Deutsche Börse Aktiengesellschaft, Frankfurt/Main
Balance Sheet as at 31 December 2012

Assets	31/12/2012	31/12/2011
	€	€ (thousand)
NONCURRENT ASSETS		
Intangible Assets		
Licenses and similar rights for data processing and software	13.058.459,00	9.158
Goodwill	442.925,00	461
Prepayments	5.000,00	5
	13.506.384,00	9.624
Tangible Assets		
Fixtures on third party land	23.174.252,00	24.224
Other assets, furniture and office equipment	54.604.766,94	53.769
	77.779.018,94	77.993
Financial Assets		
Shares in affiliated companies	3.086.328.369,45	2.496.172
Loans to affiliated companies	996.934.322,01	942.765
Investments	34.408.837,03	34.651
Loans to companies in which the company has a participating interest	77.187,98	549
Long-Term securities	12.636.498,14	10.669
Other loans	50.574,30	6
	4.130.435.788,91	3.484.812
Total Noncurrent Assets	4.221.721.191,85	3.572.428
CURRENT ASSETS		
Accounts Receivable and Other Assets		
Trade accounts receivable	118.807.282,50	119.887
Receivables from affiliated companies	253.331.809,10	210.284
Receivables from companies in which the company has a participating interest	1.438.448,48	3.402
Other current assets	78.061.601,38	37.467
thereof with residual term over 1 year € 13.976.760,02 (previous year € 15.671 (thousand))		
	451.639.141,46	371.040
Cash and Bank Balances	281.081.015,83	596.013
Total Current Assets	732.720.157,29	967.053
DEFERRED EXPENSES AND ACCRUED INCOME	17.063.299,57	14.881
Total Assets	4.971.504.648,71	4.554.362

Shareholder's Equity and Liabilities	Per value of shares acquired for retirement	Subscribed capital before retirement	31/12/2012	31/12/2011
			€	€ (thousand)
SHAREHOLDER'S EQUITY	€	€		
Subscribed Capital	193.000.000,00	-8.921.326,00	184.078.674,00	183.400
Capital Reserve			1.286.328.955,19	1.284.329
Retained Earnings				
Other profit reserves			431.144.371,32	138.156
			431.144.371,32	138.156
Unappropriated Surplus			400.000.000,00	650.000
Total Shareholder's Equity			2.301.552.000,51	2.255.885
Provisions				
Provisions for pensions and similar obligations			16.463.524,92	26.142
Provisions for deferred taxes			130.838.773,33	114.995
Other provisions			131.788.565,28	145.822
Total provisions			279.090.863,53	286.959
LIABILITIES				
Bonds			1.746.387.690,66	1.463.106
Liabilities from bank loans and overdraft			96.148,45	527
Trade accounts payable			21.589.616,21	29.944
Amounts owed to affiliated companies			557.352.867,42	440.423
Amounts owed to companies in which the company has a participating interest			13.260.012,84	12.988
Other liabilities			51.268.160,69	62.163
Total Liabilities			2.389.954.496,27	2.009.152
DEFERRED INCOME AND ACCRUED EXPENSES			907.288,40	2.367
Total Shareholder's Equity and Liabilities			4.971.504.648,71	4.554.362

Deutsche Börse Aktiengesellschaft, Frankfurt/Main
Profit and Loss Account
for the period 1 January to 31 December 2012

	2012		2011	
	€	€	€ (thousand)	€ (thousand)
Sales Revenue		1.110.263.852,97		1.280.677
Other Operating Income		109.182.724,08		118.786
thereof from currency translation € 13.485.097,00 (previous year € 6.469 (thousand))				
Personnel Expenses				
Wages and Salaries	-120.307.535,19		-119.487	
Social securities, pensions and other benefits	-17.668.253,18		-27.034	-146.521
thereof pensions € 5.958.765,98 (previous year € 15.245 (thousand))				
Depreciation				
of intangible and tangible assets		-32.526.864,49		-28.439
Other Operating Expenses		-522.140.871,83		-566.278
thereof from currency translation € 4.567.676,62 (previous year € 14.615 (thousand))				
Income from Participating Interests		79.772.463,08		39.489
thereof from affiliated companies € 72.200.950,71 (previous year € 37.195 (thousand))				
Income from Profit and Loss Agreements		215.420.834,70		173.436
Income from Financial Assets: Long-Term Securities and Loans		27.018.291,41		16.754
thereof from affiliated companies € 15.000.000,00 (previous year € 15.286 (thousand))				
Interest and Similar Income		1.094.474,84		4.492
thereof from affiliated companies € 22.290,64 (previous € 36 (thousand))				
Depreciation of Current Assets: Financial Assets and Securities		-2.662.724,18		-25.876
thereof to affiliated companies € 0,00 (previous year € 0 (thousand))				
Interest and Similar Charges		-121.143.275,18		-106.376
thereof to affiliated companies € 1.147.005,48 (previous year € 3.033 (thousand))				
thereof from addition of discounted interest € 10.608.388,48 (previous year € 8.408 (thousand))				
Profit before Tax from Ordinary Activities		726.303.117,03		760.145
Extraordinary income		0,00		60.261
Extraordinary expense		0,00		-118
Extraordinary earnings		0,00		60.143
Tax on Profit		-120.639.985,13		-155.891
Other Taxes		29.868,10		15.289
Net Income for the Financial Year		605.693.000,00		679.685
Withdrawal from other profit reserves		0,00		0
Allocations to other profit reserve		-205.693.000,00		-29.685
Unappropriated Surplus		400.000.000,00		650.000

Notes to the financial statements for financial year 2012

Accounting policies

Deutsche Börse AG's annual report for the financial year 2012 was prepared in accordance with the provisions of the Handelsgesetzbuch (HGB, German Commercial Code) and of the Aktiengesetz (AktG, the German Stock Corporation Act).

The total cost accounting method was chosen for the income statement.

The Company is a large corporation as defined by section 267 (3) of the HGB.

Fixed asset line items denominated in foreign currency have been translated into euro amounts using the exchange rates valid on the date of acquisition; in case of permanent impairment, the conversion is at the period-end exchange rate.

Assets and liabilities denominated in foreign currency have been translated using the ECB reference rate or the Bloomberg rates valid at the balance sheet date. If the assets and liabilities denominated in foreign currency have a maturity of one year or less, then HGB sections 253 (1) clause 1 and 252 (1) no. 4 subclause 2 were not applied.

Income and expenses were translated on the posting date at the ECB reference rate or the Bloomberg rates.

Purchased intangible assets are carried at cost and amortised using the straight-line method or valued at the lower fair value. No use was made of the option to capitalise internally generated intangible assets.

