	**137.8**	**98.6**		

1) Each with a carrying amount of less than €1.0 million as at 31 December 2011

Goodwill

Changes in goodwill

	Eurex €m	Clearstream €m	Market Data & Analytics (STOXX Ltd.) €m	Market Data & Analytics (Others) €m	Total goodwill €m
Balance as at 1 Jan. 2011	**950.8**	**1,063.8**	**31.5**	**13.5**	**2,059.6**
Changes in the basis of consolidation	0	0	0	3.1	3.1
Additions	0	0	1.1	0.5	1.6
Disposals	0	0	0	–0.7	–0.7
Exchange rate differences	31.2	0	0	0.4	31.6
Balance as at 31 Dec. 2011	**982.0**	**1,063.8**	**32.6**	**16.8**	**2,095.2**

Goodwill, the stock exchange licence acquired as part of the acquisition of ISE as well as the acquired trade name of STOXX Ltd. are intangible assets with an indefinite useful life. The recoverable amounts of the cash-generating units to which goodwill is allocated are generally based on their values in use. Realisable value less costs to sell is only used as the basis for the recoverable amount in cases in which value in use does not exceed the carrying amount. Since there is no active market for cash-generating units, a discounted cash flow method was used to calculate both value in use and fair value less costs to sell.

The key assumptions made to determine the recoverable amounts vary depending on the cash-generating unit concerned. Pricing or market share assumptions are based on past experience or market research. Other key assumptions are mainly based on external factors. Significant macroeconomic indicators include, for instance, equity index levels, volatility of equity indices, as well as interest rates, exchange rates, GDP growth, unemployment levels and government debt. The discount rate is based on a risk-free rate between 2.6 and 2.8 percent and a market risk premium of 5.0 percent. It is used to calculate individual discount rates for each cash-generating unit that reflect the beta factors, tax rate and capital structure of the peer groups concerned.

Eurex

The goodwill resulting from the acquisition of ISE is allocated to a group of cash-generating units in the Eurex segment.

Since the ISE goodwill had been calculated in US dollars, an exchange rate difference of €31.2 million occurred in 2011 (2010: €70.7 million).

Assumptions on volumes of index and interest rate derivatives and volumes in the US equity options market, which were derived from external sources, were the key criteria applied to determine the value in use with the discounted cash flow method.

Cash flows were projected over a five-year period (2012 to 2016) for European as well as US activities. Cash flow projections beyond this period were, as in the previous year, extrapolated assuming a 1.0 percent growth rate. The pre-tax discount rate used was 12.4 percent (2010: 13.1 percent).

Clearstream

The “Clearstream” goodwill is allocated to the Clearstream cash-generating unit. The recoverable amount is determined on the basis of the value in use applying the discounted cash flow method. Assumptions on assets held in custody, transaction volumes and market interest rates were the key criteria used to determine value in use.

Cash flows were projected over a three-year period (2012 to 2014). Cash flow projections beyond 2014 were extrapolated assuming a 2.5 percent (2010: 2.5 percent) perpetual annuity. The pre-tax discount rate used was calculated on the basis of the cost of equity and amounted to 11.8 percent (2010: 14.9 percent).

Market Data & Analytics

The goodwill arising from the acquisition of STOXX Ltd., Zurich, Switzerland, in 2009 was allocated to a group of cash-generating units in the Market Data & Analytics segment. It results primarily from the strong position of STOXX Ltd. in European indices as well as from growth prospects in the production and sale of tick data for indices, the development, maintenance and enhancements of index formulas and from the customising of indices.

The goodwill of US$7.9 million that arose in the course of the acquisition of Market News International Inc. (MNI), New York, USA, by Deutsche Börse AG in 2009 was allocated to the Market Data & Analytics segment and relates to access to global, trade-related information such as news from public authorities and supranational organisations.

The goodwill of US$3.0 million that arose in the course of the acquisition by MNI of 100 percent of the shares in Need to Know News, LLC, Chicago, USA, was also allocated to the Market Data & Analytics segment.

The recoverable amount of the Market Data & Analytics segment is determined on the basis of the fair value less costs to sell. The key assumptions made related to the expected development of future data and licence income as well as of the customer base; these are based both on external sources of information and on internal expectations that correspond to the budget values for financial year 2012. Cash flows were planned over a five-year period, with projections for periods beyond this assuming a perpetual annuity of 2.5 percent (2010: 2.5 percent). The after-tax discount rate used was 8.4 percent (2010: 8.7 percent).

Other intangible assets

Changes in other intangible assets

	ISE’s exchange licence €m	Member relation-ships of ISE €m	Market data customer relation-ships of ISE €m	ISE trade name €m	STOXX trade name €m	Customer relation-ships of STOXX Ltd. €m	Miscella-neous intangible assets €m	Total €m
Balance as at 1 Jan. 2011	**111.5**	**319.4**	**18.3**	**5.3**	**420.0**	**33.9**	**6.5**	**914.9**
Additions	0	0	0	0	0	0	0.7	0.7
Disposals	0	0	0	0	0	0	–0.1	–0.1
Amortisation	0	–11.3	–0.6	–0.7	0	–3.1	–2.7	–18.4
Exchange rate differences	3.7	9.6	0.5	0.1	0	0	0.1	14.0
Balance as at 31 Dec. 2011	**115.2**	**317.7**	**18.2**	**4.7**	**420.0**	**30.8**	**4.5**	**911.1**
Remaining amortisation period (years)	**–**	**26**	**26**	**6**	**–**	**10**		

Other intangible assets: ISE

ISE's other intangible assets were tested for impairment at the end of the year. The recoverable amount of these assets was calculated on the basis of the value in use of the ISE cash-generating unit, which is attributable to the Eurex segment. The cash-generating unit of the ISE subgroup is the US options exchange International Securities Exchange, LLC.

The key assumptions made, which are based on analysts' estimates, relate to expected volumes and transaction prices on the US options market. Cash flows were projected over a five-year period (2012 to 2016). A 2.5 percent growth rate was assumed beyond 2016 (2010: 2.5 percent). The pre-tax discount rate used is 16.6 percent (2010: 15.7 percent).

Exchange license of ISE

In the course of the purchase price allocation carried out in December 2007, the fair value of the exchange licence was determined. The exchange licence, granted in 2000 by the U.S. Securities and Exchange Commission, permits the ISE subgroup to operate as a regulated securities exchange in the United States. The exchange licence held by the ISE subgroup is estimated to have an indefinite useful life, because the licence itself does not have a finite term and Eurex management expects to maintain the licence as part of its overall business strategy.

The exchange licence does not generate cash flows largely independent from those generated by the ISE subgroup as a whole. Consequently, the exchange licence is allocated to the ISE subgroup as the cash-generating unit.

Member relationships and market data customer relationships of ISE

In the context of the purchase price allocation, the fair values of member and customer relationships were calculated. Both assets will be amortised over a period of 30 years using the straight-line method. Cash flows do not result from either the member or the customer relationships which would be independent of the entire ISE subgroup. Consequently, both items are allocated to the ISE subgroup as the cash-generating unit.

ISE trade name

The ISE trade name is registered as a trade name and therefore meets the IFRS criterion for recognition separately from goodwill. In accordance with the purchase price allocation of December 2007, the asset is amortised over a period of ten years using the straight-line method. As there are no cash inflows that are generated independently from the ISE subgroup, the trade name is also allocated to the ISE subgroup as the cash-generating unit.

Other intangible assets: STOXX

The STOXX trade name, the company's customer relationships, non-compete agreements and other intangible assets were identified as part of the acquisition of STOXX Ltd. and allocated to the STOXX Ltd. cash-generating unit, as they do not generate cash independently. The STOXX Ltd. cash-generating unit was allocated to the Market Data & Analytics segment.

The impairment test was based on fair value less costs to sell, taking into account expected developments in the licence and sales fees for indices and data. Cash flows were projected over a five-year period (2012 to 2016). Cash flow projections beyond 2016 were extrapolated assuming a 2.0 percent (2010: 2.0 percent) growth rate. The after-tax discount rate amounted to 9.4 percent (2010: 9.7 percent).

STOXX trade name

The STOXX trade name includes the trade name itself, the index methodologies and the Internet domains because these can generally not be transferred separately. As the trade name is registered, it meets the IFRS criterion for recognition separately from goodwill. An indefinite useful life was assumed for the STOXX brand name given its history and the fact that it is well known on the market.

Customer relationships of STOXX

STOXX Ltd. has relationships with customers, which are based on signed contracts and thus meet the identifiability criterion for recognition separately from goodwill.

Non-compete agreements of STOXX

Non-compete agreements were entered into with the seller for a certain period of time as part of the acquisition of STOXX Ltd. These agreements give STOXX a competitive advantage as they allow the acquirer to operate for a certain period of time without competition resulting from the prohibition of the duplication of indices by the seller. The intangible assets generated in this way, which are reported under "other intangible assets", are amortised depending on the agreed period of time.

14. Property, plant and equipment

Property, plant and equipment

	Fixtures and fittings €m	Computer hardware, operating and office equipment €m	Payments on account and construction in progress €m	Total €m
Historical cost as at 1 Jan. 2010	**64.9**	**272.0**	**14.8**	**351.7**
Changes in the basis of consolidation[1]	0	−0.3	0	−0.3
Additions	12.9	38.4	26.4	77.7
Disposals	−2.5	−10.3	0	−12.8
Reclassifications	11.6	0.5	−12.1	0
Exchange rate differences	0.8	0.4	−0.1	1.1
Historical cost as at 31 Dec. 2010	**87.7**	**300.7**	**29.0**	**417.4**
Additions	1.8	38.3	1.5	41.6
Disposals	−25.6	−17.9	−5.2	−48.7
Reclassifications	10.0	9.6	−22.9	−3.3
Exchange rate differences	1.5	0.4	−2.3	−0.4
Historical cost as at 31 Dec. 2011	**75.4**	**331.1**	**0.1**	**406.6**
Depreciation and impairment losses as at 1 Jan. 2010	**41.8**	**210.5**	**0**	**252.3**
Changes in the basis of consolidation[1]	0	−0.3	0	−0.3
Depreciation	9.2	30.3	0	39.5
Disposals	−2.5	−10.0	0	−12.5
Exchange rate differences	0.2	0	0	0.2
Depreciation and impairment losses as at 31 Dec. 2010	**48.7**	**230.5**	**0**	**279.2**
Depreciation	6.0	33.4	0	39.4
Disposals	−25.6	−17.5	0	−43.1
Exchange rate differences	0.3	−0.3	0	0
Depreciation and impairment losses as at 31 Dec. 2011	**29.4**	**246.1**	**0**	**275.5**
Carrying amount as at 1 Jan. 2010	23.1	61.5	14.8	99.4
Carrying amount as at 31 Dec. 2010	39.0	70.2	29.0	138.2
Carrying amount as at 31 Dec. 2011	**46.0**	**85.0**	**0.1**	**131.1**

1) This relates primarily to the deconsolidation of Avox Ltd.

15. Financial assets

Financial assets

	Investments in associates €m	Other equity investments €m	Receivables and securities from banking business €m	Other financial instruments and loans €m
Historical cost as at 1 Jan. 2010	**166.1**	**66.5**	**1,448.9**	**28.5**
Additions	6.8	0.9	769.1	1.0
Disposals	–9.8	0	–336.8	–5.7
Addition/(reversal) premium/discount	0	0	0.1	–0.3
Reclassifications	–0.2	0.2	–338.0[1]	–12.3
Exchange rate differences	7.6	1.1	7.4	1.8
Historical cost as at 31 Dec. 2010	**170.5**	**68.7**	**1,550.7**	**13.0**
Additions	66.1	2.8	330.0	12.2
Disposals	–23.7	–11.1	–210.8	–0.5
Addition/(reversal) premium/discount	0	0	–0.3	0
Reclassifications	–83.2	83.2	–236.1[1]	–4.0
Exchange rate differences	2.8	0.6	–1.9	0.9
Historical cost as at 31 Dec. 2011	**132.5**	**144.2**	**1,431.6**	**21.6**
Revaluation as at 1 Jan. 2010	**–13.6**	**–6.5**	**19.3**	**0.5**
Disposals of impairment losses	9.8	0	0	–0.1
Dividends	–6.2	0	0	0
Net income from equity method measurement[2]	14.3	0	0	0
Currency translation differences recognised directly in equity	–1.5	0	0	0
Other fair value changes recognised directly in equity	–0.5	0	0	0
Other fair value changes recognised in profit or loss	0	0	–0.1	0
Market price changes recognised directly in equity	0	4.6	–13.4	–0.3
Market price changes recognised in profit or loss	0	–2.3	–0.5	0
Reclassifications	–0.2	0.2	–0.4[1]	0
Revaluation as at 31 Dec. 2010	**2.1**	**–4.0**	**4.9**	**0.1**
Disposals of impairment losses	0	0.3	0	0
Dividends	–5.8	0	0	0
Net income from equity method measurement[2]	15.6	0	0	0
Currency translation differences recognised directly in equity	–0.8	0	0	0
Currency translation differences recognised in profit or loss	–0.6	0	0	0
Other fair value changes recognised directly in equity	–1.7	–0.8	0	–1.5
Other fair value changes recognised in profit or loss	0	6.0	0	–3.0
Market price changes recognised directly in equity	0	0	–26.4	0
Market price changes recognised in profit or loss	0	–17.2	–1.7	0
Reclassifications	16.8	–16.8	–3.8[1]	0
Revaluation as at 31 Dec. 2011	**25.6**	**–32.5**	**–27.0**	**–4.4**
Carrying amount as at 1 Jan. 2010	152.5	60.0	1,468.2	29.0
Carrying amount as at 31 Dec. 2010	172.6	64.7	1,555.6	13.1
Carrying amount as at 31 Dec. 2011	**158.1**	**111.7**	**1,404.6**	**17.2**

1) Reclassified as current receivables and securities from banking business
2) Included in the result from equity investments

For details on revaluations and market price changes recognised directly in equity, see also note 22. Other equity investments include available-for-sale shares.

In the year under review, impairment losses amounting to €20.2 million (2010: €3.0 million) were recognised in the income statement, of which €3.0 million (2010: nil) relate to loans which were impaired as part of the equity method measurement of Indexium AG, and €17.2 million (2010: €2.1 million) to unlisted equity instruments. See note 10 for further details.

As in the previous year, no impairment losses on securities from banking business and other securities were recognised in the year under review.

Composition of receivables and securities from banking business

	31 Dec. 2011 €m	31 Dec. 2010 €m
Fixed-income securities		
from other credit institutions	763.7	586.5
from multilateral banks	425.3	521.0
from regional or local public bodies	40.6	160.7
from sovereign issuers	0	112.4
Other receivables[1]	175.0	175.0
Total	**1,404.6**	**1,555.6**

1) Secured through total return swaps

Securities from banking business include financial instruments listed on a stock exchange amounting to €1,229.6 million (2010: €1,380.6 million).

16. Derivatives and hedges

Deutsche Börse Group generally uses derivative financial instruments to hedge existing or highly probable forecast transactions. The derivatives are included in the positions “other noncurrent assets”, “other noncurrent liabilities” as well as “receivables and securities from banking business” and “liabilities from banking business”.

Derivatives (fair value)

	Note	Assets		Note	Liabilities	
		31 Dec. 2011 €m	31 Dec. 2010 €m		31 Dec. 2011 €m	31 Dec. 2010 €m
Fair value hedges						
long-term		0	0		0	–5.0
short-term		0	0	30	–1.2	0
Cash flow hedges						
long-term		0.9	10.6		–4.8	0
short-term		0	0	30	0	–0.7
Derivatives held for trading						
long-term		0	0		0	0
short-term	18	45.8	2.7	30, 32	0	–16.0
Total		**46.7**	**13.3**		**–6.0**	**–21.7**

Fair value hedges

Interest rate swaps, under which a fixed interest rate is paid and a variable rate is received, have been used to hedge the value of certain fixed-rate available-for-sale financial instruments (fair value hedges).

The following table gives an overview of the notional amount of the positions covered by fair value hedges at 31 December 2011 and the corresponding weighted average interest rates:

Outstanding positions fair value hedges

	31 Dec. 2011 €m	31 Dec. 2010 €m
Notional amount of pay-fixed interest rate swaps	81.4	112.3
Fair value of pay-fixed interest rate swaps	–1.2	–5.0
Net hedging ineffectiveness	0.1	0
Losses/gains on hedged items	–1.8	–0.5
Gains/losses on hedging instruments	1.9	0.5

Cash flow hedges

Development of cash flow hedges

	2011 €m	2010 €m
Cash flow hedges as at 1 January	9.9	–1.2
Amount recognised in equity during the year	–12.3	10.0
Amount recognised in profit or loss during the year	–0.5	–1.0
Premium paid	0	2.9
Realised losses	–1.0	–0.8
Cash flow hedges as at 31 December	**–3.9**	**9.9**

The following table gives an overview of the notional amount of the positions covered by cash flow hedges at 31 December 2011:

Outstanding positions cash flow hedges

		Forward rate agreement		Foreign exchange transactions	
		31 Dec. 2011	31 Dec. 2010	31 Dec. 2011	31 Dec. 2010
Number		2	2	0	12
Notional amount	€m	300.0	300.0	0	31.2[1]
Fair value	€m	–3.9	10.6	0	–0.7

1) Currency: US$

In 2013 some of the bonds issued by Deutsche Börse AG will mature. To partially hedge refinancing transactions in the future which will occur in all probability, a forward interest rate payer swap and a payer swaption were used to (conditionally) lock in prevailing (forward) interest rate levels which were judged to be attractive.

In October 2010, the Clearstream subgroup entered into twelve forward foreign exchange transactions amounting to US$2.6 million each, maturing at the end of each month in the period from January 2011 to December 2011 to hedge part of the expected US dollar sales revenues by converting them into euro mitigating the risk of a devaluation of the US dollar. The contracts had a negative fair value of €0.7 million as at 31 December 2010. This negative fair value was included in the "liabilities from banking business" item, see note 30.

Hedges of a net investment

In connection with the private placements in the USA, the bonds of the series A to C were designated as hedges against currency risk arising from the translation of the foreign functional currency US dollar into euro in order to hedge the net investment in the ISE subgroup.

Composition of private placements[1)]

Type	Issue volume	Equivalent			Term	
		31 Dec. 2011	31 Dec. 2010	as at emission	from	until
	US$m	€m	€m	€m		
Series A	170.0	131.6	127.4	110.2	12 June 2008	10 June 2015
Series B	220.0	170.3	164.9	142.7	12 June 2008	10 June 2018
Series C	70.0	54.2	52.5	45.4	12 June 2008	10 June 2020
Total	**460.0**	**356.1**	**344.8**	**298.3**		

1) Presented under "interest-bearing liabilities". See section "Financing of the acquisition of ISE" of the Group management report.

Effective exchange rate differences from the private placements are reported in the balance sheet item "accumulated profit", as are exchange rate differences from the translation of foreign subsidiaries. €57.5 million (2010: €46.2 million) was recognised in this item directly in equity. There was no ineffective portion of the net investment hedges in 2011 and 2010.

Derivatives held for trading

Foreign exchange swaps as at 31 December 2011 expiring in less than three months with a notional value of €2,684.0 million (2010: €3,131.7 million) had a positive fair value of €45.8 million (2010: positive fair value of €2.2 million and negative fair value of €15.1 million). These swaps were entered into to convert foreign currencies received through the issue of commercial paper from the banking business into euros, and to hedge short-term foreign currency receivables and liabilities in euros economically. These are reported under "current receivables and securities from banking business" and "liabilities from banking business" in the balance sheet (see also notes 18 and 30).

Outstanding positions derivatives transactions

		Foreign exchange swaps		Foreign exchange (interest rate) futures	
		31 Dec. 2011	31 Dec. 2010	31 Dec. 2011	31 Dec. 2010
Number		61.0	66.0	0	2.0
Notional amount	€m	2,684.0	3,137.7	0	0
Notional amount	US$m	0	0	0	20.0
Positive fair value	€m	45.8	2.2	0	0
Negative fair value	€m	0	15.1	0	0.4

17. Financial instruments of Eurex Clearing AG

Composition of financial instruments of Eurex Clearing AG

	31 Dec. 2011 €m	31 Dec. 2010 €m
Forward transactions in bonds and repo transactions	159,604.5	109,597.1
Options	23,384.4	19,099.8
Other	629.2	126.8
Total	**183,618.1**	**128,823.7**

Receivables and liabilities that may be offset against a clearing member are reported net.

See note 38 for details on the deposited collateral held by Eurex Clearing AG relating to its financial instruments.

18. Current receivables and securities from banking business

In addition to noncurrent receivables and securities from banking business that are classified as non-current financial assets (see note 15), the following receivables and securities from banking business, attributable solely to the Clearstream subgroup, were classified as current assets as at 31 December 2011.

Composition of current receivables and securities from banking business

	31 Dec. 2011 €m	31 Dec. 2010 €m
Loans to banks and customers		
Reverse repurchase agreements	5,567.8	4,491.1
Money market lendings	5,907.5	971.0
Balances on nostro accounts	612.0	1,287.6
Overdrafts from settlement business	559.6	248.6
	12,646.9	**6,998.3**
Available-for-sale debt instruments	242.1	570.3
Interest receivables	10.4	14.5
Forward foreign exchange transactions[1]	45.8	2.2
Total	**12,945.2**	**7,585.3**

1) See note 16.

Overdrafts from settlement business represent short-term loans of up to two days' duration that are usually secured by collateral. Potential concentrations of credit risk are monitored against counterparty credit limits (see note 38).

Remaining maturity of loans to banks and customers

	31 Dec. 2011 €m	31 Dec. 2010 €m
Not more than 3 months	12,256.3	6,998.3
More than 3 months but not more than 1 year	390.6	0
Total	**12,646.9**	**6,998.3**

All of the securities held as at 31 December 2011 and 2010 were listed and issued by sovereign or sovereign-guaranteed issuers.

Remaining maturity of available-for-sale debt instruments

	31 Dec. 2011 €m	31 Dec. 2010 €m
Not more than 3 months	38.7	242.3
3 months to 1 year	203.4	328.0
Total	**242.1**	**570.3**

19. Development of allowance against trade receivables

As in the previous year, there were no trade receivables due after more than one year as at 31 December 2011.

Allowance account

	€m
Balance as at 1 Jan. 2010	**11.2**
Additions	2.5
Utilisation	–5.2
Reversal	–1.4
Balance as at 31 Dec. 2010	**7.1**
Additions	1.7
Utilisation	–0.8
Reversal	–0.5
Balance as at 31 Dec. 2011	**7.5**

Uncollectible receivables of €0.1 million for which no allowance had previously been recognised were derecognised in 2011 (2010: €0.2 million).

20. Other current assets

Composition of other current assets

	31 Dec. 2011 €m	31 Dec. 2010 €m
Other receivables from CCP transactions	108.3	72.2
Prepaid expenses	24.1	19.3
Tax receivables (excluding income taxes)	18.3	18.5
Receivable from forward foreign exchange transaction	7.3	0
Collection business	4.4	6.5
Debt instrument[1]	4.0	0
Miscellaneous	7.5	24.9
Total	**173.9**	**141.4**

1) Relates to a release of pledge and pledge agreement with IHK Frankfurt/ Main (the Frankfurt/ Main Chamber of Industry and Commerce)

For details on derivatives reported under other current assets, see note 16.

Miscellaneous other current assets include a certificate of deposit of €1.4 million (2010: €1.9 million) used as collateral for two letters of credit.

21. Restricted bank balances

Amounts reported separately under liabilities as cash deposits by market participants are restricted. Such amounts totalling €13,861.5 million (2010: €6,064.2 million) are mainly invested via bilateral or triparty reverse repurchase agreements and in the form of overnight deposits at banks (restricted bank balances). Government or government-guaranteed bonds, mortgage bonds and bank bonds with an external rating of at least AA– are accepted as collateral for the reverse repurchase agreements.

Cash funds amounting to €1,198.9 million (2010: €121.6 million) attributable to the Clearstream subgroup are restricted due to minimum reserve requirements. During the year under review, Clearstream Banking S.A. was required to place, on average, a minimum of €143.3 million (2010: €93.5 million) with Banque centrale du Luxembourg, the Luxembourgian central bank, and Clearstream Banking AG was required to place, on average, a minimum of €1.7 million (2010: €2.0 million) with the Bundesbank, the German Central Bank.

22. Equity

Changes in equity are presented in the consolidated statement of changes in equity. As at 31 December 2011, the number of no-par value registered shares of Deutsche Börse AG issued was 195,000,000 (31 December 2010: 195,000,000). Transaction costs of €0.1 million incurred in connection with the buy-back of 2,643,130 no-par value registered shares were recognised directly in equity (2010: nil).

Subject to the agreement of the Supervisory Board, the Executive Board is authorised to increase the subscribed share capital by the following amounts:

Composition of authorised share capital

	Amount in €	Date of authorisation by the shareholders	Expiry date	Existing shareholders' pre-emptive rights may be disapplied for fractioning and/or may be disapplied if the share issue is:
Authorised share capital I	5,200,000	12 May 2011	11 May 2016	■ against non-cash contributions for the purpose of acquiring companies, parts of companies, or interests in companies, or other assets
Authorised share capital II	27,800,000	27 May 2010	26 May 2015	■ for cash at an issue price not significantly lower than the stock exchange price up to a maximum amount of 10 percent of the nominal capital to issue new shares ■ to employees of the Company or affiliated companies with the meaning of sections 15ff. of the Aktiengesetz (AktG, German Stock Corporation Act), with the pro rata amount of the share capital not allowed to exceed €3 million ■ against non-cash contributions for the purpose of acquiring companies, parts of companies, interests in companies, or other assets
Authorised share capital III	19,500,000	27 May 2010	26 May 2015	n.a.
Authorised share capital IV	6,000,000	11 May 2007	10 May 2012	■ for the issuance of up to 900,000 new shares per year to Executive Board members and employees of the Company as well as to the management and employees of affiliated companies within the meaning of sections 15ff. of the AktG

In addition to authorised share capital I, II, III and IV, the Company has contingent capital I that was created to issue up to 6,000,000 shares to settle stock options under the Group Share Plan (see note 41).

There were no further subscription rights for shares as at 31 December 2011 or 31 December 2010.

Revaluation surplus

The revaluation surplus results from the revaluation of securities and other current and noncurrent financial instruments at their fair value less deferred taxes, as well as the value of the stock options under the Group Share Plan for which no cash settlement was provided at the balance sheet date (see note 41). This item also contains reserves from an existing investment in an associate, which were recognised in connection with the acquisition of further shares, as the company was fully consolidated as of this date.

Revaluation surplus

	Recognition of hidden reserves from fair value measurement €m	Other equity investments (financial assets) €m	Securities from banking business (financial assets) €m	Other financial instruments (financial assets) €m	Current securities from banking business €m	Cash flow hedges €m	GSP and SBP options €m	Total €m
Balance as at 1 Jan. 2010 (gross)	**103.7**	**3.3**	**13.4**	**0.5**	**0.9**	**2.4**	**6.0**	**130.2**
Fair value measurement	0	4.6	–13.4	–0.3	–1.3	11.4	0	1.0
Increase in share-based payments	0	0	0	0	0	0	–1.4	–1.4
Reclassification directly in equity (accumulated profit)	0	0	–0.4	0	0.4	0	0	0
Reversal to profit or loss	0	0.9	0.2	0	0	–3.3	0	–2.2
Balance as at 31 Dec. 2010 (gross)	**103.7**	**8.8**	**– 0.2**	**0.2**	**0**	**10.5**	**4.6**	**127.6**
Fair value measurement	0	–0.8	–27.7	–1.5	2.6	–12.3	0	–39.7
Increase in share-based payments	0	0	0	0	0	0	–2.2	–2.2
Reversal to profit or loss	0	–4.9	1.2	0	–1.1	–1.4	0	–6.2
Balance as at 31 Dec. 2011 (gross)	**103.7**	**3.1**	**–26.7**	**–1.3**	**1.5**	**–3.2**	**2.4**	**79.5**
Deferred taxes								
Balance as at 1 Jan. 2010	**0**	**–0.4**	**–3.8**	**0**	**–0.2**	**–0.6**	**0**	**–5.0**
Additions	0	0	3.9	0	0.2	0	0	4.1
Reversals	0	–0.1	0	0	0	–1.7	0	–1.8
Balance as at 31 Dec. 2010	**0**	**–0.5**	**0.1**	**0**	**0**	**–2.3**	**0**	**–2.7**
Additions	0	0	7.4	0	0	3.4	0	10.8
Reversals	0	–0.1	0	0	–0.5	–0.2	0	–0.8
Balance as at 31 Dec. 2011	**0**	**–0.6**	**7.5**	**0**	**– 0.5**	**0.9**	**0**	**7.3**
Balance as at 1 Jan. 2010 (net)	103.7	2.9	9.6	0.5	0.7	1.8	6.0	125.2
Balance as at 31 Dec. 2010 (net)	103.7	8.3	–0.1	0.2	0	8.2	4.6	124.9
Balance as at 31 Dec. 2011 (net)	**103.7**	**2.5**	**–19.2**	**–1.3**	**1.0**	**–2.3**	**2.4**	**86.8**

Accumulated profit
The "accumulated profit" item includes exchange rate differences amounting to €105.5 million (2010: €57.6 million). €59.3 million was added due to currency translation for foreign subsidiaries in the year under review (2010: €109.3 million) and €11.4 million was withdrawn relating to a net investment hedge that was used to hedge the net investment in ISE against currency risk (2010: €25.6 million).

Regulatory capital requirements and regulatory capital ratios
Clearstream Banking S.A., Clearstream Banking AG and Eurex Clearing AG as well as the regulatory Clearstream group are subject to solvency supervision by the German or Luxembourg banking supervisory authorities (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin, and Commission de Surveillance du Secteur Financier, CSSF, respectively). All companies that are subject to this supervision are non-trading-book institutions. Market price risk positions consist only of a relatively small open foreign currency position. As a result of these companies' specific businesses, their risk-weighted assets are subject to sharp fluctuations and their solvency ratios are correspondingly volatile. Thereby, the volatility of the ratio within the Clearstream subgroup is significantly higher than at Eurex Clearing AG and is subject to major fluctuations on a day-to-day basis in the course of the year. Due to a high degree of collateralised or zero-weighted cash investments, the capital requirements for credit and market price risks of Eurex Clearing AG are relatively stable.

The capital requirements are subject to the national regulations of the individual companies. These are based on EU Banking and Capital Requirements Directives which are ultimately based on "Basel II". The companies concerned homogeneously apply the standardised approach for credit risk. For calculating the operational risk charge, Eurex Clearing AG uses the basic indicator approach, while the Clearstream companies apply the AMA (advanced measurement approach).

The companies subject to solvency supervision have only a very limited amount of Tier 2 regulatory capital. A minimum solvency ratio of 8 percent applies. The individual companies' capital resources sufficiently reflect the fluctuation in risk-weighted assets. Stress considerations are used to determine the capital required for expected peaks and additional reserves for unexpected events are added. The capital requirements determined in this way are met through the capital resources. As the actual capital requirements are below the expected peaks – significantly so under normal circumstances – this may lead to a very high technical closing date solvency ratio.

The capital requirements of the Clearstream companies rose in the year under review. This was mainly driven by increased capital requirements for operational risk that arose during the annual review of the risk scenarios, as well as by higher business volumes (securities lending and customer cash balances). The changes in equity at Clearstream Banking AG are mainly attributable to additions to capital reserves in order to cover the capital requirements for the operational risk. The decrease in equity at Clearstream Banking S.A. was primarily driven by the effects of dividends and fluctuations in the revaluation reserve.

Owing to the increased volatility and the situation on the money markets as a result of the global financial crisis, the clearing members of Eurex Clearing AG had deposited considerably more cash collateral in the fourth quarter of 2008 than had previously been the case. As a result, Eurex Clearing AG increased equity by a total of €60 million. The deposited cash collateral fell significantly back again in 2009. In addition, Eurex Clearing AG successfully implemented several measures to optimise the cash investment strategy, which led to a reduction not only in credit and counterparty risks, but also in capital requirements. As a result, Eurex Clearing AG's solvency ratio has been well above the required minimum. The resulting capital buffer was used firstly for potential peaks in capital requirements from (unsecured) cash investments and secondly also to cover operational risk. The renewed substantial increase of deposited cash collateral (see also note 38) has not resulted in a material increase of the capital requirements due to the measures described above.

Eurex Clearing AG's internal risk model assumes higher capital requirements for operational risk than results from the accounting-based basic indicator approach in accordance with regulatory requirements. In this respect, Eurex Clearing AG has always provided a capital buffer. Against this background, the banking supervisory authorities henceforth encouraged Eurex Clearing AG to expand the basis for calculating the regulatory capital requirements to include an adequate clearing portion of the fees collected for the account of the operating companies. This results in an increase of around €61 million in its regulatory capital requirements to €70 million as well as in a significant decline of the solvency ratio. These capital requirements are calculated, including the assumed clearing fees, on the basis of the historical income once a year, and are therefore not subject to daily fluctuations. Compliance with the minimum supervisory ratio is maintained at any time due to the sufficient capital buffer for uncollateralised cash investments. Despite this, Eurex Clearing AG plans, against the background of the currently volatile financial markets, to increase its own funds by around €25 million in the first half of 2012 in order to further strengthen its equity basis.

Composition of own funds requirements

	Own funds requirements for operational risks		Own funds requirements for credit and market price risk		Total own funds requirements	
	31 Dec. 2011 €m	31 Dec. 2010 €m	31 Dec. 2011 €m	31 Dec. 2010 €m	31 Dec. 2011 €m	31 Dec. 2010 €m
Clearstream Holding group	181.3	155.8	79.3	55.2	260.6	211.0
Clearstream Banking S.A.	111.0	98.6	72.5	74.7	183.5	173.3
Clearstream Banking AG	68.9	58.6	18.5	18.7	87.4	77.3
Eurex Clearing AG	69.9	11.2	2.7	2.5	72.6	13.7

Regulatory capital ratios

	Own funds requirements		Regulatory equity		Solvency ratio	
	31 Dec. 2011 €m	31 Dec. 2010 €m	31 Dec. 2011 €m	31 Dec. 2010 €m	31 Dec. 2011 %	31 Dec. 2010 %
Clearstream Holding group	260.6	211.0	821.1	763.0	25.2	28.9
Clearstream Banking S.A.	183.5	173.3	426.0	450.9	18.6	20.8
Clearstream Banking AG	87.4	77.3	183.1	157.1	16.8	16.3
Eurex Clearing AG	72.6	13.7	113.0	110.1	12.5[1)]	64.2

1) Without the adjustment to the capital requirements for operational risk recommended by the banking supervisory authorities, the solvency ratio for Eurex Clearing AG would have been 76.5 percent.

Eurex Clearing AG has been accredited by the Financial Services Authority (FSA) in the UK as a Recognised Overseas Clearing House (ROCH). The FSA expects regulatory capital equivalent to at least half the operating expenses of the previous year to be maintained; the resulting regulatory minimum capital required by the FSA amounted to €32.8 million as at 31 December 2011 (2010: €18.5 million).

The regulatory minimum requirements were complied with at all times by all companies during the year under review and in the period up to the preparation of the consolidated financial statements. As a result of changes to the rules for large exposures as at 31 December 2010 and changed market behaviour due to exchange rate movements during the year, the large exposure limits were exceeded for a short period in the case of one customer of Clearstream Banking S.A. as a result of securities lending transactions. The company arranged for the prompt reduction of the regulatory exposure below the large exposure limits and, by revising the collateral requirements, took the measures necessary to ensure that the large exposure limits are met in future.

23. Shareholders' equity and appropriation of net profit of Deutsche Börse AG

The annual financial statements of the parent company Deutsche Börse AG, prepared as at 31 December 2011 in accordance with the provisions of the Handelsgesetzbuch (HGB, the German Commercial Code), report net profit for the year of €679.7 million (2010: €278.8 million) and shareholders' equity of €2,255.9 million (2010: €2,073.0 million).

Net profit for the year is significantly higher year-on-year, primarily due to the impairment charge recognised in the previous year on the profit participation rights of Eurex Frankfurt AG. Another factor driving the rise in net profit for the year compared to the previous year is the merger of Deutsche Börse AG with Deutsche Börse Systems AG implemented in 2011. As a result, the current fiscal year is only comparable to the previous year to a limited extent.

Proposal on the appropriation of the unappropriated surplus

	31 Dec. 2011 €m	31 Dec. 2010 €m
Net profit for the year	679.7	278.8
Transfer from retained earnings	0	121.2
Appropriation to other retained earnings in the annual financial statements	–29.7	0
Unappropriated surplus	**650.0**	**400.0**
Proposal by the Executive Board:		
Distribution of a dividend of €2.30 plus a special distribution of €1.00 per share for 183,466,932 no-par value shares carrying dividend rights (in 2011 from net profit for 2010: €2.10)	605.4	390.7
Appropriation to retained earnings	44.6	9.3

No-par value shares carrying dividend rights

	Number
Number of shares issued as at 31 December 2011	**195,000,000**
Number of shares acquired under the share buy-back programme up to the balance sheet date	–11,600,127
Number of shares outstanding as at 31 December 2011	**183,399,873**
Shares issued under the Group Share Plan up to the preparation date of the financial statements in 2012	67,059
Total	**183,466,932**

The proposal on the appropriation of the unappropriated surplus reflects treasury shares held directly or indirectly by the Company that are not eligible to receive dividends under section 71b of the Aktiengesetz (AktG, the German Stock Corporation Act). The number of shares eligible to receive dividends can change until the Annual General Meeting through the repurchase or sale of further treasury shares. In this case, without changing the regular dividend of €2.30 plus the special dividend of €1.00 per eligible share, an amended resolution for the appropriation of the unappropriated surplus will be proposed to the Annual General Meeting.

24. Provisions for pensions and other employee benefits

Provisions for pension plans and other employee benefits are measured annually at the balance sheet date using actuarial methods. The following assumptions were applied to the calculation of the actuarial obligations for the pension plans:

Actuarial assumptions

	31 Dec. 2011			31 Dec. 2010		
	Germany %	Luxembourg %	Switzerland %	Germany %	Luxembourg %	Switzerland %
Discount rate	5.00	5.00	2.25	4.90	4.90	2.50
Expected return on plan assets[1]	4.11	3.60	3.20	3.89	4.42	4.00
Salary growth	3.50	3.50	1.00	3.50	3.50	2.00
Pension growth	2.00	2.00	0	1.75	1.75	0.25
Staff turnover rate	2.00	2.00	n.a.[2]	2.00	2.00	n.a.[2]

1) The return rate was estimated based on market-oriented parameters, taking the equity component of plan assets into consideration.
2) Staff turnover rate in accordance with the Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge (Swiss Federal Occupational Retirement, Survivors' and Disability Pension Plans Act)

The present value of defined benefit obligations (DBOs) can be reconciled with the provisions shown in the balance sheet as follows:

Net liability of defined benefit obligations

	31 Dec. 2011 €m	31 Dec. 2010 €m
Unfunded defined benefit obligations	0.6	0.6
Partly or wholly funded defined benefit obligations	244.1	227.6
Defined benefit obligations	**244.7**	**228.2**
Fair value of plan assets	–194.5	–172.7
Net unrecognised actuarial losses	–48.5	–44.4
Net unrecognised past service cost	0	0
Net liability	**1.7**	**11.1**
Amount recognised in the balance sheet		
Other noncurrent assets	–15.6	–10.2
Provisions for pensions and other employee benefits	17.3	21.3
Net liability	**1.7**	**11.1**

Changes in defined benefit obligations

	2011 €m	2010 €m
As at 1 January	228.2	184.3
Current service cost	13.7	14.0
Past service cost	2.7	2.4
Interest cost	10.8	9.7
Contributions	0.8	6.4
Changes in actuarial losses	–4.2	16.6
Effects of exchange rate differences	0.3	0
Benefits paid	–7.6	–5.0
Changes in the basis of consolidation	0	–0.2
As at 31 December	**244.7**	**228.2**

The pension-related expenses contained in staff costs in the consolidated income statement are composed of the following items:

Composition of expenses recognised

	2011 €m	2010 €m
Current service cost	13.7	14.0
Past service cost	2.7	2.4
Interest cost	10.8	9.7
Expected return on plan assets	–6.7	–5.7
Net actuarial loss recognised	7.1	3.5
Total	**27.6**	**23.9**

In financial year 2011, employees converted a total of €4.5 million (2010: €3.9 million) of their variable remuneration into deferred compensation benefits.

The expected costs of defined benefit plans amount to approximately €21.6 million for the 2012 financial year (for 2011: €24.1 million).

Changes in fair value of plan assets

	2011 €m	2010 €m
As at 1 January	172.7	123.2
Expected return on plan assets	6.7	5.7
Actuarial (loss)/return on plan assets	–15.4	1.3
Effects of exchange rate differences	0.2	0
Employer contributions to plan assets	37.9	47.5
Benefits paid	–7.6	–5.0
As at 31 December	**194.5**	**172.7**

The actual losses on plan assets amounted to €8.7 million in the year under review (2010: gains of €7.0 million). The calculation of the expected return on plan assets had been based on return rates of 3.89 to 4.42 percent (2010: 4.00 to 4.60 percent).

Composition of plan assets

	31 Dec. 2011 %	31 Dec. 2010 %
Bonds	46.5	45.0
Investment funds	42.8	44.0
Other[1]	10.7	11.0
Total	**100.0**	**100.0**

1) 6.8 percent cash (5.3 percent in the previous year)

Plan assets do not include any of the Group's own financial instruments. Neither do they include any property occupied or other assets used by the Group.

The following table shows the experience adjustments to pension obligations and plan assets:

Adjustments to pension obligations and plan assets

	2011 €m	2010 €m	2009 €m	2008 €m	2007 €m
Actuarial present value of pension obligations	244.7	228.2	184.3	147.6	154.5
Fair value of plan assets	–194.5	–172.7	–123.2	–104.5	–132.1
Underfunding	**50.2**	**55.5**	**61.1**	**43.1**	**22.4**
Experience adjustments	11.9	1.0	–16.0	47.7	–0.8
thereof attributable to plan liabilities	–3.5	2.3	–2.4	–3.4	–2.3
thereof attributable to plan assets	15.4	–1.3	–13.6	51.1	1.5

In the year under review, the costs of defined contribution plans amounted to €27.8 million (2010: €24.2 million).

25. Changes in other provisions

Changes in other provisions

	Other noncurrent provisions €m	Tax provisions €m	Other current provisions €m	Total €m
Balance as at 1 Jan. 2011	**86.6**	**345.0**	**134.8**	**566.4**
Changes in the basis of consolidation	0	0	0	0
Reclassification	–11.5[1]	–0.6	11.0	–1.1[2]
Utilisation	–7.6	–196.2	–55.7	–259.5
Reversal	–18.4	–27.7	–27.6	–73.7
Additions	28.3	99.1	42.9	170.3
Balance as at 31 Dec. 2011	**77.4**	**219.6**	**105.4**	**402.4**

1) Primarily reclassification of provisions from noncurrent to current
2) Relates to the reclassification to liabilities

26. Other noncurrent provisions

Other noncurrent provisions have more than one year to maturity.

Composition of other noncurrent provisions

	31 Dec. 2011 €m	31 Dec. 2010 €m
Restructuring and efficiency measures	45.6	54.0
Pension obligations to IHK	8.9	9.4
Stock Bonus Plan	7.6	8.4
Bonus	4.9	1.1
Early retirement	2.6	3.2
Anticipated losses	2.5	4.7
Miscellaneous	5.3	5.8
Total	**77.4**	**86.6**
thereof with remaining maturity between 1 and 5 years	60.7	73.5
thereof with remaining maturity of more than 5 years	16.7	13.1

Provisions for restructuring and efficiency measures include provisions amounting to €9.9 million (2010: €13.2 million) for the restructuring and efficiency programme resolved in September 2007 as well as €35.7 million (2010: €40.8 million) for the programme resolved in 2010 to increase operational performance. Additions include discount effects amounting to €1.2 million (2010: €–4.4 million) mainly from the passage of time. For details see "Internal management control" section in the Group management report.

Provisions for pension obligations to the Industrie- und Handelskammer (IHK, the Chamber of Commerce) are recognised on the basis of the number of eligible employees. Provisions for early retirement benefits are calculated on the basis of the active and former employees involved. Additions include discount rate effects amounting to €0.4 million (2010: €–0.4 million) mainly from the passage of time.

For details on the Stock Bonus Plan, see note 41.

As at 31 December 2011, the provisions for anticipated losses contained provisions for anticipated losses from rental expenses amounting to €4.3 million (2010: €14.8 million), of which €1.8 million (2010: €10.1 million) were allocated to current provisions. The provisions classified as noncurrent are not expected to be utilised before 2013. They were calculated on the basis of existing rental agreements for each building. Depending on the remaining maturity of the provisions, a discount rate of 0.58 percent was applied (2010: 1.01 percent or 1.85 percent). Additions include discount effects amounting to €0.0 million (2010: €0.1 million).

27. Liabilities

Interest-bearing liabilities
The euro and US dollar bonds reported under "interest-bearing liabilities" and a hybrid bond denominated in euros have a carrying amount of €1,458.3 million (2010: €1,444.0 million) and a fair value of €1,525.9 million (2010: €1,537.3 million). For further details, see the "Financing of the acquisition of ISE" section and the table "Debt instruments of Deutsche Börse AG" in the Group management report.

Payables to other related parties
In the context of the transaction between Deutsche Börse AG, SIX Group AG and SIX Swiss Exchange AG described in detail in note 2, a liability in the amount of the present value of the agreed purchase price was recognised. As a result, SIX Swiss Exchange AG's existing interest in Deutsche Börse Group's equity was already regarded as acquired for accounting purposes. The difference between the carrying amount of the non-controlling interest and the present value of the purchase price reduced equity. The share component of the liability was measured at fair value; changes in fair value were recognised through profit and loss in the financial result. Subsequent measurement of the share component as at 31 December 2011 resulted in financial income of €80.8 million. Subsequent measurement of the cash component resulted in financial expense of €3.4 million. The liability of €508.0 million is recognised accordingly. See also note 44.

The financial liabilities recognised in the balance sheet were not secured by liens or similar rights, neither as at 31 December 2011 nor as at 31 December 2010.

28. Tax provisions

Composition of tax provisions

	31 Dec. 2011 €m	31 Dec. 2010 €m
Income tax expense: current year	34.7	45.6
Income tax expense: previous years	127.9	256.5
Capital tax and value added tax	57.0	42.9
Total	**219.6**	**345.0**

The estimated remaining maturity of the tax provisions is less than one year.

29. Other current provisions

Composition of other current provisions

	31 Dec. 2011 €m	31 Dec. 2010 €m
Interest on taxes	33.7	26.9
Transaction costs advice[1)]	16.0	0
Recourse, litigation and interest rate risks	11.9	11.6
Claims for damages	11.7	10.5
Restructuring and efficiency measures[2)]	9.8	43.4
Stock Bonus Plan	6.3	20.6
Rent and incidental rental costs	4.3	4.2
Anticipated losses	1.8	10.1
Miscellaneous	9.9	7.5
Total	**105.4**	**134.8**

1) Relating to the acquisition of the remaining shares of Eurex Zürich AG and the merger of Deutsche Börse AG and NYSE Euronext that was prohibited on 1 February 2012
2) Thereof provisions amounting to €0.5 million (2010: €3.4 million) for the restructuring and efficiency programme resolved in 2007 and provisions amounting to €7.9 million (2010: €34.1 million) for the programme to increase operational performance adopted in 2010 (for details see section "Internal management control" of the Group management report)

For details on share-based payments, see note 41. For details on noncurrent anticipated losses, see note 26.

30. Liabilities from banking business

The liabilities from banking business are attributable solely to the Clearstream subgroup.

Composition of liabilities from banking business

	31 Dec. 2011 €m	31 Dec. 2010 €m
Customer deposits from securities settlement business	13,852.9	7,390.6
Issued commercial paper	204.3	202.3
Money market lendings	74.7	185.3
Overdrafts on nostro accounts	33.8	25.0
Interest liabilities	2.7	3.0
Interest rate swaps – fair value hedges	1.2	0
Forward foreign exchange transactions – held for trading	0	15.1
Forward foreign exchange transactions – fair value hedges	0	0.7
Total[1]	**14,169.6**	**7,822.0**

1) There were no payables to associates in the year under review (2010: €0.1 million), see note 44.

Remaining maturity of liabilities from banking business

	31 Dec. 2011 €m	31 Dec. 2010 €m
Not more than 3 months	14,167.1	7,820.1
More than 3 months but not more than 1 year	2.5	1.9
Total	**14,169.6**	**7,822.0**

31. Cash deposits by market participants

Composition of cash deposits by market participants

	31 Dec. 2011 €m	31 Dec. 2010 €m
Liabilities from margin payments to Eurex Clearing AG by members	13,858.0	6,060.1
Liabilities from cash deposits by participants in equity trading	3.5	4.1
Total	**13,861.5**	**6,064.2**

32. Other current liabilities

Composition of other current liabilities

	31 Dec. 2011 €m	31 Dec. 2010 €m
Payables to Eurex participants	155.2	68.3
Special payments and bonuses	50.1	46.1
Interest payable	42.0	42.0
Tax liabilities (excluding income taxes)	24.4	30.0
Vacation entitlements, flexitime and overtime credits	14.4	12.6
Earn-out component	0	14.2
Derivatives	0	0.9
Miscellaneous	35.9	31.8
Total	**322.0**	**245.9**

33. Maturity analysis of financial instruments

Underlying contractual maturities of the financial instruments at the balance sheet date

	Contractual maturity	
		Sight
	2011 €m	2010 €m
Non-derivative financial liabilities		
Interest-bearing liabilities[1]	0	0
Other noncurrent financial liabilities	0	0
Liabilities from finance lease transactions (gross)	0	0
Non-derivative liabilities from banking business	13,960.4	7,600.1
Trade payables, payables to associates, payables to other related parties and other current liabilities	11.6	15.1
Cash deposits by market participants	13,861.5	6,064.2
Other bank loans and overdrafts	0.4	20.1
Total non-derivative financial liabilities (gross)	**27,833.9**	**13,699.5**
Derivatives and financial instruments of Eurex Clearing AG		
Financial liabilities and derivatives of Eurex Clearing AG	23,202.7	14,823.5
less financial assets and derivatives of Eurex Clearing AG	–23,202.7	–14,823.5
Cash inflow – derivatives and hedges		
Cash flow hedges	0	0
Fair value hedges	0	0
Derivatives held for trading	962.8	2,003.3
Cash outflow – derivatives and hedges		
Cash flow hedges	0	0
Fair value hedges	0	0
Derivatives held for trading	–964.2	–1,999.6
Total derivatives and hedges	**–1.4**	**3.6**

1) Included in noncurrent interest-bearing liabilities and other current liabilities
2) Includes the traditional options in the amount of €23,384.4 million (2010: €19,099.8 million). The various series have different maximum durations: 36 months for single-stock futures, 60 months for equity options, 9 months for index futures and 119 months for index options. As the respective asset and liability sides of the options are always of the same duration, no analysis of the individual durations is presented for reasons of immateriality, and the total outstanding is presented as having a contractual maturity of not more than 3 months.

	Contractual maturity								Reconciliation to carrying amount		Carrying amount	
	Not more than 3 months		More than 3 months but not more than 1 year		More than 1 year but not more than 5 years		Over 5 years					
	2011 €m	2010 €m	2011 €m	2010 €m	2011 €m	2010 €m	2011 €m	2010 €m	2011 €m	2010 €m	2011 €m	2010 €m
	0	0	87.1	91.3	1,393.6	1,476.5	245.3	253.2	−267.7	−365.8	1,458.3	1,455.2
	0	0	0.1	0	0.4	0	0.5	0	5.1	4.6	6.1	4.6
	0	0	0	0	0	0	0	0	0	0	0	0
	205.2	207.6	1.3	1.3	0	0	0	0	1.5	−2.8	14,168.4	7,806.2
	837.5	202.9	9.2	0.3	0.7	0	0	0	117.3	140.4	976.3	358.7
	0	0	0	0	0	0	0	0	0	0	13,861.5	6,064.2
	0	0	0	0	0	0	0	0	0	0	0.4	20.1
	1,042.7	**410.5**	**97.7**	**92.9**	**1,394.7**	**1,476.5**	**245.8**	**253.2**	**−143.8**	**−223.6**	**30,471.0**	**15,709.0**
	139,808.6[2)]	98,448.3[2)]	20,606.8	15,551.9	0	0	0	0	0	0	183,618.1	128,823.7
	– 139,808.6[2)]	– 98,448.3[2)]	– 20,606.8	−15,551.9	0	0	0	0	0	0	−183,618.1	−128,823.7
	0	5.8	0	17.5	18.6	25.8	13.6	31.6				
	0	1.3	3.4	3.4	0	6.0	0	0				
	1,679.5	1,331.8	0	20.4	0	0	0	0				
	0	– 5.7	0	−17.1	−26.1	−18.0	−17.4	−27.0				
	– 0.3	– 0.3	0	−0.8	0	−1.2	0	0				
	– 1,724.6	– 1,320.8	0	−20.0	0	0	0	0				
	– 45.4	**12.2**	**3.4**	**3.4**	**−7.5**	**12.6**	**−3.8**	**4.6**				

34. Classification of financial instruments under IAS 39

The following table shows an analysis of the financial instruments in the balance sheet in accordance with their classification under IAS 39 as well as the corresponding carrying amounts:

Classification of financial instruments

Consolidated balance sheet item (classification)	Note	Category	Measured at	Carrying amount 31 Dec. 2011 €m	Carrying amount 31 Dec. 2010 €m
Other equity investments	15	AFS[1]	Historical cost	33.0	47.0
		AFS[1]	Fair value	78.7	17.7
Noncurrent receivables and securities from banking business	15	AFS[1]	Fair value	1,229.6	1,380.6
		Loans and receivables	Amortised cost	175.0	175.0
Other financial instruments	15	AFS[1]	Fair value	16.6	12.1
Other loans	15	Loans and receivables	Amortised cost	0.6	1.0
Other noncurrent assets	16	Cash flow hedges	Fair value	0.9	10.6
		Loans and receivables	Amortised cost	3.7	3.7
Financial instruments of Eurex Clearing AG	17	Held for trading	Fair value	183,618.1	128,823.7
Current receivables and securities from banking business	18	AFS[1]	Fair value	242.1	570.3
		Loans and receivables	Amortised cost	12,657.3	7,012.8
		Derivatives held for trading	Fair value	45.8	2.2
Trade receivables	19	Loans and receivables	Amortised cost	224.3	212.1
Associate receivables		Loans and receivables	Amortised cost	2.7	5.6
Receivables from other related parties		Loans and receivables	Amortised cost	5.1	4.4
Other current assets	16, 20	Held for trading	Fair value	0	0.5
		Loans and receivables	Amortised cost	122.4	83.2
		AFS[1]	Fair value	4.0	17.2
Restricted bank balances	21	Loans and receivables	Amortised cost	15,060.4	6,185.8
Other cash and bank balances		Loans and receivables	Amortised cost	925.2	797.1
Interest-bearing liabilities (excluding finance leases)	27	Liabilities at amortised cost	Amortised cost	1,102.2	1,110.4
		Net investment hedge[2]	Amortised cost	356.1	344.8

Consolidated balance sheet item (classification)	Note	Category	Measured at	Carrying amount 31 Dec. 2011 €m	Carrying amount 31 Dec. 2010 €m
Other noncurrent liabilities	16	Cash flow hedges	Fair value	4.8	0
		Fair value hedges	Fair value	0	5.0
Financial instruments of Eurex Clearing AG		Held for trading	Fair value	183,618.1	128,823.7
Liabilities from banking business	30	Liabilities at amortised cost	Amortised cost	14,168.4	7,806.2
		Derivatives held for trading	Fair value	0	15.1
		Cash flow hedges	Fair value	0	0.7
		Fair value hedges	Fair value	1.2	0
Other bank loans and overdrafts	37	Liabilities at amortised cost	Amortised cost	0.4	20.1
Trade payables		Liabilities at amortised cost	Amortised cost	114.6	96.5
Payables to associates		Liabilities at amortised cost	Amortised cost	13.2	4.0
Payables to other related parties		Liabilities at amortised cost	Amortised cost	314.5	13.6
		Held for trading	Fair value	214.2[3]	0
Cash deposits by market participants		Liabilities at amortised cost	Amortised cost	13,861.5	6,064.2
Other current liabilities	32	Liabilities at amortised cost	Amortised cost	197.6	129.2
		Derivatives held for trading	Fair value	0	0.9

1) Available-for-sale (AFS) financial assets
2) This relates to the private placements designated as hedging instruments of a net investment hedge (see note 16).
3) Relating to the share component from the planned acquisition of the remaining shares of Eurex Zürich AG, which was measured at fair value.

The carrying amount of other loans, current receivables and other assets as well as current and non-current receivables from banking business measured at amortised cost, restricted bank balances, and other cash and bank balances corresponds to their fair value.

The "other equity investments" item, which is carried at historical cost less any impairment losses, comprises non-listed equity instruments whose fair value generally cannot be reliably determined on a continuous basis. For the year under review, their fair value is estimated to be close to their carrying amount.

As a result of International Securities Exchange Holdings, Inc.'s loss of significant influence over Direct Edge Holdings, LLC, the latter has been reported at fair value under "other equity investments" as at 31 December 2011. The investment is classified as available for sale. In the absence of an active market, fair value was measured on the basis of a combination of current comparable market transactions (earnings in relation to other comparable listed companies) and the Ertragswertverfahren (German income approach). The remeasurement gain of €6.0 million resulting from the reclassification was recognised in the consolidated income statement and reported under the result from equity investments.

The bonds reported under interest-bearing liabilities have a fair value of €1,125.3 million (2010: €1,174.2 million). The fair values are the quoted prices of the bonds as at 31 December 2011. The fair value of the private placements is €400.6 million (2010: €363.1 million). This figure was calculated as the present value of the cash flows relating to the private placements on the basis of market parameters.

The carrying amount of current liabilities and cash deposits by market participants represents a reasonable approximation of fair value.

The financial assets and liabilities that are measured at fair value are to be allocated to the following three hierarchy levels: financial assets and liabilities are to be allocated to level 1 if there is a quoted price for identical assets and liabilities in an active market. They are allocated to level 2 if the inputs on which the fair value measurement is based are observable either directly (as prices) or indirectly (derived from prices). Financial assets and liabilities are allocated to level 3 if the fair value is determined on the basis of unobservable inputs.

As at 31 December 2011, the financial assets and liabilities that are measured at fair value were allocated to the following hierarchy levels:

Fair value hierarchy

	Fair value as at 31 Dec. 2011	thereof attributable to:		
		Level 1	Level 2	Level 3
	€m	€m	€m	€m
ASSETS				
Financial assets held for trading				
Derivatives				
Financial instruments of Eurex Clearing AG	183,618.1	183,618.1	0	0
Current receivables and securities from banking business	45.8	0	45.8	0
Other noncurrent assets	0.9	0	0.9	0
Total	**183,664.8**	**183,618.1**	**46.7**	**0**
Available-for-sale financial assets				
Equity instruments				
Other equity investments	78.7	1.7	4.6	72.4
Total	**78.7**	**1.7**	**4.6**	**72.4**
Debt instruments				
Other financial instruments	16.6	16.6	0	0
Current receivables and securities from banking business	242.1	242.1	0	0
Other current assets	4.0	4.0	0	0
Noncurrent receivables and securities from banking business	1,229.6	1,229.6	0	0
Total	**1,492.3**	**1,492.3**	**0**	**0**
Total assets	**185,235.8**	**185,112.1**	**51.3**	**72.4**
LIABILITIES				
Financial liabilities held for trading				
Derivatives				
Financial instruments of Eurex Clearing AG	183,618.1	183,618.1	0	0
Liabilities from banking business	1.2	0	1.2	0
Payables to other related parties	214.2	214.2	0	0
Other noncurrent liabilities	4.8	0	4.8	0
Total liabilities	**183,838.3**	**183,832.3**	**6.0**	**0**

By comparison, the financial assets and liabilities measured at fair value as at 31 December 2010 were allocated to the hierarchy levels as follows:

Fair value hierarchy

	Fair value as at 31 Dec. 2010	thereof attributable to:		
		Level 1	Level 2	Level 3
	€m	€m	€m	€m
ASSETS				
Financial assets held for trading				
Derivatives				
Financial instruments of Eurex Clearing AG	128,823.7	128,823.7	0	0
Other current assets	2.7	0	2.7	0
Other noncurrent assets	10.6	0	10.6	0
Total	**128,837.0**	**128,823.7**	**13.3**	**0**
Available-for-sale financial assets				
Equity instruments				
Other equity investments	17.7	13.3	4.4	0
Total	**17.7**	**13.3**	**4.4**	**0**
Debt instruments				
Other financial instruments	12.1	12.1	0	0
Current receivables and securities from banking business	570.3	570.3	0	0
Other current assets	17.2	17.2	0	0
Noncurrent receivables and securities from banking business	1,380.6	1,380.6	0	0
Total	**1,980.2**	**1,980.2**	**0**	**0**
Total assets	**130,834.9**	**130,817.2**	**17.7**	**0**
LIABILITIES				
Financial liabilities held for trading				
Derivatives				
Financial instruments of Eurex Clearing AG	128,823.7	128,823.7	0	0
Liabilities from banking business	15.8	0	15.8	0
Other current liabilities	0.9	0	0.9	0
Other noncurrent liabilities	5.0	0	5.0	0
Total liabilities	**128,845.4**	**128,823.7**	**21.7**	**0**

Other disclosures

35. Consolidated cash flow statement disclosures

Cash flows from operating activities
After adjustments to net profit for the year for non-cash items, cash flows from operating activities amounted to €785.6 million (2010: €943.9 million).

The other non-cash income consists of the following items:

Composition of other non-cash income

	2011 €m	2010 €m
Subsequent measurement of the liability from the planned acquisition of further shares of Eurex Zürich AG	–77.4	0
Impairment of other equity investments/loans	20.2	0
Equity method measurement	–9.1	–6.3
Fair value measurement of Direct Edge Holdings, LLC	–6.0	0
Fair value measurement of interest rate swaps	–5.0	–4.7
Fair value measurement of forward foreign exchange transactions Clearstream	0	18.5
Miscellaneous	6.5	–8.5
Total	**–70.8**	**–1.0**

Cash flows from investing activities
The acquisition of shares in subsidiaries led to a cash outflow of €3.5 million in 2011. This related to the acquisition of shares in Open Finance, S.L. No noncurrent assets or liabilities were acquired as part of this transaction. In 2010, there were no cash outflows in connection with the acquisition of shares in subsidiaries.

No subsidiaries were sold in 2011. In the previous year, the sale of the shares in Avox Ltd. led to a cash inflow of €10.4 million (net of cash and cash equivalents disposed of).

Reconciliation to cash and cash equivalents

Reconciliation to cash and cash equivalents

	31 Dec. 2011 €m	31 Dec. 2010 €m
Restricted bank balances	15,060.4	6,185.8
Other cash and bank balances	925.2	797.1
less bank loans and overdrafts	–0.4	–20.1
	15,985.2	**6,962.8**
Reconciliation to cash and cash equivalents		
Current receivables and securities from banking business	12,945.2	7,585.3
less loans to banks and customers with an original maturity of more than 3 months	0	–537.1
less available-for-sale debt instruments	–242.1	–570.3
Current liabilities from banking business	–14,169.6	–7,822.0
Current liabilities from cash deposits by market participants	–13,861.5	–6,064.2
	–15,328.0	**–7,408.3**
Cash and cash equivalents	**657.2**	**–445.5**

36. Earnings per share

Under IAS 33, earnings per share are calculated by dividing the net profit for the year attributable to shareholders of the parent company (net income) by the weighted average number of shares outstanding.

In order to determine diluted earnings per share, potentially dilutive ordinary shares that may be acquired under the Stock Bonus Plan (SBP) or the ISE Group Share Plan, respectively (see also note 41), was added to the average number of shares. In order to calculate the number of potentially dilutive ordinary shares, the exercise prices were adjusted by the fair value of the services still to be provided.

In order to determine diluted earnings per share, all SBP tranches for which cash settlement has not been resolved are assumed to be settled with equity instruments – regardless of actual accounting in accordance with IFRS 2.

There were the following potentially dilutive rights to purchase shares as at 31 December 2011:

Calculation of the number of potentially dilutive ordinary shares

Tranche	Exercise price €	Adjusted exercise price in accordance with IAS 33 €	Average number of outstanding options 2011	Average price for the period[1] €	Number of potentially dilutive ordinary shares 31.12.2011
2009[2]	0	1.17	70,289	49.72	68,635
2010[3]	0	18.97	121,402	49.72	75,083
2011[3]	0	16.02	111,103	49.72	75,305
Total					**219,023**

1) Volume-weighted average price of Deutsche Börse AG shares on Xetra for the period 1 January to 31 December 2011
2) This relates to rights to Group Share Plan (GSP) of ISE.
3) This relates to rights to shares under the Stock Bonus Plan (SBP) for senior executives.

As the volume-weighted average share price was higher than the adjusted exercise prices for the 2009 to 2011 tranches, these stock options are considered dilutive under IAS 33.

Calculation of earnings per share (basic and diluted)

	2011	2010
Number of shares outstanding as at beginning of period	185,942,801	185,922,690
Number of shares outstanding as at end of period	183,399,873	185,942,801
Weighted average number of shares outstanding	185,819,757	185,937,908
Number of potentially dilutive ordinary shares	219,023	299,026
Weighted average number of shares used to compute diluted earnings per share	186,038,780	186,236,934
Net income (€m)	848.8	417.8
Earnings per share (basic) (€)	4.57	2.25
Earnings per share (diluted) (€)	4.56	2.24

37. Segment reporting

Segment reporting is governed by the internal organisational and reporting structure, which is broken down by markets into the following four segments:

Internal organisational and reporting structure

Segment	Business areas
Xetra	■ Cash market using the Xetra electronic trading system and Xetra Frankfurt specialist trading ■ Central counterparty for equities ■ Admission of securities to listing
Eurex	■ Electronic derivatives market trading platform Eurex ■ Electronic options trading platform ISE ■ Over-the-counter (OTC) trading platforms Eurex Bonds and Eurex Repo ■ Central counterparty for bonds, derivatives and repo transactions (Eurex Clearing)
Clearstream	■ Custody, administration and settlement services for domestic and foreign securities ■ Global securities financing services ■ Investment funds services
Market Data & Analytics	■ Sales of price information and information distribution ■ Index development and sales

In accordance with IFRS 8, information on the segments is presented on the basis of internal reporting (management approach).

Sales revenue is presented separately by external sales revenue and internal (inter-segment) sales revenue. Inter-segment services are charged on the basis of measured quantities or at fixed prices (e.g. the provision of data by Eurex to Market Data & Analytics).

Due to their insignificance to segment reporting, the “financial income” and “financial expense” items have been combined to produce the “net financial result”.

Segment reporting

	Xetra		Eurex		Clearstream	
	2011 €m	2010 €m	2011 €m	2010 €m	2011 €m	2010 €m
External sales revenue	275.1	262.3	945.9	858.7	775.9	760.7
Internal sales revenue	0	0	0	0	6.6	7.1
Total sales revenue	**275.1**	**262.3**	**945.9**	**858.7**	**782.5**	**767.8**
Net interest income from banking business	0	0	0	0	75.1	59.4
Other operating income	13.0	7.8	40.1	32.5	8.4	13.2
Total revenue	**288.1**	**270.1**	**986.0**	**891.2**	**866.0**	**840.4**
Volume-related costs	–22.9	–17.1	–78.1	–44.7	–164.6	–166.2
Total revenue less volume-related costs	**265.2**	**253.0**	**907.9**	**846.5**	**701.4**	**674.2**
Staff costs	–54.9	–79.1	–133.0	–161.1	–170.6	–213.0
Depreciation, amortisation and impairment losses	–12.5	–14.8	–42.2	–520.6	–26.8	–30.6
Other operating expenses	–82.6	–62.2	–216.0	–174.7	–133.4	–130.3
Operating costs	**–150.0**	**–156.1**	**–391.2**	**–856.4**	**–330.8**	**–373.9**
Result from equity investments	8.6	8.2	–1.4[2]	5.3	–0.3	–1.0
Earnings before interest and tax (EBIT)	**123.8**	**105.1**	**515.3**	**–4.6**	**370.3**	**299.3**
Net financial result	–1.5	–4.3	1.4[3]	–100.6	–0.7	–1.8
Earnings before tax (EBT)	**122.3**	**100.8**	**516.7**	**–105.2**	**369.6**	**297.5**
Investment in intangible assets and property, plant and equipment	13.0	14.4	48.0	69.7	47.2	43.5
Employees (as at 31 December)	448	504	999	911	1,749	1,701
EBIT margin (%)	**45.0**	**40.1**	**54.5**	**–0.5**	**47.7**	**39.3**

1) The reconciliation column shows the elimination of intragroup sales revenue and profits.
2) Includes gain on subsequent measurement of liabilities to SIX Group AG of €80.8 million and impairment losses of €17.2 million attributable to the interest in Bombay Stock Exchange Ltd.
3) Includes gain on subsequent measurement of liabilities to SIX Group AG of €77.4 million.

	Market Data & Analytics		Total of all segments		Reconciliation[1]		Group	
	2011 €m	2010 €m	2011 €m	2010 €m	2011 €m	2010 €m	2011 €m	2010 €m
	236.4	224.6	2,233.3	2,106.3	0	0	2,233.3	2,106.3
	35.5	31.1	42.1	38.2	−42.1	−38.2	0	0
	271.9	**255.7**	**2,275.4**	**2,144.5**	**−42.1**	**−38.2**	**2,233.3**	**2,106.3**
	0	0	75.1	59.4	0	0	75.1	59.4
	3.9	15.3	65.4	68.8	−8.4	−7.8	57.0	61.0
	275.8	**271.0**	**2,415.9**	**2,272.7**	**−50.5**	**−46.0**	**2,365.4**	**2,226.7**
	−28.9	−28.9	−294.5	−256.9	50.5	46.0	−244.0	−210.9
	246.9	**242.1**	**2,121.4**	**2,015.8**	**0**	**0**	**2,121.4**	**2,015.8**
	−38.4	−48.8	−396.9	−502.0	0	0	−396.9	−502.0
	−9.9	−17.5	−91.4	−583.5	0	0	−91.4	−583.5
	−53.0	−47.5	−485.0	−414.7	0	0	−485.0	−414.7
	−101.3	**−113.8**	**−973.3**	**−1,500.2**	**0**	**0**	**−973.3**	**−1,500.2**
	−3.3	−0.3	3.6	12.2	0	0	3.6	12.2
	142.3	**128.0**	**1,151.7**	**527.8**	**0**	**0**	**1,151.7**	**527.8**
	−0.5	−1.5	−1.3	−108.2	0	0	−1.3	−108.2
	141.8	**126.5**	**1,150.4**	**419.6**	**0**	**0**	**1,150.4**	**419.6**
	5.0	6.8	113.2	134.4	0	0	113.2	134.4
	392	374	3,588	3,490	0	0	3,588	3,490
	60.2	57.0	51.6	25.1	n.a.	n.a.	51.6	25.1

In the Eurex segment, no impairment charge was recognised on intangible assets of ISE (2010: €453.3 million); in addition, there was no impairment charge for Eurex releases (2010: €6.6 million for Eurex releases). Furthermore, there were no impairment charges in the Clearstream segment (2010: €1.4 million for Business Process Optimisation and €0.3 million for X-List).

Non-cash valuation allowances and bad debt losses resulted from the following segments:

Breakdown of non-cash valuation allowances and bad debt losses

	2011 €m	2010 €m
Xetra	0.4	0
Eurex	0.2	0.2
Clearstream	0	0
Market Data & Analytics	0.6	0.9
Total	**1.2**	**1.1**

Deutsche Börse Group's business model – and that of its segments – is focused on an internationally operating participant base and pricing does not differ depending on the customer's location. From a price, margin and risk perspective, this means that it is unimportant whether sales revenue is generated from German or non-German participants.

The risks and returns from the activities of the subsidiaries operating within the economic environment of the European Monetary Union (EMU) do not differ significantly from each other on the basis of the factors to be considered in identifying information on geographical regions under IFRS 8. As a result, Deutsche Börse Group has identified the following information on geographical regions: the euro zone, the rest of Europe, America and Asia-Pacific.

Sales revenue is allocated to the individual regions according to the customer's domicile, while investments and noncurrent assets are allocated according to the company's domicile and employees according to their location.

Information on geographical regions

	Sales revenue		Investments		Noncurrent assets		Number of employees	
	2011 €m	2010 €m	2011 €m	2010 €m	2011 €m	2010 €m	2011	2010
Euro zone	1,103.1[1]	1,054.2[1]	105.5	103.0	1,382.9[2]	1,331.6[2]	2,613	2,639
Rest of Europe	806.4[1]	765.2[1]	1.1	0.1	585.2[2]	523.4[2]	557	445
America	290.5[1]	252.9[1]	6.5	31.1	1,483.9[2]	1,544.3[2]	324	326
Asia-Pacific	75.4	72.2	0.1	0.2	1.0	1.4	94	80
Total of all regions	**2,275.4**	**2,144.5**	**113.2**	**134.4**	**3,453.0**	**3,400.7**	**3,588**	**3,490**
Reconciliation	–42.1	–38.2	–	–	–	–	–	–
Group	**2,233.3**	**2,106.3**	**113.2**	**134.4**	**3,453.0**	**3,400.7**	**3,588**	**3,490**

1) Including countries in which more than 10 percent of sales revenues were generated: UK (2011: €625.9 million; 2010: €593.3 million), Germany (2011: €579.8 million; 2010: €560.0 million) and USA (2010: €278.3 million; 2010: €242.4 million)
2) Including countries in which more than 10 percent of noncurrent assets are carried: USA (2011: €1,483.9 million; 2010: €1,554.3 million), Germany (2011: €1,256.7 million; 2010: €1,240.1 million) and Switzerland (2011: €582.0 million; 2010: €520.5 million)

38. Financial risk management

Deutsche Börse Group presents the qualitative disclosures required by IFRS 7 in detail in the Group management report (see explanations in the risk report, which is part of the Group management report), such as the nature and extent of risks arising from financial instruments, as well as the objectives, strategies and methods used to manage risk.

Financial risks arise at Deutsche Börse Group mainly in the form of credit risk. To a very small extent the Group is exposed to market price risk. Financial risks are quantified using the economic capital concept (please refer to the risk report for detailed disclosures). Economic capital is assessed on a 99.98 percent confidence level for a one year holding period. The economic capital is compared with the Group's liable equity capital adjusted by intangible assets so as to test the Group's ability to absorb extreme and unexpected losses. The economic capital for financial risk is calculated at the end of each month and amounted to €229 million as at 31 December 2011. It is largely determined by credit risk. The economic capital for credit risk is calculated for each business day.

The Group evaluates its financial risk situation on an ongoing basis. In the view of the Executive Board, no threat to the continued existence of the Group can be identified at this time.

Credit risk

Credit risks arise in Deutsche Börse Group from the following items:

Classification of financial instruments

	Segment	Note	Carrying amounts – maximum risk position: Amount as at 31 Dec. 2011 €m	Carrying amounts – maximum risk position: Amount as at 31 Dec. 2010 €m	Collateral: Amount as at 31 Dec. 2011 €m	Collateral: Amount as at 31 Dec. 2010 €m
Collateralised cash investments						
Overnight money invested under securities repurchase agreements	Eurex[1]		1,000.0	250.0	1,064.3	447.2
Interest-bearing receivables	Clearstream	15	175.0	175.0	167.2	166.7
Reverse repurchase agreements	Eurex[1]		5,736.2	4,926.6	5,972.1	4,985.3
	Clearstream	18	5,567.8	4,491.1	5,586.5[2]	4,521.5[2]
	Group[1]		510.0	407.7	516.9	410.4
			12,989.0	**10,250.4**	**13,307.0**	**10,531.1**
Uncollateralised cash investments						
Money market lendings – central banks	Eurex[1]		7,178.0	984.7	0	0
	Clearstream	18	3,551.0	0	0	0
Money market lendings – other counterparties	Eurex[1]		154.4	51.5	0	0
	Clearstream	18	2,356.5	971.0	0	0
	Group[1]		101.5	110.0	0	0
Balances on nostro accounts	Clearstream	18	612.0	1,287.6	0	0
	Group[1]		106.6	125.0	0	0
Restricted balances with central banks	Clearstream		1,198.9	121.6	0	0
Fixed-income securities – money market instruments	Clearstream	18	0	149.9	0	0
Other fixed-income securities	Clearstream	15, 18	87.8	317.6	0	0
Floating rate notes	Clearstream	15, 18	1,383.9	1,483.4	0	0
	Group	15, 20	4.0	4.0	0	0
Government bonds	Eurex[1]	15, 20	0	17.2	0	0
			16,734.6	**5,623.5**	**0**	**0**
Loans for settling securities transactions						
Technical overdraft facilities	Clearstream	18	559.6	248.6	n.a.[3]	n.a.[3]
Automated Securities Fails Financing[4]	Clearstream		723.5	642.3	992.2	1,126.0
ASLplus securities lending[4]	Clearstream		38,497.0	20,510.2	40,228.2	21,279.6
			39,780.1	**21,401.1**	**41,220.4**	**22,405.6**
Total			69,503.7	37,275.0	54,521.6	32,936.7

	Segment	Note	Carrying amounts – maximum risk position: Amount as at 31 Dec. 2011 €m	Amount as at 31 Dec. 2010 €m	Collateral: Amount as at 31 Dec. 2011 €m	Amount as at 31 Dec. 2010 €m
Balance brought forward			69,503.7	37,275.0	54,521.6	32,936.7
Other receivables						
Other loans	Group		0.6	1.0	0	0
Other assets	Group		126.1[5]	86.9	0	0
Trade receivables	Group		224.3	212.1	0	0
Associate receivables	Group		2.7	5.6	0	0
Receivables from other related parties	Group		5.1	4.4	0	0
Interest receivables	Clearstream	18	10.4	14.5	0	0
			369.2	324.5	0	0
Financial instruments of Eurex Clearing AG (central counterparty)			42,189.5[6]	33,013.0[6]	51,306.9[7]	42,325.5[7]
Derivatives		16	46.7	13.3	0	0
Total			112,109.1	70,625.8	105,828.5	75,262.2

1) Presented in the items “restricted bank balances” and “other cash and bank balances”
2) Total of fair value of cash (€22.5 million; 2010: €41.1 million) and securities collateral (€5,564.0 million; 2010: €4,480.4 million) received under reverse repurchase agreements
3) The portfolio of deposited collateral is not directly attributed to any utilisation, but is determined by the scope of the entire business relationship and the limits granted.
4) Off-balance-sheet items
5) Other current assets include collateral amounting to €5.1 million (2010: €5.6 million).
6) Net value of all margin requirements resulting from executed trades as at the balance sheet date. This figure represents the risk-oriented view of Eurex Clearing AG while the carrying amount of the position “financial instruments of Eurex Clearing AG” in the balance sheet shows the gross amount of the open trades according to IAS 32.
7) Collateral value of cash and securities collateral deposited for margins covering net value of all margin requirements.

Cash investments

Deutsche Börse Group is exposed to credit risk in connection with the investment of cash funds. The Group mitigates such risks by investing short-term funds – to the extent – possible on a collateralised basis, e.g. via reverse repurchase agreements.

According to the treasury policy, only bonds with a minimum rating of AA– issued by governments, supranational institutions and banks are eligible as collateral. In the course of the financial crisis, eligibility criteria have been tightened to allow only government-issued or government-backed securities.

The fair value of securities received under reverse repurchase agreements (Clearstream subgroup, Eurex Clearing AG and Deutsche Börse AG) was €12,053.0 million (2010: €9,876.1 million). The Clearstream subgroup is allowed to repledge the securities received to central banks.

The fair value of securities received under reverse repurchase agreements repledged to central banks amounted to €2,832.7 million as at 31 December 2011 (2010: €1,337.6 million). The contract terms are based on recognised bilateral master agreements.

Uncollateralised cash investments are permitted only for counterparties with sound creditworthiness within the framework of defined counterparty credit limits or in the form of investments in money market or other mutual funds as well as US treasuries and municipal bonds with maturities of less than two years. The Clearstream subgroup assesses counterparty credit risk on the basis of an internal rating system. The remaining Group companies use external ratings available to them. Within the framework of previously defined counterparty credit limits, Group companies that do not have bank status can also invest cash with counterparties that are not externally rated, but instead are members of a deposit protection scheme. The corresponding counterparty limits are always well below the liability limits of the relevant protection scheme.

Part of the available-for-sale fixed-income financial instruments and floating rate notes held by Clearstream are pledged to central banks to collateralise the settlement facility obtained. The fair value of pledged securities was €1,417.7 million as at 31 December 2011 (2010: €2,879.6 million).

Loans for settling securities transactions

Clearstream grants customers technical overdraft facilities to maximise settlement efficiency. These settlement facilities are subject to internal credit review procedures. They are revocable at the option of the Clearstream subgroup and are largely collateralised. Technical overdraft facilities amounted to €102.3 billion as at 31 December 2011 (2010: €101.2 billion). Of this amount, €3.2 billion (2010: €3.0 billion) is unsecured, whereby a large proportion relates to credit lines granted to central banks and other government-backed institutions. Actual outstandings at the end of each business day generally represent a small fraction of the facilities and amounted to €559.6 million as at 31 December 2011 (2010: €248.6 million); see note 18.

Clearstream also guarantees the risk resulting from the Automated Securities Fails Financing programme it offers to its customers. However, this only applies when the risk is collateralised. In the absence of collateral, this risk is covered by third parties. Guarantees given under this programme amounted to €723.5 million as at 31 December 2011 (2010: €642.3 million).

Under the ASLplus securities lending programme, Clearstream Banking S.A. had securities borrowings from various counterparties totalling €38.497,0 million as at 31 December 2011 (2010: €20,510.2 million). These securities were fully lent to other counterparties. Collateral received by Clearstream Banking S.A. in connection with these loans amounted to €40,228.2 million (2010: €21,279.6 million).

In 2010 and 2011, no losses from credit transactions occurred in relation to any of the transaction types described.

Other receivables

Trading, settlement and custody fees are generally collected without delay by direct debit. Fees for other services, such as the provision of data and information, are settled mainly by transfer. As a result of default by customers, receivables of €1.8 million (2010: €2.7 million) relating to fees for trading and provision of data and IT services are not expected to be collectable.

Financial instruments of Eurex Clearing AG (central counterparty)

To safeguard Eurex Clearing AG against the risk of default by a clearing member, the clearing conditions require the clearing members to deposit margins in the form of cash or securities on a daily basis or an intraday basis in the amount stipulated by Eurex Clearing AG. Additional security mechanisms of Eurex Clearing AG are described in detail in the risk report.

The aggregate margin calls (after haircuts) based on the executed transactions was €42,189.5 million at the reporting date (2010: €33,013.0 million). In fact, collateral totalling €51,306.9 million (2010: €42,325.5 million) was deposited.

Composition of Eurex Clearing AG's collateral

	Collateral value as at 31 Dec. 2011[1] €m	Collateral value as at 31 Dec. 2010 €m
Cash collateral (cash deposits)	13,858.0	6,060.1
Securities and book-entry securities collateral	37,448.9	36,265.4
Total	**51,306.9**	**42,325.5**

1) The collateral value is determined on the basis of the fair value less a haircut.

As at 31 December 2011, there were no third-party bank guarantees for clearing members of Eurex Clearing AG (2010: €79.0 million and CHF15.3 million).

In contrast to the risk-oriented net analysis of the transactions via the central counterparty, the gross amounts are reported in the balance sheet, as the offsetting rules defined in IAS 32 cannot be met. For a detailed explanation of this balance sheet item, see section "financial instruments of Eurex Clearing AG (central counterparty)" in note 3 or note 17 for an analysis of the carrying amount of €183,618.1 million as at 31 December 2011 (2010: €128,823.7 million).

Credit risk concentrations

Deutsche Börse Group's business model and the resulting business relationships with a large part of the financial sector mean that, as a rule, credit risk is concentrated on the financial services sector. Potential concentrations of credit risk on individual counterparties are limited by application of counterparty credit limits.

The regulatory requirements, such as those arising under the Großkredit- und Millionenkreditverordnung (GroMiKV, ordinance governing large exposures and loans of €1.5 million or more) in Germany and the corresponding rules in Luxembourg arising under the revised CSSF circular 06/273, are in principle complied with.

The German and Luxembourgian rules are based on the EU directives 2006/48/EC and 2006/49/EC (commonly known as CRD) as revised in 2009 with effect as at 31 December 2010. The revised rules for interbank exposures in combination with the market conditions especially on fixed-income markets led to Clearstream Banking S.A. on a stand-alone level breaching the limits with one customer once during 2011. As a consequence the collateral rules for the underlying securities lending programme have been tightened and consequently no further breaches are expected.