Property, plant and equipment is carried at cost. Depreciable property, plant and equipment is depreciated using the straight-line method over its useful life or valued at its lower fair value. Low-value fixed assets with acquisition costs up to €410 were written off directly in the financial year 2012 in accordance with section 6 (2) of the German Income Tax Act (EstG). In this respect, no use was made of the option granted by section 6 (2a) EStG to create a compound item.

Investments in affiliated companies stated under financial assets as well as participations are carried at the lower of cost or fair value. Loans to affiliated companies and other loans are recognised at nominal value, taking into account any permanent impairment, where applicable. Securities are carried at cost or at the lower exchange rate on the reporting date, in the event of likely permanent impairment. If the circumstances which led to a write-down no longer apply, a reversal is made, up to a maximum of the original cost.

Receivables and other assets are always carried at their nominal amount. All discernible risks are impaired individually, whilst latent risks are considered on a portfolio basis.

Provisions for pensions and other obligations have been stated along with the projected benefit obligation on the basis of actuarial tables using the “2005 G” mortality tables (generation tables) developed by Dr Klaus Heubeck, modified by statistical information gathered by the German Federal Statistical Office from 2006 to 2008.

Actuarial assumptions		
	31.12.2012	31.12.2011
	%	%
Discount rate	5.06	5.13
Salary growth	3.50	3.50
Pension growth	2.00	2.00
Staff turnover rate	2.00[1)]	2.00[1)]

1) Up to age 50, thereafter 0.0 percent

Calculations for the projected benefit obligation arising from the employee-financed Deferred Compensation Programme were made on the basis of an interest rate of 5.06 percent (previous year: 5.13 percent) along with actuarial tables using the “2005 G” mortality tables (generation tables) developed by Dr Klaus Heubeck, modified by statistical information gathered by the German Federal Statistical Office from 2006 to 2008.

As per section 246 (2) 2 of the HGB, the amount of pension benefits to be paid as at the balance sheet date was offset against the fair value of the asset, which is protected from any creditor claims and is intended exclusively to meet the liabilities arising from pension obligations or other similar long-term obligations to employees (plan assets). The cumulative costs of the plan assets amount to €131.5 million (previous year: €122.2 million).

The plan asset, which corresponds to a 68.5 percent share (previous year: 69.4 percent) in a special fund as defined by sections 1 and 2 (3) of the German Investment Act (InvG), had a fair value at the balance sheet date of €128.7 million (previous year: €110.5 million), which is equivalent to the current value as defined by section 36 of the InvG. This special fund is an international mixed fund (mixed special fund) with regulatory investment restrictions. In addition to replicating DJ STOXX 600 Europe, a capital protection concept is applied alongside a non-forecast-orientated trend reporting system which is key to the portfolio management. During the period under review, €2.9 million (previous year: €2.7 million) was withdrawn, which corresponds to the amount of current pension payments, and which was immediately added back to the plan asset. A total amount of €12.2 million (previous year: €23.3 million) was added to the special fund. This asset is protected from any creditor claims and is thus not repayable on demand.

The other provisions have been estimated in consideration of all known risks and unknown liabilities as at the balance sheet date and were estimated at the amount which is required to be paid according to a reasonable commercial assessment. Provisions with a maturity of more than one year are discounted using the market interest rates published by the Deutsche Bundesbank according to the remainder of their maturity.

The basis for determining provisions for the Stock Option Plan is the intrinsic value of the option, whereas the basis for determining provisions for the Stock Bonus Plan is the price of Deutsche Börse AG shares at the reporting date.

The provisions for anniversary payments and early retirement were estimated using actuarial principles of the amount to be paid, and for early retirees valued at present value. The projected unit credit method was applied as the basis of this assessment. During the period under review, the interest rate of 5.06 percent (previous year: 5.13 percent) published by the German Ministry of Finance was applied. The “2005 G” mortality tables created by Dr Klaus Heubeck (with the modifications already mentioned) were the basis of these projections.

For all hedge accounting procedures as defined by section 254 of the HGB, Deutsche Börse AG exercises the option of only stating hedges on the balance sheet to the extent that the hedge was ineffective and a negative result arises (compensatory valuation/net hedge presentation method). In such an event, a provision for contingent losses is recognised.

Deferred taxes are calculated in accordance with section 274 HGB on temporary differences between the carrying amounts according to commercial law and their taxable values. Deferred tax liabilities are only reported insofar as they exceed deferred tax assets. In view of the existing single-entity relationship for tax purposes with Clearstream Holding AG, temporary differences between the carrying amounts according to commercial law and their taxable values of these companies were accounted for at the level of the controlling company, Deutsche Börse AG. Calculating deferred taxes is based on the combined income tax rate of all the companies comprising a single-entity for tax purposes with Deutsche Börse AG, which currently stands at 25.79%.

As at 31 December 2012, the excess of deferred tax assets amounted to €12.5 million. The excess of deferred tax assets is mainly the result of differences in the carrying amounts in the provisions for pensions and their related cover assets.

In accordance with section 274 (1) (2) HGB, the Company refrained from reporting the excess of deferred tax assets. Deferred taxes are calculated on the basis of the tax rates in effect or expected in Germany on the date they are recovered.

There is currently a uniform rate of corporation tax of 15 percent plus a solidarity surcharge of 5.5 percent. Taking trade tax into account, this results in a composite tax rate of 25.79 percent. There were no carryforwards of tax losses as at the reporting date.

In accordance with section 253 (1) clause 2 of the HGB, these liabilities are treated with their respective payment amounts as deferred items.

Notes to the balance sheet

Fixed assets

The movements of fixed assets are described in detail in the appendix. In the financial year 2012, write-downs of €2.7 million (previous year: €25.9 million) were made to financial investments. These relate to loans to companies in which the company has a participating interest.

As at 31 December 2012, loans to affiliated companies totalled €996.9 million (previous year: €942.8 million). Of this, €846.9 million (previous year: €790.2 million) is related to profit participations rights issued by Eurex Frankfurt AG as part of the acquisition of International Securities Exchange Holdings, Inc. (ISE). Owing to the profit generated by Eurex Frankfurt AG there was a partial reversal of the earlier impairment in the amount of €56.7 million (previous year: €29.3 million). The participation right qualifies to receive losses of the issuer, Eurex Frankfurt AG.