See also note 22 for an explanation of regulatory capital requirements.

Deutsche Börse Group carries out VaR calculations in order to detect credit concentration risks. In 2011, no significant credit concentrations were assessed.

The economic capital for credit risk is calculated for each business day and amounted to €226 million as at 31 December 2011.

Market price risk
As part of the annual planning, the treasury policy of Deutsche Börse Group requires that any net earnings exposure from currencies be hedged through foreign exchange transactions, if the unhedged exposure exceeds 10 percent of consolidated EBIT. Foreign exchange exposures below 10 percent of consolidated EBIT may also be hedged.

During the year, actual foreign exchange exposure is monitored against the latest EBIT forecast. In case of an overstepping of the 10 percent threshold, the exceeding amount must be hedged.

In addition, the policy stipulates that intraperiod open foreign exchange positions are closed when they exceed €15.0 million. This policy was complied with as in the previous year; as at 31 December 2011, there were no significant net foreign exchange positions.

Currency risks in the Group arise mainly from the operating results and balance sheet items of ISE, which are denominated in US dollars, plus that part of Clearstream's sales revenue and interest income less expenses which is directly or indirectly generated in US dollars. As at 31 December 2011, ISE accounted for 20 percent of the Eurex segment's sales revenue (2010: 19 percent). In addition, the Clearstream segment generated 8 percent of its sales revenue and interest income (2010: 9 percent) directly or indirectly in US dollars.

Eurex receives interest on intraday margin calls paid in US dollars. These exposures are partially offset by operating costs incurred in US dollars.

Acquisitions where payment of the purchase price results in currency risk are generally hedged.

The Group has partially hedged its investment in ISE against foreign currency risks by issuing fixed-income US dollar debt securities. The investment in ISE (hedged item) constitutes a net investment in a foreign operation. The US dollar securities designated as hedging instruments for the net investment hedge were issued in a nominal amount of US$460.0 million.

Interest rate risks arise further from debt financing of acquisitions. The acquisition of ISE was financed through senior and hybrid debt. Senior debt was issued in euros and US dollars with tenors of five to twelve years and fixed coupons for the life of the instruments. The hybrid debt issue has a fixed coupon for the first five years to be refixed in case the instrument is not called.

Equity price risks arise to a limited extent from contractual trust arrangements (CTAs). In addition, there are equity price risks arising from strategic equity investments in other exchange operators.

Economic capital is calculated at the end of each month for market price risks that can arise in connection with cash investments or borrowing as a result of fluctuations in interest rates and foreign exchange rates as well as through hedging corporate transactions. On 31 December 2011, the economic capital for market price risk was €7 million.

In financial year 2011, impairment losses amounting to €20.2 million (2010: €3.2 million) were recognised in income for strategic investments that are not included in the VaR for market price risk.

Liquidity risk
Liquidity risk may arise from potential difficulties in renewing maturing financing, such as commercial paper and bilateral and syndicated credit facilities. In addition, required financing for unexpected events may cause liquidity risk. Most of the Group's cash investments are short-term to ensure availability of liquidity, should the need arise.

Liquidity risk arises from potential difficulties to meet current and future cash flows and collateral needs in support of the settlement activities of Clearstream's customers. Liquidity risk is managed by matching the duration of investments and liabilities, restricting investments in potentially illiquid or volatile asset classes, authorising the Clearstream subgroup to repledge securities received with central banks and maintaining sufficient financing facilities to overcome unexpected demands for liquidity. Most of the Group's cash investments are short-term.

Eurex Clearing AG remains almost perfectly matched with respect to the durations of received customer cash margins and investments while the Clearstream subgroup may invest customer balances up to a maximum of six months (see note 33 for an overview of the maturity structure). Eurex Clearing AG may place limited amounts with tenors of up to one month.

Contractually agreed credit lines

Company	Purpose of credit line		Currency	Amount as at 31 Dec. 2011 m	Amount as at 31 Dec. 2010 m
Deutsche Börse AG	working capital[1]	– interday	€	605.0	605.0
Eurex Clearing AG	settlement	– interday	€	670.0	670.0
	settlement	– intraday	€	700.0	700.0
	settlement	– interday	CHF	200.0	200.0
Clearstream Banking S.A.	working capital[1]	– interday	US$	1,000.0	1,000.0

1) €400.0 million of Deutsche Börse AG's working capital credit lines is a sub-credit line of Clearstream Banking S.A.'s US$1.0 billion working-capital credit line.

Clearstream Banking S.A. has a bank guarantee (letter of credit) in favour of Euroclear Bank S.A./N.V. issued by an international consortium to secure daily deliveries of securities between Euroclear and Clearstream. This guarantee amounted to US$2.75 billion as at 31 December 2011 (2010: US$3.0 billion). Euroclear Bank S.A./N.V. has also issued a corresponding guarantee in favour of Clearstream Banking S.A.

Furthermore, Eurex Clearing AG holds a credit facility of US$2.1 billion granted by Euroclear Bank S.A./N.V. in order to increase the settlement efficiency.

A commercial paper programme offers Deutsche Börse AG an opportunity for flexible, short-term financing, involving a total facility of €2.5 billion in various currencies. As at year-end, there was no outstanding commercial paper (2010: no outstanding commercial paper).

Clearstream Banking S.A. also has a commercial paper programme with a programme limit of €1.0 billion, which is used to provide additional short-term liquidity. As at 31 December 2011, commercial paper with a nominal value of €204.3 million had been issued (2010: €202.4 million).

As at 31 December 2011, Deutsche Börse AG was one of only two DAX-listed companies that had been given an AA rating by Standard & Poor's. Due to the proposed combination with NYSE Euronext, Standard & Poor's placed Deutsche Börse AG's rating on "credit watch negative" on 16 February 2011. Following the prohibition of the proposed combination by the European Commission on 1 February 2012, Standard & Poor's removed the credit watch on 13 February 2012 and confirmed Deutsche Börse AG's rating with a "stable outlook".

As at 31 December 2011 Deutsche Börse AG's commercial paper programme was awarded the best possible short-term rating of A–1+.

The long-term credit ratings by Fitch and Standard & Poor's for Clearstream Banking S.A. also remained unchanged over the previous year at AA. As in the previous year, Clearstream Banking S.A.'s commercial paper programme was rated F1+ by Fitch and A–1+ by Standard & Poor's.

39. Other risks

Deutsche Börse AG completed an investment protection agreement with SIX Group AG. If SIX Group AG reduces its indirect share in the profit of Eurex companies, the agreement obligates Deutsche Börse AG to make a compensatory payment to SIX Group AG for the reduction of the indirect share in International Securities Exchange Holdings, Inc. Under the terms of the share purchase agreement dated 7 June 2011, it was agreed with SIX Swiss Exchange AG that any compensation claims by SIX Swiss Exchange AG resulting from the sale in the shares of Eurex Zürich AG to Deutsche Börse AG are deemed settled on payment of the purchase price. The transaction is expected to close in the first half of 2012.

In connection with the cooperation agreement between SIX Swiss Exchange AG and Deutsche Börse AG with regard to both parties' participation in Scoach Holding S.A., Deutsche Börse AG has the right and the obligation, at the end of the cooperation after expiration of the term or termination of the agreement, to retain the Scoach Holding S.A. (including the collateral participation in Scoach Europa AG, a wholly-owned subsidiary of Scoach Holding S.A.) as sole shareholder. This obligation results in a contingent liability for Deutsche Börse AG to SIX Swiss Exchange AG to make a compensation payment if the net financial liabilities and assets surplus to business requirements of Scoach Holding S.A. (including Scoach Europa AG), on the one hand, and of Scoach Schweiz AG, on the other hand, which is taken over by SIX Swiss Exchange AG, are not of equal value.

Other litigation

Litigation relating to the previously planned combination

Following the announcement of the plans for a combination on 15 February 2011, several complaints challenging the proposed combination were filed with the Delaware Court of Chancery ("Delaware Court"); the Supreme Court of the State of New York, County of New York ("New York Court"); and the United States District Court for the Southern District of New York ("SDNY"). Four of the actions were filed with the Delaware Court and have been consolidated as "In re NYSE Euronext Shareholders Litigation, Consol." C.A. No. 6220-VCS. Five actions were filed with the New York Court and coordinated under a single master file, "NYSE Euronext Shareholders Litigation Master File," Index No. 773,000/11. One action, "Jones vs. Niederauer, et al.," C.N. 11-CV-01502, was filed with the SDNY.

The action filed with the SDNY was dismissed on 29 September 2011. The actions filed with the Delaware Court and the New York Court were withdrawn after the prohibition of the planned combination by the European Commission.

Peterson vs. Clearstream Banking S.A., Citibank NA et al.

Following a civil action against Iran, plaintiffs obtained a default judgement against Iran in September 2007 in US courts. In June 2008, plaintiffs commenced enforcement proceedings in the United States District Court for the Southern District of New York to satisfy this judgement by restraining certain client positions held in Clearstream Banking S.A.'s securities omnibus account with its US depository bank, Citibank NA. The restrained positions are alleged to be beneficially owned by an Iranian government entity. Consistent with its custodial obligations, Clearstream Banking S.A. defended against the restraints and filed a motion to vacate the restraints on various grounds. In October 2010, plaintiffs commenced a lawsuit which seeks to have the restrained positions turned over to plaintiffs. An amended complaint was received by Clearstream Banking S.A. in Luxembourg on 7 January 2011. The amended complaint includes a cause of action directly against Clearstream Banking S.A. alleging US$250 million in connection with purportedly fraudulent conveyances related to the restrained positions. In summer 2011, Citibank NA interpleaded other potential judgement creditors of Iran into the litigation. At the direction of the court, Clearstream Banking S.A. renewed its motion to vacate the restraints. This renewed motion remains pending before the court. On 7 December 2011, the plaintiffs filed a second amended complaint, adding claims for damages against Clearstream Banking S.A. and others of US$2 billion, plus punitive damages to be determined at trial and attorney's fees. Clearstream Banking S.A. considers the plaintiffs' claims against it to be legally and factually without merit, as Clearstream Banking S.A. will establish at the appropriate time in the litigation. Should the case proceed, consistent with its custodial obligations Clearstream Banking S.A. intends to defend itself vigorously to the fullest extent.

Heiser vs. Clearstream Banking S.A.

In addition to existing enforcement proceedings in the Peterson case, another turnover proceeding was filed by another set of plaintiffs (the Heiser plaintiffs) in the U.S. District Court for the Southern District of New York in March 2011 in connection with the enforcement of the Heiser plaintiffs' separate judgement against Iran. The Heiser plaintiffs are seeking turnover of the same above mentioned client positions held in Clearstream Banking S.A.'s securities omnibus account with its US depository bank. The Heiser plaintiffs have been interpleaded into the Peterson case and the Heiser case has been stayed pending disposition of certain pending motions in the Peterson case. Clearstream Banking S.A. intends to defend itself vigorously to the fullest extent against this claim consistent with its custodial obligations, if the case proceeds.

In addition to the matters described above and in prior disclosures, Deutsche Börse Group is from time to time involved in various legal proceedings that arise in the ordinary course of its business. Deutsche Börse Group recognises provisions for litigation and regulatory matters when it has a present obligation from an event in the past, an outflow of resources with economic benefit to settle the obligation is probable and it is possible to reliably estimate the amount. In such cases, there may be an exposure to loss in excess of the amounts accrued. When these conditions are not met, Deutsche Börse Group does not recognise a provision. As a litigation or regulatory matter develops, Deutsche Börse Group evaluates on an ongoing basis whether the requirements to recognise a provision are met. Deutsche Börse Group may not be able to predict what the eventual loss or range of loss related to such matters will be. Deutsche Börse Group does not believe, based on currently available information, that the results of any of these various proceedings will have a material adverse effect on its financial statements as a whole.

40. Leases

Finance leases
There were no minimum lease payments from finance leases for Deutsche Börse Group neither as at 31 December 2011 nor as at 31 December 2010.

Operating leases (as lessee)
Deutsche Börse Group has entered into leases that must be classified as operating leases on the basis of their economic substance; this means that the leased asset is allocated to the lessor. These leases relate mainly to buildings, IT hardware and software.

Minimum lease payments from operating leases

	31 Dec. 2011 €m	31 Dec. 2010 €m
Up to 1 year	73.6	75.4
1 to 5 years	189.3	194.1
More than 5 years	194.0	223.7
Total	**456.9**	**493.2**

In the year under review, €65.0 million (2010: €71.1 million) in minimum lease payments was recognised as an expense.

Operating leases for buildings, some of which are sublet, have a maximum remaining term of 14 years. They usually terminate automatically when the lease expires. The Group has options to extend some leases.

Rental income expected from sublease contracts

	31 Dec. 2011 €m	31 Dec. 2010 €m
Up to 1 year	1.4	2.1
1 to 5 years	1.7	0.6
Total	**3.1**	**2.7**

41. Phantom Stock Option Plan, Stock Bonus Plan, Stock Plan and Group Share Plan

Phantom Stock Option Plan

Since the Phantom Stock Option Plan expired on 28 February 2011, no current liabilities were reported as at the balance sheet date (2010: €0.6 million).

In accordance with IFRS 2, an adapted “exchange option” model (spread option model) was used to calculate the value of the stock options.

Until the expiration of the plan, the same valuation model was applied to all options granted under the Phantom Stock Option Plan. The value calculated best reflected the value of the services received. The phantom stock options had a maximum term of five years and a vesting period of three years. The options could be exercised in each quarter of the subsequent two years in 14-day exercise windows. If options have not been exercised by the last day of the exercise period, the holder was treated as if he had exercised the options. The amount of the cash payout depended on the relative performance of Deutsche Börse AG shares (adjusted for dividend payments) against the STOXX Europe 600 Technology index as the benchmark index (€1.00 per 1 percent outperformance).

Valuation parameters for stock options

		as at 31 Dec. 2010
60-day average of Deutsche Börse AG shares	€	49.90
60-day average of STOXX 600 Europe Technology	Points	272.78
Volatility of Deutsche Börse AG shares	%	15.42
Volatility of STOXX 600 Europe Technology	%	9.13
Correlation	%	58.48

The option pricing model did not include any exercise hurdles and assumed that options would be held for the maximum holding period. The volatilities applied corresponded to the market volatilities of comparable options with matching maturities.

Due to the increased outperformance, the expense resulted in €0.1 million in the year under review (2010: income of €0.5 million).

Change in number of stock options allocated

	Balance as at 31 Dec. 2010	Options allocated	Options exercised	Options forfeited	Balance as at 31 Dec. 2011
To other senior executives	12,829	0	12,829	0	0
Total stock options allocated	**12,829**	**0**	**12,829**	**0**	**0**

The average exercise price of the 12,829 (2010: 39,765) stock options paid out during the year under review amounted to €53.57 (2010: €85.35).

Stock Bonus Plan (SBP) and Stock Plan
In the year under review, the Company established an additional tranche of the SBP. In order to participate in the SBP, a beneficiary must have earned a bonus. The number of stock options for senior executives is determined by the amount of the individual and performance-based SBP bonus for the financial year, divided by the average market price of the Company (closing auction price of Deutsche Börse shares in electronic trading on the Frankfurt Stock Exchange) in the fourth quarter of the financial year in question. Neither the converted SBP bonus nor the stock options will be paid at the time the bonus is determined. Rather, the entitlements are generally received two years after having been granted (so-called "waiting period"). Within this period, beneficiaries cannot assert shareholder rights (in particular, the right to receive dividends and attend the Annual General Meeting). The beneficiaries' claims resulting from the SBP are calculated on the first trading day following the last day of the waiting period. The current market price at that date (closing auction price of Deutsche Börse shares in electronic trading on the Frankfurt Stock Exchange) is multiplied by the number of SBP shares.

In the case of the 2009 SBP tranche, the stock options for both senior executives and Executive Board members are calculated using the method described above. In the case of the SBP tranches issued in financial years 2010 and 2011, a different method has been applied since 1 January 2010 to calculate the number of stock options for Executive Board members; this is described below.

To calculate the number of stock options for Executive Board members under the 2010 SBP tranche as well as under all subsequent tranches, the Supervisory Board defines the 100 percent stock bonus target in euros for each Executive Board member at the beginning of each financial year. Based on the 100 percent stock bonus target defined by the Supervisory Board at the beginning of each financial year, the corresponding number of virtual shares for each Executive Board member is calculated by dividing the stock bonus target by the average price (Xetra closing price) of Deutsche Börse AG's shares in the two calendar months preceding the month in which the Supervisory Board adopts the resolution on the stock bonus target. Any right to payment of a stock bonus vests only after a performance period of three years. The year in which the 100 percent stock bonus target is defined is taken to be the first performance year.

The calculation of the subsequent payout amount of the stock bonus for the Executive Board depends on the development of the two performance factors during the performance period: firstly, on the relative performance of the total shareholder return on Deutsche Börse AG's shares compared with the total shareholder return of the STOXX Europe 600 Financials Index as the peer group, and secondly, on the performance of Deutsche Börse AG's share price. This is multiplied by the number of virtual shares at the end of the performance period to determine the stock bonus. The share price used to calculate the cash payment claims of Executive Board members from the stock bonus is calculated as the average price of Deutsche Börse AG's shares (Xetra closing price) in the two full calendar months preceding the end of the performance period.

On 20 April 2009, the Luxembourgian Commission de Surveillance du Secteur Financier (CSSF) published a circular on remuneration policies in the banking sector that address key aspects of remuneration practices for sustainable corporate governance and support their implementation in banking institution's day-to-day operations. According to this circular, every banking institution is required to introduce a remuneration policy that is in harmony with its business strategy and corporate goals and values as well as the long-term interests of the financial enterprise, its customers and investors, and which minimises the institution's risk exposure. Clearstream companies have therefore revised their remuneration system for executive boards in line with the circular, and are in the process of introducing a stock plan. The exercise process of this stock plan stipulates the allocation of a stock bonus at the end of each financial year, which will be paid in three tranches of equal size with maturities of one, two and three years, respectively.

As the contracts require the stock bonus to be exercised in phases, it was divided into three separate tranches, which are measured according to their respective residual term using the corresponding parameters.

For the stock bonus of senior executives under the 2009 to 2011 tranches and for the Executive Board's stock bonus under the 2009 tranche, Deutsche Börse AG has a general option whether to settle a beneficiary's claim in cash or shares. In the year under review, the Company decided to settle the 2009 tranche claims due in 2012 in cash. A cash settlement obligation exists for claims relating to the stock bonus of the Executive Board under the newly issued 2010 and 2011 SBP tranches, all future stock bonuses issued for the Executive Board and the stock plan currently being introduced for the executive boards of Clearstream companies.

In accordance with IFRS 2, the Company uses an adjusted Black-Scholes model (Merton model) to calculate the fair value of the stock options.

Valuation parameters for SBP shares

		Tranche 2011[1]	Tranche 2010	Tranche 2009
Term until		31 Jan. 2013–31 Jan. 2015	31 Jan. 2013	31 Jan. 2012
Risk-free interest rate	%	0.14–0.61	–0.02	–0.06
Volatility of Deutsche Börse AG shares	%	30.56–45.35	34.10	35.59
Dividend yield	%	5.18	5.18	5.18
Exercise price	€	0	0	0

1) The SBP 2011 tranche also includes SBP options of the Stock Plan for the executive boards of the Luxembourgian companies. These options are measured using different parameters.

The valuation model does not take exercise hurdles into account. The volatilities applied correspond to the market volatilities of comparable options with matching maturities.

Valuation of SBP shares

	Balance as at 31 Dec. 2011[1] Number	Deutsche Börse AG share price as at 31 Dec. 2011 €	Intrinsic value/ option[2] €	Fair value/ option[2] €	Settlement obligation[2] €m	Provision as at 31 Dec. 2011 €m
Tranche 2009	161,559	40.51	40.51	40.33	6.5	6.3
Tranche 2010	187,974	40.51	40.51	38.34	7.2	4.6
Tranche 2011	269,256[3]	40.51	40.51	32.95 –36.45	9.8	3.0
Total	**618,789**				**23.5**	**13.9**

1) There were no exercisable SBP shares as at 31 December 2011.
2) As at the balance sheet date
3) As the grant date for the 2011 tranche for senior executives is not until the 2012 financial year, the number indicated for the balance sheet date may change subsequently.

The stock options from the 2008 SBP were exercised in the year under review following expiration of the vesting period. The average exercise price for the 2008 tranche was €55.09. Shares of the SBP tranches 2009 and 2010 were paid to former employees as part of severance payments in the reporting year. The average exercise price amounted to €52.04 for the 2009 tranche and €52.80 for the 2010 tranche.

The amount of provisions for the SBP results from the measurement of the number of SBP shares with the fair value of the closing auction price of Deutsche Börse shares in electronic trading on the Frankfurt Stock Exchange as at the balance sheet date and its proportionate recognition over the vesting period.

Provisions amounting to €13.9 million were recognised as at the balance sheet date of 31 December 2011 (31 December 2010: €29.0 million). Thereof, €7.6 million are noncurrent; €4.0 million were attributable to members of the Executive Board (2010: €5.8 million). The total cost of the SBP shares in the year under review was €7.7 million (2010: €10.6 million). Of that amount, an expense of €1.9 million was attributable to active members of the Executive Board as at the balance sheet date (2010: expense of €2.7 million). For the number of SBP shares granted to members of the Executive Board, please also refer to the remuneration report in the Group management report.

Change in number of SBP shares allocated

	Balance as at 31 Dec. 2010	Disposals Tranche 2009	Disposals Tranche 2010	Additions Tranche 2010	Additions Tranche 2011	Options exercised	Options forfeited	Balance as at 31 Dec. 2011
To the Executive Board	177,423	0	0	9,128	65,914	73,758	0	178,707
To other senior executives	607,362	12,074	9,428	–10,039	203,342	339,081	0	440,082
Total	**784,785**	**12,074**	**9,428**	**–911**	**269,256**[1)]	**412,839**	**0**	**618,789**

1) As the grant date for the 2011 tranche for senior executives is not until the 2012 financial year, the number indicated for the balance sheet date may change subsequently.

Group Share Plan (GSP)

In the past, employees of Deutsche Börse Group who are not members of the Executive Board or senior executives had the opportunity to subscribe for shares of Deutsche Börse AG at a discount of 30 or 40 percent to the issue price under the Group Share Plan (GSP). This discount was based on the employee's performance assessment and length of service. Under the 2009 GSP tranche, eligible employees were able to buy up to 200 shares of the Company. The purchased shares must be held for at least two years. In line with the resolution by the Annual General Meeting on 12 May 2011, the Company did not issue a further tranche of the GSP in the current financial year.

In 2004 to 2006, employees participating in the GSP received an additional stock option for each share acquired through the GSP, which they can exercise after two years at a fixed premium to the issue price. The exercise price of these additional options consists of the basic price, which corresponds to the volume-weighted average price of the shares in the closing auctions in Xetra trading on the ten trading days preceding the stock options' grant date, but at a minimum to the closing price on the grant date of the stock options, and a premium of 20 percent of the basic price. Options could not be exercised in the first two years, and expire without compensation if not exercised within six years. The options of the 2005 tranche expired in 2011. Following the capital increase from retained earnings in 2007, each individual option entitles the holder to subscribe for two Deutsche Börse shares unless Deutsche Börse AG exercises its right to settle in cash.

The options in the remaining 2006 GSP tranche were measured at a fair value of €0 as at 31 December 2011, because the exercise price of the options exceeded the closing auction price of Deutsche Börse shares.

In the year under review, expense in the total amount of €0.1 million (2010: expense of €1.0 million) was recognised in staff costs for all GSP options.

Change in number of GSP options allocated

	Balance as at 31 Dec. 2010	Options exercised	Options forfeited	Balance as at 31 Dec. 2011[1]
Tranche 2005	31,610	27,648	3,962	0
Tranche 2006	49,512	0	4,793	44,719
Total[1]	**81,122**	**27,648**	**8,755**	**44,719**

1) As at 31 December 2011 a total of 44,719 options from the 2006 tranche was exercisable (2010: 81,122 options from the 2005 and 2006 tranches).

The weighted average share price for the options exercised in the year under review amounted to €40.20 (2010: €49.87).

ISE Group Share Plan
As a component of remuneration with a long-term incentive effect, in the past, the Company also issued an annual tranche of the Group Share Plan for employees of the US subgroup ISE. Under these tranches of the ISE Group Share Plan, eligible employees had the opportunity to acquire a number of shares in Deutsche Börse AG based on their earned bonus plus an additional personal contribution. The purchase price for the shares, which was reduced by 90 percent, was paid from the granted GSP bonus and an additional contribution by the employee. For the 2009 tranche of the stock options, a three year vesting period was set. Neither the GSP bonus nor the number of GSP shares are paid at the time the bonus is determined. Rather, the payments are made two years after the grant date of the 2009 tranche. Within this period, beneficiaries cannot assert shareholder rights (in particular, the right to receive dividends and attend the Annual General Meeting).

The Company did not issue any further tranche for the ISE Group Share Plan in financial year 2011.

The shares under the Group Share Plan are delivered no later than 45 days after the vesting period has expired. The shares are all purchased in the market. The difference between the average purchase price and the reduced subscription price is charged to staff costs.

In accordance with IFRS 2, the Company uses an adjusted Black-Scholes model (Merton model) to calculate the fair value of the GSP shares.

Valuation parameters for ISE GSP shares

		Tranche 2009
Term until		31 Jan. 2012
Risk-free interest rate	%	0.93
Volatility of Deutsche Börse AG shares	%	56.15
Deutsche Börse AG share price as at 31 Dec. 2011	€	40.51
Dividend yield	%	4.99
Exercise price	€	0
Fair value	€	42.12

The valuation model does not take exercise hurdles into account. The volatilities applied correspond to the market volatilities of comparable options with matching maturities.

Valuation of ISE GSP shares

	Projected balance as at 31 Dec. 2011[1)] Number	Deutsche Börse AG share price as at 31 Dec. 2011 €	Intrinsic value/ option[2)] €	Fair value/ option[2)] €	Settlement obligation[3)] €m	Reserves as at 31 Dec. 2011 €m
Tranche 2009	67,064	40.51	46.25	42.12	2.5	2.4

1) No ISE GSP shares were exercisable as at 31 December 2011.
2) As at the grant date
3) As at the maturity date

In accordance with IFRS 2, the total amount for the ISE GSP shares is measured at the fair value on the grant date or the reporting date, and recognised in the income statement over the vesting periods of three years. Shareholders' equity is increased accordingly.

Only current provisions existed as at the 31 December 2011 reporting date. Total current provisions of €2.4 million were recognised (2010: €3.0 million current provisions and €1.6 million noncurrent provisions) The total cost of the ISE GSP stock options in the year under review was €1.1 million (2010: €1.9 million), all of which was attributable to equity-settled share-based payments.

Change in number of ISE GSP shares allocated

	Balance as at 31 Dec. 2010	Options exercised	Options forfeited	Balance as at 31 Dec. 2011
Tranche 2008	100,482	100,202	280	0
Tranche 2009	74,101	0	7,037	67,064
Total	**174,583**	**100,202**	**7,317**	**67,064**

The share price of the 100,202 options exercised in the year under review from the 2008 tranche was €56.73.

42. Executive bodies

The members of the Company's executive bodies are listed in the "Executive Board" and "Supervisory Board" chapters of the 2011 annual report.

43. Corporate governance

On 13 December 2011, the Executive and Supervisory Boards issued the latest version of the declaration of conformity in accordance with section 161 of the Aktiengesetz (AktG, the German Stock Corporation Act) and made it permanently available to shareholders on the Company's website (see chapter "Corporate governance declaration" of the 2011 annual report).

44. Related party disclosures

Related parties as defined by IAS 24 are those companies classified as its associates and other investors, and companies that are controlled or significantly influenced by members of the executive bodies, as well as the members of the executive bodies of Deutsche Börse AG.

The remuneration of the individual members of the Executive and Supervisory Boards is presented in the remuneration report. The remuneration report is a component of the Group management report.

Executive Board
In 2011, the fixed and variable remuneration of the members of the Executive Board, including non-cash benefits, amounted to a total of €14.8 million (2010: €15.2 million).

In 2011, no expenses for non-recurring termination benefits for Executive Board members (2010: nil) were recognised in the consolidated income statement.

The actuarial present value of the pension obligations to Executive Board members was €27.3 million at 31 December 2011 (31 December 2010: €26.2 million). Expenses of €1.3 million (2010: €2.5 million) were recognised as additions to pension provisions.

Former members of the Executive Board or their surviving dependents
The remuneration paid to former members of the Executive Board or their surviving dependents amounted to €1.6 million in 2011 (2010: €1.3 million). The actuarial present value of the pension obligations was €33.3 million at 31 December 2011 (2010: €32.6 million).

Supervisory Board
The aggregate remuneration paid to members of the Supervisory Board in financial year 2011 was €1.8 million (2010: €1.8 million).

Other material transactions with related parties
The two following tables shows the other material transactions with companies classified as related parties. All transactions were effected on an arm's length basis.

Material transactions with associates

	Amount of the transactions		Outstanding balances	
	2011 €m	2010 €m	31 Dec. 2011 €m	31 Dec. 2010 €m
Loans from Scoach Holding S.A. to Deutsche Börse AG as part of cash pooling	0.1	0	–11.8	–3.4
Loans from Scoach Europa AG to Deutsche Börse AG as part of cash pooling	0	0	–0.8	0
Services of Deutsche Börse AG for Scoach Europa AG	5.9	6.1	1.2	2.8
Loans from Deutsche Börse AG to Indexium AG	0.1	0	0.6[1]	1.0
Operation of trading and clearing software by Deutsche Börse AG (as at 31 December 2010 Deutsche Börse Systems AG) for European Energy Exchange AG and affiliates	10.1	10.3	0.3	1.7
IT services and infrastructure by International Securities Exchange, LLC for Direct Edge Holdings, LLC[2]	0.7	2.7	0.4	0
Development and operation of the Link Up Converter system by Clearstream Services S.A. for Link-Up Capital Markets, S.L.	1.8	2.5	0.5	0.9
Money market placements of European Commodity Clearing AG with Clearstream Banking S.A. and the interest paid thereon[3]	0	–0.4	0	–0.1
Material transactions within the framework of gold under custody between Clearstream Banking AG and Deutsche Börse Commodities GmbH	0.9	0.5	–0.4	–0.3
Other outstanding balances with associates	–	–	0	–0.4

1) Outstanding balance after impairment losses of €3.0 million recognised in the current financial year on the loan granted to Indexium AG by Deutsche Börse AG
2) Direct Edge Holdings, LLC was an associate until 30 December 2011; most of the transactions resulting from the relationship with Direct Edge Holdings, LLC had been recognised by that point.
3) European Commodity Clearing AG is a subsidiary of European Energy Exchange AG, which is classified as an associate.

Material transactions with other related parties

	Amount of the transactions		Outstanding balances	
	2011 €m	2010 €m	31 Dec. 2011 €m	31 Dec. 2010 €m
Office and administrative services by Eurex Zürich AG for SIX Swiss Exchange AG	28.0	22.5	5.0	5.1
Loans from SIX Group AG provided to STOXX Ltd. as part of the acquisition and interest charges thereon	–0.3	–0.5	–6.2	–11.2
Office and administrative services by SIX Group AG for STOXX Ltd.	–1.3	–4.5	–1.3	–1.4
Office and administrative services by SIX Swiss Exchange AG for Eurex Zürich AG	–8.4	–8.1	–1.1	–1.2
Operation and development of Eurex software by Deutsche Börse AG (as at 31 December 2010 Deutsche Börse Systems AG) for SIX Swiss Exchange AG	16.8	17.5	3.0	2.8
Office and administrative services by SIX Swiss Exchange AG for Eurex Frankfurt AG	–7.2	–5.8	–0.2	–0.1
Transfer of revenue from Eurex fees by Eurex Zürich AG to SIX Swiss Exchange AG	n.a.	n.a.	–16.5	–15.2
Operation and development of Xontro by Deutsche Börse AG (as at 31 December 2010 Deutsche Börse Systems AG) for BrainTrade Gesellschaft für Börsensysteme mbH	12.3	15.7	2.0	1.6
Operation of the floor trading system by BrainTrade Gesellschaft für Börsensysteme mbH for Deutsche Börse AG	4.9	–8.8	–0.3	–0.9
Other outstanding balances with other related parties	–	–	0	0.1

Transactions with key management personnel
Key management personnel are persons who directly or indirectly have authority and responsibility for planning, directing and controlling the activities of Deutsche Börse Group. The Group defines the members of the Executive Board and the Supervisory Board as key management personnel for the purposes of IAS 24.

In the context of the proposed transaction between Deutsche Börse Group and NYSE Euronext, Deutsche Börse AG has entered into contracts for the provision of advisory services with Deutsche Bank AG, Frankfurt/ Main, and Mayer Brown LLP, Washington. In the period under review, two members of the Supervisory Board of Deutsche Börse AG also held key management positions in these companies. In the financial year ended 31 December 2011, Deutsche Börse Group paid Deutsche Bank AG and Mayer Brown LLP a total of €3.0 million for advisory services in connection with this transaction.

Furthermore, Deutsche Börse AG has entered into a contract for the provision of advisory services with Richard Berliand Limited, whose Executive Director Richard Berliand is a member of Deutsche Börse AG's Supervisory Board. Significant elements of this contract include strategies relating to the competitive positioning of Deutsche Börse AG's new clearing business in the market as well as advisory services in connection with major strategic projects. Deutsche Börse Group made payments of €0.2 million to Richard Berliand Limited for advisory services in the financial year ended 31 December 2011.

In financial year 2011, the employee representatives of Deutsche Börse AG's Supervisory Board received salaries (excluding Supervisory Board remuneration) amounting to €0.5 million. The total consists of the respective total gross amounts for those employee representatives who drew salaries from Deutsche Börse AG in the year under review.

Further transactions with related parties
In the context of the transaction between Deutsche Börse AG, SIX Group AG and SIX Swiss Exchange AG described in detail in note 2, it was agreed that all of Eurex's sales and profits will accrue to Deutsche Börse AG with effect from 1 January 2012, instead of the economic interest of 85 percent of these amounts included in Deutsche Börse AG's consolidated financial statements. In return, SIX Swiss Exchange AG will receive consideration of €295.0 million in cash and 5,286,738 shares of Deutsche Börse AG (now that the planned combination with NYSE Euronext will not take place). Deutsche Börse AG's liability to SIX Group AG reported as at 31 December 2011 amounted to €508.0 million and comprised the present value of the cash component (€293.8 million) and the share component measured on the basis of the market price as at 31 December 2011 (€214.2 million). The transaction is expected to close in 2012.

45. Shareholders

On 17 February 2012, Deutsche Börse AG, Frankfurt/Main, Germany, published a statement in accordance with section 26 (1) sentence 2 of the WpHG (Wertpapierhandelsgesetz, German Securities Trading Act) according to which its portfolio of own shares of Deutsche Börse AG fell below the threshold of 5 percent of the voting rights on 17 February 2012 and amounted to 4.94 percent at that date (9,533,068 voting rights).

BlackRock Investment Management (UK) Limited, London, United Kingdom, notified Deutsche Börse AG in accordance with section 21 (1) of the WpHG that the share of Deutsche Börse AG's voting rights held by BlackRock Advisors Holdings, Inc., New York, USA, exceeded the threshold of 3 percent on 1 Decem-ber 2009 and amounted to 3.35 percent (6,526,163 voting rights) at that date. All voting rights are attributable to BlackRock Advisors Holdings, Inc. in accordance with section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG.

BlackRock Financial Management, Inc., New York, USA, and BlackRock Holdco 2, Inc., Delaware, USA, notified Deutsche Börse AG in accordance with section 21 (1) of the WpHG that its share of voting rights in Deutsche Börse AG had fallen below the threshold of 5 percent on 13 May 2010, and amounted to 4.83 percent (9,410,599 voting rights) at that date. All voting rights are attributable to these two companies in accordance with section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG.

BlackRock, Inc., New York, USA, notified Deutsche Börse AG in accordance with section 21 (1) of the WpHG that its share of voting rights in Deutsche Börse AG exceeded the threshold of 5 percent on 12 April 2011, and amounted 5.01 percent (9,773,982 voting rights) at that date. All voting rights are attributable to the company in accordance with section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG.

The Royal Bank of Scotland Group plc, Edinburgh, United Kingdom, notified Deutsche Börse AG in accordance with section 21 (1) of the WpHG that its share of Deutsche Börse AG's voting rights fell below the threshold of 3 percent on 16 May 2011 and its share of voting rights amounted to 1.50350 percent (2,931,849 voting rights) at that date. 1.50344 percent of the voting rights are attributable to The Royal Bank of Scotland Group plc in accordance with section 22 (1) sentence 1 no. 1 and 0.00006 percent of the voting rights are attributable to The Royal Bank of Scotland Group plc in accordance with section 22 (1) sentence 1 no. 6 in conjunction with sentence 2 of the WpHG.

The Royal Bank of Scotland N.V., Amsterdam, the Netherlands, notified Deutsche Börse AG in accordance with section 21 (1) of the WpHG that its share of Deutsche Börse AG's voting rights fell below the threshold of 3 percent on 16 May 2011 and its share of voting rights amounted to 1.50344 percent (2,931,719 voting rights) at that date.

RFS Holdings B.V., Amsterdam, the Netherlands, and RBS Holdings N.V., Amsterdam, the Netherlands, notified Deutsche Börse AG in accordance with section 21 (1) of the WpHG that its share of Deutsche Börse AG's voting rights fell below the threshold of 3 percent on 16 May 2011 and its share of voting rights amounted each to 1.50344 percent (2,931,719 voting rights) at that date. All voting rights are attributable to RFS Holdings B.V. and RBS Holdings N.V. in accordance with section 22 (1) sentence 1 no. 1 of the WpHG.

RBS Holdings N.V., Amsterdam, the Netherlands, notified Deutsche Börse AG in accordance with section 21 (1) of the WpHG that its share of Deutsche Börse AG's voting rights fell below the threshold of 3 percent on 16 May 2011 and its share of voting rights amounted to 1.50344 percent (2,931,719 voting rights) at that date. All voting rights are attributable to RBS Holdings N.V. in accordance with section 22 (1) sentence 1 no. 1 of the WpHG.

Capital Research and Management Company, Los Angeles, USA, notified Deutsche Börse AG in accordance with section 21 (1) of the WpHG that its share of voting rights in Deutsche Börse AG exceeded the threshold of 3 percent on 11 October 2011, and amounted to 3.09 percent (6,039,985 voting rights) at that date. All voting rights are attributable to Capital Research and Management Company in accordance with section 22 (1) sentence 1 no. 6 of the WpHG.

Franklin Mutual Advisers, LLC, Wilmington, USA, notified Deutsche Börse AG in accordance with section 21 (1) of the WpHG that its share of Deutsche Börse AG's voting rights fell below the threshold of 3 percent on 12 October 2011 and its share of voting rights amounted to 2.96 percent (5,771,503 voting rights) at that date. All voting rights are attributable to Franklin Mutual Advisers, LLC in accordance with section 22 (1) sentence 1 no. 6 of the WpHG.

Sun Life of Canada (U.S.) Financial Services Holdings, Inc., Boston, USA, notified Deutsche Börse AG in accordance with section 21 (1) of the WpHG that its share of voting rights in Deutsche Börse AG had fallen below the threshold of 3 percent on 19 December 2011, and amounted to 2.92 percent (5,699,639 voting rights) at that date. All voting rights are attributable to Sun Life of Canada (U.S.) Financial Services Holdings, Inc. in accordance with section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG.

Sun Life Financial (U.S.) Investments LLC, Wellesley Hills, USA, notified Deutsche Börse AG in accordance with section 21 (1) of the WpHG that its share of voting rights in Deutsche Börse AG had fallen below the threshold of 3 percent on 19 December 2011, and amounted 2.92 percent (5,699,639 voting rights) at that date. All voting rights are attributable to Sun Life Financial (U.S.) Investments LLC in accordance with section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG.

Sun Life Financial (U.S.) Holdings, Inc., Wellesley Hills, USA, notified Deutsche Börse AG in accordance with section 21 (1) of the WpHG that its share of voting rights in Deutsche Börse AG had fallen below the threshold of 3 percent on 19 December 2011, and amounted 2.92 percent (5,699,639 voting rights) at that date. All voting rights are attributable to Sun Life Financial (U.S.) Holdings, Inc. in accordance with section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG.

Massachusetts Financial Services Company (MFS), Boston, USA, notified Deutsche Börse AG in accordance with section 21 (1) of the WpHG that its share of voting rights in Deutsche Börse AG had fallen below the threshold of 3 percent on 19 December 2011, and amounted 2.92 percent (5,699,639 voting rights) at that date. All voting rights are attributable to Massachusetts Financial Services Company in accordance with section 22 (1) sentence 1 no. 6 of the WpHG.

Sun Life Global Investments Inc., Toronto, Canada, notified Deutsche Börse AG in accordance with section 21 (1) of the WpHG that its share of voting rights in Deutsche Börse AG had fallen below the threshold of 3 percent on 19 December 2011, and amounted 2.92 percent (5,699,639 voting rights) at that date. All voting rights are attributable to Sun Life Global Investments Inc. in accordance with section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG.

Sun Life Assurance Company of Canada – U.S. Operations Holdings, Inc., Wellesley Hills, USA, notified Deutsche Börse AG in accordance with section 21 (1) of the WpHG that its share of voting rights in Deutsche Börse AG had fallen below the threshold of 3 percent on 19 December 2011, and amounted 2.92 percent (5,699,639 voting rights) at that date. All voting rights are attributable to Sun Life Assurance Company of Canada – U.S. Operations Holdings, Inc. in accordance with section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG.

Sun Life Financial Inc., Toronto, Canada, notified Deutsche Börse AG in accordance with section 21 (1) of the WpHG that its share of voting rights in Deutsche Börse AG had fallen below the threshold of 3 percent on 19 December 2011, and amounted 2.92 percent (5,699,639 voting rights) at that date. All voting rights are attributable to Sun Life Financial Inc. in accordance with section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG.

46. Employees

Employees

	2011	2010
Average number of employees during the year	3,522	3,539
Employed as at the balance sheet date	3,588	3,490

Of the average number of employees during the year, 8 (2010: 9) were classified as Managing Directors (excluding Executive Board members), 373 (2010: 422) as senior executives and 3,141 (2010: 3,108) as employees.

There was an average of 3,278 full-time equivalent (FTE) employees during the year (2010: 3,300). Please refer also to the “Employees” section in the Group management report.