Investments in affiliated companies

As at 31 December 2012, Deutsche Börse AG had investments in affiliated companies as follows:

Company	Domicile	Currency	Own equity in € thous.[1)]	2012 net profit loss in € thous.	Equity interest direct (indirect)
Clearstream Holding AG	Germany	€	2,115,314	215,421	100.00%
Clearstream International S.A.	Luxembourg	€	819,349	235,169	(100.00)%
Clearstream Banking S.A.	Luxembourg	€	533,929	125,044	(100.00)%
Clearstream Banking Japan, Ltd.	Japan	JPY	35,252	5,564	(100.00)%
REGIS-TR S.A.	Luxembourg	€	2,163	-635	(50.00)%
Clearstream Banking AG	Germany	€	276,259	87,318	(100.00)%
Clearstream Services S.A.	Luxembourg	€	62,377	9,351	(100.00)%
Clearstream Fund Services Ireland Ltd.	Ireland	€	586	86	(100.00)%

Company	Domicile	Currency	Own equity in € thous.[1)]	2012 net profit loss in € thous.	Equity interest direct (indirect)
Clearstream Operations Prague s.r.o	Czech Republic	CZK	182,961	-10,303	(100.00)%
LuxCSD S.A.	Luxembourg	€	5,335	-365	(50.00)%
Deutsche Boerse Systems, Inc.	US	US$	4,091	602	100.00%
Eurex Global Derivatives AG	Switzerland	CHF	282,455	-208,399	100.00%
Eurex Zürich AG	Switzerland	CHF	305,016	4,565	(100.00)%
Eurex Frankfurt AG	Germany	€	984,318	86,851	(100.00)%
Eurex Bonds GmbH	Germany	€	7,515	1,429	(79.44)%
Eurex Clearing AG	Germany	€	139,416	1,186	(100.00)%
Eurex Repo GmbH	Germany	€	550	11,098	(100.00)%
Eurex Services GmbH	Germany	€	1,182,469	86,754	(100.00)%
U.S. Exchange Holdings, Inc.	US	US$	0	-1,722	(100.00)%
International Securities Exchange Holdings, Inc.	US	US$	1,721,482	13,091	(100.00)%
ETC Acquisition Corp.	US	US$	3,639	125	(100.00)%
International Securities Exchange, LLC	US	US$	61,261	44,011	(100.00)%
Longitude LLC	US	US$	3,945	3,923	(100.00)%
Longitude S.A.	Luxembourg	€	454	-646	(100.00)%
Finnovation S.A.	Luxembourg	€	121,183	-1,785	100.00%
Infobolsa S.A.	Spain	€	11,867	581	50.00%
Difubolsa, Serviços de Difusão e Informaçao de Bolsa, S.A.	Portugal	€	155	18	(50.00)%

Company	Domicile	Currency	Own equity in € thous.[1)]	2012 net profit loss in € thous.	Equity interest direct (indirect)
Infobolsa Deutschland GmbH	Germany	€	1,296	70	(50.00)%
Open Finance, S.L.	Spain	€	1,040	396	(31.00)%
Market News International Inc.	US	US$	20,600	816	100.00%
MNI Financial and Economic Information (Beijing) Co. Ltd.	China	US$	237	94	(100.00)%
Need to Know News, LLC	US	US$	5,425	-261	(100.00)%
Risk Transfer Re S.A.	Luxembourg	€	1,225	0	100.00%
STOXX Ltd.	Switzerland	CHF	88,044	19,255	50.10%
Tradegate Exchange GmbH	Germany	€	913	230	76.23%
Deutsche Börse Services s.r.o.	Czech Republic	CZK	84,372	28,760	100.00%

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

Equity investments

Deutsche Börse AG held the following equity investments with a share of more than 20 percent as at 31 December 2012:

Company	Domicile	Currency	Own equity in € thous.[1)]	2012 net profit loss in € thous.	Equity interest direct (indirect)
European Energy Exchange AG	Germany	€	113,696	11,813	(56.14)%
Scoach Holding S.A.	Luxembourg	€	26,816	6,567	50.01%
Indexium AG	Switzerland	CHF	5,514	-844	49.90%
Direct Edge Holdings, LLC	US	US$	126,290	17,135	(31.54)%
Hanweck Associates, LLC	US	US$	273	-951	(26.44)%
ID's SAS	France	€	2,107	761	25.01%

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

As at 31 December 2012, Deutsche Börse AG held directly or indirectly more than 5 percent of the voting rights in the following companies:

Company	Domicile	Currency	Own equity in € thous.[1)]	2012 net profit loss in € thous.	Equity interest direct (indirect)
The Options Clearing Corporation, USA	US	US$	12,433	1,829	(20.00)%
Deutsche Börse Commodities GmbH	Germany	€	3,155	1,503	16.20%
Digital Vega FX Ltd.	United Kingdom	GBP	676	-875	13.02%
Phineo gAG	Germany	€	1,224	-198	12.00%
Tradegate AG Wertpapierhandelsbank	Germany	€	27,109	-2,708	4.93%

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

Receivables from affiliated companies

This balance sheet item contains trade receivables from affiliated companies of €31.4 million (previous year: €11.9 million) as well as other assets amounting to €221.9 million (previous year: €198.4 million). The profit transfer agreement with Clearstream Holding AG accounted for €215.4 million (previous year: €173.4 million) of the other assets.

Receivables from companies in which the company has a participating interest

This balance sheet item primarily comprises trade receivables of €1.4 million (previous year: €3.4 million) from companies in which the company has a participating interest.

Disclosures regarding financial instruments and hedging transactions according to section 285 (19) and (23) of the HGB.

At the reporting date, investments of the following derivatives were held; the financial instruments are designated as part of the hedging transactions:

Risk		Underlying transaction		Hedging instrument		Type of hedging relationship	Prospective effectiveness
	Type	Type	Amount	Risk	Amount		
Interest	Cash flows from planned long-term debt instruments	Planned issue of fixed-rate debt instruments	€300 m	Swaption and forward swap	€300 m	Micro cash flow hedge of an anticipated transaction	Maturity, currency and volume congruence

To hedge against changes in interest rates in relation to the planned issue of long-term debt instruments, Deutsche Börse AG concluded a swaption and a forward swap which mature in 2018 and a nominal amount of €150.0 million respectively in 2010. To the extent that the swaption will be exercised in 2013, Deutsche Börse AG will act as fixed rate payer for both interest rate derivatives. Along with the likely transaction (issue of a debt instrument) both derivatives together represent a hedging instrument as defined by section 254 of the HGB. On 31 December 2012 the market price of the swap was €-14.6 million; the swaption was out-of-the-money.

On 24 October 2012, Deutsche Börse AG also concluded a forward foreign exchange transaction with Eurex Services GmbH due 1 August 2013 for the purchase of USD 51 million. The US dollar purchase transaction has a negative market value of €0.6 million. There is also another forward foreign exchange transaction (sale of USD) due on 1 August 2013 for a nominal amount of USD 10 million which had a positive market value on 31 December of €0.1 million.

In the year under review, two forward foreign exchange transactions for the purchase of USD 51 million each and the sale of USD 10 million each expired.

Prepaid expenses

Prepaid expenses contain discounts for bond issues as defined by section 250 (3) of the HGB of €5.4 million (previous year: €2.1 million).

Deferred tax assets

Deutsche Börse AG does not exercise the option to recognise deferred tax assets.

Equity

Fully paid-in share capital amounts to €193.0 million (previous year: €195.0 million), divided into 193,000,000 no-par value registered shares. 2.0 million shares were cancelled in February 2012.

There were 8,921,326 treasury shares held at the end of the year (previous year: 11,600,127), representing 4.6 percent of share capital. As part of employee programmes, 116,068 shares were sold at the price of €5.1 million in the year under review and, under the terms of the acquisition of an equity investment, 5,286,738 shares were sold at the price of €255.9 million. As part of the share buyback programme, 4,724,005 shares were acquired at the purchase price of €198.2 million. Shares thus valued at year's end amounted to €412.3 million, resulting from the buyback of shares from 2005-2012.

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

	Amount in €	Date of shareholder approval	Conclusion of approval process	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 exchange traded share 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	16 May 2012	15 May 2017	- 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 15 ff. of the AktG

In addition to authorised share capital I, II, III and IV, the Company has contingent capital I that allows the issue of up to 6,000,000 shares to settle stock options under the Group Share Plan.

The Company's capital reserves and retained earnings performed as follows:

	€m	€m
Capital reserves		
Brought forward as at 1 January 2012	1,284.3	
Addition	2.0	
Balance as at 31 December 2012		1,286.3
Retained earnings		
Other retained earnings		
Brought forward as at 1 January 2012	138.2	
Addition from previous year's net profit	27.1	
Addition due to sale of own shares	255.6	
Addition from 2012 net income	205.7	
Transfer due to acquisition of own shares	-193.4	
Transfer due to cancellation of shares	-2.0	
Balance as at 31 December 2012		431.2

Provisions for pensions and other employee benefits

Pension liabilities on the basis of section 246 (2) 2 of the HGB	
	€m
Pension obligations payable	145.2
Fair value of plan assets	-128.7
Provisions for pensions and other employee benefits	16.5

Netting profit and loss	
	€m
Income arising from pension obligations	0.6
Net revenue stated under personnel expenses	0.6
Interest expense arising from pension obligations	8.4
Reversals of plan assets	8.9
Income from plan assets	1.9
Net revenue stated under financial result	2.4

Other provisions

Other provisions, amounting to €131.8 million (previous year: €145.8 million), comprise the following:

	€m
Interest relating to tax audit	39.7
Provisions as part of the 2010 restructuring programme	24.5
Other personnel provisions	16.0
Phantom Stock Option Plan, Stock Bonus Plan and Group Share Plan	11.4
Outstanding invoices	10.7
Variable remuneration	9.0
Obligation to reimburse current and future pension payments to the chamber of commerce (IHK) on the basis of the transition agreement	8.6
Remuneration for the Supervisory Board	2.1
Risk of litigation	1.9
Anticipated losses from leases and asset retirement obligations	1.6
Severance payments	1.6
Miscellaneous provisions	4.7
	131.8

Liabilities

Liabilities are divided into the categories below. Lien rights or similar rights are not included in liabilities.

Amount in €m	Total amount	Thereof: up to 1 year	Thereof: 1-5 years	Thereof: > 5 years
Bonds (previous year)	1,746.4 (1,463.1)	797.8 (0.0)	128.8 (1,238.6)	819.8 (224.5)
Liabilities to banks (previous year)	0.1 (0.5)	0.1 (0.5)	0.0 (0.0)	0.0 (0.0)
Trade payables (previous year)	21.6 (29.9)	21.6 (29.9)	0.0 (0.0)	0.0 (0.0)
Liabilities towards affiliated companies (previous year)	557.4 (440.4)	557.4 (440.4)	0.0 (0.0)	0.0 (0.0)
- Thereof trade payables (previous year)	47.9 (55.4)	47.9 (55.4)	0.0 (0.0)	0.0 (0.0)
- Thereof other liabilities (previous year)	509.5 (385.0)	509.5 (385.0)	0.0 (0.0)	0.0 (0.0)
Payables to other companies in which the company has a participating interest (previous year)	13.3 (13.0)	13.3 (13.0)	0.0 (0.0)	0.0 (0.0)
- Thereof trade payables (previous year)	0.1 (0.4)	0.1 (0.4)	0.0 (0.0)	0.0 (0.0)
- Thereof other liabilities (previous year)	13.2 (12.6)	13.2 (12.6)	0.0 (0.0)	0.0 (0.0)
Other liabilities (previous year)	51.2 (62.2)	50.4 (61.8)	0.4 (0.4)	0.4 (0.0)
- Thereof taxes (previous year)	6.4 (6.7)	6.4 (6.7)	0.0 (0.0)	0.0 (0.0)
- Thereof social security contributions (previous year)	0.1 (0.2)	0.1 (0.2)	0.0 (0.0)	0.0 (0.0)
Total liabilities (previous year)	2,390.0 (2,009.1)	1,440.6 (545.6)	129.2 (1,239.0)	820.2 (224.5)

Disclosures to the income statement

Sales revenue

Sales revenue of €1,110.3 million (previous year: €1,280.7 million) consist mainly of €660.2 million (previous year: €765.6 million) from the Eurex electronic derivatives trading platform, €232.4 million (previous year: €306.8 million) from the cash market with the Xetra electronic trading system and floor trading as well as the central counterparty for equities, and €196.6 million (previous year: €196.9 million) from the sales and marketing of exchange data and information, as well as index development and marketing.

Other operating income

Other operating income amounts to €109.2 million (previous year: €118.8 million). This item comprises income from agency agreements with affiliated companies (€82.4 million; previous year €84.7 million), income from foreign currency translation arising from exchange rate differences (€13.5 million; previous year: €6.5 million) as well as out-of-period income from the reversal of provisions (€6.9 million; previous year €19.5 million). It also includes rental income (€0.7 million; previous year: €0.9 million) and out-of-period income from receivables individually written-down in prior years (€0.5 million; previous year: €0.5 million).

Other operating expenses

Other operating expenses amount to €522.1 million (previous year: €566.3 million), and comprise: agency fees to affiliated companies (€201.8 million; previous year €193.1 million); legal and consulting expenses (€101.5 million; previous year €146.9 million); expenses for IT services (€60.9 million; previous year €51.5 million); rental expenses (€40.0 million; previous year €38.0 million); expenses arising from marketing exchange data (€26.8 million; previous year €12.2 million); expenses for Xetra Market Services (€15.8 million; previous year: €10.9 million); expenses for the communication network (€12.9 million; previous year €11.1 million); advertising and marketing expenses (€9.3 million; previous year €10.6 million); and expenses from non-deductible input tax (€2.8 million; previous year €14.6 million). Expenses from foreign currency translation stated in the income statement include €4.6 million (previous year: €14,6 million) from exchange rate differences.

Auditor’s fee

In accordance with section 285 (17) of the HGB, disclosures as to the auditor’s fee are contained in the notes to the consolidated financial statements of Deutsche Börse AG.