47. Events after the balance sheet date

Prohibition of the business combination of Deutsche Börse AG and NYSE Euronext
On 15 February 2011, Deutsche Börse AG and NYSE Euronext announced that they had entered into a business combination agreement following approval from both companies’ boards.

Following approval on 7 July 2011 of the planned combination by the shareholders of NYSE Euronext with a majority of 96.09 percent of the capital present, 82.43 percent of the shareholders of Deutsche Börse AG accepted the exchange offer made by the holding company of the combined group, Alpha Beta Netherlands Holding N.V. (Holding), which ended on 13 July 2011. A total of 95.42 percent of Deutsche Börse AG shares had been tendered for exchange at the end of a further acceptance period on 1 August 2011, with the total rising to 97.04 percent by the end of a further three-month period ending on 4 November 2011.

On 1 February 2012, Deutsche Börse was informed that the European Commission had decided to prohibit the planned business combination. Despite the remedies offered by the companies, the European Commission concluded that the combination would significantly impede effective competition and declared the combination to be incompatible with the Common Market. Receipt by Deutsche Börse AG and NYSE Euronext of the official notification of this decision of the European Commission rendered completion of the combination impossible, because the exchange offer made by Holding to the shareholders of Deutsche Börse AG on 4 May 2011, as amended, stipulated that clearance by the European Commission had to be received on or before 31 March 2012.

On 2 February 2012, Deutsche Börse AG received official notification of the European Commission's decision to prohibit the planned business combination with NYSE Euronext. In accordance with the terms and conditions of the exchange offer made by Holding to the shareholders of Deutsche Börse on 4 May 2011 (as amended), Holding then published notification of the expiry of the exchange offer. The custodian banks of the shareholders of Deutsche Börse AG who had accepted the exchange offer were instructed by Holding to unwind the exchange offer by rebooking the Deutsche Börse shares tendered for exchange. The Deutsche Börse shares tendered for exchange (DE000A1KRND6) were rebooked as planned to the original ISIN (DE0005810055) after the close of trading on 7 February 2012. At the same time, trading ceased in the Deutsche Börse shares tendered for trading and listed under ISIN DE000A1KRND6.

Planned share buy-backs and changes in the organisational and leadership structure
On 13 February 2012, Deutsche Börse AG announced that the Executive Board plans for share buy-backs of up to €200 million in the second half of 2012.

In addition, Deutsche Börse AG has announced the development of a new business unit. For that purpose, Information Technology (IT), Market Data & Analytics as well as other selected services are to be combined. Parallel to the launch of the new business unit, there will be a change in the top management of the IT business unit: Dr.-Ing. Michael Kuhn and Deutsche Börse AG have agreed on the best of terms and by mutual consent that the Executive Board contract of Michael Kuhn due to run out at the end of 2012 will not be extended.

48. Date of approval for publication

Deutsche Börse AG's Executive Board approved the consolidated financial statements for submission to the Supervisory Board on 2 March 2012. The Supervisory Board is responsible for examining the consolidated financial statements and stating whether it endorses them.

Frankfurt/Main, 2 March 2011
Deutsche Börse AG

Reto Francioni	Andreas Preuss	Frank Gerstenschläger
Michael Kuhn	Gregor Pottmeyer	Jeffrey Tessler

Group management report

Business and operating environment

Overview of Deutsche Börse Group

Business operations and Group structure

Deutsche Börse AG, headquartered in Frankfurt/Main, Germany, is the parent company of Deutsche Börse Group. As at 31 December 2011, the Group employed 3,588 people in 20 locations in 15 countries. As one of the largest exchange organisations worldwide, Deutsche Börse Group offers its customers a broad portfolio of products and services. These cover the entire process chain of securities trading – from trading and clearing of equities and derivatives, through transaction clearing and settlement, custody and administration of securities, services for liquidity and collateral management, as well as the provision of market information, down to the development and operation of electronic systems. The Group's process-oriented business model improves capital market efficiency. Issuers benefit from the low cost of capital, while investors enjoy high liquidity and low transaction costs. At the same time, Deutsche Börse stands for integrity, transparency and security on the capital markets, where organised trading based on a free pricing process takes place and customers manage risks under their own responsibility.

Deutsche Börse Group is composed of Deutsche Börse AG and its subsidiaries, associates and joint ventures.

Deutsche Börse AG itself operates the cash market of Frankfurter Wertpapierbörse (FWB®, the Frankfurt Stock Exchange) with its fully electronic Xetra® trading platform. Through its equity investment in Scoach Holding S.A., Deutsche Börse AG also offers trading in structured products (certificates and warrants).

Simplified shareholding structure of Deutsche Börse Group as at 31 December 2011

Deutsche Börse AG

- Scoach Holding S.A. 50%
  - Scoach Schweiz AG 100%
  - Scoach Europa AG 100%
- BrainTrade Gesellschaft für Börsensysteme mbH 21%1)
- Deutsche Börse Commodities GmbH 16%
- Tradegate Exchange GmbH 75%2)
- Eurex Zürich AG 50%
  - Eurex Frankfurt AG 100%
    - Eurex Repo GmbH 100%
    - Eurex Clearing AG 100%
    - Eurex Bonds GmbH 79%
    - U.S. Exchange Holdings, Inc. 100%
      - International Securities Exchange Holdings, Inc. 100%
  - European Energy Exchange AG 56%
- Clearstream Holding AG 100%
  - Clearstream International S.A. 100%
    - Clearstream Banking AG 100%
    - Clearstream Banking S.A. 100%
      - Clearstream Japan, Ltd. 100%
      - REGIS-TR S.A. 50%
    - Clearstream Services S.A. 100%
    - Clearstream Operations Prague s.r.o 100%
    - LuxCSD S.A. 50%
- Market News International Inc. 100%
  - Need to Know News, LLC 100%
- Infobolsa S.A. 50%
- STOXX Ltd. 50%
- Deutsche Börse Services s.r.o 100%

1) Direct equity interest of Deutsche Börse AG: 14 percent
2) Plus an equity interest of 1.25 percent, which is held indirectly via Tradegate AG Wertpapierhandelsbank

Through Eurex Zürich AG and its subsidiaries, Deutsche Börse AG operates derivatives markets in Europe (Eurex) and the United States (International Securities Exchange, ISE) and offers clearing services (Eurex Clearing AG).

In addition, Deutsche Börse sells price and reference data as well as other information relevant for trading and develops indices through its subsidiary STOXX Ltd.

All post-trade services are handled by Clearstream Holding AG and its subsidiaries. These services include transaction settlement, administration and custody of securities as well as global securities financing.

Deutsche Börse AG and Clearstream Services S.A. develop and operate Deutsche Börse Group's technological infrastructure. On 31 March 2011, Deutsche Börse Systems AG was merged into Deutsche Börse AG as part of the Excellence efficiency programme to streamline the organisational structure of Deutsche Börse Group (for details see the section on "Internal management control" of this Group managemant report).

On 7 June 2011, Deutsche Börse AG, SIX Group AG and SIX Swiss Exchange AG signed a definitive agreement. Upon completion of the transaction, which is intended for the first half of 2012, Deutsche Börse AG will hold 100 percent of shares in Eurex Zürich AG.

The chart on the previous page gives an overview of Deutsche Börse Group's principal shareholdings; its basis of consolidation is presented in full in note 2 to the consolidated financial statements.

Company management

The governing bodies of Deutsche Börse AG, as a German stock corporation, are the Annual General Meeting, the Supervisory Board and the Executive Board, each of which has its own areas of responsibility.

The Annual General Meeting resolves the appropriation of the unappropriated surplus, appoints the shareholder representatives in the Supervisory Board and resolves on the approval of the acts of the Executive Board and the Supervisory Board. In addition, it decides on corporate actions and other matters governed by the Aktiengesetz (AktG, German Stock Corporation Act). The Supervisory Board appoints, supervises and advises the Executive Board and is directly involved in key decisions affecting the Company. Additionally, it adopts the consolidated financial statements prepared by the Executive Board. Members of the Supervisory Board are appointed for a period of three years; however, when electing members to the Supervisory Board, the Annual General Meeting may determine a shorter term of office. The Supervisory Board of Deutsche Börse AG has 18 members: 12 shareholder representatives and 6 employee representatives.

The Executive Board has sole sole responsibility for managing the Company and the Chief Executive Officer coordinates the activities of the Executive Board members. As at 31 December 2011, the Executive Board of Deutsche Börse AG had 6 members. The remuneration system and the remuneration paid to the individual members of the Executive Board of Deutsche Börse AG are presented in the remuneration report, which is part of this Group management report.

Reporting segments

Deutsche Börse Group classifies its business into four segments: Xetra, Eurex, Clearstream and Market Data & Analytics. Since financial year 2010, this structure has served as a basis for the internal management of the Group and for financial reporting.

Reporting segment	Business areas
Xetra	■ Cash market with the Xetra® electronic trading system and Xetra Frankfurt Specialist Trading ■ Central counterparty for equities ■ Admission of securities to listing
Eurex	■ Electronic derivatives market trading platform Eurex® ■ Electronic equity options trading platform ISE ■ Over-the-counter (OTC) trading platforms Eurex Bonds® and Eurex Repo® ■ Central counterparty for bonds, derivatives and repo transactions (Eurex Clearing)
Clearstream	■ Custody, administration and settlement services for domestic and foreign securities ■ Global securities financing services ■ Investment funds services
Market Data & Analytics	■ Sales of price information and information distribution ■ Index development and sales

Organisational structure

The organisational structure of Deutsche Börse Group (see chart below) mirrors the three market areas: cash market (Xetra), derivatives market and market data (Derivatives & Market Data), as well as securities settlement, administration and custody (Clearstream). Each area is headed by a member of the Executive Board of Deutsche Börse AG. In addition, there are Group-wide administrative functions in the divisions of the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) as well as in the area of IT (Information Technology). From 2012 onwards, the Information Technology (IT) and Market Data & Analytics areas will be bundled in a separate business unit.

Disclosures in accordance with section 315 (4) HGB
In accordance with section 315 (4) of the Handelsgesetzbuch (HGB, German Commercial Code), Deutsche Börse AG makes the following disclosures as at 31 December 2011:

The share capital of Deutsche Börse AG amounted to €195.0 million on 31 December 2011 and was composed of 195,000,000 no-par value registered ordinary shares. With the retirement of 2,000,000 treasury shares in February 2012, Deutsche Börse AG's share capital has been reduced. It now amounts to €193.0 million and is composed of 193,000,000 no-par value registered ordinary shares. There are no other classes of shares besides these ordinary shares.

The Executive Board is only aware of limitations to voting rights that result from the Aktiengesetz (AktG, German Stock Corporation Act). These include voting right limitations pursuant to section 136 of the AktG and limitations under the AktG for treasury shares. Section 136 of the AktG stipulates that shareholders may not exercise voting rights for themselves or on behalf of another shareholder if a resolution is to be adopted formally approving their actions, releasing them from an obligation, or deciding whether the Company should assert a claim against them. The voting rights of the relevant shares are thus excluded by law in cases where section 136 of the AktG applies. Under section 71b of the AktG, Deutsche Börse AG is also not permitted to exercise any rights of treasury shares held in its portfolio.

Under the Wertpapierhandelsgesetz (WpHG, German Securities Trading Act), any investor whose shareholding reaches, exceeds, or falls below specified voting right thresholds as a result of purchase, sale, or any other transaction is required to notify the Company and the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin, German Federal Financial Supervisory Authority). The lowest threshold for this disclosure requirement is 3 percent (see note 45 to the consolidated financial statements for details). Deutsche Börse AG is not aware of any direct or indirect investments in the capital of the Company representing more than 10 percent of the voting rights.

None of Deutsche Börse AG’s shareholders hold shares that confer special control rights.

Employees holding shares in Deutsche Börse AG exercise their rights in the same way as other shareholders in accordance with statutory regulations and the Articles of Association.

Members of the Executive Board are appointed and removed in accordance with sections 84 and 85 of the AktG. In accordance with Article 6 (3) of the Articles of Association

Leadership structure of Deutsche Börse Group as at 1 January 2012

Group Executive Board

CEO R. Francioni	CFO G. Pottmeyer	Xetra F. Gerstenschläger	Derivatives & Market Data A. Preuss	Clearstream J. Tessler	Information Technology M. Kuhn
Internal Auditing	Financial Accounting & Controlling	Market Development	Executive Office	Client Relations Europe & Americas	Central IT & Coordination
Group Strategy	Strategic Finance	Markets Services	IT	Client Relations Asia/Pacific/ME/Africa	Networks & Infrastructure Operations
Corporate Communications	Investor Relations & Treasury	Market & Business Analysis	Business Development	Client Relations GSF & Broker/Dealers	VMS & Xetra/Eurex Operations
Corporate Office	Group Compliance, Information Security & Risk Management	Trading Surveillance	Sales & Marketing	Business Management	Account Management Cash/Derivatives
Legal Affairs	Human Resources		Operations	Operations Clearstream	Senior Project Managers Pool
	Organization & Administration		Clearing	Investment Funds Services	AD Cash/Derivatives
	SAP & Office Automation		Market Data & Analytics	CRD IV	Clearstream IT

of Deutsche Börse AG, membership of the Executive Board generally terminates when the members attain the age of 60. Amendments to the Articles of Association of Deutsche Börse AG are adopted by resolution of the Annual General Meeting in accordance with section 119 (1) no. 5 of the AktG. Under Article 12 (4) of the Articles of Association of Deutsche Börse AG, the Supervisory Board has the power to make changes to the Articles of Association that relate only to the wording. In accordance with Article 18 (1) of the Articles of Association of Deutsche Börse AG, resolutions of the Annual General Meeting are passed – unless otherwise stipulated by mandatory requirements of the AktG – by a simple majority of the votes cast. Insofar as the AktG prescribes a majority of share capital to be represented at the Annual General Meeting for resolutions, a simple majority of the represented share capital is sufficient where this is legally permissible.

Subject to the approval of the Supervisory Board, the Executive Board is authorised to increase the share capital until 11 May 2016 by issuing new no-par value registered shares in exchange for cash and/or non-cash contributions on one or more occasions by up to a total of €5.2 million (authorised share capital I). Full authorisation, particularly the conditions for disapplying shareholders' pre-emptive rights, derives from Article 4 (3) of the Articles of Association of Deutsche Börse AG.

The Executive Board is also authorised to increase the share capital until 26 May 2015, subject to the approval of the Supervisory Board, by issuing new no-par value registered shares in exchange for cash and/or non-cash contributions on one or more occasions by up to a total of €27.8 million (authorised share capital II). The shareholders must be granted pre-emptive rights, which the Executive Board can disapply in certain cases, subject to the approval of the Supervisory Board in each case. The Executive Board is authorised to disapply shareholders' pre-emptive rights for cash capital increases if the issue price of the new shares is not significantly lower than the stock exchange price and the total number of shares issued while pre-emptive rights are disapplied does not exceed 10 percent of the share capital. Furthermore, the Executive Board is authorised to disapply pre-emptive rights for new shares with a proportionate interest in the share capital totalling up to €3.0 million in order to issue these new shares to employees of the Company or of companies affiliated with it, excluding the members of the Executive Board and the management of affiliated companies. In addition, the Executive Board is authorised to disapply pre-emptive rights if capital is increased in exchange for non-cash contributions for the purpose of acquiring companies, parts of companies, interests in companies, or other assets. Finally, the Executive Board is authorised to disapply fractional amounts from shareholders' pre-emptive rights. Full authorisation, particularly the conditions for disapplying the shareholders' pre-emptive rights, derives from Article 4 (4) of the Articles of Association of Deutsche Börse AG.

The Executive Board is also authorised to increase the share capital until 26 May 2015, subject to the approval of the Supervisory Board, by issuing new no-par value registered shares in exchange for cash contributions on one or more occasions by up to a total of €19.5 million (authorised share capital III). The shareholders must be granted pre-emptive rights, which the Executive Board can disapply only for fractional amounts with the approval of the Supervisory Board. The exact content of this authorisation derives from Article 4 (5) of the Articles of Association of Deutsche Börse AG.

The Executive Board is further authorised to increase the share capital until 10 May 2012, subject to the approval of the Supervisory Board, by issuing new no-par value registered shares in exchange for cash and/or non-cash contributions on one or more occasions by up to a total of €6.0 million (authorised share capital IV). Shareholders must be granted pre-emptive rights unless the Executive Board makes use of the authorisation granted to it to disapply the shareholders' pre-emptive rights with the approval of the Supervisory Board. The Executive Board is authorised to disapply fractional amounts from the shareholders' pre-emptive rights with the approval of the Supervisory Board. The Executive Board is also authorised, subject to the approval of the Supervisory Board, to disapply shareholders' pre-emptive rights in order to issue up to 900,000 new shares per financial year from the authorised share capital IV to members of the Executive Board and employees of the Company as well as to members of the executive boards or management and employees of its affiliated companies in accordance with sections 15 et seqq. of the AktG. Full authorisation derives from Article 4 (6) of the Articles of Association of Deutsche Börse AG.

The Company's share capital has been contingently increased in accordance with Article 4 (7) of the Articles of Association of Deutsche Börse AG by up to €6.0 million by issuing up to 6,000,000 no-par value registered shares (contingent share capital I). The contingent capital increase is used exclusively to settle stock options granted until 13 May 2008 as a result of the authorisation under item 7 of the agenda of the Annual General Meeting of 14 May 2003. The contingent capital increase will only be implemented insofar as the holders of issued stock options exercise their pre-emptive rights and the Company does not settle these stock options by transferring treasury shares or by way of a cash payment. The new shares carry dividend rights from the beginning of the financial year in which they are issued as the result of exercising stock options.

The Executive Board is authorised to acquire treasury shares amounting to up to 10 percent of the share capital. However, the acquired shares, together with any treasury shares acquired for other reasons that are held by or allocated to the Company in accordance with sections 71a et seqq. of the AktG, may at no time exceed 10 percent of the Company's share capital. The authorisation to acquire treasury shares is valid until 11 May 2013 and may be exercised by the Company in full or in part on one or more occasions. However, it may also be exercised by dependent companies, by companies in which the Company holds a majority interest, or by third parties on its or their behalf. The Executive Board may elect to acquire the shares (1) on the stock exchange, (2) via a public tender offer addressed to all shareholders or via a public request for offers of sale addressed to the Company's shareholders, (3) by issuing tender rights to shareholders, or (4) through the use of derivatives (put or call options or a combination of both). The full and exact wording of the authorisation to acquire treasury shares, and particularly the permissible uses to which the shares may be put, can be found in items 6 and 7 of the agenda of the Annual General Meeting of 12 May 2011.

The following material agreements of the Company are subject to a change of control following a takeover bid:

- On 31 August 1998, Deutsche Börse AG and SIX Swiss Exchange AG (formerly SWX Swiss Exchange AG) set out details of their joint interest in Eurex Zürich AG, Zurich, Switzerland, and its subsidiary companies in a shareholders' agreement in which they arranged an extraordinary right of termination for a period of 60 days following registered notification. This applies in the event that a third exchange organisation obtains a controlling influence over the other party, whether by means of a takeover or a merger. In the case of a termination, Eurex would have to be liquidated in its current structure with the stake held by SIX Swiss Exchange AG.
- On 25 October 2006, Deutsche Börse AG and SIX Group AG (formerly SWX Group) agreed in a cooperation agreement to combine their business operations in the area of structured products in a European exchange organisation under a joint name and brand (Scoach). This cooperation agreement was adopted by SIX Swiss Exchange AG in place of SIX Group AG on 24 March 2009. The cooperation agreement gives either party a right of termination with a notice period of six months to the end of the month if a change of control occurs at the other party, i.e. Deutsche Börse AG or SIX Swiss Exchange AG. The right of termination expires if it is not exercised within three months of the date of the change of control. According to the cooperation agreement, a change of control takes place if a person, corporation or partnership directly or indirectly acquires control over a company, either alone or together with Group companies or in concert with other persons or companies. A company has control if it directly or indirectly holds more than 50 percent of the voting rights or the capital of another corporation or partnership, if it must fully consolidate another corporation or partnership under the International Financial Reporting Standards (IFRSs), or if it is able to control a company through voting trusts or by appointing executive bodies.
- On 6 May 2008, supplemented on 9 April 2009, on 30 March 2010, on 29 March 2011 as well as on 27 February 2012, Deutsche Börse AG and its subsidiary Clearstream Banking S.A. concluded a multicurrency revolving facility agreement with a consortium of banks for a working capital credit totalling up to €750 million. In the event of a change of control, the lead manager of the consortium must terminate the agreement within a period of 30 days and declare all amounts due to the lenders immediately repayable, if required to do so by a majority of the consortium banks, which together provide two-thirds of the amount of the facility granted at the time of the change of control. Under the terms of this agreement, a person or group of persons has control if they act in concert and/or if they have the opportunity to manage the business of the Company or to determine the composition of the majority of Deutsche Börse's Executive Board.

- As part of the acquisition of International Securities Exchange (ISE), it was agreed that no person or group may directly or indirectly acquire more than 40 percent of the shares in ISE or acquire control over the voting rights attached to more than 20 percent of the shares in ISE without the prior approval of the US Securities and Exchange Commission (SEC). Otherwise, as many ISE shares will be transferred to a trust as required to comply with the limits.
- Under the terms of the 2008/2013 fixed-rate bonds amounting to €650.0 million issued by Deutsche Börse AG and the terms of the subordinated fixed-rate and floating-rate bonds amounting to €550.0 million issued by the Company in 2008, cancellation rights apply in the case of a change of control. If they are exercised, the bonds are repayable at par plus any accrued interest. A change of control has taken place if a person or a group of persons acting in concert, or third parties acting on their behalf has or have acquired more than 50 percent of the shares of Deutsche Börse AG or the number of shares required to exercise more than 50 percent of the voting rights at Annual General Meetings of Deutsche Börse AG. In addition, the relevant loan terms require that the change of control must adversely affect the rating given to one of the preferential unsecured debt instruments of Deutsche Börse AG by Fitch Ratings, Moody's Investors Service or Standard & Poor's. Further details can be found in the applicable loan terms.
- A change of control also gives rise to rights to require repayment of various bonds issued by Deutsche Börse AG in 2008 under a US private placement. The change of control must also adversely affect the rating given to one of the preferential unsecured debt instruments of Deutsche Börse AG by Fitch Ratings, Moody's Investors Service or Standard & Poor's. The provisions contained in the applicable terms correspond to the conditions specified for the 2008/2013 fixed-rate bonds. The bonds issued under the private placement are as follows: US$170.0 million due on 12 June 2015, US$220.0 million due on 12 June 2018, and US$70.0 million due on 12 June 2020.
- Under certain conditions, members of Deutsche Börse AG's Executive Board have a special right of termination in the event of a change of control. According to the agreements made with all Executive Board members, a change of control has occurred if (1) a shareholder or third party discloses its ownership of more than 50 percent of the voting rights in Deutsche Börse AG in accordance with sections 21 and 22 of the WpHG, (2) an intercompany agreement in accordance with section 291 of the AktG is entered into with Deutsche Börse AG as a dependent company, or (3) Deutsche Börse AG is absorbed in accordance with section 319 of the AktG or merged in accordance with section 2 of the Umwandlungsgesetz (UmwG, German Reorganisation and Transformation Act).

In addition to the above agreements subject to a change of control in the event of a takeover offer, further agreements apply. In the opinion of Deutsche Börse AG, however, these are not material as defined by section 315 (4) of the HGB.

The compensation agreements entered into with the members of the Executive Board in the event of a takeover offer can be found in the remuneration report.

Strategy and internal management control

Strategy

In the past years, Deutsche Börse Group has developed into one of the largest exchange organisations in the world and increased its value considerably since going public. This growth is founded on the Group's integrated business model, which aims to offer customers services efficiently and cost-effectively. It is based on the following key principles:

- Integrating different financial market services such as trading, clearing, settlement, administration and custody of securities, liquidity and collateral management, as well as index and market data services
- Providing these services for different asset classes such as equities, bonds, funds and derivatives
- Developing and operating the Group's own electronic systems for all processes along the securities trading value chain

The efficiency of the business model is reflected in the fact that Deutsche Börse Group is one of the providers of trading, clearing and settlement services with the most attractive prices. The Group has generated a strong cash flow from its operating activities for many years.

Deutsche Börse Group will generally continue to pursue this strategy, which has enabled it to achieve its leading position. In doing so, it will focus primarily on organic growth by introducing new products in existing and new asset classes, expanding its business to new customer groups and moving into markets in new regions. If external growth opportunities appear to be economically attractive, the Group will also take these into consideration.

Deutsche Börse Group channels its energies in three directions as part of its growth strategy:

- Forceful expansion of its product and service range to currently unregulated and uncollateralised markets: this move is in response to changes in customer needs as well as the regulatory framework.
- Accelerated expansion of technology leadership and expertise in the market data segment: Deutsche Börse Group will achieve this by pooling all relevant company resources. To this end, the Information Technology (IT) and Market Data & Analytics areas will be bundled in a separate business unit.
- Tapping into new geographic growth areas and acquiring new customer groups: new formats will be used, in which the Group does not hold sole control and creates value together with customers and market players.

The organic growth targeted by Deutsche Börse Group is influenced by the following factors:

- The performance of the financial markets in line with general economic conditions (e.g. volatility in the cash market)
- Structural changes in the financial markets (e.g. increasing use of derivatives by investment funds)
- The Group's ability to innovate (e.g. continuous introduction of new products and services)

While Deutsche Börse Group cannot affect the performance of the financial markets, it is able to exert an influence on the latter two factors in part or in full, for example through lobbying efforts regarding the regulatory framework for the financial markets or developing its own products. In this way, it can further reduce its dependence on factors outside its control.

Opportunity management
Deutsche Börse Group evaluates organic growth opportunities as part of its annual budget planning process using an investment appraisal to assess internally the growth initiatives developed by the respective business areas. The risk rate required for the evaluation is also determined by means of an internal analysis. Each initiative is then appraised based on the Group's strategic orientation. If the initiative fits in with the Group's strategic concept, the analysed initiatives are ranked using the calculated net present value and taking the opportunities and risks into account. Finally, the growth initiatives for the subsequent year are defined on the basis of this ranking and the budget provided by the Executive Board.

To take advantage of external growth opportunities, Deutsche Börse Group constantly monitors and assesses any possibilities that arise.

Internal management control
Deutsche Börse Group's internal management control system is primarily based on the performance indicators EBIT, costs, net profit for the year, return on shareholders' equity and interest coverage ratio (the ratio of EBITDA to interest expenses from financing activities).

Deutsche Börse Group manages its EBIT via revenue and costs. Revenue is composed of sales revenue from external customers, net interest income from banking business and other operating income. Sales revenue from external customers is generally dependent on the three growth factors described above (performance of the financial markets, structural changes and the Group's ability to innovate). Net interest income from banking business is dependent on the development of Clearstream's international settlement business on the one hand and the development of short-term interest rates, particularly in the euro zone and the USA, on the other. Other operating income results from operating the Eurex Zürich derivatives market for SIX Swiss Exchange AG and from exchange rate differences, among other things.

At Group level, Deutsche Börse Group's net profit for the year also serves as a performance indicator for internal management control.

With regard to expenses, the Group distinguishes between volume-related costs and operating costs. Volume-related costs comprise expenses that correlate with the level of sales revenue, such as fees and commissions from banking business or costs for purchasing price information. In addition, various license fees contribute to volume-related costs. Operating costs include staff costs, depreciation, amortisation and impairment losses, as well as other operating expenses. Staff costs consist of wages and salaries as well as social security contributions and the cost of retirement benefits. They are subject to inflation and depend partially on the development of Deutsche Börse AG's share price, as they also include changes in the provisions and payments for the Stock Bonus Plan for members of the Executive Board and senior executives that was introduced in 2007. The depreciation, amortisation and impairment charges include scheduled and non-scheduled depreciation and amortisation of impairment losses of intangible assets, property, plant and equipment. Other operating expenses mainly comprise the costs of developing and operating the Group's technological infrastructure, office infrastructure costs and marketing costs.

Around 80 percent of Deutsche Börse Group's total costs are fixed costs (excluding special effects). The Group can therefore handle higher volumes of business without a significant increase in costs. Conversely, a decline in business volumes has a direct impact on the Group's profitability. Approximately 20 percent of the Group's total costs are volume-related costs.

The comprehensive measures adopted in the first quarter of 2010 to optimise operating processes and cost structures with a total volume of €150 million (Excellence project) were largely implemented during the year under review. Accelerating the implementation of these measures led to savings of €130 million by the end of 2011, instead of the originally planned €115 million. Consequently, a further €20 million in savings is now required. Deutsche Börse therefore expects to be able to successfully conclude the programme a year ahead of schedule at the end of 2012; the programme was originally intended to run until the end of 2013. All personnel measures were agreed in the year under review. The Company was able to prevent forced redundancies due to the success of the voluntary leaver programme.

The costs of the efficiency programme were predominantly recognised in the consolidated income statement for 2010 (€110.7 million). Accordingly, costs of €1.3 million were recognised in income in financial year 2011, primarily under staff costs in all of the Group's segments.

The return on shareholders' equity after taxes is another key performance indicator underlying Deutsche Börse Group's strategy. It represents the ratio of after-tax earnings to the average equity available to the Group. It increased to 26.9 percent in 2011, adjusted for merger and acquisition costs primarily associated with the planned merger with NYSE Euronext and for costs of efficiency programmes, both of which are tax-effective, and the non-taxable income arising from the revaluation of the share component of the purchase price for the announced acquisition of the shares in Eurex Zürich AG held by the SIX Group (2010: 24.4 percent).

Under its capital management programme, the Group plans to achieve an interest coverage ratio of at least 16 for Deutsche Börse Group. Due to an improvement in business activities and consistent cost management, this target – adjusted for merger and acquisition costs primarily associated with the planned merger with NYSE Euronext and for costs of efficiency programmes – was surpassed in the year under review with a ratio of 19.0. The Clearstream subgroup aims to maintain an interest coverage ratio of 25 and comply with other capital adequacy measures to protect its current "AA" rating. Because Clearstream had no financial liabilities from non-banking business in the year under review, as in the previous year, it was not necessary to calculate the interest coverage ratio for the subgroup.

Further information on the Group's financial position is presented in the "Financial position" section of this Group management report.

Internal control system

The Group's internal control system (ICS) is another control tool. Its primary purpose is to ensure that Deutsche Börse Group's accounting processes comply with sound bookkeeping and accounting practices. This guarantees that the presentation of the net assets, financial position and results of operations in the single-entity and consolidated financial statements of Deutsche Börse AG and its subsidiaries is correct and complete.

The Financial Accounting and Controlling (FA&C) department and the corresponding units in foreign subsidiaries are mainly responsible for preparing the accounts of Deutsche Börse AG and its consolidated subsidiaries. The head of FA&C at Deutsche Börse AG is responsible for the accounting processes throughout Deutsche Börse Group as well as for ensuring the effectiveness of the safety and control measures, which also form part of the accounting process. This officer ensures that risks in the accounting system are identified early on and that adequate safety and control measures are taken in good time. An internal monitoring system comprising both integrated and independent controls has been implemented to this end. The consistent quality of financial reporting is guaranteed by using the following tools:

- Work instructions and process descriptions for each individual accounting process, including the preparation of consolidated financial statements, are stored in an FA&C database created especially for this purpose.
- IFRS and HGB accounting manuals and account allocation guidelines ensure a Group-wide standard financial reporting process.

The work instructions and process descriptions are regularly reviewed to ensure that they are up to date. High-risk processes are subject to special control. The financial reporting manuals and account allocation guideline are also updated on an ongoing basis. All employees within the department have access to the FA&C database, reporting manuals and account allocation guidelines and can thus obtain current information on the regulations to be followed.

Another important feature of the internal control system within the FA&C department is the principle of function separation: tasks and responsibilities are clearly defined and allocated within the organisation. Incompatible tasks, such as changing master data and issuing payment instructions, are kept strictly apart. This function separation is ensured, among other things, by installing an independent control unit with the authority to grant accounting system access rights to employees and continuously monitor them by means of a so-called incompatibility matrix. Transactions are initially recorded in the general ledger or corresponding subledgers based on the table of accounts and the account allocation guideline. The preparation of the closing entries and consolidated financial statements always follows the principle of dual control, which is an additional control measure.

All major subsidiaries of Deutsche Börse Group keep their ledgers in the same SAP system using the consolidation software SAP EC-CS. The accounting financial statements of subsidiaries not incorporated in the Group's SAP system are included in the consolidated financial statements via upload files. For the consolidation of liabilities, expenses and income, transactions are recorded in separate accounts under the name of the respective partner company. Differences arising from the consolidation of liabilities, expenses and income are appraised centrally and sent on to the accounting departments of the companies for clarification. Internal Auditing carries out risk-oriented and process-independent controls to assess the effectiveness and appropriateness of the internal control system for accounting.

The Executive Board and the Audit and Finance Committee set up by the Supervisory Board receive regular reports on the effectiveness of the internal control system for the accounting process. However, even an appropriate and functioning internal control system can only offer adequate, but never total protection against failure to achieve the goals described at the beginning of this section.

Economic environment

2011 saw a large number of developments that had and continue to have a significant impact on the macroeconomic environment and market activity. In particular, these included:

- The global economy declined at the end of the second half of 2011.
- Japan was hit by a natural disaster and there was political unrest in North Africa and the Middle East.
- High government debt levels were seen in several European countries, along with concerted countermeasures by the EU and the decline of the euro against the US dollar, especially in the fourth quarter of 2011.
- The major central banks continued to inject large amounts of liquidity.

Following an increase in real GDP in the OECD countries of 3.1 percent in 2010, current estimates reveal a rise of just 1.9 percent in 2011. Estimates published by the International Monetary Fund suggest that the global economy grew by 4.0 percent in 2011 (2010: increase in real terms of 5.1 percent).

In this macroeconomic environment, Deutsche Börse Group's business is mainly influenced by cyclical trends in Germany, other European countries and the United States.

Based on initial estimates, growth in German GDP in 2011 was down year-on-year due to slower global economic growth and the stagnation of world trade at prior-year levels. The International Monetary Fund's January 2012 estimates put growth in German economic output at 2.7 percent in 2011 (2010: increase in real terms of 3.6 percent). In the first half of 2011, GDP recorded a further strong year-on-year increase of approximately 4.0 percent. However, growth slowed significantly to around 2.0 percent year-on-year in the second half.

As in the previous year, economic performance in the year under review was mixed across Europe: Germany, Finland and France remained the main beneficiaries of the economic recovery, while Greece and Portugal were estimated to be in recession. A similar divergence between individual European states is also expected for 2012 against the backdrop of significantly reduced growth prospects: experts are forecasting slight growth for Germany, while some southern European countries will probably see only a low level of growth or continued recession. The euro zone as a whole is expected to grow by between –0.5 and 0.5 percent in 2012. Following a total of four interest rate changes, the key interest rate in Europe remained unchanged at the historically low level of 1.0 percent in 2011. It was twice raised by 25 basis points on 13 April and 13 July 2011 to 1.5 percent, before being reduced to its original level by cuts of 25 basis points on 9 November and 14 December 2011. In view of the uncertain economic situation, a slow recovery in the key rate is not expected before 2013.

The OECD is forecasting a 1.7 percent increase in US economic output in 2011 as a result of budget consolidation following the US debt crisis in summer 2011. Market uncertainty is continuing due to the financial policy difficulties, the high unemployment rate and the resulting low level of consumer spending. The forecasts for growth in 2012 vary between 1.5 and 2.0 percent. The Federal Reserve maintained the target range it had set for the federal funds rate in December 2008 at between zero and 0.25 percent.

Development of trading activity on selected European cash markets

		2011 bn	Change 2011 vs. 2010 %
Deutsche Börse Group – Xetra[1]	**€**	**1,406.7**	**14**
Nasdaq OMX Nordic[3]	€	668.7	5
Euronext[1) 4)]	€	1,688.6	0
London Stock Exchange[1) 2)]	£	1,201.2	0
Borsa Italiana[2]	€	806.7	–4
Bolsas y Mercados Españoles[1]	€	925.3	–11

1) Trading volume in electronic trading (single-counted)
2) Part of London Stock Exchange Group
3) Part of Nasdaq OMX
4) Part of NYSE Euronext
Source: Exchanges listed

The high levels of government debt in individual European states, the decline of the euro against the US dollar and the difficult economic situation are continuing to add to the uncertainty on the financial markets. These factors led to a significantly higher level of trading in the cash and derivatives markets in the third quarter in particular. Although the effect weakened again in the course of the year, overall, business activities showed a significant year-on-year increase in 2011.

Development of contracts traded on selected derivatives markets

	2011 m contracts	Change 2011 vs. 2010 %
CME Group	3,386.6	10
Deutsche Börse Group – Eurex	**2,821.5**	**7**
NYSE Euronext	2,258.7	5
Korea Exchange	3,928.0	5
CBOE Holdings	1,152.1	3

Source: Exchanges listed

A number of governments continued to make liquidity available in 2011 in order to stabilise their national financial markets, leading to a corresponding need for refinancing on the bond markets. According to the Bank for International Settlements, the global volume of domestic bonds issued (i.e. bonds issued in their respective home countries), fell by 17 percent year-on-year in euro terms in the first half of 2011. The decline is largely attributable to the drop in the euro against the US dollar and the market uncertainty during the first half of 2011.

In spite of this, the average aggregate principal amount of domestic bonds outstanding on the bond markets remained at the previous year's high level, declining just 1 percent to approximately €39.5 trillion. In contrast to the trend on the national bond markets, the global volume of newly issued international bonds increased by 4 percent between June 2010 and June 2011. In line with this, their aggregate principal amount grew by more than 3 percent in the same period to a record high of €20.4 trillion. This underlines the continued attractiveness of the international bond markets for issuers.

The average volume of bonds held in custody by Clearstream remained virtually unchanged year-on-year. Continued high demand for liquidity fuelled by the financial crisis also led to an increase in the volume of collateralised securities lending transactions offered by Clearstream (collateral management).

Overview of business development

In financial year 2011, the earnings generated by Deutsche Börse Group were significantly higher than in the previous year. Sales revenue increased by 6 percent to €2,233.3 million in 2011 (2010: €2,106.3 million). The Eurex and Clearstream segments made the largest contributions to sales revenue in the year under review with €945.9 million and €775.9 million respectively. All reporting segments boosted their sales revenue in the past year, with Eurex recording the strongest growth of 10 percent (for details see table „Deutsche Börse Group key performance figures" on page 20).

The Group's total costs fell sharply year-on-year to €1,217.3 million (2010: €1,711.1 million). Volume-related costs rose by 16 percent to €244.0 million (2010: €210.9 million), driven in particular by the changes to the fee models for trading in US options and German/European equities under the specialist model as well as an increase in sales revenue. By contrast, operating costs fell by 36 percent to €973.3 million (2010: €1,500.2 million). The main factors behind this significant decline were as follows:

- An impairment charge on International Securities Exchange's (ISE) intangible assets of €453.3 million was recognised in 2010.
- The majority of costs for efficiency programmes was incurred in 2010; in the year under review, costs for efficiency programmes amounted to €1.3 million.

Conversely, total costs in 2011 included a non-recurring amount of €82.2 million for merger and acquisition costs primarily associated with the planned merger with NYSE Euronext.

Income from equity investments by Deutsche Börse Group amounted to €3.6 million (2010: €12.2 million). Scoach Holding S.A., Direct Edge Holdings, LLC and European Energy Exchange AG accounted for the largest proportion of this result. These companies made a considerably higher contribution in 2011 than in 2010. However, Deutsche Börse had to recognise an impairment loss of €17.2 million on its 5 percent interest in the Bombay Stock Exchange Limited, which had a negative impact on its income from equity investments.

Consolidated earnings rose significantly year-on-year in 2011, driven by higher sales revenue combined with a sharp fall in total costs. EBIT rose by 118 percent to €1,151.7 million (2010: €527.8 million). Adjusted for merger and acquisition costs primarily associated with the planned merger with NYSE Euronext and for costs of efficiency programmes in 2011 as well as the ISE impairment charge and costs of efficiency programmes in 2010, Deutsche Börse Group's EBIT amounted to €1,235.0 million, 13 percent up on 2010 (€1,091.0 million).

The Group's financial result for financial year 2011 was €–1.3 million (2010: €–108.2 million). This significant increase is largely due to the agreement Deutsche Börse AG signed with SIX Group AG in the second quarter of 2011, according to which Deutsche Börse AG will acquire all shares in Eurex Zürich AG in 2012; part of the purchase price will be settled in Deutsche Börse AG shares. Until the planned merger with NYSE Euronext was prohibited by the EU Commission on 1 February 2012, the share component of the purchase price liability was measured at fair value through profit and loss. Since the price of Deutsche Börse AG shares has dropped since the agreement was concluded, this resulted in a non-cash and tax-neutral income of €80.8 million as at 31 December 2011. This is partially offset by an expense of €3.4 million from compounding the discounted cash component. The Deutsche Börse AG share price rose to €45.48 on 1 February 2012, resulting in a loss of around €26 million to be recognised in the financial result in the first quarter of 2012. The effects of further changes in share price will be accounted for directly in equity.

Driven by the higher EBIT, Deutsche Börse Group also recorded a considerable rise in net income compared to 2010. This amounted to €848.8 million, a 103 percent increase year-on-year (2010: €417.8 million). Adjusted for the special effects described above and the income from the revaluation of the purchase price liability in connection with the acquisition of all shares in Eurex Zürich AG, net income amounted to €833.0 million, 15 percent up on the previous year (2010: €721.5 million).

The effective Group tax rate was 26.0 percent in 2011 (2010: 26.9 percent). It is calculated after adjusting for the non-taxable income arising from the revaluation of the share component of the purchase price to be paid for the announced acquisition of the shares in Eurex Zürich AG held by SIX Group.

The share of consolidated net income attributable to non-controlling interests amounted to €22.6 million (2010: €–22.7 million as a result of SIX Swiss Exchange AG's share in the ISE impairment charge). STOXX Ltd. accounted for the largest share of this with €18.5 million (2010: €10.6 million).