Other financial obligations and transactions not included in the balance sheet

Other financial obligations relate to rental, lease, maintenance and other contracts.

Obligations relating to rental, lease and maintenance contracts in 2013 (€47.6 million; previous year: €69.1 million) arise mainly from long-term contracts for office space rental of €23.1 million (previous year: €23.1 million), as well as software maintenance contracts of €16.5 million (previous year: €20.4 million). Other obligations in the amount of €8.0 million (previous year: €25.6 million) relate to other rental and leasing agreements (€2.5 million: previous year: €11.6 million) and diverse other maintenance contracts in the amount of €5.5 million (previous year: €14.0 million). For financial years starting in 2014, it is anticipated that €257.6 million (previous year: €293.3 million) will be spent on these contracts.

In the financial year that ended in 2012, other obligations arose from management and agency agreements with Eurex Frankfurt AG of €178.4 million (previous year: €167.5 million) and Eurex Clearing AG of €23.4 million (previous year: €16.7 million). Deutsche Börse AG assumes that the obligations arising from agency agreements with Eurex Frankfurt AG and Eurex Clearing AG will not deviate significantly in future from the figures in 2012. The obligations owed to Eurex Frankfurt AG and Eurex Clearing AG are obligations owed to affiliated companies.

Other contracts, particularly service contracts, gave rise to financial obligations of €14.0 million in 2013 (previous year: €16.6 million), of which €10.2 million (previous year: €9.4 million) relates to IT and application support. For the financial years from 2014 onwards, these contracts are anticipated to generate expenses of €16.2 million (previous year: €43.7 million).

The Company provided a guarantee (“Patronatserklärung”) in favour of Eurex Clearing AG, according to which Deutsche Börse AG is obliged to provide Eurex Clearing AG with the financial means needed to fulfil its obligations arising from its activities and in its capacity as central counterparty (CCP) for processing securities traded on the Frankfurt Stock Exchange, futures traded on the Eurex Germany and Eurex Zurich exchanges, contracts traded using the Eurex Bonds GmbH system and real repurchase agreements traded with the Eurex Repo GmbH system, within the meaning of the HGB section 340b (1 and 2). The guarantee is restricted to a maximum amount of €700.0 million. Based on the risk management system implemented by Eurex Clearing AG, particularly the Lines of Defence, as well as the fact that in the past no utilisation of Deutsche Börse AG occurred due to failure of a clearing member, Deutsche Börse AG currently assumes that utilisation resulting from the guarantee is not probable.

Referring to section 5 (10) of the statute of the Deposit Protection Fund, an unlimited statement of commitment has been issued to Clearstream Banking AG, according to which Deutsche Börse AG indemnifies the Bundesverband deutscher Banken e.V. from all potential loss claims.

Moreover, Deutsche Börse AG provides loan commitments in favour of affiliated companies and companies in which the Company has a participating interest of €72 million and €7 million respectively.

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 or termination of the agreement, to retain the Scoach Holding S.A. (including the collateral participation in Scoach Europe 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), are higher than those of Scoach Schweiz AG, which will be taken over by SIX Swiss Exchange AG. On the other hand, if they are lower, a liability results for SIX Swiss Exchange AG to Deutsche Börse AG. In December 2012, SIX Swiss Exchange AG terminated the cooperation agreement with effect from 30 June 2013. With the terminating of the cooperation agreement, the joint venture will be terminated as of 30 June 2013 and the brought markets will be transferred back to the parent companies.

Provisions arising from deferred compensation were recognised in the balance sheet under employee expenses for individual subsidiaries. However, as Deutsche Börse AG has an obligation as a provider towards participating employees, a contingent liability of €17.3 million (previous year: €14.6 million) arises which is equivalent to the amount of the provisions made by the individual subsidiaries.

Other disclosures

Supervisory Board

The members of the Supervisory Board are:

Dr Joachim Faber Chairman (since 16 May 2012)	Independent management consultant, Grünwald
Other appointments	Allianz S.p.A., Trieste (Member of the Board of Directors, until 14 February 2012) Allianz France, Paris (Member of the Board of Directors) (Chairman of the Audit Committee since 7 March 2012) Coty Inc., New York (Member of the Board of Directors) HSBC Holding plc, London (Member of the Board of Directors since 1 March 2012) Joh. A. Benckiser SARL, Luxembourg (Chairman of the Shareholders' Committee since 1 January 2012)
Gerhard Roggemann Vice Chairman	Vice Chairman, Cannacord Genuity Hawkpoint Limited, London
Supervisory Board appointments	Deutsche Beteiligungs AG, Frankfurt am Main GP Günter Papenburg AG, Schwarmstedt (Chairman) Fresenius SE & Co. KGaA, Bad Homburg
Other appointments	Friends Life Group plc., London (Member of the Board of Directors) Resolution Limited, Guernsey (Member of the Board of Directors)

Richard Berliand	Executive Director, Richard Berliand Limited, Ashtead, Surrey
Supervisory Board appointments	Eurex Clearing AG, Frankfurt am Main (since 17 September 2012) Eurex Frankfurt AG, Frankfurt am Main (since 17 September 2012)
Other appointments	Eurex Zürich AG, Zurich (Member of the Board of Directors since 17 September 2012) ITRS Group Limited, London (Member of the Board of Directors since 6 February 2012, Chairman of the Board of Directors since 31 May 2012) London Wine Agencies, London (Director) Mako Europe Ltd, London (Member of the Board of Directors)
Irmtraud Busch (since 16 May 2012)	Employee in the Settlement Product Design (OPD) section Clearstream Banking AG, Frankfurt am Main
Karl-Heinz Floether (since 16 May 2012)	Independent management consultant, Kronberg
Marion Fornoff (since 16 May 2012)	Employee in the Human Resources Germany section Deutsche Börse AG, Frankfurt am Main
Hans-Peter Gabe	Staff member in the HR Policies & Corporate Training section Deutsche Börse AG, Frankfurt am Main
Richard M. Hayden	Non-Executive Chairman, Haymarket Financial LLP, London Senior Advisor, TowerBrook Capital Partners L.P., London
Craig Heimark	Managing Partner, Hawthorne Group LLC, Palo Alto
Other appointments	Avistar Communications Corporation, Redwood Shores (Member of the Board of Directors) Cohesive Flexible Technologies Corporation, Chicago (Chairman of the Board of Directors)

David Krell	Chairman of the Board of Directors International Securities Exchange, LLC, New York
Dr Monica Mächler (since 16 May 2012)	Lawyer, Pfäffikon Former Vice Chair of the Board of Directors of the Swiss Financial Market Supervisory Authority FINMA, Berne
Friedrich Merz	Lawyer and Partner at Mayer Brown LLP, Düsseldorf
Supervisory Board appointments	AXA Konzern AG, Cologne BVB Borussia Dortmund KGaA, Dortmund HSBC Trinkaus & Burkhardt AG, Dusseldorf WEPA Industrieholding SE, Arnsberg (Chairman)
Other appointments	BASF Antwerpen N.V., Antwerp (Member of the Board of Directors) Stadler Rail AG, Bussnang (Member of the Board of Directors)
Thomas Neiße	Chief Executive Deka Investment GmbH, Frankfurt am Main
Heinz-Joachim Neubürger (since 16 May 2012)	Independent management consultant, London
Dr Erhard Schipporeit	Independent management consultant, Hanover
Supervisory Board appointments	BDO AG, Hamburg Fuchs Petrolub AG, Mannheim Hannover Rückversicherung AG, Hanover SAP AG, Walldorf Talanx AG, Hanover
Other appointments	Fidelity Funds SICAV, Luxembourg (Member of the Board of Directors) TUI Travel plc., London (Member of the Board of Directors)

Jutta Stuhlfauth (since 16 May 2012)	Lawyer, M.B.A. (Wales) and Head of Unit Policies and Procedures Deutsche Börse AG, Frankfurt am Main
Martin Ulrici (since 16 May 2012)	Staff member in the HR Policies & Corporate Training section Deutsche Börse AG, Frankfurt am Main
Johannes Witt	Staff member in the Consolidation & Accounting Frankfurt section Deutsche Börse AG, Frankfurt am Main

Former Supervisory Board members:

Dr Manfred Gentz (until 16 May 2012) Chairman	President of the International Chamber of Commerce (ICC) Germany, Berlin
Supervisory Board appointment	Zurich Financial Services, Zurich (Chairman of the Board of Directors until 29 March 2012)
Herbert Bayer (until 16 May 2012)	Former Trade Union Secretary ver.di, Department 1 Financial Services Area Frankfurt am Main and region, Frankfurt am Main
Supervisory Board appointment	dwpbank - Deutsche WertpapierService Bank AG, Frankfurt am Main
Birgit Bokel (until 16 May 2012)	Former staff member in the Facility Management section Deutsche Börse AG, Frankfurt am Main

Dr Konrad Hummler (until 16 May 2012)	Managing Partner, Wegelin & Co. Private Bankers, St. Gallen
Other appointments	AG für die Neue Zürcher Zeitung, Zurich (until 8 February 2012 Chairman of the Board of Directors, since 8 February 2012 Member of the Board of Directors) Bühler AG, Uzwil (Member of the Board of Directors) Gerlan Finanz AG, Zollikon (Member of the Board of Directors) Habib Bank AG Zurich, Zürich (Member of the Board of Directors)
Hermann-Josef Lamberti (until 15 May 2012)	Former member of the Executive Board, Deutsche Bank AG, Frankfurt am Main
Supervisory Board appointments	BVV Pensionsfonds des Bankgewerbes AG, Berlin BVV Versicherungsverein des Bankgewerbes a.G., Berlin Carl Zeiss AG, Oberkochen Deutsche Bank Privat- und Geschäftskunden AG, Frankfurt am Main BVV Versorgungskasse des Bankgewerbes e.V., Berlin (Member of the Supervisory Board)
Other appointments	European Aeronautic Defence and Space Company EADS N.V. Schiphol-Rijk, (Member of the Board of Directors)
Roland Prantl (until 16 May 2012)	Staff member in the Configuration Management & Quality Assurance section, Deutsche Börse AG, Frankfurt am Main
Norfried Stumpf (until 16 May 2012)	Staff member in the New Issues & CSK Frankfurt section Clearstream Banking AG, Frankfurt am Main
Supervisory Board appointment	Clearstream Banking AG, Frankfurt am Main

In the financial year, the members of the Supervisory Board received remuneration of €2.1 million.

The Supervisory Board has established the following committees:

Audit and Finance Committee

Dr Erhard Schipporeit (Chairman)
Friedrich Merz
Thomas Neiße (until 16 May 2012)
Heinz-Joachim Neubürger (since 16 May 2012)
Johannes Witt

Personnel Committee

Dr Joachim Faber (Chairman) (since 16 May 2012)
Dr Manfred Gentz (Chairman) (until 16 May 2012)
Marion Fornoff (since 16 May 2012)
Hans-Peter Gabe (until 16 May 2012)
Richard M. Hayden
Gerhard Roggemann

Strategy Committee

Dr Joachim Faber (since 16 May 2012 Chairman)
Dr Manfred Gentz (Chairman) (until 16 May 2012)
Herbert Bayer (until 16 May 2012)
Richard Berliand (since 16 May 2012)
Birgit Bokel (until 16 May 2012)
Karl-Heinz Floether (since 16 May 2012)
Hans-Peter Gabe (since 16 May 2012)
Richard M. Hayden (until 16 May 2012)
Friedrich Merz (until 16 May 2012)
Heinz-Joachim Neubürger (since 16 May 2012)
Gerhard Roggemann
Jutta Stuhlfauth (since 16 May 2012)

Technology Committee

Craig Heimark (Chairman)
Richard Berliand (until 16 May 2012)
Karl-Heinz Floether (since 16 May 2012)
David Krell
Roland Prantl (until 16 May 2012)
Martin Ulrici (since 16 May 2012)

Clearing and Settlement Committee
Richard Berliand (Chairman) (since 16 May 2012)
Dr Konrad Hummler (Chairman) (until 16 May 2012)
Irmtraud Busch (since 16 May 2012)
Dr Joachim Faber (until 16 May 2012)
Dr Monica Mächler (since 16 May 2012)
Thomas Neiße
Norfried Stumpf (until 16 May 2012)

Nomination Committee
Dr Joachim Faber (Chairman) (since 16 May 2012)
Dr Manfred Gentz (Chairman) (until 16 May 2012)
Richard M. Hayden
Gerhard Roggemann

Executive Board

The members of the Executive Board are:

Reto Francioni Prof., Dr jur.	Chairman of the Executive Board Chief Executive Officer
Supervisory Board appointments	Clearstream Holding AG (Chairman) Eurex Clearing AG (Vice Chairman, from 30 April 2012 until 15 August 2012 Chairman) Eurex Frankfurt AG (Vice Chairman, from 30 April 2012 until 15 August 2012 Chairman)
Other appointments	Clearstream International S.A. (Chairman of the Board of Directors) Eurex Zürich AG (Vice Chairman of the Board of Directors, from 30 April 2012 until 15 August 2012 Chairman of the Board of Directors)
Andreas Preuß University degree in Business Administration (Diplom-Kaufmann)	Member of the Executive Board and Deputy Chief Executive Officer Responsible for the Derivatives division, until 30 November 2012 also for the Market Data division Chief Executive Officer, Eurex Clearing AG Chief Executive Officer, Eurex Frankfurt AG Chief Executive Officer, Eurex Zürich AG Chairman of the Management Board, Eurex Deutschland Member of the Management Board, Eurex Services GmbH
Supervisory Board appointment	Clearstream Holding AG (Vice Chairman)
Other appointments	Bombay Stock Exchange Limited (Member of the Board of Directors, Shareholder Director) Eurex Global Derivates AG (Chairman of the Board of Directors, since 30 April 2012) International Securities Exchange, LLC (Vice Chairman of the Board of Directors) International Securities Exchange Holdings, Inc. (Vice Chairman of the Board of Directors)