Key figures by quarter

	Q1		Q2		Q3		Q4	
	2011 €m	2010 €m	2011 €m	2010 €m	2011 €m	2010 €m	2011 €m	2010 €m
Sales revenue	558.6	519.2	528.6	564.4	604.7	504.3	541.4	518.4
Total costs	271.3	298.8	289.2	356.0	317.8	287.0	339.0	769.3
EBIT	316.3	245.6	276.5	257.4	330.9	244.1	228.0	–219.3
Net income for the period	212.8	156.9	178.8	160.8	315.3	161.3	141.9	–61.2
Earnings per share (basic) (€)	1.14	0.84	0.96	0.87	1.69	0.87	0.78	–0.33
Earnings per share (diluted) (€)	1.14	0.84	0.96	0.86	1.69	0.87	0.77	–0.33

Basic earnings per share, based on the weighted average of 185.8 million shares, amounted to €4.57 (2010: €2.25 for an average of 185.9 million shares outstanding). Diluted earnings per share amounted to €4.56 (2010: €2.24). Adjusted for merger and acquisition costs primarily associated with the planned merger with NYSE Euronext, costs of efficiency programmes and the income in connection with the announced acquisition of the shares in Eurex Zürich AG held by SIX Group AG as well as the ISE impairment charge in the previous year, basic earnings per share improved to €4.49 and diluted earnings per share to €4.47, an increase of 16 and 15 percent respectively over the previous year.

Deutsche Börse Group achieved the best result in terms of sales revenue and earnings in the third quarter of the 2011 reporting period (see table on the previous page).

Employees

As at 31 December 2011, Deutsche Börse Group had 3,588 employees (31 December 2010: 3,490). The year-on-year increase is mainly due to expanding our locations in Prague (+110 employees) and Singapore (+14 employees). It was offset by a reduction in the size of the workforce at the locations in Frankfurt (–29 employees) and Luxembourg (–28 employees), primarily as part of the operating efficiency programme ("Excellence"), which the Executive Board had resolved in 2010. A total of 170 employees took part in a controlled Voluntary Leaver Programme, agreed by the management of Deutsche Börse Group and local employee representatives; these employees have either already taken advantage of the programme or will leave the Company in the next few years. Another factor contributing to the increase in the number of staff as at the reporting date was the consolidation of Open Finance, S.L., which offers front-office solutions for investment advice and portfolio management, as well as the recruitment of employees in growth areas, such as Eurex's clearing initiatives.

Employees by segment

	31 Dec. 2011	31 Dec. 2010
Xetra	448	504
Eurex	999	911
Clearstream	1,749	1,701
Market Data & Analytics	392	374
Total Deutsche Börse Group	**3,588**	**3,490**

Deutsche Börse Group had an average of 3,522 permanent salaried employees in the year under review (2010: 3,539). Taking into account part-time employees, an average of 3,278 full-time equivalents (FTE) worked at the Company (2010: 3,300). As at the balance sheet date, women accounted for 37 percent of permanent salaried employees, while 16 percent of senior executives were women.

316 employees left Deutsche Börse Group in the course of the year. The staff turnover rate was 8.9 percent and therefore higher than in the previous year (2010: 8.4 percent).

Based on the average number of full-time equivalent employees in 2011, sales revenue per employee increased by 7 percent to €681 thousand (2010: €638 thousand). Staff costs per employee, adjusted for efficiency programme costs, went up by 2 percent to €123 thousand (2010: €121 thousand).

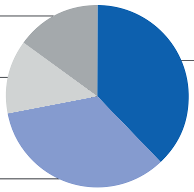
As at 31 December 2011, Deutsche Börse Group employed people at 20 locations worldwide. The following table breaks this figure down into countries and regions:

Employees per country/region

	31 Dec. 2011	%
Germany	1,547	43.1
Luxembourg	987	27.5
Czech Republic	404	11.3
United Kingdom	94	2.6
Rest of Europe	138	3.9
North America	324	9.0
Asia	90	2.5
Middle East	4	0.1
Total Deutsche Börse Group	**3,588**	

The average age of Deutsche Börse Group's employees at the end of the year under review was 40.2 years. The employee age structure as at 31 December 2011 was as follows:

Deutsche Börse Group employees' age structure



The average length of service at the end of the year under review was 10.3 years. The following table illustrates the length of service of the Group's employees as at 31 December 2011:

Employees' length of service

	31 Dec. 2011	%
Less than 5 years	1,193	33.2
5 to 15 years	1,704	47.5
Over 15 years	691	19.3
Total Deutsche Börse Group	**3,588**	

As at 31 December 2011, 62.1 percent of Deutsche Börse Group employees were graduates (2010: 59.9 percent). This figure is calculated on the basis of the number of employees holding a degree from a university, university of applied sciences, or professional academy; it also takes into account employees who have completed comparable studies abroad. In total, the Group invested an average of 2.2 days per employee in staff training.

Corporate responsibility

In its CR strategy "Growing responsibly", Deutsche Börse defines what it means by corporate responsibility and lays down the scope of activity for the entire Group. The team in charge is part of the Corporate Office and reports directly to the CEO. It implements the measures resolved as part of the CR strategy and provides information about the topic both within the Group and externally.

Deutsche Börse focuses its corporate responsibility activities on four areas: the economy, employees, the environment and corporate citizenship. This allows it to take due account of social, ethical and ecological aspects when implementing its economic objectives.

Economy

Deutsche Börse Group is committed to promoting sustainable financial investments and develops products and services for this purpose. The number of sustainability indices calculated by Deutsche Börse grew to 15 as at 31 December 2011, partly through its subsidiary STOXX Ltd. The indices are used by investors as a basis for sustainable investments. In addition, Deutsche Börse has published a monthly CO_2 report (Monthly Carbon Report) since October 2010. This fills an information gap on the CO_2 market and makes the actual extent of CO_2 emissions in the energy sector and industry transparent for analysts and traders.

A sustainability agreement between Corporate Purchasing and Deutsche Börse Group's suppliers and service providers has been in place since the end of 2009 and requires compliance with values such as respect for human and employee rights. In addition, it defines ecological targets to be met. Suppliers accounting for around 90 percent of the Group's purchasing volume either signed this agreement by the end of 2011 or have committed to voluntary obligations that cover or even exceed the items listed.

Employees

Deutsche Börse Group's global team of competent and committed employees is the basis for the Group's economic success. To recruit and retain the best talent in the long term, the Group offers flexible working hours and a broad portfolio of professional development opportunities. In addition, the Company helps employees to achieve a better work-life balance, for example by subsidising childcare. Deutsche Börse also offers an emergency childcare service and a holiday club for schoolchildren. Presentations by specialists, workshops and coaching give employees information on a variety of issues relating to the topic of work-life balance as well as advice (e.g. on stress management, nutrition, or care for the sick and elderly).

Environment
For Deutsche Börse Group, environmental protection is an unconditional commitment to preserving the natural environment and resources. Its aim is therefore to record its own ecological footprint as accurately as possible and to steadily reduce it. Relocating nearly all staff from the Frankfurt site to the new, environmentally friendly Group headquarters in Eschborn near Frankfurt was an important step in this direction: "The Cube" is one of the few office buildings in Germany that is LEED platinum certified (LEED stands for Leadership in Energy and Environmental Design, a classification system awarded by the US Green Building Council).

Deutsche Börse Group has initiated regular Group-wide "Green Days" since 2010 to intensify the dialogue with employees on thinking and acting in an ecologically sound manner. In this context, a number of employee information campaigns took place in 2011 on the issues of water, healthy eating and exercise. In addition, since mid 2011, all letters and parcels at the Frankfurt/Eschborn site have been sent via the Deutsche Post and DHL GoGreen initiative. All parcels from the Luxembourg location have already been sent using this environmentally-friendly and sustainable service since the end of 2010.

Corporate citizenship
The Group's activities in the area of corporate citizenship cover education and research, culture and social involvement. In 2011, staff at the Chicago, Frankfurt/Eschborn, Luxembourg, New York and London locations were involved in a variety of initiatives by non-profit organisations, Deutsche Börse Group allocates two work days per year to each employee to take part in corporate responsibility projects.

The Group supports innovative vocational training concepts and research projects, promotes contemporary photography and provides hands-on help to social organisations. Since November 2009, it has also been working to achieve greater efficiency and transparency in the non-profit sector. To this end, it founded Phineo gAG together with the Bertelsmann Foundation and other partners. Via an information and transaction platform, this provides potential sponsors and non-profit organisations with advice and contact details.

Sustainability indices
In recognition of Deutsche Börse Group's transparent reporting on its CR activities, the Company was listed in key sustainability indices in 2011: in the year under review it again qualified for the FTSE4Good Index Series (FTSE4Good Global Index and FTSE4Good Europe Index) and for the two Dow Jones Sustainability indices (DJSI World and DJSI Europe), which list the top 10 percent of companies in each sector in line with the "best in class" principle. Since 2002, the Company has also been represented in the EURO STOXX® Sustainability Index and STOXX® Europe Sustainability Index, and since 2011 in the STOXX® Global ESG Leaders Index. Additionally, Deutsche Börse AG was again included in the Carbon Disclosure Leadership Index (CDLI) in 2011. This index lists the 30 German companies with the most transparent reporting of their greenhouse gas emissions and climate strategies.

The 2011 corporate responsibility report contains further information on the CR strategy and the most important CR topics. It is scheduled to be available on the Internet from May 2012.

Research and development activities
As a service provider, Deutsche Börse Group does not engage in research and development activities comparable with those of manufacturing companies. This section of the report has therefore been omitted. The Group's product and services development activities are described in more detail in the report on expected developments.

Deutsche Börse shares

Stock market performance

Global economic growth slowed down over the course of 2011. This was attributable, among other things, to the natural disaster in Japan and political unrest in North Africa and the Middle East in the first half of the year, and the turbulence in the euro zone in the second half. As a result, the DAX®, Germany's blue-chip index, mainly moved sideways during the first six months of 2011, before dropping sharply in the second half to end the year at 5,898 points, 15 percent lower than the previous year. However, the significantly higher volatility associated with the above events, particularly in the second half of 2011, had a positive impact on the Group's business activities during the year under review. Deutsche Börse AG's share price nonetheless registered a similar performance to the German equity market and other financial stocks. After a twelve-month intraday high of €62.48 on 10 February 2011 and a twelve-month intraday low of €35.46 on 4 October 2011, the share price closed the last trading day of the year under review at €40.51 (2010: €51.80), a 22 percent decline year-on-year.

From 20 July 2011, the figures relate to the shares tendered for exchange as part of the planned merger with NYSE Euronext, which was prohibited in February 2012. Deutsche Börse AG shareholders had the opportunity to tender their shares for exchange between the beginning of May and the beginning of November 2011. Between 16 May 2011 and 7 February 2012, the shares tendered for exchange were traded in parallel to the original Deutsche Börse shares on the Frankfurt Stock Exchange under a separate securities number (ISIN DE000A1KRND6). Due to the prohibition of the merger, the exchange of shares was unwound effective 8 February 2012. Since that date, all Deutsche Börse AG shares have again been traded under the original securities number (ISIN DE0005810055). Between 20 July 2011 and 7 February 2012, the German DAX and European EURO STOXX 50® blue-chip indices included the Deutsche Börse AG shares tendered for exchange, until they were replaced again by the original Deutsche Börse AG shares.

Exchange data of Deutsche Börse shares

Stock exchange	
Germany	Frankfurt (Prime Standard)
Securities identification numbers	
ISIN	DE0005810055
WKN	581005
Symbol	
Frankfurt Stock Exchange	DB1
Reuters – Xetra® trading	DB1Gn.DE
Bloomberg	DB1:GY

The other benchmark indices that are relevant to Deutsche Börse Group also declined during the year under review. The Dow Jones Global Exchanges Index, the benchmark index for all listed exchange organisations worldwide, fell by 20 percent over the year, and the STOXX® Europe 600

Share price development of Deutsche Börse AG and benchmark indices in 2011

Indexed to 31 December 2010 = 100

— Daily closing price of Deutsche Börse AG shares[1]
— DAX®
— STOXX® Europe 600 Financials
— Dow Jones Global Exchanges

1) As from 20 July the data shown refer to tendered shares (ISIN DE000A1KRND6).

Financials Index, which serves as the benchmark index for the Executive Board's share-based remuneration and reflects the performance of European financial stocks, recorded a decline of 26 percent in 2011.

An attractive long-term investment

Deutsche Börse shares continue to offer excellent opportunities to participate in the long-term growth potential of the international capital markets. This is based on the Group's integrated business model, its strict Group-wide risk management policy and its continuous improvements in operational performance. Since Deutsche Börse AG went public in 2001, shareholders have benefited from an average annual return of around 10 percent to the end of 2011, significantly higher than the performance of the DAX; in the same period, a direct investment in the DAX index would have yielded a negative annual return of around 1 percent. This means that investors who purchased €10,000 worth of shares at the time of Deutsche Börse AG's IPO and reinvested the dividends, held shares worth €28,506 at the end of 2011. Had they invested in the DAX index during the same period, their holdings would have been worth just €8,885.

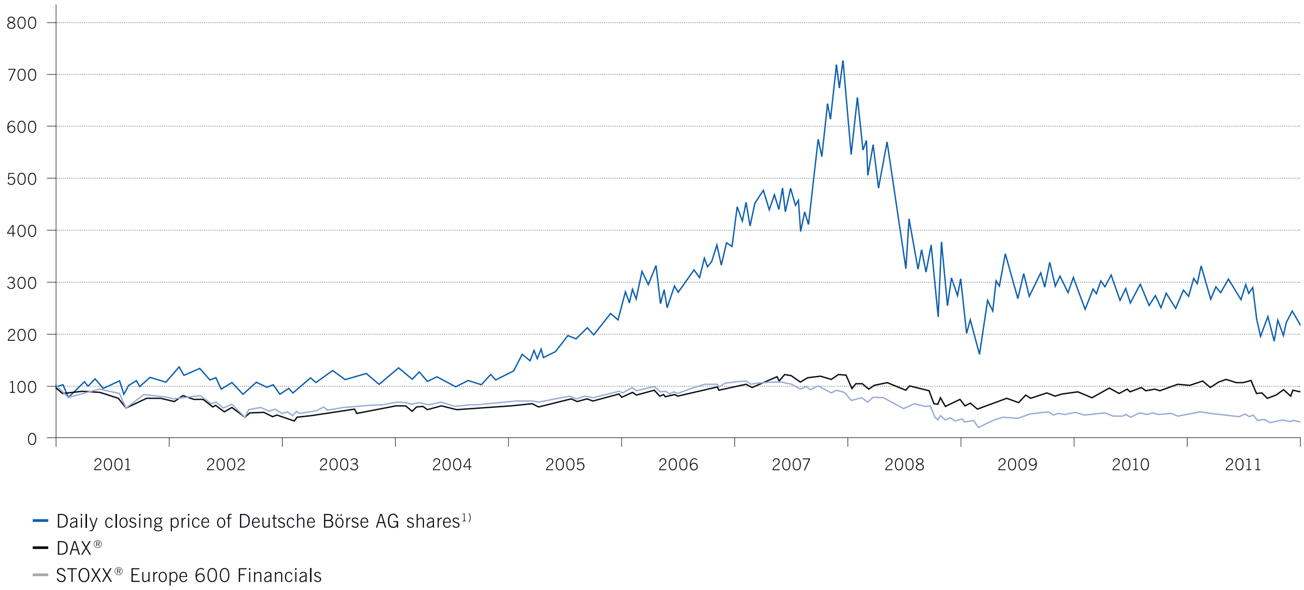
Deutsche Börse AG share: key figures[1]

		2011	2010
Earnings per share (basic)	€	4.57	2.25
Earnings per share (basic, adjusted)[2]	€	4.49	3.88
Distributions per share	€		
dividend	€	2.30[3]	2.10
special distribution	€	1.00[3]	–
Operating cash flow per share (basic)	€	4.23	5.07
Opening price (as at 1 Jan.)[4]	€	51.80	58.00
High[5]	€	62.48	59.00
Low[5]	€	35.46	45.45
Closing price (as at 31 Dec.)	€	40.51	51.80
Ordinary share capital	€m	195.0[6]	195.0
Number of shares (as at 31 Dec.)	m	195.0[6]	195.0
thereof outstanding (as at 31 Dec.)	m	183.4	185.9
Free float (as at 31 Dec.)	%	100	100
Market capitalisation (as at 31 Dec.)	€bn	7.9	10.1

1) From 20 July to 31 December 2011 the data refers to tendered shares (ISIN DE000A1KRND6).
2) Adjusted for the ISE impairment charge (2010), costs of efficiency programmes (2010 and 2011) and merger and acquisition costs primarily associated with the planned merger with NYSE Euronext (2011)
3) For financial year 2011, proposal to the Annual General Meeting 2012
4) Closing price on preceding trading day
5) Intraday price
6) Deutsche Börse AG reduced its ordinary share capital through the retirement of 2.0 million treasury shares to €193.0 million or 193.0 million shares on 17 February 2012.

Share price development of Deutsche Börse AG and benchmark indices since listing

Index-linked on 5 February 2001 = 100



1) As from 20 July 2011 the data shown refer to tendered shares (ISIN DE000A1KRND6).

Investor relations

During the year under review, communication with the Company's shareholders centred on the issues surrounding the planned merger with NYSE Euronext, which was prohibited in February 2012. The Company also informed existing and potential investors about its long-term strategy as well as the cyclical factors and structural growth drivers in the business. Specific topics addressed included the opportunities and risks arising from changes to the regulatory framework. Deutsche Börse and NYSE Euronext held a joint investor day in Eschborn in June 2011. At this event, they informed domestic and international analysts and institutional investors about business developments and their growth strategy to further expand their activities on the one hand, and the planned merger of the two companies on the other. In addition, Deutsche Börse held well over 500 one-on-one discussions with current and potential investors at international roadshows, investor conferences and individual meetings.

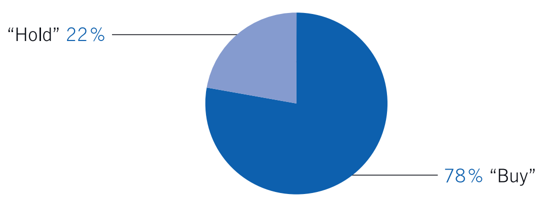
International investor interest

Deutsche Börse AG is attractive to global investment funds with large investment volumes because its shares are highly liquid and are included in the German blue-chip index DAX and Europe's leading blue-chip index, the EURO STOXX 50. Trading volumes have increased significantly since Deutsche Börse's IPO in 2001: whereas in 2001 an average of 0.4 million of the Company's shares were traded per day on the Xetra system, this figure was 1.4 million in 2011, slightly more than in the previous year (2010: 1.3 million shares). The proportion of non-German shareholders remained stable at around 81 percent in the year under review (2010: 82 percent), with a shift to the USA and the United Kingdom from other countries. The proportion of institutional investors remained unchanged in 2011 at around 95 percent.

Attractive dividend

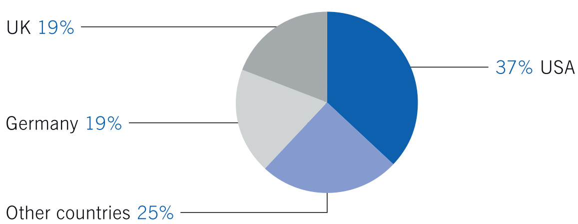
In the past year, Deutsche Börse AG again ensured that its shareholders participated in its performance, in spite of the uncertainty on the markets. In May 2011, the Company paid its shareholders a dividend of €2.10 per share – on a level with the previous year. Adjusted for the ISE impairment charge recognised in the fourth quarter of 2010, the distribution ratio amounted to 54 percent of consolidated net income. For 2011, the Company will propose a dividend of €2.30 per share to the Annual General Meeting, an increase of 10 percent year-on-year as a result of the good business results, corresponding to a distribution ratio of 52 percent of consolidated net income (adjusted for merger and acquisition costs primarily associated with the planned merger with NYSE Euronext and for costs of efficiency programmes). In addition to this dividend, the Company will propose a special distribution of €1.00 per share.

Deutsche Börse AG: analysts predominantly issue buy recommendations



As at 31 December 2011

Deutsche Börse AG: share of international shareholders remains on a high level in 2011



Analysts

As at 31 December 2011, around three quarters of analysts (78 percent) recommended buying Deutsche Börse AG shares. This compares with 22 percent who issued hold recommendations. The average target price set by analysts was €58 at the end of 2011.

Results of operations, financial position and net assets

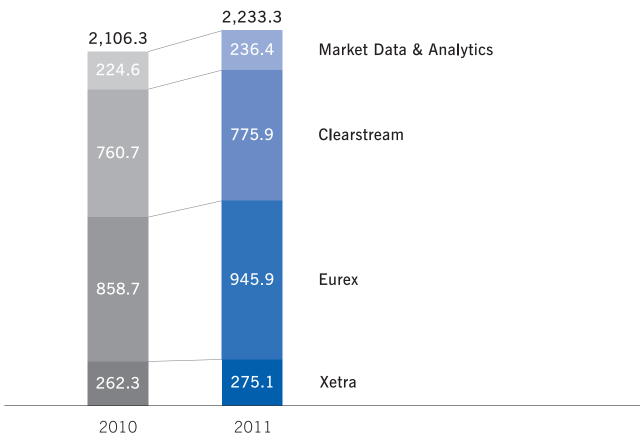
Results of operations

Deutsche Börse Group's sales revenue increased by 6 percent to €2,233.3 million in the year under review (2010: €2,106.3 million). Although global economic growth slowed down and the economic environment deteriorated slightly in 2011 compared with the previous year, demand for Deutsche Börse Group's products and services grew. Not least due to the particularly high volatility in the first and third quarters of 2011, volumes on the cash and derivatives markets rose significantly, especially in these periods. In the fourth quarter, however, volatility declined again, and with it trading activity. In total, the cash market trading volume on Xetra grew by 14 percent, while the segment's sales revenue increased by 5 percent. The derivatives market recorded an 8 percent increase in contract volumes for European products. The trading volume in US options on the International Securities Exchange (ISE) grew slightly again (by 4 percent) for the first time after declining for two years. ISE's state-of-the-art trading system, which was launched in the first half of the year, contributed particularly to this positive development. In total, contract volumes in the Eurex segment rose by 7 percent and sales revenue by 10 percent year-on-year. Post-trade services also continued to develop positively: in the Clearstream segment, a rise in demand led to a slight year-on-year increase in sales revenue of 2 percent, driven primarily by the success of products and services provided by Global Securities Financing. Sales revenue in the Market Data & Analytics segment was up 5 percent due to steadily expanding the product range, especially at our subsidiary STOXX Ltd.

In addition to sales revenue, Deutsche Börse Group's total revenue included net interest income from banking business and other operating income. Net interest income rose sharply by 26 percent, in the year under review to €75.1 million (2010: €59.4 million). This is due to a substantial increase in cash deposits, which Clearstream holds in custody for customers, as well as the fact that the European Central Bank raised its key interest rate twice, on 13 April and 13 July 2011, by 25 bp to 1.5 percent. However, the interest rate was cut again in two further 25 bp steps, effective 9 November and 14 December 2011, bringing it back to the same low level as at the beginning of the year under review. Net interest income rose steadily up to the end of the third quarter from €16.1 million in the first quarter of 2011 to €21.2 million in the third quarter as a result of the interest rate adjustments. It dropped to €19.3 million in the fourth quarter, but continued to benefit from the high level of customer cash deposits.

Sales revenue by segment

€ millions



Other operating income declined slightly from €61.0 million in 2010 to €57.0 million in the year under review as a result of various mutually offsetting effects. One special factor was the sale of the Company's interest in Avox Ltd. in 2010, which generated income of €10.7 million. Other operating income in 2011 contains an amount of €4.7 million from the sale of an equity investment.

In 2011, by accelerating implementation of the efficiency programme launched in 2010 with a total volume of €150 million, the Company was able to achieve savings of €130 million instead of the €115 million originally planned. This means that in 2012 further savings of €20 million are required instead of €35 million previously. Overall, the cost cutting programme will be realised significantly faster than originally planned.

Deutsche Börse Group key performance figures

	2011 €m	2010 €m	Change %
Sales revenue	2,233.3	2,106.3	6
Total costs	1,217.3	1,711.1	–29
EBIT	1,151.7	527.8	118
Net income	848.8	417.8	103
Earnings per share (basic) (€)	4.57	2.25	103
Earnings per share (diluted) (€)	4.56	2.24	104

The Company's total costs were down 29 percent year-on-year to €1,217.3 million (2010: €1,711.1 million). Adjusted for the special effects mentioned above (merger and acquisition costs primarily associated with the planned merger with NYSE Euronext, costs of efficiency programmes, ISE impairment charge) incurred in 2010 and/or 2011, total costs amounted to €1,133.8 million, 1 percent lower than in the previous year (2010: €1,147.1 million). On the one hand, this change resulted from an increase in volume-related costs by 16 percent to €224.0 million (2010: €210.9 million) and, on the other, from the fact that operating costs fell 5 percent year-on-year to €889.8 million (2010: €936.2 million). This increase in operating costs is primarily due to the Group's strict cost management and the implementation of efficiency measures ahead of schedule.

Staff costs, a key factor, declined to €396.9 million in 2011. Adjusted for the effects of efficiency programmes amounting to €6.7 million, staff costs rose marginally by 1 percent year-on-year to €403.6 million (2010: €400.5 million). This moderate increase was, among other things, the result of inflation-linked salary growth and higher variable payments compared to the previous year. For example, in recognition of the successful financial year, the Group paid a voluntary special bonus of €1,500 to all permanent non-management employees. The increase in staff costs was largely offset by the savings produced by the efficiency programmes.

Share-based payments are another factor significantly affecting costs. The total cost of the phantom stock option plan and the Stock Bonus Plan for the Executive Board and senior executives of Deutsche Börse AG and its subsidiaries declined to €7.8 million in the year under review (2010: €10.1 million). This is mainly due to the lower price of Deutsche Börse AG's shares as at 31 December 2011 compared to the end of 2010. In addition, it was resolved in 2011 not to grant a new SBP tranche for ISE as part of share-based payments.

The costs of Deutsche Börse Group's employee participation schemes decreased to €1.2 million in the year under review (2010: €2.9 million). The cost of the Group Share Plan (GSP) for all employees of Deutsche Börse Group (not including ISE) was down significantly year-on-year to €0.1 million (2010: €1.0 million). This was mainly due to the suspension of the GSP in 2011 and the fact that the 2005 GSP tranche was exercised in full in June 2011. As at the end of financial year 2011, only options under the 2006 tranche were still outstanding.

The total cost of the ISE's employee participation scheme (ISE Group Share Plan) in the year under review was €1.1 million (2010: €1.9 million). The main reasons for the decline were the fact that the 2008 tranche was exercised in full as at 1 February 2011, as well as positive exchange rate effects.

Further details of the share-based payment arrangements are provided in note 41 to the consolidated financial statements.

Overview of total costs

	2011 €m	2010 €m	Change %
Volume-related costs	244.0	210.9	16
Staff costs	396.9	502.0	–21
Depreciation, amortisation and impairment charges	91.4	583.5	–84
Other operating expenses	485.0	414.7	17
Total	**1,217.3**	**1,711.1**	**–29**

1) Influenced by costs of efficiency programmes
2) Contains the ISE impairment charge of €453.3 million

Income from Deutsche Börse Group's equity investments amounted to €3.6 million (2010: €12.2 million). It was generated primarily by Scoach Holding S.A., Direct Edge Holdings, LLC and European Energy Exchange AG. However, the contributions of these companies, which increased compared with the previous year, were largely offset by an impairment loss of €17.2 million recognised on the Group's interest in Bombay Stock Exchange Limited.

Deutsche Börse Group's earnings before interest and tax (EBIT) soared to €1,151.7 million in the year under review, up 118 percent year-on-year (2010: €527.8 million). Driven by higher sales revenue and a further improvement in the cost base, the Group's EBIT, adjusted for the special effects mentioned above, amounted to €1,235.0 million, a 13 percent increase compared with 2010 (€1,091.0 million).

EBIT and profitability by segment

	2011		2010	
	EBIT €m	EBIT margin %	EBIT €m	EBIT margin %
Xetra	123.8	45	105.1	40
Eurex	515.3	54	–4.6	–1
Clearstream	370.3	48	299.3	39
Market Data & Analytics	142.3	60	128.0	57
Total	**1,151.7**	**52**	**527.8**	**25**

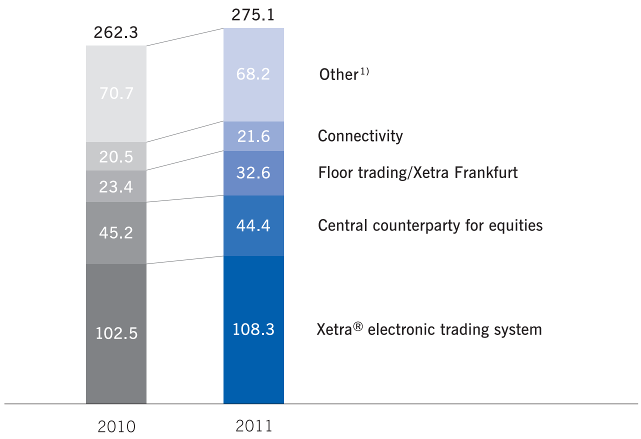
Xetra segment

The Xetra segment generates most of its sales revenue from trading and clearing cash market securities, including shares and bonds from German and international issuers, exchange-traded funds (ETFs) and exchange-traded commodities (ETCs) as well as shares in actively managed retail funds. The key players on Deutsche Börse's platforms are institutional investors and professional market participants.

The primary sales driver in 2011 accounting for 51 percent, was income from trading, which is largely conducted on Xetra, the electronic trading platform. Lead broker-based trading on the floor of the Frankfurter Wertpapierbörse (FWB®, the Frankfurt Stock Exchange), previously operated in parallel, migrated to Xetra Frankfurt Specialist Trading in May 2011; in addition, trading took place on Tradegate, which is aimed at private investors (see below). The central counterparty (CCP) for equities operated by Eurex Clearing AG contributed 16 percent to the segment's sales revenue; the sales revenue of the CCP is determined to a significant extent by trading activities on Xetra. IT sales revenue as well as income from cooperation agreements and listing fees are grouped under "other"; together these accounted for 25 percent of sales revenue. Income from cooperation agreements mainly derives from operating the systems of the Irish Stock Exchange, the Vienna Stock Exchange, the Bulgarian Stock Exchange and the Ljubljana Stock Exchange. Listing fees predominantly came from existing company listings and admissions to trading. Connectivity income accounted for 8 percent of sales revenue.

Breakdown of sales revenue in the Xetra segment

€ millions



1) Including income from listing and cooperation agreements, which also includes Tradegate

High volatility in the markets, especially from March onwards (natural disaster in Japan) and again from August (debt crisis in Europe and the USA) led to increased activity in continuous trading on Xetra and Xetra Frankfurt Specialist Trading. Deutsche Börse AG's market stabilisation mechanisms, such as volatility suspension in response to sharp price fluctuations, ensured liquid, orderly trading and price continuity at all times. Thanks to its integrated clearing and settlement functionality, Xetra trading provided a maximum of efficiency and stability, even in the case of peak volumes.

As a result of the high levels of trading activity on the markets, sales revenue in the Xetra segment rose by 5 percent to €275.1 million (2010: €262.3 million). The number of transactions in Xetra electronic trading increased by 31 percent year-on-year to 247.2 million (2010: 189.4 million). The trading volume on Xetra (measured in terms of order book turnover, single-counted) was up by 14 percent in the year under review to €1,406.7 billion (2010: €1,236.9 billion). The average value of a Xetra transaction was €11.4 thousand, down on the previous year (2010: €13.1 thousand).

Deutsche Börse Group continued to develop its trading technology in 2011. For example, it significantly improved its network connection between the London financial centre and Deutsche Börse Group's trading platforms in Frankfurt/Main by increasing system capacity and trading speed. It also substantially reduced latency for customers by relocating the data centre and investing in new hardware.

Ongoing investments in the performance and risk management of the trading system ensure that trading is reliable, fair and orderly, even during times of extreme demand. Xetra Release 12.0, which went live in November 2011, introduced new trading functions and technical improvements. The latest release offers market participants new order types which reduce the risk for participants who trade on both Xetra and Eurex and decrease the bid/offer spread, thus increasing market quality. The introduction of multi-exchange capability makes it easier to connect other exchange venues to the Xetra system and increases flexibility with regard to tradable instruments and trading hours. The new release also adds functionality to the existing interfaces, Xetra Enhanced Transaction Solution and Xetra Enhanced Broadcast Solution. The additional Xetra FIX Gateway interface facilitates technical access to Xetra for participants.

The Xetra network continued to strengthen and extend its international reach in 2011. Deutsche Börse and the Istanbul Stock Exchange agreed to work together on developing joint indices and products aimed at intensifying cooperation between the Frankfurt and Istanbul financial centres. In addition, the Vienna Stock Exchange extended its agreement ahead of time by another five years. Starting in summer 2012, the Malta Stock Exchange will also use the Xetra system.

While institutional investors, who primarily use Xetra, generated higher trading volumes than in the previous year, in the case of private investors the situation was more diverse. This is the prime target group for floor trading, which migrated to the Xetra Frankfurt Specialist Trading model in May 2011. This model combines the strengths of Xetra trading – extremely fast order execution, trading throughout Europe, high liquidity – with the benefits of floor trading, human know-how. Moreover, as from 1 June 2011, the trading hours for this model were extended in selected securities to twelve hours, from 8 a.m. to 8 p.m. This move by the Frankfurt Stock Exchange enables its customers to respond quickly to international market events and developments. The volume (single-counted) traded on the floor in Frankfurt and – since May – via the specialist model was €53.1 billion, 14 percent down on the previous year (2010: €61.4 billion). The fact that sales revenue since May nevertheless exceeded the prior-year figure, and in the year under review rose by 39 percent to €32.6 million (2010: €23.4 million), is primarily due to the introduction of a new pricing structure in this trading model. At the same time, the new pricing structure led to an increase in volume-related costs, so that the higher sales revenue was not reflected in earnings.

The long trading hours and special order types offered by the Berlin-based Tradegate Exchange, which has been fully consolidated in the consolidated financial statements of Deutsche Börse AG since the acquisition of a majority interest at the beginning of 2010, also address the needs of private investors. A number of new participants were connected in 2011 and Tradegate Exchange generated a trading volume of €32.3 billion – an increase of 81 percent compared with 2010.

Cash market: trading volume (single-counted)

	2011 €bn	2010 €bn	Change %
Xetra	1,406.7	1,236.9	14
Xetra Frankfurt Specialist Trading[1]	53.1	61.4	–14
Tradegate	32.3	17.8	81

1) Prior to 23 May 2011: floor trading; excluding certificates and warrants

Because of the sharp rise in sales revenue on the one hand and the moderate increase in costs on the other, EBIT grew considerably by 18 percent to €123.8 million (2010: €105.1 million).

Xetra segment: key figures

	2011 €m	2010 €m	Change %
Sales revenue	275.1	262.3	5
EBIT	123.8	105.1	18

Over ten years ago, Deutsche Börse started trading ETFs on Xetra in a separate segment (XTF®). ETFs combine the flexibility of individual equities with the risk diversification of a fund. They represent entire markets or sectors in a single product, are traded via stock exchanges as efficiently and with the same liquidity as equities, and can be bought at low transaction costs without load fees. Their number and assets under management have grown steadily since being launched in Europe. As at 31 December 2011, 899 ETFs were listed on the Frankfurt Stock Exchange (2010: 759 ETFs), the number of issuers increased to 20 in the course of 2011 (2010: 18), and the assets under management held by ETF issuers amounted to €157.4 billion: in 2010, assets under management stood at €165.1 billion (adjusted from the €159.0 billion originally reported for 2010 on the basis of information provided subsequently by the issuers). Deutsche Börse's XTF segment increased its trading volume by 25 percent in the year under review to €192.4 billion (2010: €153.9 billion), again making it the European market leader. The most heavily traded ETFs are based on the European STOXX equity indices and on the German DAX blue-chip index.

Deutsche Börse also expanded its range of exchange-traded commodities (ETCs) and exchange-traded notes (ETNs). ETCs reflect the performance of single commodities or commodity sectors, such as energy, agricultural commodities or precious metals. ETNs are exchange-traded debt securities that reflect the performance of an underlying benchmark index outside of the commodities sector.

Xetra-Gold®, a bearer bond issued by Deutsche Börse Commodities GmbH, is the most successful ETC product. Inflation concerns and the search for a safe haven for investments boosted demand for gold, especially in the first half of the year, and swelled the gold holdings in the vaults of Deutsche Börse Group. As at 31 December 2011, Deutsche Börse held 52.8 tonnes of gold in custody (2010: 49.8 tonnes). Given a gold price of €38.99 per gram (closing price on 31 December 2011), the value of the gold thus reached a new record high of €2.1 billion (2010: €1.7 billion). In 2011, order book turnover for Xetra-Gold on the Xetra trading platform rose by 35 percent to €3.1 billion (2010: €2.3 billion); its market share of order book turnover in the ETC segment was 27 percent. Xetra-Gold is approved for sale to the public in Germany, Luxembourg, Switzerland, Austria, the United Kingdom and the Netherlands.

In the listing business, Deutsche Börse recorded 219 new admissions in the year under review. The proportion of foreign listings was around 86 percent, underlining the international reach of Deutsche Börse's listing platform. For example, twelve Chinese companies were newly listed. The total placement volume in 2011 stood at around €1.7 billion. The largest IPO was that of GSW Immobilien AG, conducted in April with a volume of €468 million. In addition, the option of issuing bonds in the Entry Standard was successful: eight companies used the Entry Standard to raise debt capital in this way. The issue volume amounted to a total of €340 million. Likewise, companies that were already listed made active use of the capital market in the past year. In the year under review, over €21 billion was raised through capital increases.

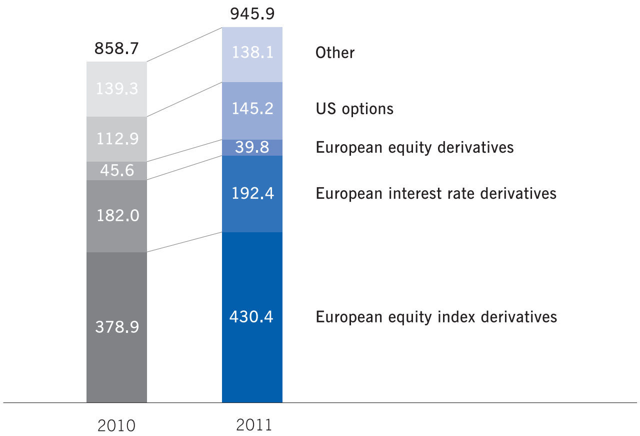
Since February 2011, medium-sized and young, growing companies have been able to issue bonds in the Entry Standard. This business is being expanded further: since the beginning of 2012, companies have also been able to issue bonds on the Prime Standard of the Frankfurt Stock Exchange. The new segment will provide cost-effective access to private and institutional investors on the primary market as well as liquidity and transparency on the secondary market. The Prime Standard for corporate bonds is aimed at larger listed and unlisted companies.

Eurex segment

As in the cash market, the performance of the Eurex derivatives segment largely depends on proprietary trading by professional market participants and the trading activities of institutional investors. The sales revenue of the segment is therefore generated primarily from transaction fees, which Eurex charges for trading and clearing derivatives contracts. As in previous years, the main drivers of sales revenue in 2011 were equity index derivatives with a 46 percent share of total sales revenue. These were followed by interest rate derivatives (20 percent), US options offered by the International Securities Exchange (ISE; 15 percent) and equity derivatives (4 percent). The "other" item (15 percent) includes connection fees, IT services and sales revenue from the Eurex Bonds and Eurex Repo subsidiaries, among other things.

Breakdown of sales revenue in the Eurex segment

€ millions



The economic environment in 2011 was largely dominated by the European debt crisis, which increased both market volatility and the hedging needs of market participants. This was reflected in the greater use of exchange-traded and centrally cleared derivatives. Against this background, the Eurex segment increased the contract volume year-on-year, especially for its European products.

In total, 2,821.5 million contracts were traded on Deutsche Börse Group's derivatives exchanges, a year-on-year increase of 7 percent (2010: 2,642.1 million). Eurex generated a trading volume of 2,043.4 million contracts for European products, 8 percent more than in the previous year (2010: 1,896.9 million). The trading volume for US options traded on the ISE grew by 4 percent to 778.1 million contracts (2010: 745.2 million). Segment sales revenue increased by 10 percent to €945.9 million (2010: €858.7 million).

European equity index derivatives were again the product group with the highest trading volume. They recorded a significant 19 percent rise to 959.8 million contracts (2010: 808.9 million). By far the most contracts were traded on the EURO STOXX 50 index (408.9 million futures and 369.2 million options).

The volume of equity derivatives contracts dropped by 12 percent to 450.5 million (2010: 511.8 million). The decline in equity options and equity futures is primarily attributable to the standardisation of contract sizes for several very liquid products in the first half of 2011, as a result of which Eurex participants require fewer contracts for the same number of underlying equities. However, based on the number of equities underlying the contracts, trading volumes were up slightly on the prior-year period.

Among the recently introduced asset classes, dividend derivatives performed well. The number of traded contracts rose by 32 percent year-on-year to 6.0 million in 2011 (2010: 4.5 million contracts). In the same period, volatility index derivatives increased even more by 146 percent to 2.4 million contracts (2010: 1.0 million contracts). Again, this reflects the growing need among market participants to hedge against increasing market volatility.

Uncertainty about developments in the euro zone given the debt levels of certain member states led to a greater need for market participants to hedge their positions and caused them to make greater use of Eurex interest rate products than in the previous year. In the year under review, Eurex recorded a 10 percent growth to 630.4 million contracts (2010: 574.8 million). Sales revenue increased approximately in line with trading volumes.

The trading volume in US options on ISE grew in what continues to be a highly competitive environment. Market participants traded 778.1 million contracts in the year under review, 4 percent more than in the prior year (2010: 745.2 million). The ISE's market share of US equity options was 18.2 percent in 2011 (2010: 20.3 percent). This stabilised in the course of 2011, rising slightly from 18.0 percent in the first half of the year to 18.4 percent in the second. ISE's sales revenue with US options was up 29 percent to €145.2 million (2010: €112.9 million).

The segment's sales revenue generated with US options grew faster than volumes. This increase was primarily due to a new pricing model and its maker-taker component that includes payments to providers of liquidity. These payments are not netted against sales revenue but are reported separately as volume-related costs. Overall, the higher sales revenue and higher costs did not have an impact on earnings. Another positive factor was that on 24 February 2011, ISE gained approval from the US Securities and Exchange Commission (SEC) for crossing orders of institutional investors. ISE had been forced to discontinue this type of order in the second half of 2009 on the SEC's instructions. ISE has since stepped up efforts to win back the crossing business, which had migrated to floor-based exchanges in the interim. The state-of-the-art Optimise trading system that was newly introduced in the first half of the year also contributed to the positive development in trading volumes.

Contract volumes in the derivatives market

	2011 m contracts	2010 m contracts	Change %
Equity index derivatives[1]	959.8	808.9	19
Equity derivatives[1]	450.5	511.8	–12
Interest rate derivatives	630.4	574.8	10
Total European derivatives (Eurex)[2]	**2,043.4**	**1,896.9**	**8**
US options (ISE)	778.1	745.2	4
Total Eurex and ISE[2]	**2,821.5**	**2,642.1**	**7**

1) Dividend derivatives have been allocated to equity index and equity derivatives.
2) The total shown does not equal the sum of the individual figures as it includes other traded derivatives such as ETF, volatility, agricultural, precious metals and emission derivatives.

Eurex Repo, the marketplace for collateralised money market trading in Swiss francs and euros including the additional GC Pooling® offering, continued to increase volumes in both the euro market and the GC Pooling market. The average outstanding volume was up by 30 percent to €148.5 billion in the year under review (2010: €114.5 billion; single-counted for both years). In the process, GC Pooling, the collateralised money market which Eurex Repo operates jointly with Eurex Clearing and Clearstream, again proved to be a reliable liquidity pool for market participants. The average outstanding volume in this case increased by 29 percent to €118.2 billion in 2011 (2010: €91.6 billion; single-counted for both years). In the USD GC Pooling segment introduced in 2010, the average outstanding volume rose by 61 percent in the year under review to €3.7 billion (2010: €2.3 billion). GC Pooling enables balance-sheet friendly and anonymous money market trading in which standardised collateral baskets (a group of securities with similar quality features, such as issuer credit rating) are traded and cleared via a central counterparty (Eurex Clearing). Eurex Repo generates sales revenue from the fees charged for trading and clearing repo transactions.

Trading volumes on Eurex Bonds, the international bond trading platform, grew by 15 percent to €117.2 billion (single-counted) in 2011 (2010: €101.6 billion). This positive development is due to a sharp rise in issue volumes in Germany and other countries and to increased demand for collateralised liquidity in interbank trading.

Eurex operates an international market for CO_2 emission rights together with the European Energy Exchange (EEX). Under this cooperation, which was launched in December 2007, Eurex participants can trade the CO_2 derivatives products listed on EEX via their existing infrastructure and using a simplified admission process. Since November 2009, Eurex customers have also been able to trade EEX power derivatives using their existing Eurex access. Since April 2011, Eurex has been the new majority shareholder in EEX. It acquired the shares previously held by Landesbank Baden-Württemberg, increasing its interest from 35.2 to 56.1 percent. In the fourth quarter of 2011, EEX and Eurex expanded their cooperation in trading and clearing emission rights as well as German power derivatives by adding gas derivatives and French power derivatives. Volumes in the core business, trading and clearing of power products, showed a mixed performance compared with the prior year (spot market +10 percent, derivatives market –11 percent). The gas markets performed well, rising by 54 percent year-on-year on the spot market and by 11 percent on the derivatives market. Another significant factor in the emissions market is that EEX won the right to conduct primary market auctions (in relation to the second trading phase of the European Union Emission Trading System) in Germany, the Netherlands and Lithuania. The interest in EEX contributed €6.8 million (2010: €4.0 million) to Deutsche Börse Group's result from equity investments.

The Eurex segment's EBIT amounted to €515.3 million (2010: €–4.6 million), driven by the growth in sales revenue combined with moderate cost increases.

Eurex segment: key figures

	2011 €m	2010 €m	Change %
Sales revenue	945.9	858.7	10
EBIT	515.3	–4.6[1]	–

1) Includes ISE impairment charge amounting to €–453.3 million

On 1 February 2011, Eurex introduced a new pricing model to further increase the attractiveness of Eurex as a trading venue. The new model offers price incentives on the basis of the liquidity provided, grants volume rebates and gives fee reductions for selected products. Changes to the Eurex price list are generally aimed at creating incentives to boost customer trading volumes in order to strengthen liquidity in order book trading and improve both market transparency and pricing. As expected, given the rise in trading volumes, the measure did not have an impact on Eurex's earnings.

New products give market participants new impetus to develop investment, hedging and arbitrage strategies, thus generating additional trading volumes. The products launched by Eurex in 2011 included various equity index, interest rate, exchange-traded fund (ETF), dividend, volatility and commodity derivatives. Eurex's dividend derivatives, for example, show that new products not only expand the portfolio, but also make a substantial value contribution. Since they were launched as a new asset class in summer 2008, Eurex has continuously expanded this product group. In the year under review, index dividend derivatives accounted for around 3 percent of sales revenue in the equity index derivatives product group.

When launching new products, Eurex not only relies on in-house development, but also works with partner exchanges such as the Korea Exchange (KRX), the Bombay Stock Exchange (BSE) and the Singapore Exchange (SGX). It cooperated particularly successfully with KRX on a product on Korea's benchmark KOSPI index, which has been available for trading on Eurex since 30 August 2010. With an average of 68,000 contracts traded per day, this product became the third most frequently traded index option contract on Eurex in 2011. The rise in turnover and support from several market makers led to a significant reduction in bid/offer spreads in the course of the year.

The number of market participants directly linked to the Eurex network rose to 436 in the year under review (2010: 412). Eurex expanded its distribution network in the Asia-Pacific region, where the Eurex business has steadily been gaining importance. For example, a leading Chinese futures broker was admitted to trading in Hong Kong. In addition, by putting a new access point into operation in Hong Kong, Eurex has further improved the infrastructure for its Asian participants. This is the second Eurex access point in Asia in addition to one already in place in Singapore. Access points offer Eurex participants direct and cost-effective high-speed access to the highly liquid Eurex derivatives market.

The trading volume attributable to participants from the Asia-Pacific region increased by 14 percent to 24.3 million contracts in 2011 (2010: 21.3 million contracts). Eurex supports this trend by offering comprehensive training to Asian investors. In cooperation with local brokers and leading Asian universities in Hong Kong, Shanghai and Taipei, over 1,000 traders, investors and students received training in the use of Eurex products in 2011 alone.

Deutsche Börse Group continued to expand and update its network technology in 2011, thus improving trading conditions for Eurex customers: enhancements to the data centre and the network infrastructure to reduce latency times, the increase in bandwidth to 10 gigabits/second thanks to an optical fibre network and the creation of additional interfaces are in line with current customer needs.

Eurex contributes significantly contribution to effectively managing its customers' risk via the innovative services of its clearing house. For example, the real-time risk monitoring product was expanded to include "Advanced Risk Protection" in November 2011: clearing participants can use this function to define individual risk limits that are then checked automatically. Thanks to this solution, Eurex participants enjoy transparency and precise control over all open positions and related trading risks at all times.

In August 2011, Eurex Clearing AG announced the introduction of the "Individual Clearing Model", the first part of its new industry-leading service to segregate the collateral of the clearing house's users. Segregation means that the collateral is assigned individually to users. This collateral is therefore better protected and immediately transferable in the event that a clearing member defaults, so that customers are able to continue their trading activities without interruption. The new model is part of a comprehensive expansion of Eurex Clearing AG's services in anticipation of regulatory reforms planned at EU level, which aim to give central counterparties a greater role in clearing and risk management for on- and off-exchange derivatives trading.

In addition, Eurex Clearing AG began the phased introduction of a central counterparty for the securities lending market in November 2011. This service enables customers to make more efficient use of capital and it simplifies operations. The new service will encompass European markets for loans in equities, ETFs and fixed-income securities.

From 2012 onwards, Eurex's ownership structure will change. On 7 June 2011, Deutsche Börse AG, SIX Group AG and SIX Swiss Exchange AG signed a definitive agreement under which Deutsche Börse AG will hold a 100 percent equity interest in Eurex Zürich AG from the first half of 2012.

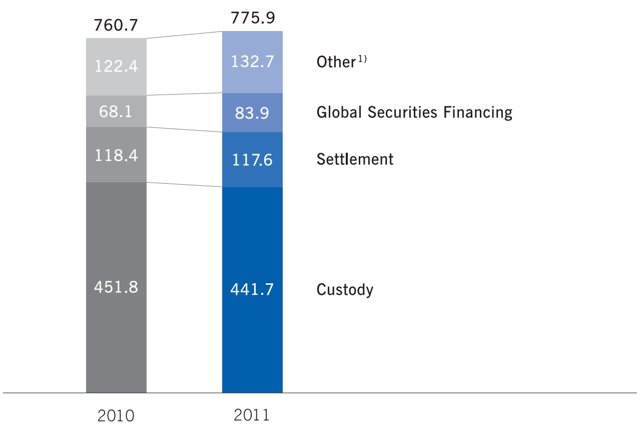
Clearstream segment

Clearstream provides the post-trade infrastructure for international bonds and the German securities industry. In addition, Clearstream offers services for the custody of securities from 52 markets worldwide. The key contributor to Clearstream's sales revenue was the custody business generating 57 percent. Sales revenue in this business is mainly driven by the value of international and domestic securities deposited, which determines the deposit fees. The settlement business accounted for 15 percent of Clearstream's sales revenue. It depends heavily on the number of international and domestic settlement transactions processed by Clearstream, both via stock exchanges and over-the-counter (OTC). The Global Securities Financing (GSF) business, which includes triparty repo, GC pooling, global outsourcing, securities lending and collateral management, contributed 11 percent to the segment's sales revenue. Clearstream also provides the post-trade infrastructure for investment funds. Other business activities including connectivity, reporting and IT services as well as investment fund services accounted for a 17 percent share of total sales revenue. In addition to sales revenue, Clearstream generates net interest income from its banking business for cash deposits held mostly overnight on behalf of customers.

In the year under review, Clearstream's sales revenue grew by 2 percent year-on-year to €775.9 million (2010: €760.7 million). It was slightly down in the custody and settlement businesses, but rose in other business areas. This trend is mainly explained by increased pressure on pricing and fees on the one hand and a higher demand for collateralised products on the other.

Breakdown of sales revenue in the Clearstream segment

€ millions



1) Including connectivity and reporting

In the custody business, the overall average equivalent value of assets under custody reached a new all-time high of €11.1 trillion in 2011 (2010: €10.9 trillion). This was also true for international securities: in the international bond business, the average value of assets under custody was €5.9 trillion (2010: €5.8 trillion). The average value of domestic securities deposited rose slightly by 3 percent to €5.2 trillion (2010: €5.1 trillion). This custody volume is mainly determined by the market value of shares, funds and structured products traded on the German cash market. Sales revenue in the custody business, however, decreased slightly by 2 percent to €441.7 million in 2011 (2010: €451.8 million). This decline of sales revenue despite higher volumes is due to increased pressure on pricing and fees.

The number of settlement transactions processed by Clearstream saw an 8 percent increase in 2011 to 126.3 million (2010: 116.4 million). This growth in the volume of settlement transactions was due to the trading activity of market participants, which picked up again. International transactions grew by 2 percent to 37.9 million (2010: 37.1 million). Of these transactions, 77 percent were OTC transactions and 23 percent were stock exchange transactions. While the number of settled transactions in the stock exchange business decreased by 11 percent year-on-year, in the OTC business it grew by 7 percent. In the domestic German market, settlement transactions increased by 11 percent to 88.4 million (2010: 79.3 million). Here, the distribution of stock exchange and OTC business was the other way around: 68 percent were stock exchange transactions and 32 percent OTC transactions. However, stock exchange transactions grew stronger (by 14 percent) than OTC transactions (by 7 percent) in the year under review, primarily as a result of trading activity in Germany, which was once again higher than in the previous year. Despite significantly greater settlement activity, sales revenue in this business fell by 1 percent to €117.6 million (2010: €118.4 million). The discrepancy between business activities and the sales revenue generated is basically due to the lower proportion of higher-priced transactions settled on external links with domestic contracting partners as well as to the product mix.

The success of investment funds services also contributed to the growth in the custody and settlement business. In the year under review, Clearstream processed 5.3 million transactions, 3 percent more than in the previous year (2010: 5.1 million). The average value of assets held in custody in Investment Funds Services in 2011 was €217.4 billion, up 15 percent year-on-year (2010: €188.7 billion).

In the Global Securities Financing (GSF) business, the average outstanding volume also showed considerable growth. In the past year, average monthly outstandings amounted to €592.2 billion (2010: €521.6 billion), an increase of 14 percent. In December 2011, Clearstream reported average outstandings of €638,7 billion in this business area. An all-time high was reached in November 2011 with outstandings of €663.1 billion. This rise reflects the growing importance of secured financing and the continued trend to migrate collateral towards central international liquidity pools. In particular, collateral management services significantly contributed to the increase in volume. The GC Pooling service, for example, offered in cooperation with Eurex, reported continued strong growth in outstandings of 29 percent, recording a daily average of €118.2 billion in the year under review (2010: €91.6 billion).

The overall increase in the volume of GSF business was also reflected in the sales revenue. This rose by 23 percent to €83.9 million (2010: €68.1 million) due to the strong performance of the lending services business, especially Automated Securities Lending (primarily ASLplus, which was expanded to include additional services), as well as Triparty Collateral Management Services, which also recorded significant growth in volume in the period under review.

Average customer cash deposits rose year-on-year by 56 percent to €10,801 million (2010: €6,933 million). This includes an average amount of some €3.1 billion, which is currently not available as a result of European and US sanctions. Net interest income from Clearstream's banking business grew by 26 percent to €75.1 million (2010: €59.4 million). This is due to the substantial increase in cash deposits as well as the fact that the European Central Bank twice raised its key interest rate, on 13 April and 13 July 2011, by 25 bp each time to 1.5 percent. This was followed, however, by two reductions in the interest rate of 25 bp each effective 9 November and 14 December 2011, so that the interest rate at the end of the year was back at the same low level of 1 percent as in the previous year.

Clearstream segment: key indicators

	2011	2010	Change
Custody	**€bn**	**€bn**	**%**
Value of securities deposited (average value during the year)	11,106	10,897	2
international	5,896	5,819	1
domestic	5,210	5,078	3
Settlement	**m**	**m**	**%**
Securities transactions	126.3	116.4	8
international	37.9	37.1	2
domestic	88.4	79.3	11
Global Securities Financing	**€bn**	**€bn**	**%**
Monthly average	592.2	521.6	14
Average daily cash balances	**m**	**m**	**%**
Total	10,801[1)]	6,933	56
euro	3,795	2,264	68
US dollars	4,923	3,288	50
other currencies	2,083	1,381	51

1) Includes some €3.1 billion currently restricted by EU and US sanctions

Stable sales revenue and higher net interest income from banking business against the background of consistent cost management boosted Clearstream's EBIT in the year under review by 24 percent to €370.3 million (2010: €299.3 million).

Clearstream's core business is the settlement and custody of international bonds. Even though both the trading and the post-trading market environment have become more complex in recent years, Clearstream's goal is still to streamline the post-trade services industry in the interest of customers. It does this by offering the complete range of services from a single source. Clearstream wants to take advantage of the emerging European market infrastructure, e.g. in the context of TARGET2-Securities (T2S), the settlement platform that the European Central Bank intends to introduce in 2015, and continue to improve its competitiveness in the cross-border securities business by increasing interoperability and entering into further partnerships.

Clearstream segment: key figures

	2011 €m	2010 €m	Change %
Sales revenue	775.9	760.7	2
EBIT	370.3	299.3	24

In this context, Clearstream International S.A. and Banque centrale du Luxembourg, the Grand Duchy's central bank, jointly founded the new securities depository LuxCSD for and headquartered in Luxembourg. Since October 2011, LuxCSD has enabled securities transactions to be settled in central bank money. In addition, LuxCSD provides Luxembourg's financial community with issuing and central settlement as well as custody services for a wide range of securities, including shares in investment funds.

In a joint initiative with the cash market, Clearstream has developed a solution for the distribution of investment funds that is the only one of its kind to date: the Xetra trading system for the cash market and Clearstream's order routing platform Vestima$^+$ have been linked since January 2011. Clearstream customers can now decide whether to use the traditional distribution channel for investment funds or to benefit from the advantages of stock exchange trading when buying or selling investment funds: immediate execution, price transparency and reduction of operational risks. More than 87,500 investment funds are available on Vestima$^+$.

Another project in this context that was launched in 2010 is REGIS-TR, a joint initiative by Bolsas y Mercados Españoles (BME), the Spanish stock exchange operator, and Clearstream Banking S.A. REGIS-TR is a European central register in which all contracts in a wide range of derivative financial instruments traded OTC can be recorded. REGIS-TR facilitates the administrative effort required for customers to register these transactions. The transaction database meets all of the regulatory requirements in accordance with the current state of discussion on the planned European market infrastructure regulation, which is currently being finalised by the EU. REGIS-TR was launched in December 2010 and allows customers to comply early with the upcoming regulation.

At the beginning of 2011, Clearstream increased the scope of its services by adding investment funds to its portfolio of asset classes eligible for collateral use. Since January Clearstream customers have been able to leverage investment funds shares that are settled via and held by Clearstream to collateralise money market transactions within the product range offered through the company's global collateral pool, the Global Liquidity Hub.

In addition, Clearstream has started to make its many decades of collateral management expertise available to business partners: the company's new product "Liquidity Hub GO" – "GO" stands for "global outsourcing" – went live in Brazil on 18 July 2011. Since then, Brazil's CSD Cetip has used the Clearstream service to manage domestic collateral. Clearstream and Cetip plan to further develop this collateral management service. This paves the way for a multi-time-zone collateral management insourcing service in real-time and is in line with the observed trend towards a global consolidation of collateral management activities. The new service offers Cetip's customers access to collateral management services as part of Clearstream's Global Liquidity Hub in their own time zone.

Clearstream is currently also in exclusive talks with the Australian Securities Exchange (ASX) to implement a similar model in Australia. A letter of intent was signed at the end of August 2011. The joint Clearstream/ASX service could go live in the course of 2012.

In September 2011, Clearstream agreed to establish a strategic partnership with the US Depository Trust & Clearing Corporation (DTCC) in order to further develop the bilateral and syndicated loan markets. Collateral management services form part of the agreement. DTCC is the largest US clearing, settlement and custody service provider for equities, bonds and OTC derivatives, among others. A core element of Clearstream's strategy is to expand the number of linked markets and product reach to enable access to domestic markets and strengthen its market position. In the year under review, Clearstream enlarged its network to encompass 52 markets around the globe: 33 in Europe, 6 in the Americas, 10 in the Asia-Pacific region and 3 in the Middle East and Africa. New markets in the year under review were Israel, Brazil and Malta. Clearstream's settlement network is now the largest of any international CSD and enables counterparties in local markets to settle eligible securities efficiently through Clearstream's operational hubs in Eschborn, Luxembourg, Prague and Singapore.

Market Data & Analytics segment

The Market Data & Analytics segment collects, analyses and prepares capital market data, and distributes it to customers in 164 countries. Capital market participants and other interested parties subscribe to receive this information, which they then use themselves, process or pass on. The segment generates much of its sales revenue on the basis of long-term arrangements with customers and is largely independent of trading volumes and volatility on the capital markets. In 2011, Market Data & Analytics was again able to continue the positive trend of previous years with a 5 percent increase in sales revenue to €236.4 million in the year under review (2010: €224.6 million).

One important contributing factor was the ongoing expansion of its product range, particularly in its subsidiary STOXX Ltd, which grew its external sales revenue by 18 percent to €36.6 million in 2011 (2010: €30.9 million). In addition, the heightened uncertainty concerning general economic developments boosted the demand for high-quality market information. This also applies to demand for macroeconomic data and news of the kind provided by the segment's subsidiary Market News International Inc. (MNI).

Market Data & Analytics generated 66 percent and therefore the majority of its sales revenue from the distribution of licences for trading and market signals: in 2010, this figure amounted to 69 percent (the figure of 59 percent reported for 2010 in the 2010 Group management report did not yet include sales revenue of MNI and Need to Know News Ltd.). This primary business area of Market Data & Analytics continues to show slight growth. The area's strategic goal remains to become the leading provider of globally relevant trading signals.

Through its acquisition in June of the business activities of Kingsbury, a Chicago-based provider of leading macroeconomic indicators, Market Data & Analytics has enhanced its capacity to provide customers with exclusive analytical content. The "Chicago PMI" indicator, which measures orders placed by purchasing managers in the USA, is widely followed and considered to be a central tool in forecasting US economic activity.

Chicago PMI is also available, among others, on the AlphaFlash® algorithmic news feed of the subsidiaries MNI and Need to Know News. The ultra high-speed service was developed for algo traders, fund managers, hedge funds, analysts and professional investors whose trading decisions factor in developments on government bond markets. The macroeconomic data include central bank decisions, employment data, consumer price indices and gross domestic product. These data are processed in such a way that they are available for use in speed-sensitive algorithmic trading via Deutsche Börse's high-speed network with only minimum latency. The data can therefore be processed by the trading applications as soon as they have been released.

In addition, the AlphaFlash algorithmic news feed was expanded in April to include financial indicators from ad hoc disclosures immediately after expiry of the embargo and, at the end of September 2011, with data from international government bond auctions. The new "Global Treasury Feed" data service transmits key auction data from twelve countries directly from the source in a machine-readable format. In the first quarter of 2011, AlphaFlash was also officially introduced to the Asia-Pacific market with key indicators from China, Japan and Australia.

Moreover, in June, the real-time data business developed the "Eurex ICAP Swap Spreads" information product together with one of the world's leading brokers. Its aim is to establish a neutral benchmark for euro interest rate swaps and hence increase transparency on this market.

In its second business area, the Market Data &Analytics segment offers indices used by banks and fund companies as underlyings for the financial instruments they offer on the capital market. Issuers can use the indices to develop products for any market situation and trading strategy. Sales revenue in the index business continued to grow in 2011 despite falling indices and the associated pressure on the assets under management held by exchange-traded funds (ETFs). This growth was driven above all by DAX® ETFs, which recorded a considerable increase in assets in spite of considerable uncertainty regarding economic development in the euro zone.

Another reason for the growth in sales revenue is the continuing expansion of the product range offered by the index subsidiary STOXX Ltd. In February 2011, STOXX launched a new global product group comprising 1,200 indices that track the performance of almost 8,000 equities in 53 countries. Another new launch, the STOXX® Islamic Indices, allow investments in the European equity market to be made in accordance with Islamic law. The range of German indices was expanded in the second quarter of 2011 to include the DAX® Risk Control Indices, which enable investments in the German equity market at a risk level tailored to the investor. In the innovative market for sustainable financial products, the segment enhanced its position by restructuring the STOXX Sustainability Index. In April, this market was expanded by the STOXX ESG Leader Indices, which include particularly sustainable companies. Two more global indices were launched in July 2011: the iSTOXX World Select Index, which tracks the performance of the world's 150 largest and most liquid stocks, and the STOXX Global Rare Earth Index for companies worldwide which generate at least 30 percent of their revenue from the rare earths sector.

In the segment's third business area, demand for data for the back offices of financial services providers increased as a result of the higher trading volumes. This applies in particular to the TRICE® service, with which Deutsche Börse AG helps its customers to meet their obligations to report information to financial supervisory authorities. In addition, marketing successes have boosted sales revenue from historical data.

Market Data & Analytics segment: key figures

	2011 €m	2010 €m	Change %
Sales revenue	236.4	224.6	5
EBIT	142.3	128.0	11

EBIT rose significantly by 11 percent to €142.3 million (2010: €128.0 million) as the Market Data & Analytics segment's strong business performance was accompanied by a decrease in segment costs. The increase would have-been even more significant if the previous year's earnings had not included the gain on the sale of Avox Ltd.

Development of profitability

The Group's return on shareholders' equity increased to 29.2 percent in the year under review (2010: 14.1 percent), primarily due to significantly higher earnings. Adjusted for costs of the planned merger with NYSE Euronext, costs for efficiency programmes, and effects related to the planned acquisition of the shares of SIX Group in Eurex Zürich AG, the return on shareholders' equity amounted to 26.9 percent (2010: 24.4 percent). Return on shareholders' equity represents the ratio of after-tax earnings to the average equity available to the Group in 2011.

The weighted average cost of capital (WACC) after taxes amounted to 6.1 percent in the year under review (2010: 6.9 percent). Deutsche Börse's cost of equity reflects the return on a risk-free alternative investment plus a premium for general market risk, and also takes account of the specific risk of Deutsche Börse shares compared with the market as a whole, known as the beta. The cost of debt represents the terms on which Deutsche Börse AG was able to raise short- and long-term debt.

Deutsche Börse's cost of capital

	2011 %	2010 %
Risk-free interest rate[1]	2.6	2.8
Market risk premium	5.0	5.5
Beta[2]	0.9	1.1
Cost of equity[3] (after tax)	7.1	8.9
Cost of debt[4] (before tax)	6.0	5.9
Tax shield[5]	1.6	1.6
Cost of debt (after tax)	4.4	4.3
Equity ratio[6] (annual average)	54.0	55.9
Debt ratio[7] (annual average)	46.0	44.1
WACC (before tax)	6.6	7.6
WACC (after tax)	5.9	6.9

1) Annual average return on ten-year German federal government bonds
2) Statistical measure of the sensitivity of the price of an individual share to changes in the entire market. A beta of 1.0 means that the performance of the share moves strictly parallel to the reference market as a whole. A beta above 1.0 denotes greater volatility than the overall market and a beta below 1.0 less volatility.
3) Risk-free interest rate + (market risk premium x beta)
4) Interest rate on short- and long-term corporate bonds issued by Deutsche Börse AG
5) Denotes and quantifies the reduction in tax paid that arises from the deductibility of interest payments on debt and is factored into the calculation of the cost of capital
6) 1 – debt ratio
7) (Total noncurrent liabilities + tax provisions + other current provisions + other bank loans and overdrafts + other current liabilities + trade payables + payables to associates + payables to other related parties) / (total assets – financial instruments of Eurex Clearing AG – liabilities from banking business – cash deposits by market participants); basis: average balance sheet items in the financial year

Financial position

Cash flow

Cash and cash equivalents at Deutsche Börse Group comprise cash and bank balances, unless they result from reinvesting current liabilities from cash deposits by market participants, as well as receivables and liabilities from banking business with an original maturity of three months or less. Cash and cash equivalents at the end of 2011 amounted to €657.2 million (2010: €–445.5 million).

Deutsche Börse Group generated cash flow from operating activities of €785.6 million in 2011 (2010: €943.9 million). Basic operating cash flow per share amounted to €4.23 while diluted operating cash flow per share amounted to €4.22 (2010: €5.07 per share, basic and diluted).

Given that Deutsche Börse Group calculates cash flow from operating activities on the basis of net income, adjusted for non-cash changes and cash flows derived from changes in balance sheet items (indirect method), the year-on-year decline can be explained as follows:

- Net income increased from €395.1 million to €871.4 million.
- Non-cash depreciation, amortisation and impairment losses declined from €583.5 million to €91.4 million; the reduction is due to the impairment charge of €453.3 million recognised on ISE's intangible assets in the previous year. In this context, deferred tax expenses of €4.5 million arose in 2011, compared with non-cash deferred tax income of €205.8 million in 2010.
- An increase in capital employed, resulting from a decrease in current liabilities and an increase in current receivables totalling €97.2 million (2010: reduction in capital employed of €190.5 million), had a negative impact on operating cash flow. Of the increase in current receivables, €9.4 million was attributable to trade receivables and €29.6 million to other current receivables, primarily due to a €36.2 million rise in receivables at Eurex Clearing AG due to its role as a central counterparty (CCP). The reduction in current liabilities is mainly due to the €126.2 million decrease in tax provisions; this effect was partially offset by a rise of €76.7 million in other current liabilities, especially from CCP transactions.
- The sharp rise in non-cash income (2011: €70.8 million; 2010: €1.0 million), most of which relates to the planned transaction with SIX Group AG and SIX Swiss Exchange AG for the acquisition of additional shares in Eurex Zürich AG (measurement effect of €77.3 million), also had a negative impact compared with the previous year.

Investing activities resulted in net cash inflows of €823.2 million for Deutsche Börse Group in financial year 2011 (2010: cash outflow of €520.1 million). The year-on-year change is attributable above all to maturing current receivables and securities from banking business, whose maturities precluded them from being classified as cash and cash equivalents; these led to a cash inflow of €770.1 million (2010: cash outflow of €12.4 million). The payments to acquire noncurrent financial instruments from banking business fell from €771.0 million in 2010 to €345.0 million in 2011, driven in particular by the low interest rates in the euro zone. In light of the European debt crisis, the long-term bond portfolio was adjusted to the changed market conditions and structured more conservatively, and bonds with a volume of €210.8 million (2010: €336.8 million) were sold ahead of maturity; in addition, long-dated bonds amounting to €336.6 million (2010: €51.0 million) matured. These were the main factors leading to the cash inflow of €558.3 million (2010: €393.5 million). A cash outflow of €66.2 million was mainly attributable to the increase in the interest in European Energy Exchange AG to 56.14 percent. Payments to acquire property, plant and equipment and intangible assets amounted to €115.6 million (2010: €133.9 million), mostly in connection with enhancements to the trading and settlement systems.

Cash outflows from financing activities declined from €587.9 million in the previous year to a total of €505.6 million. One factor materially influencing the decrease was the repayment in full of €103.7 million of short-dated bonds under the commercial paper programme in the previous year and the repurchase of €89.0 million (nominal amount) of the hybrid bond issued in 2008, which had led to a cash outflow of €97.2 million. By contrast, noncurrent financial debt was virtually unchanged from the previous year in 2011, while Deutsche Börse AG's commercial paper programme was not used during the entire year. This contrasts with a cash outflow of €111.7 million caused by the buy-back of own shares in the fourth quarter of 2011. The dividend payment, unchanged at €2.10 per share, led to a cash outflow of €390.7 million in financial year 2011 (2010: €390.5 million).

Cash and cash equivalents as at the end of the year under review therefore amounted to €657.2 million (2010: €–445.5 million). At €670.0 million, free cash flow, i.e. cash flows from operating activities less payments to acquire intangible assets and property, plant and equipment, was significantly below the previous year's level (2010: €810.0 million), mainly due to the fall in operating cash flow.

As in previous years, the Group does not expect any liquidity squeezes to occur in financial year 2012 due to its positive cash flow, adequate credit lines and flexible management and planning systems.

Consolidated cash flow statement (condensed)

	2011 €m	2010 €m
Cash flows from operating activities	785.6	943.9
Cash flows from investing activities	823.2	–520.1
Cash flows from financing activities	–505.6	–587.9
Cash and cash equivalents as at 31 December	657.2	–445.5

Operating leases
Deutsche Börse Group uses operating leases, primarily for the new office building in Eschborn, which the Group moved into in the second half of 2010, and for the buildings used by Clearstream International S.A. in Luxembourg (see note 40 to the consolidated financial statements for details).

Capital structure
Deutsche Börse Group's capital management principles remained unchanged in the 2011 financial year: in general, the Group aims to distribute dividends amounting to 40 to 60 percent of its adjusted consolidated net income for the year and uses share buy-backs to distribute funds not required for the Group's operating business and further development to its shareholders. These principles take into account the capital requirements deriving from the Group's legal and regulatory framework as well as from its credit rating, economic capital and liquidity needs. To ensure the continued success of the Clearstream segment, which is active in securities custody and settlement, the Company aims to retain Clearstream Banking S.A.'s strong "AA" credit rating. The activities of its subsidiary Eurex Clearing AG also require Deutsche Börse AG to maintain a strong credit profile.

Customers expect their service providers to have conservative interest coverage and debt/equity ratios and thus maintain strong credit ratings. Deutsche Börse Group therefore continues to pursue its objective of achieving an interest coverage ratio (ratio of EBITDA to interest expenses from financing activities) of at least 16 at Group level. Adjusted for merger and acquisition costs and for costs of efficiency programmes, Deutsche Börse Group achieved this target in the year under review with an interest coverage ratio of 19.0. This figure is based on a relevant interest expense of €69.8 million and an adjusted EBITDA of €1,325.3 million.

The interest coverage ratio is calculated using the consolidated interest costs of financing of Deutsche Börse Group, among other factors, excluding interest costs relating to the Group's financial institution companies. These include Clearstream Banking S.A., Clearstream Banking AG and Eurex Clearing AG. Interest charges that are not related to financing are excluded from the interest coverage ratio. 50 percent of the interest expense on the hybrid bond issued in 2008 is excluded from the interest coverage calculation, reflecting the assumed equity component of the hybrid bond.

Interest coverage ratio of Deutsche Börse Group

Interest expense from financing activities	**Issue volume**	**2011** €m	**2010** €m
Fixed-rate bearer bond	€650 m	33.0	33.0
Hybrid bond	€550 m[1]	17.0[2]	18.3[2]
Private placement in US$	US$460 m	19.8	21.3
Commercial paper	€0 m (2011)/ €35 m (2010)[3]	0	0.2
Total interest expense (including 50% of the hybrid coupon)		**69.8**	**72.8**
EBITDA		1,325.3	1,221.2
Interest coverage[4]		**19.0**	**16.8**

1) A nominal amount of €93 million was repurchased as at 31 December 2011 (31 December 2010: €93 million).
2) Only 50 percent of the interest expense on the hybrid bond is accounted for in the interest coverage calculation, reflecting the assumed equity component of the hybrid bond. The total interest expense for the hybrid bond amounted to €33.9 million in 2011 and €36.6 million in 2010.
3) Annual average
4) EBITDA / interest expense from financing activities (includes only 50 percent of the interest on the hybrid bond)

Deutsche Börse AG has also publicly declared its intention to comply with certain additional key performance indicators that the Company believes correspond to an AA rating. For example, tangible equity (equity less intangible assets) should not fall below €700 million at Clearstream International S.A., or below €250 million at Clearstream Banking S.A. An additional commitment is to maintain the profit participation rights of €150 million issued by Clearstream Banking S.A. to Deutsche Börse AG. For the Clearstream subgroup, the objective is to maintain an interest coverage ratio of at least 25, insofar as the financial liabilities result from non-banking business.

Relevant key performance indicators

		2011	2010
Tangible equity Clearstream International S.A. (as at balance sheet date)	€m	801.1[1]	798.5
Tangible equity Clearstream Banking S.A.[2] (as at balance sheet date)	€m	670.9	676.2

1) Net of the interim dividend of €65.0 million, which has not yet been adopted by the Annual General Meeting.
2) Including €150.0 million from profit participation rights issued by Clearstream Banking S.A. to Deutsche Börse AG

Dividends and share buy-backs

Between the capital management programme launch in 2005 and the end of 2010, Deutsche Börse Group returned a total of around €3.7 billion to its shareholders in the form of share buy-backs and dividends. In the 2011 financial year, Deutsche Börse distributed a total of €502.4 million in the form of share buy-backs and dividends: the Company bought back around 2.6 million shares for €111.7 million and paid out a dividend of €390.7 million for 2010.

Of the some 41.3 million shares repurchased between 2005 and 2011, the Company cancelled a total of around 28.6 million shares until 2008 and a further 2.0 million shares on 17 February 2012. 1.2 million shares were acquired by employees under the terms of the Group Share Plan (see notes 23 and 41 to the consolidated financial statements). As at 17 February 2012, the remaining approximately 9.5 million shares were held by the Company as treasury shares.

Deutsche Börse AG will propose to the Annual General Meeting a dividend of €2.30 per share for the 2011 financial year (2010: €2.10), an increase of 10 percent year-on-year as a result of the good business results. This dividend corresponds to a distribution ratio of 52 percent of consolidated net income, adjusted for merger and acquisition costs primarily associated with the planned merger with NYSE Euronext, costs of efficiency programmes and the income arising from the revaluation of the share component of the purchase price for the announced acquisition of the shares in Eurex Zürich AG held by SIX Group AG (2010: 54 percent, adjusted for costs of efficiency programme and the ISE impairment charge in the fourth quarter of 2010). Given 188.8 million no-par value shares entitled to a dividend, this would result in a total dividend of €434.1 million (2010: €390.7 million). The number of shares entitled to a dividend results from an ordinary share capital of 193.0 million shares less 9.5 million treasury shares, of which 5.3 million shares will be disposed of in the context of the acquisition of all of the shares of SIX Group AG in Eurex Zürich AG.

Deutsche Börse AG will propose to the Annual General Meeting a special distribution of €1.00 per share in addition to the dividend, and plans to buy back shares with a volume of up to €200 million in the second half of 2012, subject to the development of its operating performance, investment, liquidity and rating considerations. With 188.8 million no-par value shares entitled to a dividend this would result in a special distribution of €188.8 million.

Financing of the acquisition of ISE

In April 2008, Deutsche Börse Group issued a senior benchmark bond in the amount of €500 million as long-term financing for the ISE acquisition. This bond was increased by €150 million in June 2008. A further bond in the amount of US$460 million was issued in June 2008 as part of a private placement in the United States. Also in June 2008, Deutsche Börse AG issued a hybrid bond amounting to €550 million, €93 million of which had been repurchased by the end of financial year 2010 (31 December 2011: €93 million).

Credit ratings

Deutsche Börse AG regularly has its credit quality reviewed by the rating agency Standard & Poor's, while Clearstream Banking S.A. is rated by Fitch and Standard & Poor's. Both rating agencies confirmed the existing credit ratings of the Group companies in the course of the financial year.

As at 31 December 2011, Deutsche Börse AG was one of only two DAX-listed companies that had been given an AA rating by Standard & Poor's. Due to the planned merger with NYSE Euronext, Standard & Poor's had placed Deutsche Börse AG's rating on "credit watch negative" from 16 February 2011 until 13 February 2012, when the outlook reverted to "stable".

Ratings of Deutsche Börse AG

	Long-term	Short-term
Standard & Poor's	AA	A–1+

Ratings of Clearstream Banking S.A.

	Long-term	Short-term
Fitch	AA	F1+
Standard & Poor's	AA	A–1+

Net assets

Deutsche Börse Group's noncurrent assets amounted to €5,024.1 million as at 31 December 2011 (2010: €5,069.5 million). Goodwill of €2,095.2 million (2010: €2,059.6 million) represented the largest item. The change in noncurrent assets compared with 31 December 2010 is primarily due to the decline in noncurrent receivables and securities from banking business held by Deutsche Börse Group as financial assets, which were reduced to €1,404.6 million (2010: €1,555.6 million). Balances of internally developed software and of other equity investments increased.

Current assets amounted to €212,982.2 million as at 31 December 2011 (2010: €143,781.0 million). Changes in current assets resulted primarily from the following factors:

- An increase in the financial instruments of Eurex Clearing AG to €183,618.1 million (2010: €128,823.7 million) in connection with its function as central counterparty (CCP) for cash and derivatives markets. This asset is matched by a liability in the same amount.
- An increase in restricted bank balances to €15,060.4 million (2010: €6,185.8 million) as a result of higher cash collateral that clearing members deposited with Eurex Clearing AG; the year-on-year rise was due, among other factors, to a sharp increase in volatility, which led to more frequent calls for additional intraday collateral.
- An increase in receivables and securities from Clearstream's banking business to €12,945.2 million (2010: €7,585.3 million)
- An increase in other cash and bank balances to €925.2 million (2010: €797.1 million)

Assets were financed by equity in the amount of €3,166.3 million (2010: €3,410.3 million) and liabilities in the amount of €214,840.0 million (2010: €145,440.2 million).

Debt instruments of Deutsche Börse AG

Type	Issue volume	ISIN	Term	Maturity	Coupon p.a.	Listing
Fixed-rate bearer bond	€650 m	XS0353963225	5 years	April 2013	5.00%	Luxembourg/Frankfurt
Series A bond	US$170 m	Private placement	7 years	June 2015	5.52%	Unlisted
Series B bond	US$220 m	Private placement	10 years	June 2018	5.86%	Unlisted
Series C bond	US$70 m	Private placement	12 years	June 2020	5.96%	Unlisted
Hybrid bond	€550 m	XS0369549570	30 years[1]	June 2038	7.50%[2]	Luxembourg/Frankfurt

1) Early termination right after 5 and 10 years and in each year thereafter
2) Until June 2013: fixed-rate 7.50 percent p.a.; from June 2013 to June 2018: fixed-rate mid swap + 285 basis points; from June 2018: variable interest rate (Euro interbank offered rate for 12-month euro deposits (EURIBOR), plus an annual margin of 3.85 percent)

The following factors had a major impact on the change in equity compared with 31 December 2010:

- An increase in the value of treasury shares to be deducted from equity to €691.7 million because of the share buy-back implemented in the fourth quarter of 2011 (2010: €586.5 million)
- An increase in accumulated profit to €2,116.6 million (2010: €1,971.0 million)
- A decrease in the non-controlling interests item to €212.6 million (2010: €458.9 million), primarily because the planned acquisition of the shares in Eurex Zürich AG has already been recognised in equity under International Financial Reporting Standards (IFRSs)

Noncurrent liabilities rose to €1,886.9 million (2010: €1,870.4 million), primarily as a result of the increase in deferred tax liabilities to €323.0 million (2010: €297.7 million). The rise is mainly the result of deferred tax liabilities that had to be recognised on the increased volume of exchange rate differences reported directly in equity.

Current liabilities amounted to €212,953.1 million (2010: €143,569.8 million). The main changes in current liabilities occurred in the following items:

- An increase in the financial instruments of Eurex Clearing AG to €183,618.1 million (2010: €128,823.7 million) in connection with its function as central counterparty for cash and derivatives markets
- An increase in liabilities from cash deposits by market participants to €13,861.5 million (2010: €6,064.2 million) as a result of higher cash collateral provided by the clearing members of Eurex Clearing AG; the year-on-year rise was due, among other factors, to a sharp increase in volatility, which led to more frequent calls for additional intraday collateral.
- An increase in liabilities from Clearstream's banking business to €14,169.6 million (2010: €7,822.0 million)
- An increase in liabilities to other related parties to €528.7 million (2010: €13.6 million); this is due to the recognition of the liability to SIX Swiss Exchange AG agreed in connection with the acquisition of a 50 percent equity interest in Eurex Zürich AG amounting to €508.0 million.

Overall, Deutsche Börse Group invested €115.6 million in intangible assets and property, plant and equipment (capital expenditure, CAPEX) in the year under review, 14 percent less than in the previous year (2010: €133.9 million). The investments were spread throughout all segments of Deutsche Börse Group, with the largest investments being made in the Clearstream and Eurex segments.

Working capital

Working capital is current assets less current liabilities, excluding technical closing date balance sheet items and commercial paper. Current assets excluding technical closing date items amounted to €433.3 million (2010: €389.1 million). As Deutsche Börse Group collects fees for most of its services on a monthly basis, the trade receivables of €224.3 million included in the current assets as at 31 December 2011 (31 December 2010: €212.1 million) were relatively low compared with the sales revenue. The current liabilities of the Group, excluding technical closing date items, amounted to €1,303.5 million (2010: €839.8 million). The Group therefore had negative working capital of €–870.2 million at the end of the year (2010: €–450.7 million). This decline is primarily due to the increase in liabilities to other related parties.

Technical closing date balance sheet items

The balance sheet items "current receivables and securities from banking business" and "liabilities from banking business" are technical closing date items that were strongly correlated in the year under review, and fluctuated between approximately €8 billion and €15 billion (2010: between €7 billion and €11 billion). These amounts mainly represent customer balances within Clearstream's international settlement business.

The “financial instruments of Eurex Clearing AG” balance sheet items relate to the function performed by Eurex Clearing AG: since the latter acts as the central counterparty for Deutsche Börse Group’s various markets, its financial instruments are carried in the balance sheet at their fair value. The financial instruments of Eurex Clearing AG are described in detail in the risk report below and in notes 3, 17 and 38 to the consolidated financial statements. The total value of these financial instruments varied between €151 billion and €223 billion at the balance sheet dates relevant for the year under review (31 March, 30 June, 30 September, 31 December) 2010: between €128 billion and €165 billion).

Market participants linked to Eurex Clearing provide collateral partly in the form of cash deposits, which are subject to daily adjustments. The cash deposits are generally invested on a secured basis overnight by Eurex Clearing AG and reported in the balance sheet under “restricted bank balances”. The total value of cash deposits at the balance sheet dates relevant for the year under review (31 March, 30 June, 30 September, 31 December) varied between €5 billion and €16.5 billion and was thus above the figures for the previous year (2010: between €4 billion and €6.5 billion). The collateral provided increased in the course of the year, driven by high volatility.

Risk report

Risk management is an integral component of management and control within Deutsche Börse Group. Effective and efficient risk management safeguards the Group’s continued existence and enables it to achieve its corporate goals. To this end, the Group has established a Group-wide risk management system, which defines roles, processes and responsibilities and is applicable to all staff and organisational entities within Deutsche Börse Group.

The Group’s risk management system ensures that all management committees within Deutsche Börse Group are able to control the risk profile of the entire Group or of single legal entities, as well as significant individual risks, in a timely manner. The aim is to identify developments that could threaten the Group’s interests and to take appropriate countermeasures promptly.

Risk strategy

Deutsche Börse Group’s risk strategy is based on its business strategy and sets limits specifying the maximum risk permitted for the Group’s operational risks, financial risks, business risks as well as its overall risk. This is done by laying down corresponding requirements for risk management, risk control and risk limitation. The Group ensures that appropriate measures are taken to avoid, reduce and transfer, or intentionally accept risk.

The risk strategy enables risks to be controlled in a timely and adequate manner. Information needed for risk management is captured and assessed on the basis of structured, consistent procedures. The results of the assessment are collated in a reporting system, which is used to systematically analyse and control the risks. The relevant reports are prepared on both a regular and an ad-hoc basis, and cover existing as well as potential risks.

Deutsche Börse Group uses a standardised approach – value at risk (VaR) – for measuring and reporting all risks across the Group, including those entities that are not subject to regulation by supervisory authorities (for details of how the VaR is calculated see the section on “Risk control instruments” of this Group management report). VaR is a comprehensive way of presenting and controlling the general risk profile. It quantifies risks and lays down, for the confidence level specified, the maximum cumulative loss Deutsche Börse Group could face if certain loss events materialised over a specific period. In addition to calculating VaR, the Group regularly performs stress test calculations and, since 2011, inverse stress test calculations for all material risks.

Deutsche Börse Group calculates economic capital as its main risk management tool. This is used in addition to other performance indicators to determine the capital needed for business operations so that even extreme and unexpected losses can be covered. Economic capital is calculated using a VaR method for a period of one year and a confidence level of 99.98 percent, taking into account diversification effects. These arise since losses do not occur for all of the individual risks at the same time, so that the VaR is lower for the overall risk than for the total of VaR values of the individual risks. Deutsche Börse Group uses the shareholders' equity recognised under IFRS as the risk-bearing capacity for its economic capital, adjusted, among other things, by an amount to reflect the risk of not being able to liquidate intangible assets at their carrying amounts in a stress situation. Clearstream Holding group uses its regulatory capital as the risk bearing capacity for its economic capital (for details see note 22 to the consolidated financial statements).

Deutsche Börse Group also calculates economic capital at the level of individual risks, compares it against a limit that represents a percentage of the risk-bearing capacity defined for each individual risk and reports the result to the Executive Board. This procedure guarantees that the risk limits laid down by the Executive Board in its risk strategy are monitored and complied with on a sustainable basis.

Organisation of risk management

The Executive Board of Deutsche Börse AG is responsible for Group-wide risk management. The business areas identify risks and report these promptly to Group Risk Management (GRM), a central function with Group-wide responsibilities. The business areas also perform risk control, inform their respective management about developments in risk indicators and continuously improve the quality of the risk management processes.

GRM ensures that the comprehensive risk management system described above is applied and that it complies with the same minimum standards in all companies belonging to Deutsche Börse Group. GRM assesses all new and existing risks and reports on a monthly and, if necessary, on an ad hoc basis to the Executive Board. In addition, GRM regularly reports to the Finance and Audit Committee of Deutsche Börse AG's Supervisory Board. The full Supervisory Board is informed in writing of the content of these reports.

Independent audits by the Internal Auditing function ensure that the risk control and risk management functions are adequately organised and that they perform their duties.

The organisational structure described above and the procedures and responsibilities associated with it enable Deutsche Börse Group to ensure that there is a strong awareness of risk throughout the entire Group.

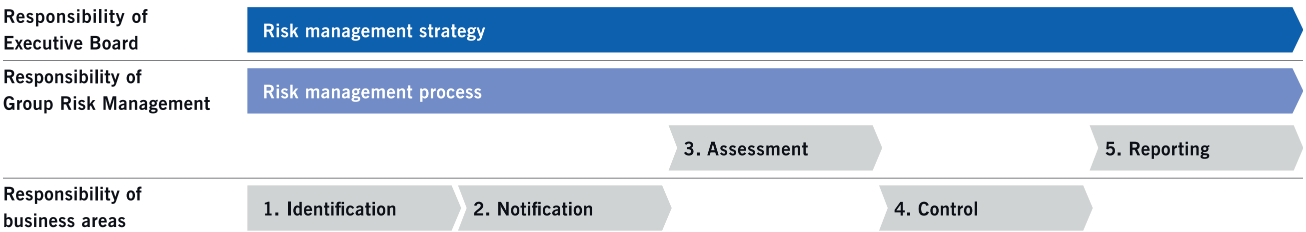
Risk management system

Deutsche Börse Group's risk management system is used to implement the risk strategy for which the Executive Board is responsible. To this end, all potential losses must be identified in good time, captured centrally, assessed (i.e. quantified in financial terms as far as possible), reported to the Executive Board together with recommendations, and monitored. Deutsche Börse Group's risk management process therefore comprises five stages (see chart below).

1. Risk identification

In this initial step, threats and causes of losses or malfunctions are identified. Risks can arise as a result of internal activities or because of external factors. All incidents that could have a material impact on Deutsche Börse Group's business or that might change the risk profile must be found as early as possible. It is the responsibility of all business areas and their employees to identify these potential risks.

Five-level risk management system with central and decentralised responsibilities



2. Risk notification
All business areas must inform GRM regularly and, in acute cases, on ad hoc basis of the risks they have identified and quantified. This procedure guarantees that all potential risks and threats are captured centrally.

3. Risk assessment
GRM then performs a qualitative and quantitative assessment of the potential threat based on available information. The VaR method is used for quantitative assessment of potential risks (see the section on “Risk control instruments” of this Group management report).

4. Risk control
All business areas and their employees are responsible for risk control and for implementing measures to limit loss. The alternatives for action are: risk mitigation, deliberate risk acceptance, external risk transfer, or risk avoidance. The business areas decide on and implement the most appropriate alternative in each case.

5. Risk reporting
The responsible Executive Board members and committees are informed of any material risks, their assessment and possible immediate countermeasures; if appropriate, they receive further recommendations so that they can set suitable steps in motion.

Risk structure

Deutsche Börse Group distinguishes between operational, financial, business and project risk.

In the operational risk category, a distinction is made between availability risk, service deficiencies, damage to physical assets, legal offences and business practices.

Deutsche Börse Group breaks financial risk down into credit, market price and liquidity risk as well as the risk of not meeting regulatory parameters.

Business and project risk are not broken down any further.

Risk control instruments

The Group determines the VaR in three stages:

1. Determining the loss distribution for every individual risk identified
This is performed for each individual risk on the basis of historical data (such as market data, default, claim, or outage history) or risk scenarios. This loss distribution may be, for example, a lognormal distribution (often used for risks arising from service deficiencies) or a Bernoulli distribution (used to simulate counterparty default in credit risk).

2. Simulating losses using the Monte Carlo method
A Monte Carlo simulation is used to achieve a stable VaR calculation by simulating as many loss events as possible in line with the distribution assumptions made. This produces a spread of possible total losses.

Risk structure of Deutsche Börse Group

3. Calculating VaR on the basis of the Monte Carlo simulation
To do this, the losses calculated by the Monte Carlo simulation are arranged in descending order by size and the corresponding losses are determined for the specified confidence levels.

In addition to its main tool, economic capital, Deutsche Börse Group calculates VaR at other confidence levels.

To supplement the VaR calculations, the Group performs stress test calculations for operational, liquidity and credit risks as well as for business risks.

To determine credit risk concentrations, the Group performs VaR analyses for the relevant organisational entities. This is done to detect any credit risk clusters relating to individual counterparties.

Regulatory requirements

Having received regulatory approval from the Luxembourg supervisory authority CSSF (Commission de Surveillance du Secteur Financier), Clearstream Banking S.A. and Clearstream Banking AG have applied the Advanced Measurement Approach (AMA) to calculate their capital requirements for operational risk under the Solvabilitätsverordnung (SolvV, German Solvency Regulation) based on the so-called Basel II regulatory framework since 1 January 2008, while Clearstream Holding AG has used this approach at Group level since it received BaFin approval on 7 October 2010. Eurex Clearing AG uses the Basic Indicator Approach to calculate its capital requirements in relation to operational risk. For credit and market price risks, the standardised approach is used throughout the Group.

The revised Minimum Requirements for Risk Management (MaRisk) dated 15 December 2010 were implemented in full at the Clearstream Holding Group, Clearstream Banking AG and Eurex Clearing AG by 31 December 2011.

Deutsche Börse Group closely monitors developments in the regulatory environment with regard to risk management and continues to strive to implement regulatory requirements in this regard at an early stage. Detailed information on relevant regulatory developments and – as far as can be estimated from today's perspective – their potential impact on the Group or specific subsidiaries is provided in the "Regulatory environment" section of this Group management report.

Risk description and assessment

Operational risk
The most substantial operational risks Deutsche Börse Group faces relate to the non-availability of its trading, clearing and settlement systems (availability risk) and to the incorrect processing of customer instructions in the custody business (service deficiencies).

Availability risk
Availability risk results from the fact that operating resources essential to Deutsche Börse Group's services offering could fail, thereby making it impossible to deliver services on time or at all. This risk constitutes the greatest operational risk for Deutsche Börse Group. It can arise, for example, from hardware and software failures, operator and security errors, or physical damage to the data centres.

Service deficiencies
This category includes risks that could materialise if a service for customers of Deutsche Börse Group is performed inadequately, for example, due to product and process defects, processes being performed incorrectly, or errors in manual processing. Manual work continues to be necessary, despite all the automated systems and efforts aimed at delivering straight-through processing. As a result, in certain business segments, e.g. in the custody business, Deutsche Börse Group remains exposed to the risk of customer instructions being processed incorrectly. In addition, manual intervention in market and system management is necessary in special cases.

Damage to physical assets

This category includes risks due to accidents and natural disasters, as well as terrorism and sabotage.

Legal offences and business practices

Risk associated with legal offences includes losses that could arise as a result of non- or inappropriate compliance with new or existing laws, losses from insufficient contract terms or from court decisions not adequately taken into account during normal business operations, as well as losses from fraud. Business practice risk includes losses resulting from money laundering, violations of competition regulations, or breaches of banking secrecy.

Following a civil action against Iran, plaintiffs obtained a default judgment against Iran in September 2007 in US courts. In June 2008, plaintiffs commenced enforcement proceedings in the United States District Court for the Southern District of New York to satisfy this judgment by restraining certain client positions held in Clearstream Banking S.A.'s securities omnibus account with its US depository bank, Citibank NA. The restrained positions are alleged to be beneficially owned by an Iranian government entity. Consistent with its custodial obligations, Clearstream Banking S.A. defended against the restraints and filed a motion to vacate the restraints on various grounds. In October 2010, plaintiffs commenced a lawsuit which seeks to have the restrained positions of approximately US$2 billion turned over to plaintiffs. An amended complaint was received by Clearstream Banking S.A. in Luxembourg on 7 January 2011. The amended complaint includes a cause of action directly against Clearstream Banking S.A. alleging US$250 million in connection with purportedly fraudulent conveyances related to the restrained positions. In summer 2011, Citibank NA interpleaded other potential judgment creditors of Iran into the litigation. At the direction of the court, Clearstream Banking S.A renewed its motion to vacate the restraints. This renewed motion remains pending before the court. On 7 December 2011 the plaintiffs filed a second amended complaint, adding claims for damages against Clearstream Banking S.A and others of US$2 billion, plus punitive damages to be determined at trial and attorney's fees. Clearstream Banking S.A considers the plaintiffs' claims against it to be legally and factually without merit, as Clearstream Banking S.A will establish at the appropriate time in the litigation. Should the case proceed, consistent with its custodial obligations Clearstream Banking S.A. intends to defend itself vigorously to the fullest extent.

Clearstream is cooperating with the US Office of Foreign Assets Control (OFAC) as regards a current OFAC investigation under the Iranian Transactions Regulations in relation to certain asset transfers in Clearstream's settlement system.

No material losses from operational risk were incurred in the year under review.

Measures to reduce operational risk

Deutsche Börse Group devotes considerable attention to mitigating the different types of operational risk mentioned above with the aim of reducing the frequency and amount of potential financial losses arising from the corresponding risk events. To this end, various quality and control measures are taken to protect the Group's business from all kinds of fraud and operational business losses. In addition to compliance with international quality standards, these measures include careful analysis of operational risk events that have occurred so that steps can be defined to reduce the probability of them recurring. Apart from this, Deutsche Börse Group has defined a large number of business continuity measures to be taken when or after an emergency occurs. Furthermore, Deutsche Börse Group has entered into insurance contracts to reduce the financial consequences of the occurrence of loss.

Another risk prevention tool is the internal control system (ICS) that the Executive Board has set up for Deutsche Börse Group (for details see the "Strategy and internal management control" section of this Group management report). The ICS is designed to ensure the effectiveness and efficiency of the Group's business operations, avert or uncover financial loss and thus protect all Deutsche Börse's business assets. It comprises both integrated and independent control and safety measures. The ICS is an integral part of the risk management system and is continuously being enhanced and adjusted to reflect changing conditions.

Moreover, the Group complies with international quality standards (such as certification according to ISO 9001/ TickIT and ISO/IEC 20000) to reduce operational risk – in particular the Group's availability risk.

Deutsche Börse Group endeavours to deliver its products and services as reliably as possible. For this reason, it attaches the greatest importance to maintaining its business operations and protecting them from emergencies and disasters. Since the non-availability of its core processes and resources poses a substantial risk to Deutsche Börse Group and is a potential systemic risk for the financial markets in general, Deutsche Börse Group has established a Group-wide business continuity management (BCM) system.

The BCM system encompasses all the precautionary processes that ensure business continues as normal if a crisis occurs and therefore substantially reduces availability risk. It covers arrangements for all key resources (systems, rooms, staff, suppliers/service providers), including the redundant design of all critical IT systems and the technical infrastructure, as well as backup workspaces in each of the main operational centres for employees in critical functions. Examples of these provisions can be found in the "Business continuity measures" diagram.

An emergency and crisis management process has been implemented within the Group to ensure a prompt response and a coordinated approach to any emergencies. The process is designed to minimise their impact on business processes and the market and to facilitate a swift return to business as usual. Emergency managers have been appointed as central points of contact in all business areas to assume responsibility in cases of emergency or crisis. The emergency managers inform and/or alert the Executive Board (depending on the severity of the incident). In cases of crisis, the Executive Board member responsible for the area concerned acts as the crisis manager.

The business continuity measures are tested regularly by simulating emergency situations realistically. These tests are normally carried out unannounced. GRM reports all problems encountered as well as its test results and recommendations to the Executive Board. The test results are assessed according to the following criteria:

- Functional effectiveness – the measures must work from a technical point of view.
- Executability – employees must be familiar with the emergency procedures and be able to execute them.
- Recovery time – the emergency measures must ensure that operations are restored within the scheduled time.

Moreover, Deutsche Börse Group has established a Group Compliance function to protect the Group against any loss or damage resulting from failure to comply with applicable

Business continuity measures

Incident and crisis management process

Systems	Workspace	Staff	Suppliers
■ All trading, clearing and settlement systems as well as related networks are designed for continuous high-availability operations without loss of electronic data. ■ The data centres are duplicated locally to protect against a failure of an entire location.	■ Backup workplaces are configured for mission critical functions. ■ The backup locations are fully equipped and always ready for immediate use. ■ Remote access facilities to the Group's systems enable teleworking.	■ In case of significant staff unavailability in a specific location, critical operations can be shifted to other locations. ■ Additional pandemic mitigation measures are in place to maintain operations in case of a pandemic outbreak.	■ Service level agreements describe contingency procedures with critical suppliers. ■ Contingency procedures of suppliers are regularly reviewed through a due diligence process. ■ If the suppliers cannot meet the requirements, alternative suppliers are used where possible.

laws, regulations and good corporate governance standards, with a particular focus on the following topics:

- Prevention of money laundering and terrorist financing
- Compliance with professional and banking secrecy
- Prevention of insider dealing
- Prevention of market manipulation
- Prevention of fraud
- Prevention of conflicts of interest and corruption
- Data protection

Any residual operational risk that Deutsche Börse Group does not wish to retain and that can be insured at a reasonable price is transferred by taking out insurance policies. All insurance policies are coordinated centrally, thereby ensuring that uniform insurance cover is available at all times for the entire Group at an attractive cost-benefit ratio. Insurance policies that are relevant to risk are individually reviewed and approved by the Chief Financial Officer of Deutsche Börse AG.

In addition, Deutsche Börse Group performs stress test calculations for operational risk in the Clearstream Holding group and at Eurex Clearing AG. These stress tests simulate the occurrence of extreme operational losses or an accumulation of major operational losses in one year. Since the Group has not incurred any major operational losses to date, potential risk scenarios are defined for this purpose. These risk scenarios describe possible operational loss events and their probability as well as the potential amount of loss, which is estimated by internal experts from the respective business areas. The following extreme loss situations are simulated for the stress test on the basis of these risk scenarios and compared with the risk-bearing capacity for operational risk:

- The risk scenario with the largest estimated maximum loss, irrespective of its expected probability
- The combination of the two largest maximum losses, each with a probability estimated at one or more events per 100 years
- The combination of the three largest maximum losses, each with a probability estimated at more than one event per 100 years

The stress tests for operational risk conducted in the financial year did not identify any need to increase the risk-bearing capacity for the Clearstream Holding Group or Eurex Clearing AG. In addition to these stress tests, which analyse the impact of predefined stress scenarios on risk-bearing capacities, the companies mentioned above have performed so-called inverse stress tests since 2011. This instrument is used to determine operational loss scenarios that would have to occur in order to exceed the risk-bearing capacities.

Financial risk

The various categories of financial risk are mitigated using effective control measures.

Credit risk

Credit risk describes the risk that a counterparty will default and cannot meet its liabilities towards Deutsche Börse Group in full or at all.

Credit risk at Deutsche Börse Group mainly relates to the companies in the Clearstream Holding Group and to Eurex Clearing AG. In addition, Deutsche Börse Group's cash investments and receivables are subject to credit risk.

Clearstream Holding Group: To increase the efficiency of securities transaction settlement, Clearstream Banking S.A. and Clearstream Banking AG extend credit to their customers. This type of credit business is, however, fundamentally different from the classic credit business. Firstly, credit is extended solely on a very short-term basis, normally intraday. Secondly, it is largely collateralised and granted to customers with good credit ratings. Furthermore, credit lines granted can be revoked at any time.

Clearstream Banking S.A. is also exposed to credit risk arising from its strategic securities lending transactions (ASLplus). Only selected banks operate as borrowers. All lending transactions are fully collateralised and only selected bonds are permitted as collateral. The minimum rating for these issues is an A from Standard & Poor's or a comparable rating from other agencies. A minimum rating of A–1 applies for issuers of short-term bonds without an issue rating.

The creditworthiness of potential customers is assessed before entering into a business relationship with them. Clearstream Banking S.A. and Clearstream Banking AG establish customer-specific credit lines on the basis of both regular reviews of the customer's credit and ad hoc analyses. Clearstream Banking S.A. and Clearstream Banking AG define safety margins for securities provided as collateral to ensure that this is sufficient to cover risk exposure and test their adequacy on an ongoing basis. An additional haircut is applied to issuers from Portugal, Italy, Ireland, Greece and Spain that have been classified as too high-risk; alternatively, they are excluded from the permissible collateral.

Eurex Clearing AG: In accordance with its clearing conditions, Eurex Clearing AG conducts transactions with its clearing members only. Clearing relates to securities, rights, derivatives and emission allowances that are traded on Eurex Deutschland and Eurex Zürich ("Eurex exchanges"), Eurex Bonds, Eurex Repo, Frankfurter Wertpapierbörse (FWB, the Frankfurt Stock Exchange), the Irish Stock Exchange as well as the European Energy Exchange and for which Eurex Clearing AG as a central counterparty enters into initiated or executed transactions. In addition, Eurex Clearing AG may act as the central counterparty for OTC derivatives transactions if these transactions correspond in substance to the derivatives transactions in the aforementioned markets and if the clearing members decide to use the clearing system for their OTC transactions. In this context, Eurex Clearing AG also provides clearing services for its clearing members for transactions executed on the individual markets or OTC transactions. In some cases, this is done in cooperation with another clearing house (link clearing house) and on the basis of a special agreement (clearing link agreement).

Each clearing member must prove that it has liable capital equal to at least the amount stipulated by Eurex Clearing AG for its clearing activities in the various markets. The amount of the proven capital depends on the risk involved.

In order to protect Eurex Clearing AG against the risk of default by a clearing member before it has settled its outstanding transactions, clearing members are required, under the terms of the applicable version of the clearing conditions, to provide daily collateral in the form of cash or securities (margins) – plus additional intraday security margins if required – in an amount stipulated by Eurex Clearing AG. Margin calculations are performed separately for clearing members' own accounts and the accounts of their customers.

The intraday profit or loss arising from the price movement of the financial instruments is either settled between the counterparties in cash (variation margin) or deposited by the seller with Eurex Clearing AG as collateral due to the change in value of the position (premium margin). In the case of bonds, repo, and equities transactions, the margin is collected either at the buyer or the seller (current liquidating margin), depending on the relationship between the purchase price and the current value of the financial instruments. In addition to offsetting profits and losses, these measures are intended to protect against the risk of the cost of closing out an account over the expected liquidation period, assuming the most unfavourable price movement possible for the positions held in the account (additional margin). The method of calculating the additional margin is known as risk-based margining and is essentially a VaR approach. First of all, the maximum cost of closure is calculated for each product individually. Opposite positions with the same risk profile are then offset against each other provided that they have been highly correlated over a significant period of time. The target confidence level for the additional margin is at least 99.0 percent. Regular checks ensure that the margins correspond to the required confidence level.

The approach taken by Eurex Clearing AG to hedge against risks also guarantees that bilaterally negotiated transactions between two parties are fulfilled, particularly OTC derivatives transactions such as credit default swaps. For this so-called credit clearing, the collateral mechanisms take into consideration the specific risks of credit default swaps with specific margin components for buyers and sellers of collateral. A separate clearing license is required for participation in credit clearing.

Eurex Clearing AG only admits selected collateral with a high credit rating to cover margin requirements. Eurex Clearing AG continually monitors the permitted collateral and sets safety margins to cover the market risks of the collateral at a confidence level of at least 99.9 percent. Eurex Clearing AG applies an additional haircut to issuers from Southern European countries that have been classified as too high-risk; alternatively, they are excluded from the permissible collateral. The risk parameters used to set the safety margins are regularly reviewed and the safety margins recalculated on a daily basis for each security.

In addition to providing margins for current transactions, each clearing member must contribute to a clearing fund depending on its individual risk. The fund provides collective protection against the financial consequences of any default of a clearing member not covered by the individual margins of the clearing member concerned, its contributions to the clearing fund as well as the revenue reserves of Eurex Clearing AG. Eurex Clearing AG has established a separate clearing fund for credit clearing. Eurex Clearing AG performs stress tests to establish whether its clearing funds are sufficient to cover the risk exposure. This involves subjecting all current transactions by the clearing members and their collateral to market price fluctuations at a confidence level of at least 99.9 percent. To facilitate the calculation of potential losses that exceed the individual margins of a clearing member, the impact of a potential default on the clearing fund is simulated. If the limits defined by Eurex Clearing AG are exceeded, it can take immediate action to adjust the volume of the clearing fund.

If a clearing member does not meet its obligations to Eurex Clearing AG, the latter has the following lines of defence:

1. First, the outstanding positions and transactions of the clearing member concerned can be netted and/or closed from a risk perspective by entering into appropriate back-to-back transactions, or they can be settled in cash.
2. Any potential shortfall that might be incurred in connection with such a closing or cash settlement, as well as associated costs, would be covered in the first instance by the collateral provided by the clearing member concerned. As at 31 December 2011, collateral amounting to €51,306.9 million had been provided for the benefit of Eurex Clearing AG. This collateral was offset by credit risk amounting to €42,189.5 million.
3. Subsequently, the relevant clearing member's contribution to the clearing fund would be used to cover the shortfall.
4. Any remaining shortfall would initially be covered by the retained earnings of Eurex Clearing AG. These amounted to €6.6 million as at 31 December 2011.
5. After this, a proportionate claim would be made on the contributions paid into the clearing fund by all other clearing members. As at 31 December 2011, the volume of Eurex Clearing AG's clearing fund stood at €1,064.4 million. The separate clearing fund established for credit clearing amounted to €4.0 million. Upon full utilisation, Eurex Clearing AG may call in additional collateral from clearing participants.

On 31 October 2011, MF Global UK Ltd., a clearing member of Eurex Clearing AG, entered into the Special Administration Regime confirmed by the UK Financial Services Authority (FSA). In accordance with the clearing conditions, Eurex Clearing AG therefore terminated the clearing agreement with MF Global UK Ltd. on 1 November 2011. Following termination, Eurex Clearing AG closed out all corresponding positions through the market. Liquidation was completed on 2 November 2011. During liquidation, any risk was at all times covered by collateral that MF Global UK Ltd. had furnished to Eurex Clearing AG. Outside of Eurex Clearing AG, Deutsche Börse Group recognised valuation allowances on fees receivable from MF Global UK Ltd. that were not material.

Cash investments: Further credit risks can arise in relation to cash investments made by Deutsche Börse AG and its subsidiaries. Deutsche Börse Group reduces this risk by spreading such investments across a number of counterparties with exclusively good credit ratings, defining investment limits for each counterparty, and making mostly short-term investments which are collateralised if possible. Deutsche Börse Group establishes maximum investment limits on the basis of regular assessments of creditworthiness and, if necessary, ad hoc analyses.

Stress test calculation: In its calculations of economic capital, the Group already analyses the impact of extreme scenarios on its risk-bearing capacities. Furthermore, credit risk stress tests are calculated for Deutsche Börse Group, the Clearstream Holding Group, Clearstream Banking S.A., Clearstream Banking AG and Eurex Clearing AG to analyse the impact of further extreme scenarios, e.g. a default of the largest counterparty. The values determined in the stress tests are compared with the limits defined as part of the risk-bearing capacities. In addition to classic stress tests, which analyse the impact of predefined stress scenarios on risk-bearing capacities, the entities mentioned above have performed so-called inverse stress tests since 2011. This instrument is used to determine how many counterparties would have to default for the losses to exceed risk-bearing capacities.

The results of the stress tests and inverse stress tests can lead to further analyses and to the implementation of risk mitigation actions. The credit risk stress test calculations did not identify any material risks in the financial year.

In addition, the Group calculates credit risk concentrations by performing VaR analyses at the level of Deutsche Börse Group, the Clearstream Holding Group and Eurex Clearing AG to detect any risk clusters relating to individual counterparties. To this end, credit risk VaRs are calculated at individual counterparty level and compared with the overall credit risk VaRs. Because of the Group's business model, the companies in the Group are almost exclusively focused on financial sector customers. However, no material credit risk concentrations were found for individual counterparties.

Market price risk

Market price risk can arise in the form of interest rate or currency risk in the operating business as a result of collecting net revenues denominated in foreign currency and in connection with cash investments or borrowing as a result of fluctuations in interest rates and foreign exchange rates.

The Group avoids outstanding currency positions wherever possible. Customer deposits in foreign currencies are covered by nostro items in the same currency. Revenue in foreign currencies is partly matched by costs in foreign currencies. Any residual currency risks in Deutsche Börse Group were partly hedged in 2011 using forward foreign exchange transactions. This entailed selling planned currency positions at a price fixed in advance for delivery on the date of the expected cash inflows. Regular reviews ensure the effectiveness of these hedges.

Deutsche Börse AG, the Clearstream Holding Group and Eurex Clearing AG are exposed to interest rate risk in connection with cash investments. Interest rate risk is mitigated using a limit system that only permits maturity transformation to a limited extent. In addition, Deutsche Börse AG may be exposed to interest rate risk from refinancing outstanding debt. In 2010, Deutsche Börse AG used swap and option transactions to secure a fixed interest rate or the right to a fixed interest rate for some of the amounts that may need to be refinanced.

The Group performs regulatory stress tests on the market price risk. Market price risks, however, are not material for the Group and its subsidiaries. Therefore, apart from the regulatory stress tests, no further stress tests of the market price risk are performed.

Further market price risks may arise in connection with contractual trust arrangements (insolvency-proof fund assets related to Deutsche Börse Group's existing pension plans).

Liquidity risk

Liquidity risk arises if there is insufficient liquidity to meet daily payment obligations or when increased refinancing costs are incurred in the event of liquidity bottlenecks.

Treasury monitors the daily and intraday liquidity for the Group and its subsidiaries and manages it with the help of a limit system. Extensive credit lines are available to provide cover in extreme situations; details can be found in note 38 to the consolidated financial statements. The Group also performs operational and strategic liquidity management. Operational liquidity management ensures that payments to be made in the subsequent three months are covered while strategic liquidity management is geared towards longer-term planning and securing of liquidity as well as the financing of projects and investments.

Strict internal liquidity requirements apply to Eurex Clearing AG due to its role as central counterparty. Its investment policy is therefore conservative. Regular analyses ensure the appropriateness of these liquidity requirements. Treasury guarantees the liquidity of the companies in the Clearstream Holding Group. Its investment strategy is designed to ensure that customer deposits can be repaid at any time. The limits used to manage liquidity are therefore conservative. Further extensive forms of finance are available to provide additional security.

Deutsche Börse Group, the Clearstream Holding Group and all subsidiaries had sufficient liquidity at all times in the year under review.

Stress test calculation: Stress test calculations are performed on liquidity risk in the Clearstream Holding Group and at Eurex Clearing AG. To this end, the Clearstream Holding Group and Eurex Clearing AG have each implemented scenarios that are calculated quarterly. In these scenarios, both the sources and the uses of liquidity are subjected to a stress test using historical as well as hypothetical scenarios.

In addition, the Clearstream Holding Group and Eurex Clearing AG implemented so-called inverse stress tests on liquidity risk in 2011. The inverse stress tests analyse which scenarios would additionally have to occur to bring about a situation of insufficient liquidity.

Based on the stress tests, both the Clearstream Holding Group and Eurex Clearing AG have sufficient liquidity.

Risk associated with regulatory parameters

Risk associated with regulatory parameters comprises losses that could arise if specified ratios are not met. Details on the regulatory parameters for each company are given in note 22 to the consolidated financial statements.

Business risk

Business risk reflects the sensitivity of the Group to macroeconomic developments and its vulnerability to event risk, such as regulatory initiatives or changes in the competitive environment. This risk is expressed in relation to EBIT. Business risk can impact the sales revenue and/or cost trends, for example causing a decline in actual sales revenue compared to target figures, and/or a rise in costs. This could lead to intangible assets being partially or fully written down following an impairment test.

In addition, external factors such as the performance and volatility of the stock markets or a lack of investor confidence in the financial markets may impact financial performance. In particular, in light of the current euro crisis and the deterioration in the economic environment this may entail, no assurance can be given that the Group's financial performance will not develop negatively. The Group analysed the potential impact of different scenarios ranging from a further worsening of the euro crisis to a collapse of the euro zone, and made arrangements to counter possible effects.

Regulatory initiatives represent a material business risk. They can adversely affect Deutsche Börse Group's competitive position on the one hand, or impact the business models of Deutsche Börse Group's customers and reduce demand for the Group's products and services on the other. With respect to the risk of a changed competitive environment, the possibility that Deutsche Börse Group's financial performance might deteriorate due to fierce competition for market share in individual business areas cannot be ruled out.

In particular, the introduction of a financial transaction tax involves the danger, depending on its specific design, that trading in equities, bonds and derivatives migrates to less regulated markets, thus significantly influencing Deutsche Börse Group's financial position.

In addition, there are numerous other regulatory initiatives, which could tighten Deutsche Börse Group's competitive environment, thus negatively influencing the Group's financial position. These initiatives include in particular the Markets in Financial Instruments Regulation (MiFIR), the planned revision of the Markets in Financial Instruments Directive (MiFID), the planned regulation by the European Parliament and the Council on OTC derivatives, central counterparties and trade repositories (European Market Infrastructure Regulation, EMIR), the planned regulation of central securities depositories (CSD regulation), the revision of the European securities law (Securities Law Directive, SLD) as well as another revision of the Capital Requirements Directive (CRD IV).

Detailed information on these and other relevant regulatory initiatives and – as far as can be estimated from today's perspective – their potential impact on the Group and its subsidiaries is provided in the "Regulatory environment" section of this Group management report. Deutsche Börse Group continually and closely monitors developments that represent a possible business risk in order to initiate risk mitigating measures at an early stage. Deutsche Börse Group is closely involved in political and regulatory initiatives.

Deutsche Börse AG's Executive Board regularly and comprehensively discusses business risks and the corresponding measures to mitigate these risks.

Scenarios are established and quantitatively assessed for each of the Group's business areas based on the most significant risk events. In addition, stress scenarios are defined at business segment level to analyse the impact on EBIT of further extreme scenarios. Inverse stress tests are performed for the Clearstream Holding Group, Clearstream Banking S.A. and Clearstream Banking AG, and their impact on the risk-bearing capacity is analysed.

Potential losses from the occurrence of improbable and large loss scenarios associated with business risk are matched by adequate risk-bearing capacity.

Project risk
Project risk can arise as a result of implementing projects (launching new products, processes, or systems), which may have a significant impact on one of the three other risk categories (operational, financial and business risk).

Project risk is assessed by Group Risk Management and addressed in the early stages of major projects. None of the projects planned and implemented in 2011 caused a significant change in the overall risk profile of Deutsche Börse Group. Risks connected with project implementation, such as budget risk, quality/scope risk or deadline risk, are monitored locally and reported to the corresponding supervisory committee.

Summary

In the past financial year, further external risk factors for the business of Deutsche Börse Group have emerged. However, the Group identified newly occuring risks at an early stage and took appropriate measures to counter them. As a result of these measures, the risk profile of Deutsche Börse Group did not change significantly. In the year under review, the risks of Deutsche Börse Group were at all times matched by adequate risk-bearing capacities. As at 31 December 2011, Deutsche Börse Group's economic capital amounted to €578 million and its risk-bearing capacity to €2,126 million. The Executive Board of Deutsche Börse AG firmly believes in the effectiveness of its risk management system.

Outlook

The Group evaluates its risk situation on an ongoing basis. From today's perspective, the Executive Board sees no significant change in the risk situation and hence no threat to the continued existence of the Group.

Further enhancements in the area of risk management are scheduled for 2012. For example, the IT infrastructure will be upgraded by introducing new software for managing operational risk. In addition to a database for collating information on internal losses, the new software features, among other things, a module for capturing and analysing key risk indicators. Moreover, 2012 will see an increased number of assessments of business and in particular regulatory risks that could impact Deutsche Börse Group over and above the one-year period used to calculate economic capital.

Report on post balance-sheet date events

On 15 February 2011, Deutsche Börse AG and NYSE Euronext announced that they had entered into a business combination agreement following approval from both companies' boards.

Following approval on 7 July 2011 of the planned combination by the shareholders of NYSE Euronext with a majority of 96.09 percent of the capital present, 82.43 percent of the shareholders of Deutsche Börse AG accepted the exchange offer made by the holding company of the combined group, Alpha Beta Netherlands Holding N.V. (Holding), which ended on 13 July 2011. A total of 95.42 percent of Deutsche Börse AG shares had been tendered for exchange at the end of a further acceptance period on 1 August 2011, with the total eventually rising to 97.04 percent by the end of a further three-month period ending on 4 November 2011.

On 1 February 2012, Deutsche Börse was informed that the European Commission had decided to prohibit the planned business combination. Despite the remedies offered by the companies, the European Commission concluded that the combination would significantly impede effective competition and declared the combination to be incompatible with the Common Market. Receipt by Deutsche Börse AG and NYSE Euronext of the official notification of this decision of the European Commission rendered completion of the combination impossible, because the exchange offer made by Holding to the shareholders of Deutsche Börse AG on 4 May 2011, as amended, stipulated that clearance by the European Commission had to be received on or before 31 March 2012.

On 2 February 2012, Deutsche Börse AG received official notification of the European Commission's decision to prohibit the planned business combination with NYSE Euronext. In accordance with the terms and conditions of the exchange offer made by Holding to the shareholders of Deutsche Börse on 4 May 2011 (as amended), Holding then published notification of the expiry of the exchange offer. The custodian banks of the shareholders of Deutsche Börse AG who had accepted the exchange offer were instructed by Holding to unwind the exchange offer by rebooking the Deutsche Börse shares tendered for exchange. The Deutsche Börse shares tendered for exchange (DE000A1KRND6) were rebooked as planned to the original ISIN (DE0005810055) after the close of trading on 7 February 2012. At the same time, trading ceased in the Deutsche Börse shares tendered for trading and listed under ISIN DE000A1KRND6.

Report on expected developments

The report on expected developments describes the expected development of Deutsche Börse Group in financial years 2012 and 2013. It contains statements and information on events in the future. These forward-looking statements and information are based on the Company's expectations and assumptions at the time of publication of this report. In turn, these are subject to known and unknown risks and uncertainties. Numerous factors influence the Group's success, its business strategy and financial results. Many of these factors are outside the Company's control. Should one of the risks or uncertainties materialise or one of the assumptions made turn out to be incorrect, the actual development of the Group could deviate either positively or negatively from the expectations and assumptions contained in the forward-looking statements and information contained in this report on expected developments.

Development of the operating environment

Deutsche Börse Group expects the economic environment to moderately improve in the forecast period compared with 2010 and 2011, with a continued high level of uncertainty surrounding the creditworthiness and liquidity of certain euro zone countries. In this respect, there is also a correlation between the measures that have already been taken or will be taken to stabilise the euro zone, consumer confidence and investment made in the ongoing development of the economy as a whole. In January 2012, the International Monetary Fund (IMF) forecast negative economic development for 2012 of around –0.5 percent in the euro zone and growth of around 0.3 percent in Germany. The difference between the euro zone and Germany is a result of the renewed contraction anticipated in some southern European countries. According to current estimates, GDP growth in the euro zone and Germany will pick up again in 2013: the IMF forecasts growth of around 0.8 percent in the euro zone and 1.5 percent in Germany. Expectations for the United Kingdom and the United States are higher than for the euro zone. The economy in the United Kingdom is forecast to grow by around 0.6 percent in 2012 and by approximately 2.0 percent in the following year. The US economy is expected to grow by around 1.8 percent in 2012 and around 2.2 percent in 2013. The highest growth by far is again expected in Asian countries (and especially China and India), where growth of 7 to 8 percent in 2012 is forecast in anticipation of high domestic demand. Given the extremely varied estimates for the different economic regions, global economic growth is projected to be around 3.3 percent in 2012. For 2013, the IMF predicts that the upswing will continue and will in fact accelerate slightly, to around 3.9 percent.

Governments and central banks are currently working on strengthening regulation of the financial markets to further stabilise the financial sector and prevent future crises of this degree of severity. The measures envisioned, and in some cases already initiated, range from revising the legal framework for banking business and capital requirements to improving financial market supervision (for more information, please see the "Regulatory environment" section of this report on expected developments).

In February 2012, Deutsche Börse Group announced that it would channel its energies in three directions as part of its growth strategy (see the "Strategy" section of this Group management report) that the Group will increasingly pursue in the context of its integrated business model, which focuses on trading, clearing, settlement and custody of securities and derivatives. Based on this successful business model, which covers the entire process chain for financial market transactions and the most prominent asset classes, Deutsche Börse will continue to observe the trends on the financial markets worldwide and to leverage them to enhance its products and services. The Group's key strategic goal is to provide all customers with outstanding services.

With its scalable electronic platforms, Deutsche Börse believes it remains in an excellent position to compete with other providers of trading and settlement services.

Development of results of operations

Deutsche Börse Group considers itself well positioned and expects higher sales revenue in the forecast period. This assumption is based on the acquisition of the shares in Eurex Zürich AG formerly held by SIX Group AG, which will make Deutsche Börse the sole shareholder of Eurex Zürich AG with retrospective effect from 1 January 2012. Following the acquisition, 100 percent of Eurex's sales revenue will be reported in the consolidated income statement rather than 85 percent. Depending on how general conditions develop, on the form taken by both cyclical and structural growth drivers, and on the success of new products and functionalities, Deutsche Börse Group expects sales revenue of approximately €2,350 million to €2,500 million in 2012. This would correspond to an increase of 5 to 12 percent compared with the year under review. At the time this report on expected developments was prepared, it seemed likely that sales revenues would be at the lower end of this range due to a weak start of the cash and derivatives markets. If, contrary to expectations, general conditions do not develop as well as described above, or impact the Company's customers to a greater extent, the Company believes it is in a good position to continue to do business profitably due to its integrated business model and the cost reduction measures it has implemented that are described in the following section. The Company also considers itself well positioned to further grow sales revenue in 2013.

Deutsche Börse Group's cost efficiency has improved significantly over the past few years. From 2012 on, the Company expects to start generating annual savings of approximately €150 million from the measures initiated in 2010 to optimise operating processes and cost structures. By the end of 2011, the Group has already saved up to €130 million per year and expects to achieve the outstanding €20 million in savings in 2012 and thus to fulfil the objective of €150 million.

The Company is forecasting operating costs of less than €930 million in 2012 compared with €890 million in the year under review (adjusted for merger and acquisition costs and costs for efficiency programmes). This forecast includes an inflation-linked rise in the cost base and higher investments in growth initiatives and infrastructure. The latter investments are expected to be fully offset by the remaining measures to optimise operating processes and cost structures as well as additional savings. The Group expects volume-related costs, which are heavily influenced by Clearstream's international settlement and custody business activities, to amount to less than €270 million (2011: €244.0 million). The increase is mainly due to the growth expected in this segment and changes in the fee models for trading US options on ISE and German/European shares in the specialist model on Xetra. However, these fee model changes will be associated with an increase in sales revenue and therefore do not have any impact on earnings. This results in a total cost forecast of less than €1,200 million for 2012 before costs associated with the prohibited merger with NYSE Euronext and efficiency programmes amounting to approximately €30 million.

Depending on sales revenue performance, the Group expects EBIT to be in the range of around €1,200 million to €1,350 million for 2012. In addition to sales revenue and costs, EBIT also depends on the development of net interest income from banking business. Deutsche Börse expects this item to be somewhat lower in 2012 than in 2011. If sales revenue or net interest income from banking business should fail to perform as expected, EBIT could fall below the forecast range.

Forecasts for financial performance

	2011 (adjusted)[1)] €m	2012 (forecast)[1)] €m
Sales revenue	2,233	~2,350 to ~2,500
Total costs	1,134	less than 1,200
of which volume-related costs	244	less than 270
of which operating costs	890	less than 930
EBIT	1,235	~1,200 to ~1,350

1) Adjusted for merger and acquisition costs and costs for efficiency programmes

The Group anticipates an unchanged tax rate of approximately 26 percent for the forecast period.

An EBIT range of some €1,200 million to €1,350 million results in an interest coverage ratio between 19 to 21 at Group level, clearly exceeding the minimum of 16 targeted at Group level.

Xetra segment

Sales revenue in the Xetra cash market segment will continue to depend on equity market trends, equity market volatility, and structural and cyclical changes relating to trading activity. Volatility increased tangibly in the second half of 2011 and on individual days was even double that of the first half. Generally speaking, high volatility can provide the Xetra segment with additional short-term growth momentum, as trading is particularly brisk during such market phases. However, a moderate level of volatility is more beneficial to sustainable growth as this generally leads to increased investor confidence.

In addition to continuing to develop its own cash market, the Company maintains a close watch on changes in the competitive environment for the European cash markets. As in the past, it considers itself well positioned to retain its status as the market leader for trading German blue chips and to offer its customers across the globe an attractive range of products and services for cash trading in German and European equities, as well as equities clearing. However, due to the stronger competition in the cash market, further shifts in the market shares of all competitors cannot be ruled out.

The Executive Board expects business activities on the cash market to increase only slightly during the forecast period as a result of the expected development of the economic environment. At the same time, a slight decline in the average sales revenue per transaction is predicted. Overall, the Group therefore expects sales revenue and EBIT to remain stable in 2012.

Eurex segment

During the past year, trading volumes of equity index and interest rate derivatives were positively impacted by cyclical factors such as the sharp rise in volatility and interest rate changes. However, Deutsche Börse Group still believes that structural growth factors will remain dominant over the long term, and that they will positively influence trading volumes in all product segments. These structural growth drivers are as follows:

- Traditional investment funds are increasingly including derivatives in their portfolio strategies as a result of the European legal and administrative framework relating to certain undertakings for collective investment in transferable securities (UCITS III).
- Due to the importance of risk management, more and more OTC transactions are shifting to Eurex Clearing for settlement so that counterparty risk can be eliminated through centralised clearing.
- Demand for Eurex products from investors and trading houses from non-European areas such as Asia is growing.

The competitive situation at the US equity options exchange ISE, which belongs to Eurex, stabilised in the course of 2011, with ISE's market share of US equity options even increasing slightly in the second half of 2011. Some exchange operators provide substantial financial incentives to encourage traders to use their platforms when executing this type of transaction. However, ISE's strategy is geared towards the key performance indicators of sales revenue and profitability rather than winning market share at any price. For the forecast period, Deutsche Börse Group expects ISE's contract volumes to increase and its market share to stabilise further despite the sustained high level of competition.

Eurex will also step up investments to enhance its technology and its European product offering in the forecast period. The new trading infrastructure developed together with ISE will replace Eurex's existing trading system in late 2012 or early 2013. Another investment focus is on expanding risk management. For example, the Eurex segment is planning to expand its portfolio-based risk management, which will offer customers the ability to net out on-exchange and off-exchange (OTC) transactions against each other. Among other things, this new feature is part of the functional preparations being made to enable Eurex to offer an expanded range of clearing services for OTC derivatives trading in future.

On the whole, Eurex considers itself to be well positioned in its competitive environment and predicts, in conjunction with the acquisition of the Eurex Zürich AG shares held by SIX Swiss Exchange, an increase in sales revenue and EBIT in 2012.

Clearstream segment

The Clearstream segment generated the bulk of its sales revenue in the past year with the settlement and custody of international bonds. This will remain the case in the future. Deutsche Börse continues to predict a sharper rise in the volume of bonds issued internationally compared with fixed-income securities issued domestically. In addition, in view of the regulatory requirements and the loss of confidence among market participants, the Group anticipates a further increase in demand for collateral and liquidity management services. Alongside the products already successfully placed on the market such as GC Pooling – the collateralised money market jointly operated by Clearstream, Eurex Clearing and Eurex Repo – Clearstream is expanding its international offering: Clearstream and Brazil's central securities depository Cetip entered into a cooperation agreement during the year under review and preparations are being made for further cooperation agreements with providers in Australia and South Africa, among other locations.

With regard to its customer structure, the Company continues to expect that consolidation in the financial sector will persist and that customers in Clearstream's domestic and international business will merge. These larger customers would benefit from greater discounts, which would lead to a decline in average fees. Although Deutsche Börse faces especially intense competition in the areas of the settlement and custody of international bonds, the Group does not expect this to have a major impact on its sales revenue or to result in a loss of market share during the forecast period.

Deutsche Börse Group expects to see a decline in net interest income from banking business in 2012 due to the interest rate cuts in the euro zone at the end of 2011. The Company anticipates that a sustained increase in income will occur only when short-term interest rates rise in Europe and the US, which is not expected before 2013.

Overall, Clearstream has a strong competitive position as a result of its diversified product and services portfolio and expects business activity to grow slightly in the forecast period. As a result, the Group expects to see a slight increase in sales revenue and a stable EBIT in 2012.

Market Data & Analytics segment

Sales revenue in the Market Data & Analytics segment is largely dependent on the demand for market data in the financial sector. The Group anticipates sales revenue and EBIT to show stable development in Market Data & Analytics in 2012. The segment intends to steadily expand its product range with new data services in all areas.

Development of pricing models

Deutsche Börse continues to anticipate sustained price pressure in some of its business areas during the forecast period. The Company's objective is to mitigate this price pressure by continually improving its products and services and offering selective incentives for price-elastic business.

A revised fee model was implemented in the Eurex segment with effect from 1 February 2011. The main objective was to increase the attractiveness of Eurex as a trading venue. In order to achieve this, the Company offered price incentives on the basis of the market liquidity provided, granted volume discounts and reduced fees for specific products.

Over the long term, the average sales revenue per unit concerned is expected to decline in all areas of the Group. This is a result of the laddered pricing models that lead to a decline in income per unit as customers' business activities increase.

Regulatory environment

One consequence of the global financial market crisis is that work is now underway at an international level on regulatory initiatives in a wide variety of areas, with the aim of creating a more transparent and more stable financial system. In particular, the focus is on regulations relating to the financial market infrastructure, the settlement of securities, derivatives and other financial instruments, as well as to banks. The supervisory structures will also change as a result of these regulations: the European supervisory authorities created on 1 January 2011 and the European Systemic Risk Board will play a much more significant role, while the scope for decisions at national level will shrink. The introduction of a financial transaction tax is also being discussed within the European Union. The introduction of such a tax would negatively impact Deutsche Börse's business performance. The extent to which the business performance would be impacted depends on what and how many countries would introduce this tax and which asset classes it would include. It is not possible to predict this from the current status of the discussions.

Market infrastructure regulation

With respect to the changes to the regulatory framework, three EU legislative packages are of central relevance to the Group, in addition to a large number of smaller initiatives: the current revision of the Markets in Financial Instruments Directive (MiFID), the regulation by the European Parliament and the European Council on OTC derivatives, central counterparties and trade repositories (European Market Infrastructure Regulation, EMIR) and the planned regulation of central securities depositories (CSD regulation).

The European Commission initiated a revision of MiFID in 2011. The aim is to continue to increase the transparency and integrity of the markets and to further strengthen investor protection, partly in the light of the financial market crisis. Implementation at a national level is scheduled for 2014. Some of the rules will become immediately applicable throughout the EU in the form of a regulation.

The regulation by the European Parliament and the European Council on OTC derivatives, central counterparties and trade repositories aims to achieve a coordinated set of rules for the operation and supervision of central counterparties (CCPs). The regulation was originally intended to enter into force in 2011. A draft of the regulation was presented by the European Commission in September 2010 and is currently in the final stages of the political negotiation process, which is now likely to be concluded in the first half of 2012. The regulation on short selling has already been finalised at the political level and will shortly come into effect throughout Europe. Among other things, the regulation aims to make the use of central counterparties obligatory for settling a greater number of derivatives transactions. In addition, it introduces a reporting requirement for OTC derivatives using trade repositories. The supervision of these trade repositories by the European Securities Markets Authority (ESMA) is also a component of the planned regulation.

With the CSD regulation, the European Commission aims to reform the European securities settlement and custody environment and create a uniform European regulatory framework for central securities depositories for the first time. The European Commission has not yet presented a draft of the regulation and the measures are now expected to be passed during the course of 2012 at the earliest. Depending on the outcome of the organisational regulations currently under discussion in this context, there could be implications for Clearstream's business activities.

These regulatory initiatives are supplemented by the revision of the Markets in Financial Instruments Directive (MiFID) and the draft Markets in Financial Instruments Regulation (MiFIR), as well as the renewed amendment of the Capital Requirements Directive (CRD IV). With regard to MiFID/MiFIR, it is planned to introduce measures addressing high frequency trading and promoting competition, particularly in the area of derivatives trading and clearing. In addition, the possible introduction of a financial transaction tax and the Central Securities Depositories Regulation (CSDR) are being discussed in political circles. A revision of the European Securities Law Directive (SLD) is expected at a later stage.

Further regulatory changes designed to ensure financial market stability are being examined at national and international levels by the Basel Committee on Banking Supervision, the European Commission, the European Central Bank and the new European supervisory authorities (ESMA, EBA and the European Systemic Risk Board), among others. At a national level, the planned changes to the Insolvenzordnung (German Insolvency Regulation) as well as the Restrukturierungsgesetz (German Restructuring Act), and the bank levy that it entails have implications in some cases for Deutsche Börse Group.

Banking regulations

With respect to banking regulation, which affects the Group both directly and indirectly, a series of changes to both the international regulatory framework (the rules issued by the Basel Committee on Banking Supervision) as well as to the European regulations that build on these (Capital Requirements Directive, CRD) and national regulations are pending.

In December 2010, the Basel Committee on Banking Supervision (BCBS) published details of the revised version of the collection of rules now known as Basel III. The BCBS issued an initial revision of the Basel III framework on 1 June 2011, which expanded on individual aspects. However, certain issues remain unresolved, in particular how to address counterparty risk weights with respect to central counterparties, and additional fine-tuning is being discussed by the BCBS. The European Commission intends to include the new Basel III regulations together with other aspects (e.g. corporate governance issues and the implementation to a large extent of a single rule book) in a revised regulatory framework for banks. To this end, the EU Directives 2006/48/EC (Banking Directive) and 2006/49/EC (Capital Adequacy Directive), which up to now have been grouped together and referred to as the Capital Requirements Directives, are to be completely revised and restructured to produce an integrated legislative package (commonly referred to as CRD IV) consisting of a directive and a regulation.

In particular, Basel III includes a revised definition of capital, additional risk buffers for expected losses, the introduction of anticyclical capital buffers, the introduction of a leverage ratio (put simply, a minimum ratio of capital to unweighted total assets plus off-balance sheet risk positions), stricter liquidity management requirements and closer monitoring of liquidity by supervisory authorities (in particular the introduction of two quantitative minimum ratios for short-term and medium-term liquidity). Phased introduction in the period up to 2019 is planned, with certain subareas being reviewed and, if necessary, modified during the process of transition. The Basel III package also comprises a general revision of the capitalisation requirements for exposures to central counterparties. Since the details for this are still under discussion, no final version is available yet.

Whereas the Basel III rules only apply directly to global commercial banks with an international remit, the EU rules apply to all banks that operate in the EU. CRD IV therefore partly addresses both regional and size-related issues, and provides specific or modified regulations for certain types of business. Given the current status of the discussions, the future interaction between EMIR, the CSD regulation, MiFID and the CRD in particular, and the effects this will have on Deutsche Börse Group's regulated companies, still cannot be gauged in full.

Deutsche Börse Group has monitored the entire Basel III and CRD IV process, as well as the development of the other legislative processes in detail. The Group will continue to be actively involved in this process, including its implementation in national law, in the coming years in order to ensure that its business activities are taken into account as appropriately as possible.

Given the current status of the discussions on the provisions of CRD IV, the Group does not expect any material effect on the equity base of its regulated companies. Since specific issues – including the concrete application of the rules concerning the leverage ratio and liquidity ratios – have not yet been resolved and it is also unclear how the various regulations will interact in future, the ultimate impact on its business activities cannot be assessed as yet.

Deutsche Börse Group is closely monitoring all the political and regulatory processes and initiatives mentioned above. The Group participates actively in the consultations, making sure that political decision makers are aware of potential negative consequences for the market as a whole and the company affected in particular. Deutsche Börse Group also takes an appropriate stand regarding the above-mentioned political initiatives. In this way, it counteracts undue ramifications for the Group or any of its subsidiaries.

Development of the Group's financial position

The Company expects operating cash flow to remain positive. With respect to its cash flow from investing activities, Deutsche Börse plans to invest around €150 million per year in intangible assets and property, plant and equipment during the forecast period. These investments will serve primarily to develop new products and services in the Eurex and Clearstream segments and enhance existing ones. The higher sum compared with previous years is primarily the result of increased investments in the trading infrastructure and risk management functionalities.

Under its capital management programme, Deutsche Börse will react flexibly to a changing market environment in the forecast period. Deutsche Börse Group continues to pursue the objective of achieving an interest coverage ratio (ratio of EBITDA to interest expenses from financing activities) of at least 16 at Group level. Both the general target dividend distribution ratio of 40 to 60 percent of consolidated net income for the year and any share buy-backs are subject to capital requirements, investment needs and general liquidity considerations.

Remuneration report

The following remuneration report is a component of the Group management report. The report reflects the requirements of the German Corporate Governance Code ("the Code") and German Accounting Standard (GAS) 17 "Reporting on the Remuneration of Members of Governing Bodies". This report also includes the information required by the Handelsgesetzbuch (HGB, the German Commercial Code) and the International Financial Reporting Standards (IFRSs).

Structure of the Executive Board remuneration system

The remuneration system applicable to members of Deutsche Börse AG's Executive Board is described below. The structure and amount of the Executive Board remuneration is determined by the Supervisory Board on the basis of recommendations made by the Personnel Committee. The aim of the remuneration system is to compensate the Executive Board members appropriately for their tasks and responsibilities, as well as in accordance with legal requirements. The Supervisory Board assessed the appropriateness of the Executive Board remuneration in detail in 2011, and concluded that it can be considered appropriate. The remuneration system is designed in such a way that incentives are based on multi-year assessment periods and do not encourage to take unjustifiable risks. The remuneration consists of both non-performance-related and performance-related components.

Non-performance-related remuneration components

Non-performance-related remuneration consists of a monthly fixed basic remuneration as well as ancillary contractual benefits.

Fixed remuneration

The members of the Executive Board receive a fixed basic salary in twelve monthly instalments. The basic salary represents approximately 30 percent of the total target remuneration for one year. It is reviewed by the Supervisory Board on a regular basis, at least every two years.

Ancillary contractual benefits

In addition to the basic remuneration, the members of the Executive Board receive certain ancillary contractual benefits. The most significant benefit is an occupational pension commitment in the form of a defined contribution plan for those members of the Executive Board appointed since January 2009 and a defined benefit plan for those appointed earlier (see the "Retirement benefits" section for details). A further benefit is the provision of an appropriate company car for business and personal use. Tax is payable by the Executive Board members for the pecuniary benefit arising from private use. In addition, members of the Executive Board receive taxable contributions towards private pensions. The Company also takes out accident insurance and directors' and officers' liability insurance (D&O insurance) for them. The latter policy includes a deductible of 10 percent of the damages arising from the insured event, with the maximum deductible per year set by the Supervisory Board at 1.5 times the fixed annual remuneration of the relevant Executive Board member.

Performance-related remuneration components

The performance-related remuneration represents approximately 70 percent of the total target remuneration for the year and consists of cash and share components. The cash component represents around 45 percent and the share component around 25 percent. The reference periods for performance measurement are backward-looking for the variable cash component and forward-looking for the variable share component. Consequently, in the year under review, the variable cash component was based on performance in 2009 to 2011 and the variable share component was based on the period 2011 to 2013.

Variable cash component

The Supervisory Board establishes the 100 percent target value of the variable cash component in euros for every Executive Board member each year. After the end of the financial year, the Supervisory Board determines the actual degree to which the targets have been met and decides on the amount of the variable cash component. When a member of the Executive Board meets the target set, i.e. when the degree to which the target is met equals 100 percent, he or she receives the full target amount of the performance-related cash component. If the actual degree of target achievement is lower or higher than the 100 percent target value, the cash component increases or decreases accordingly. Two parameters are used to measure target achievement: whether the Group's net income target was met and the achievement of the Board member's individual targets.

Achievement of the Group's net income target: Two-thirds of the variable cash component is based on meeting a specified net income target for the Group, and hence a corresponding return on equity. This measure takes into account not only Group net income for the current financial year, but also for the two preceding years. The degree to which the targets have been achieved is determined for each of the three financial years, and can range from 0 percent to a maximum of 200 percent. The average level of target achievement is then used to calculate two-thirds of the variable cash component for the current financial year.

When determining the target achievement level for the relevant years of receipt, the Supervisory Board checks whether and to what extent exceptional, one-off effects influenced the Group's net income. If these one-off effects were caused by developments or factors not attributable to the Executive Board, the Supervisory Board takes this into account when determining the level of target achievement. Based on the Group's net income that was achieved for 2009 and 2010, the Supervisory Board calculated a target achievement for those members of the Executive Board who were in office throughout the two financial years. For Executive Board members who joined in these two years and future Executive Board members, 100 percent target achievement is assumed for past years in which they were not yet in office.

Achievement of individual targets: One-third of the variable cash component is determined based on the degree to which each member of the Executive Board has achieved the individual targets set for the financial year for which the cash bonus is to be awarded. Individual targets are agreed with each Executive Board member at the beginning of the year. Target achievement is assessed after the end of the year; as with the achievement of the Group's net income target, a range from 0 to a maximum of 200 percent is possible.

Variable share component

The Supervisory Board also establishes the 100 percent target value for the variable share component for each Executive Board member in euros. The number of phantom Deutsche Börse shares is calculated for each member of the Executive Board at the beginning of the financial year, based on this target value. To do this, the euro amount is divided by the average share price (Xetra® closing price) in the two calendar months before the target value is determined. The phantom Deutsche Börse shares are subject to a performance period of three years (vesting period: the grant year and the two subsequent years). Entitlements to variable share bonuses are settled in cash and only arise at the end of the performance period (vesting period). The stock bonus is variable in two ways: the first variable is the number of phantom Deutsche Börse shares, which depends on the relative performance of Deutsche Börse's total shareholder return (TSR) compared to the TSR of the STOXX® Europe 600 Financials Index. The second variable is the share price.

If the average performance of Deutsche Börse AG's TSR in the performance period moves parallel to the average TSR of the benchmark index, the number of phantom shares remains unchanged at the end of this period. If the TSR of Deutsche Börse AG is 50 percent or less than the index's TSR, the number of phantom shares falls to nil. If the TSR of Deutsche Börse AG's shares is at least twice that of the index, the number of shares doubles. The following table shows the relationship between TSR performance and the number of shares:

Relationship between TSR performance and the number of share

Average TSR of Deutsche Börse AG compared to the TSR of the STOXX® Europe 600 Financials %	Number of phantom shares at the end of the vesting period (compared to the number of shares originally allocated) %
–50	0
–40	50
0	100
40	140
50	150
100	200

The number of shares calculated at the end of the vesting period as described above is multiplied by the share price applicable on that date (average price / Xetra closing price of Deutsche Börse's shares in the preceding two full calendar months). This gives the value of the variable share component. The Supervisory Board has set the maximum variable share component, which is completely paid out in cash, at 250 percent of the original target value.

Since the variable share component described above was applied for the first time in 2010, the Executive Board members will receive a possible share bonus under it for the first time in 2013. For 2009, they will still receive a variable share component under the former Stock Bonus Plan (SBP) if they were in office throughout that period. Under the SBP, one-third of the variable remuneration was granted in the form of phantom shares in 2009. These shares are subject to a two-year vesting period and will be paid out to the Executive Board members in the spring of 2012. The Supervisory Board may choose whether to settle the award in cash or shares.

The expense from the variable share component incurred in the year under review is presented together with the carrying amount as at the balance sheet date in tables 1 to 3. See also note 41 in the notes to the consolidated financial statements.

Table 1: 2011 expense for the new share-based payments

	Expense 2011 for the 2010–2011 tranches € thousands	Accumulated expense for 2010 and 2011 for the 2010–2011 tranches € thousands
Reto Francioni	388.6	614.5
Andreas Preuss	322.4	509.8
Frank Gerstenschläger	198.8	314.3
Michael Kuhn	253.0	400.0
Gregor Pottmeyer	215.0	339.9
Jeffrey Tessler	254.8	402.9
Total	**1,632.6**	**2,581.4**

The 2011 tranche was allocated in 2011 with a vesting period of three years and payment in 2014. The 2010 tranche was allocated in 2010 with a vesting period of three years and payment in 2013.

Table 2: 2011 expense for the still outstanding tranches of the old stock bonus plan

	Expense 2011 for the 2009 tranche € thousands	Accumulated expense for 2009–2011 for the 2009 tranche € thousands
Reto Francioni	80.8	414.0
Andreas Preuss	62.4	319.6
Frank Gerstenschläger	39.3	201.5
Michael Kuhn	50.3	258.0
Gregor Pottmeyer	0	0
Jeffrey Tessler	53.3	273.4
Total	**286.1**	**1,466.5**

Allocation in 2009, payment in 2012

Table 3 (total of table 1 and table 2): 2011 expense for the new share-based payments and the still outstanding tranches of the old stock bonus plan (numbers of the previous year in brackets)

	Expense 2011 (Total) € thousands	Accumulated expense for 2009–2011 (Total) € thousands
Reto Francioni	469.4 (736.2)	1,028.5 (1,624.7)
Andreas Preuss	384.8 (546.9)	829.4 (1,204.2)
Frank Gerstenschläger	238.1 (350.6)	515.8 (758.2)
Michael Kuhn	303.3 (460.5)	658.0 (1,039.8)
Gregor Pottmeyer	215.0 (124.9)	339.9 (124.9)
Jeffrey Tessler	308.1 (483.9)	676.3 (1,078.6)
Total	**1,918.7** **(2,703.0)**	**4,047.9** **(5,830.4)**

A modified Black-Scholes option pricing model (Merton model) was used to measure the number of stock options arising from the variable share component. The model does not take exercise hurdles into account. The number of stock options was calculated as at the balance sheet date, taking into account the performance of the total shareholder return relative to the performance of Deutsche Börse AG's share price. It is based on the following valuation parameters:

Valuation parameters

		Share component 2011	Share component 2010 [1]	Tranche 2009 [1]
Term [2]		3 years	2 years	1 year
Risk-free interest rate	%	0.14	–0.02	1.19
Volatility	%	30.56	34.10	55.48–56.95
Deutsche Börse AG share price [3]	€	40.51	40.51	47.35–54.88
Dividend yield	%	5.18	5.18	4.21–4.88
Fair value	€	36.45	38.34	43.21–50.70
Relative total shareholder return	%	5.56	9.12	–

1) The valuation parameters are calculated on the balance sheet date 31 December 2011.
2) Term begins on the grant date.
3) As from 20 July 2011 the data shown refer to tendered shares (ISIN DE000A1KRND6).

Number of 2011 phantom shares (new)

		Number of phantom shares on the grant date[1]	Adjustments of number of phantom shares since the grant date[2]	Number of phantom shares as at 31 Dec. 2011[2]
Reto Francioni	2011 tranche	14,866	827	15,693
	2010 tranche	16,448	1,501	17,949
	Total of 2010 + 2011 tranches			**33,642**
Andreas Preuss	2011 tranche	12,332	686	13,018
	2010 tranche	13,645	1,245	14,890
	Total of 2010 + 2011 tranches			**27,908**
Frank Gerstenschläger	2011 tranche	7,601	423	8,024
	2010 tranche	8,411	768	9,179
	Total of 2010 + 2011 tranches			**17,203**
Michael Kuhn	2011 tranche	9,674	538	10,212
	2010 tranche	10,704	977	11,681
	Total of 2010 + 2011 tranches			**21,893**
Gregor Pottmeyer	2011 tranche	8,222	458	8,680
	2010 tranche	9,079	830	9,927
	Total of 2010 + 2011 tranches			**18,607**
Jeffrey Tessler	2011 tranche	9,745	542	10,287
	2010 tranche	10,783	984	11,767
	Total of 2010 + 2011 tranches			**22,054**
	Total of 2010 + 2011 tranches			**141,307**

1) From 2010, the variable share component is based on the new remuneration system and has a performance period of three years.
2) The adjustment and number of phantom shares on the balance sheet date are based on the result of the performance comparison since the grant date (total shareholder return comparison with peer group) and are indicative for 2011. The number may change as a result of the performance comparison based on total shareholder return in 2012 and 2013.

Number of stock options of the SBP tranches 2008 and 2009 (old)[1)]

	Balance as at 31 Dec. 2010	Settlement in stock bonus plan shares 2011[2)]	Number of shares as at 31 Dec. 2011
Reto Francioni	31,794	21,234	10,560
Andreas Preuss	23,287	15,137	8,150
Frank Gerstenschläger	14,715	9,576	5,139
Michael Kuhn	20,234	13,655	6,579
Gregor Pottmeyer	0	0	0
Jeffrey Tessler	21,129	14,156	6,973
Total	**111,159**	**73,758**	**37,401**

1) Since 2010, the variable share component has been based on the new remuneration system.
2) Settlement of the 2008 tranche, pay out in February 2011

Termination benefits

There are two different retirement benefit systems for Deutsche Börse AG Executive Board members:

Executive Board members who were appointed for the first time before 1 January 2009 receive a defined benefit pension. Executive Board members who were appointed for the first time after that date receive a defined contribution pension. The pensionable income and the present value of the existing pension commitments as at 31 December 2011 are presented in the table on page 67.

The fixed connection between basic remuneration and pensionable income for retirement benefit agreements was eliminated in 2010. The pensionable income has been determined separately since then and is reviewed regularly by the Supervisory Board.

Total Executive Board renumeration for 2011, without retirement benefits (numbers of the previous year in brackets)

	Non-performance-related remuneration	Other remuneration from ancillary contractual benefits[1]	Variable cash payment	Variable share component[2]		Total
				Number of phantom shares	Amount at the grant date[3]	
	€ thousands	€ thousands	€ thousands	Number	€ thousands	€ thousands
Reto Francioni	1,100.0 (1,100.0)	60.1 (22.8)	1,596.6 (1,695.7)	14,866 (16,448)	839.0 (839.0)	3,595.7 (3,657.5)
Andreas Preuss	800.0 (800.0)	29.0 (26.7)	1,325.1 (1,407.3)	12,332 (13,645)	696.0 (696.0)	2,850.1 (2,930.0)
Frank Gerstenschläger	580.0 (580.0)	26.8 (26.8)	776.1 (826.7)	7,601 (8,411)	429.0 (429.0)	1,811.9 (1,862.5)
Michael Kuhn	650.0 (650.0)	20.1 (20.5)	990.6 (1,055.1)	9,674 (10,704)	546.0 (546.0)	2,206.7 (2,271.6)
Gregor Pottmeyer	600.0 (600.0)	23.9 (46.7)	902.0 (877.8)	8,222 (9,097)	464.0 (464.0)	1,989.9 (1,988.5)
Jeffrey Tessler	711.7 (698.6)	32.0 (31.6)	1,013.1 (1,177.0)	9,745 (10,783)	550.0 (550.0)	2,306.8 (2,457.2)
Total	**4,441.7 (4,428.6)**	**191.9 (175.1)**	**6,603.5 (7,039.6)**	**62,440 (69,088)**	**3,524.0 (3,524.0)**	**14,761.1 (15,167.3)**

1) Other remuneration comprises salary components such as taxable contributions towards private pensions, taxable lump-sum telephone allowances/living expenses, and company car arrangements.
2) The number of stock options at the 2011 grant date is calculated by dividing the target for the stock bonus by the average share price (Xetra closing price) of Deutsche Börse shares in the calendar months January and February 2011 (€56.44). The number of phantom shares is indicative and may change as a result of the performance comparison based on total shareholder return.
3) Corresponds to the 100 percent target value for the 2011 phantom stock bonus. The variable stock component under the 2011–2013 performance assessment will be paid out in 2014.

Amount of the Executive Board remuneration

The overview above shows the remuneration awarded to each Executive Board member for financial years 2011 and 2010 without retirement benefits.

Retirement benefits

The members of the Executive Board are entitled to pension benefits after reaching the age of 60 or 63, if they are no longer in the employment of Deutsche Börse AG at that time. In accordance with the Articles of Association of Deutsche Börse AG, membership of the Executive Board generally terminates when the members attain the age of 60. However, this age limit may be exceeded in individual cases if it is in the Company's interest.

Retirement benefits

	Pensionable income [1]	Replacement rate		Present value/ Defined benefit obligation		Pension expense	
	2011	as at 31 Dec. 2011	as at 31 Dec. 2010	as at 31 Dec. 2011	as at 31 Dec. 2010	2011	2010
	€ thousands	%	%	€ thousands	€ thousands	€ thousands	€ thousands
Defined benefit system							
Reto Francioni	1,000.0	35.0	35.0	8,170.4	8,188.9	0	204.9
Andreas Preuss	600.0	40.0	40.0	4,036.6	3,296.0	675.2	752.7
Frank Gerstenschläger	500.0	40.0	40.0	4,717.8	4,650.1	0	652.5
Michael Kuhn	500.0	50.0	50.0	5,619.5	5,243.3	235.7	574.1
Jeffrey Tessler	577.8	40.0	35.0	4,057.6	4,415.5	78.3	14.2
Total	**3,177.8**			**26,601.9**	**25,793.8**	**989.2**	**2,198.4**
Defined contribution system							
Gregor Pottmeyer [2]	500.0	48.0 [3]	48.0 [3]	669.5	385.5	307.5	346.8

1) Since 2010, pensionable income is no longer based on fixed remuneration, but is reviewed and determined by the Supervisory Board.
2) The pension agreement with Mr Pottmeyer was entered into as part of the restructuring of the Executive Board remuneration in 2010.
3) The annual pension contribution amounts to 48 percent of the basis for assessment in the defined contribution system.

Defined benefit retirement benefit system

After reaching the contractually agreed retirement age of 60 or 63, members of the Executive Board to whom the defined benefit retirement benefit system is applicable receive a specified percentage (replacement rate) of their individual pensionable income as a pension. This is subject to the Executive Board member in question having served on the Executive Board for at least three years and having been reappointed at least once. Pensionable income is determined and regularly reviewed by the Supervisory Board. When the term of office began, the replacement rate was 30 percent. It rose by five percentage points with each reappointment, up to a maximum of 50 percent. As a rule, the benefit is granted in the form of a monthly pension. However, it may also be paid out in the form of a one-off capital payment or in five instalments, provided that the Supervisory Board has adopted a corresponding resolution at the Executive Board member's request.

Defined contribution retirement benefit system

For Executive Board members to whom the defined contribution retirement benefit system applies, the Company makes a contribution in the form of a capital component in each calendar year they serve on the Executive Board. This contribution is determined by applying an individual replacement rate to the pensionable income. As in the defined benefit retirement benefit system, the pensionable income is determined and regularly reviewed by the Supervisory Board. The annual capital components calculated in this way bear interest corresponding to the discount rate used to measure pension liabilities in the Company's German financial statements in accordance with section 253 (2) of the HGB, but at least 3 percent annually. As a rule, the benefit under the defined contribution system is also granted in the form of a monthly pension. However, it may also be paid out in the form of a one-off capital payment or in five instalments, provided that the Supervisory Board has adopted a corresponding resolution at the Executive Board member's request.

Early retirement pension
Members of the Executive Board who have a defined benefit pension are entitled to an early retirement pension if the Company does not extend their contract, unless the reason for this is attributable to the Executive Board member or would justify termination without notice of the Executive Board member's contract. The amount of the early retirement pension is calculated in the same way as the retirement benefits by applying the relevant replacement rate to the pensionable income. Again, this is subject to the Executive Board member having served on the Executive Board for at least three years and having been reappointed at least once. In addition, an Executive Board member must have reached the age of 55 to qualify for the early retirement pension. Members of the Executive Board who have a defined contribution pension are not eligible for early retirement benefits.

Death and permanent occupational incapacity benefits
In the event of the permanent occupational incapacity of a member of Deutsche Börse AG's Executive Board, the Company is entitled to retire the Executive Board member in question. Permanent occupational incapacity exists if an Executive Board member is unable to perform his or her professional activities for more than six months and it is not expected that his or her occupational capacity will be regained within a further six months. In such cases, Executive Board members who have a defined benefit pension plan receive the amount calculated by applying the relevant replacement rate to the pensionable income. Executive Board members with a defined contribution pension plan receive the benefit assets acquired when the benefits fall due, plus an allocated amount. The allocated amount corresponds to the full annual pension contribution that would have been due in the year of leaving service multiplied by the number of years between the benefits falling due and the Executive Board member reaching the age of 59.

In the event of the death of an Executive Board member, his or her spouse receives 60 percent of the above amount and each dependent child receives 10 percent (25 percent for full orphans), up to a maximum of 100 percent of the pension contribution.

Transitional payments
In the event of permanent occupational incapacity, the agreements under the defined benefit retirement benefit system for Deutsche Börse AG's Executive Board provide for a transitional payment in addition to the benefits described above. The amount of this payment corresponds to the amount of the target variable remuneration (cash and share bonuses) in the year in which the benefits fall due, and is paid out in two tranches in the two subsequent years. In the case of the death of an Executive Board member, his or her spouse receives 60 percent of the transitional payment. A transitional payment is only made in the case of defined benefit pension agreements.

Severance payments
In the event of early termination of an Executive Board member's contract of service other than for good cause, any payments made to the Executive Board member may not exceed the remuneration for the residual term of the contract of service and may also not exceed the value of two total annual remuneration payments (severance cap). The payment is calculated based on the total remuneration in the past financial year and, where appropriate, the expected total remuneration for the current financial year. The Supervisory Board may exceed the upper limit in exceptional, justified cases.

Change of control
If an Executive Board member is asked to stand down within six months of a change of control, he or she is entitled to a severance payment equal to two total annual remuneration payments or the value of the residual term of his or her contract of service, where this is less than two years. This entitlement may be increased to 150 percent of the severance payment. If an Executive Board member resigns within six months of the change of control because his or her position as a member of the Executive Board is significantly negatively impacted as a result of the change of control, the Supervisory Board may decide at its discretion whether to grant a severance payment of the above-mentioned amount. This provision applies to all new contracts for, and reappointments of, members of Deutsche Börse AG's Executive Board since 1 July 2009.

For contracts entered into before 1 July 2009, the previous contractual arrangement, whereby Executive Board members are entitled to a severance payment in the event of both their dismissal and their resignation within six months of a change of control, will continue to apply, but at the latest until the members' next reappointment. This severance payment consists of compensation for the residual term of the contract as well as an additional severance payment of up to twice the annual benefits, whereby the sum of the compensation and severance payment may not exceed five times the annual benefits.

Other provisions

Secondary employment
Additional appointments or sideline activities entered into by individual members of the Executive Board require the approval of the entire Executive Board and the Chairman of the Supervisory Board or, in certain cases, the entire Supervisory Board, which has delegated the granting of

approval to the Personnel Committee. If a member of the Executive Board is remunerated for an office performed at an affiliate of Deutsche Börse AG, this is offset against the Executive Board member's entitlement to remuneration from Deutsche Börse AG.

Loans to Executive Board members
The Company granted no advances or loans to members of the Executive Board in financial year 2011, and there are no loans or advances from previous years to members of the Executive Board.

Payments to former members of the Executive Board

Former members of the Executive Board or their surviving dependents received payments of €1.6 million in the year under review (2010: €1.3 million). The actuarial present value of the pension obligations as at the balance sheet date was €33.3 million in the year under review (2010: €32.6 million).

Remuneration of the Supervisory Board

Supervisory Board members receive a rateable fixed remuneration for their services in financial year 2011, depending on their length of service in the year under review. The annual fixed remuneration for membership was €96 thousand for the Chairman, €72 thousand for the Deputy Chairman and €48 thousand for each other member. In addition, membership of the Supervisory Board's Committees (Strategy, Technology, Personnel, Nomination, Clearing and Settlement, and Audit and Finance) is remunerated: the additional remuneration is unchanged at €30 thousand per annum for the Chairman of each Committee (€40 thousand per annum for the Chairman of the Audit and Finance Committee) and €20 thousand per annum for each other Committee member.

Members of the Supervisory Board also receive annual variable remuneration based on two different targets relating to the Company's performance. Target 1: In the year in which remuneration is paid, the consolidated return on equity after taxes of Deutsche Börse Group must exceed by at least five percentage points the average of the monthly average current yields to maturity of domestic bearer bonds and public-sector bonds with a remaining maturity of more than nine to ten years, as calculated by Deutsche Bundesbank (Germany's central bank). Target 2: Consolidated earnings per share for the previous two full financial years must exceed consolidated earnings per share for the previous year in each case by 8 percent or more. The members of the Supervisory Board each receive annual variable remuneration in the amount of €16 thousand for each target met. Target 1 was met in the year under review.

Remuneration paid to members of the Supervisory Board for advisory and agency services

Payments for advisory and agency services were made to two companies: €61.7 thousand to Mayer Brown LLP and €161.4 thousand to Richard Berliand Limited. Friedrich Merz is a partner in the company Mayer Brown LLP and Richard Berliand is the Managing Director and general partner of Richard Berliand Limited.

Supervisory Board remuneration[1)2)]

	Membership		Non-performance-related remuneration		Performance-related remuneration	
	2011	2010	2011 € thousands	2010 € thousands	2011 € thousands	2010 € thousands
Dr Manfred Gentz (Chairman)	full year	full year	186.0	186.0	16.0	16.0
Gerhard Roggemann (Deputy Chairman)	full year	full year	132.0	132.0	16.0	16.0
Herbert Bayer	full year	full year	68.0	68.0	16.0	16.0
Richard Berliand	full year	full year	68.0	69.7	16.0	16.0
Birgit Bokel	full year	full year	68.0	68.0	16.0	16.0
Dr Joachim Faber	full year	full year	88.0	89.7	16.0	16.0
Hans-Peter Gabe	full year	full year	68.0	68.0	16.0	16.0
Richard M. Hayden	full year	full year	108.0	108.0	16.0	16.0
Craig Heimark	full year	full year	78.0	78.0	16.0	16.0
Dr Konrad Hummler	full year	full year	78.0	76.3	16.0	16.0
David Krell	full year	full year	68.0	68.0	16.0	16.0
Hermann-Josef Lamberti	full year	full year	48.0	55.5	16.0	16.0
Friedrich Merz	full year	full year	88.0	88.0	16.0	16.0
Thomas Neiße	full year	full year	88.0	84.7	16.0	16.0
Roland Prantl	full year	full year	68.0	68.0	16.0	16.0
Dr Erhard Schipporeit	full year	full year	88.0	88.0	16.0	16.0
Norfried Stumpf	full year	full year	68.0	68.0	16.0	16.0
Johannes Witt	full year	full year	68.0	68.0	16.0	16.0
Total			**1,526.0**	**1,531.8**	**288.0**	**288.0**

1) See note 41 in the notes to the consolidated financial statements for details of the long-term incentive components.
2) The recipient of the remuneration will be determined individually by the members of the Supervisory Board.

Auditor´s Report

We have audited the consolidated financial statements prepared by Deutsche Börse Aktiengesellschaft, Frankfurt/Main, comprising the consolidated income statement, the statement of recognised income and expense, the consolidated balance sheet, the consolidated cash flow statement, the consolidated statement of changes in equity and the notes to the consolidated financial statements, together with the group management report for the business year from January 1 to December 31, 2011. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB [Handelsgesetzbuch „German Commercial Code“] are the responsibility of the parent company`s management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit. In addition we have been instructed to express an opinion as to whether the consolidated financial statements comply with full IFRS.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs, as adopted by the EU, the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and full IFRS and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Frankfurt/Main, March 5, 2012

KPMG AG
Wirtschaftsprüfungsgesellschaft

Signature	Signature
Braun	Beier
German Qualified Auditor	German Qualified Auditor

Responsibility statement by the Executive Board

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Frankfurt/Main, 2 March 2011
Deutsche Börse AG

Reto Francioni	Andreas Preuss	Frank Gerstenschläger
Michael Kuhn	Gregor Pottmeyer	Jeffrey Tessler