Frank Gerstenschläger University degree in Economics, Business Administration and Engineering (Dipl.-Wirtschaftsingenieur)	Member of the Executive Board Responsible for the Xetra division Chairman of the Management Board, Frankfurter Wertpapierbörse
Supervisory Board appointment	Clearstream Banking AG
Other appointments	Clearstream International S.A. (Member of the Board of Directors) Scoach Holding S.A. (Member of the Board of Directors)
Michael Kuhn Dr-Ing.	Member of the Board of Directors (until 31 December 2012) Responsible for the Information Technology division (until 30 November 2012)
Supervisory Board appointments	Eurex Clearing AG (until 16 September 2012) Eurex Frankfurt AG (until 31 December 2012)
Other appointments	Clearstream Services S.A. (Member of the Board of Directors until 31 December 2012) Deutsche Börse Systems Inc. (Member of the Board of Directors until 31 December 2012) Eurex Zürich AG (Member of the Board of Directors until 31 December 2012) International Securities Exchange, LLC (Member of the Board of Directors until 31 December 2012)
Gregor Pottmeyer University degree in Economics (Diplom-Kaufmann)	Member of the Executive Board Chief Financial Officer
Supervisory Board appointments	Clearstream Holding AG Eurex Clearing AG Eurex Frankfurt AG
Other appointments	Clearstream International S.A. (Member of the Board of Directors) Eurex Zürich AG (Member of the Board of Directors)

Hauke Stars Degree in IT (Dipl.-Ing. Informatik) Master of Science (M.Sc.)	Member of the Executive Board (since 1 December 2012) Chief Information Officer (since 1 December 2012) Responsible for the Information Technology and Market Data division
Supervisory Board appointments	GfK SE Klöckner & Co. SE
Jeffrey Tessler MBA	Member of the Executive Board Responsible for the Clearstream division
	Chief Executive Officer, Clearstream Banking S.A. Chief Executive Officer, Clearstream International S.A. Chief Executive Officer, Clearstream Holding AG
Supervisory Board appointment	Clearstream Banking AG (Chairman)
Other appointments	Clearstream Banking S.A. (Chairman of the Board of Directors) Clearstream International S.A. (Deputy Chairman of the Board of Directors) Clearstream Services S.A. (Chairman of the Board of Directors) Link-Up Capital Markets, S.L. (Chairman of the Board of Directors)

Executive Board

In 2012, the total remuneration of members of the Executive Board amounted to €9.5 million. Total compensation includes share-based remuneration of €2.4 million. The shares are valued at market price on the balance sheet date. The number of stock options (51,571) and the value determined at the grant date is based on a share price of Deutsche Börse AG of €46.09 being the average price during the first two calendar months of financial year 2012. See the Deutsche Börse AG management report for additional disclosures regarding Executive Board compensation.

The remuneration of former members of the Executive Board and their surviving dependents amounted to €1.6 million in 2012 (previous year: €1.6 million). A total of €34,1 million (previous year: €32.7 million) has been earmarked for pension obligations to former members of the Executive Board and their surviving dependants.

Employees

The average number of employees during the financial year 2012 was 1,001 (previous year: 1,011). On 31 December 2012, 1,012 employees, excluding the Executive Board, were employed at Deutsche Börse AG. Of these 1,012 employees, 17 are employed on a limited-term employment contract and 136 employees work part-time. 26 employees were on maternity leave or received the German parental allowance. The average of full-time equivalent (FTE) employees during the year was 933 (previous year: 915).

Intercompany agreements

As part of the concluded profit transfer agreement between Clearstream Holding AG and Deutsche Börse AG, Clearstream Holding AG is obliged to transfer its entire net income for the year to Deutsche Börse AG, less any losses carried forward from the previous year and the amount to be added to the reserves, as required by section 300 of the AktG. Simultaneously, Deutsche Börse AG is required to equalise any losses incurred at Clearstream Holding AG during the year through loss absorption, provided that such losses have not already been balanced by transfers from other retained earnings added during the term of the contract.

On 2 March 2010, Deutsche Börse AG entered into a control agreement ("Beherrschungsvertrag") with Clearstream Banking AG. As part of this agreement, Clearstream Banking AG subordinates the management of its company to Deutsche Börse AG, and Deutsche Börse AG has the right to give instructions to the Executive Board of Clearstream Banking AG with respect to the management of the company.

Combined management report

The managements reports of Deutsche Börse AG and Deutsche Börse Group were combined in accordance with section 315 (3) of the HGB in conjunction with section 289 (3) of the HGB and German Accounting Standard (GAS) 20 (22).

Group structure

Deutsche Börse AG prepares a set of consolidated financial statements. The consolidated financial statements are published in the electronic version of the German Federal Gazette and are also available at the Company's premises.

Shareholders

The Deutsche Börse AG has received the following notifications pursuant to § 21 WpHG:

Discloser	Domicile and country in which the domicile or place of residence of the discloser is located	Date investment reached, exceeded or fell below threshold	Over-/ understepping (+/-)	Reporting threshold	Attribution in acc. with sections 22, 25 and 25a of the WpHG	Investment (%)	Investment (voting rights)
Deutsche Börse AG	Frankfurt/Main, Germany	17.02.2012	+	3,00%	n.a.	4,94%	9.533.068
BlackRock Advisors Holdings, Inc.	New York, USA	01.12.2009	+	3,00%	section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG	3,35%	6.526.163
BlackRock Financial Management, Inc.	New York, USA	14.04.2011	+	5,00%	section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG	5,04%	9.821.174
BlackRock Holdco 2, Inc.	Delaware, USA	14.04.2011	+	5,00%	section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG	5,04%	9.821.174
Black Rock Group Limited	London, United Kingdom	07.12.2012	+	3,00%	section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG	3,00%	5.790.525
BlackRock, Inc.	New York, USA	12.04.2011	+	5,00%	section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG	5,01%	9.773.982
Royal Bank of Scotland Group plc	Edinburgh, United Kingdom	16.05.2011	-	3,00%	1.50344 % of the voting rights in acc. with section 22 (1) sentence 1 of the WpHG and 0.00006 % of the voting rights in acc. with section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG	1,50%	2.931.849
Royal Bank of Scotland N.V.	Amsterdam, Netherlands	16.05.2011	-	3,00%	n.a.	1,50%	2.931.719
BR Jersey International Holdings, L.P.	St. Helier, Jersey, Channel Islands	08.02.2012	+	3,00%	section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG	3,58%	6.981.055
BlackRock International Holdings, Inc.	New York, USA	02.08.2012	+	3,00%	section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG	3,58%	6.981.055
RFS Holdings B.V.	Amsterdam, Netherlands	16.05.2011	-	3,00%	section 22 (1) sentence 1 no. 1 of the WpHG	1,50%	2.931.719
RBS Holdings N.V.	Amsterdam, Netherlands	16.05.2011	-	3,00%	section 22 (1) sentence 1 no. 1 of the WpHG	1,50%	2.931.719
Capital Research and Management Company	Los Angeles, USA	01.10.2011	-	3,00%	section 22 (1) sentence 1 no. 6 of the WpHG	2,88%	5.562.043
Franklin Mutual Advisers, LLC	Washington, USA	12.10.2011	-	3,00%	section 22 (1) sentence 1 no. 6 of the WpHG	2,96%	5.771.503
Sun Life of Canada (U.S.) Financial Services Holdings, Inc.	Boston, USA	19.12.2011	-	3,00%	section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG	2,92%	5.699.639
Sun Life Financial (U.S.) Investments LLC	Wellesley Hills, USA	19.12.2011	-	3,00%	section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG	2,92%	5.699.639
Sun Life Financial (U.S.) Holdings, Inc.	Wellesley Hills, USA	19.12.2011	-	3,00%	section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG	2,92%	5.699.639
Sun Life Global Investments Inc.	Toronto, Canada	19.12.2011	-	3,00%	section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG	2,92%	5.699.639
Sun Life Assurance Company of Canada- U.S. Operations Holdings, Inc.	Wellesley Hills, USA	19.12.2011	-	3,00%	section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG	2,92%	5.699.639
Sun Life Financial Inc.	Toronto, Canada	19.12.2011	-	3,00%	section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG	2,92%	5.699.639
Massachusetts Financial Services Company (MFS)	Boston, USA	19.12.2011	-	3,00%	section 22 (1) sentence 1 no. 6 of the WpHG	2,92%	5.699.639
Credit Suisse Group AG	Zurich, Switzerland	23.05.2012	-	5,00%	 section 25a of the WpHG section 25 of the WpHG sections 21, 22 of the WpHG	1,34% 0,02% 0,04% 1,28%	2.587.486 39.420 71.843 2.476.223
Credit Suisse Securities (Europe) Limited	London, United Kingdom	23.05.2012	-	5,00%	sections 21, 22 of the WpHG	1,28%	2.471.378
The Capital Group Companies	Los Angeles, USA	02.10.2012	-	5,00%	sections 21, 22 of the WpHG	2,75%	5.310.796

Discloser	Domicile and country in which the domicile or place of residence of the discloser is located	Date investment reached, exceeded or fell below threshold	Over-/ understepping (+/-)	Reporting threshold	Attribution in acc. with sections 22, 25 and 25a of the WpHG	Investment (%)	Investment (voting rights)
Morgan Stanley	Delaware, USA	29.05.2012	-	5,00%		3,54%	6.834.833
					section 25a of the WpHG	2,31%	4.462.194
					section 25 of the WpHG	1,17%	2.253.884
					sections 21, 22 of the WpHG	0,06%	118.755
Morgan Stanley International Holdings	Delaware, USA	29.05.2012	-	5,00%		1,03%	1.984.463
					section 25 of the WpHG	1,00%	1.930.473
					sections 21, 22 of the WpHG	0,03%	53.990
Morgan Stanley International Limited	London, United Kingdom	29.05.2012	-	5,00%	section 25 of the WpHG	0,88%	1.693.951
Morgan Stanley Group Europe	London, United Kingdom	29.05.2012	-	5,00%	section 25 of the WpHG	0,88%	1.693.951
Morgan Stanley UK Group	London, United Kingdom	29.05.2012	-	5,00%	section 25 of the WpHG	0,88%	1.693.951
Morgan Stanley & Co International Plc	London, United Kingdom	29.05.2012	-	5,00%		2,99%	5.775.662
					section 25a of the WpHG	2,11%	4.081.711
					section 25 of the WpHG	0,88%	1.693.951
Deka Bank Deutsche Girozentrale	Frankfurt/Main, Germany	11.05.2012	+	5,00%		5,70%	11.008.669
					section 25 of the WpHG	0,81%	1.567.000
					sections 21, 22 of the WpHG	4,89%	9.441.669
Credit Suisse AG	Zurich, Switzerland	23.05.2012	-	5,00%		1,34%	2.587.486
					section 25a of the WpHG	0,02%	39.420
					section 25 of the WpHG	0,04%	71.843
					sections 21, 22 of the WpHG	1,28%	2.476.223
Credit Suisse Investments UK	London, United Kingdom	23.05.2012	-	5,00%	sections 21, 22 of the WpHG	1,28%	2.471.378
Credit Suisse Investment Holdings UK	London, United Kingdom	23.05.2012	-	5,00%	sections 21, 22 of the WpHG	1,28%	2.471.378
Warburg Invest Kapitalanlagegesellschaft	Hamburg, Germany	21.05.2012	-	3,00%	sections 21, 22 of the WpHG	1,61%	3.108.037

German corporate governance code

On 10 December 2012, the Executive Board and the Supervisory Board of Deutsche Börse AG jointly issued the updated declaration of conformity in accordance with section 161 of the AktG and made it available to shareholders on a permanent basis on the website of Deutsche Börse Aktiengesellschaft.

Frankfurt am Main, 11 March 2013

Deutsche Börse Aktiengesellschaft

The Executive Board

Reto Francioni   Andreas Preuss   Frank Gerstenschläger

Gregor Pottmeyer   Hauke Stars   Jeffrey Tessler

Deutsche Börse Aktiengesellschaft, Frankfurt/Main

Statement of Changes in Noncurrent Assets as at 31 December 2012

	Acquistion and Production Costs					Depreciation and Amortization						Book Value	
	Balance as at 1 Jan. 2012	Change due to mergers 2012	Additions 2012	Disposals 2012	Balance as at 31 Dec. 2012	Balance as at 1 Jan. 2012	Change due to mergers 2012	Depreciation 2012	Release 2012	Disposals 2012	Balance as at 31 Dec. 2012	31 Dec. 2012	31 Dec. 2011
	€	€	€	€	€	€	€	€	€	€	€	€	€
Intangible Assets													
Licenses and similar rights for data processing and software	249.922.912,74	0,00	8.944.151,26	33.266.214,75	225.600.849,25	240.765.172,74	0,00	5.043.432,26	0,00	33.266.214,75	212.542.390,25	13.058.459,00	9.157.740,00
Goodwill	484.734,10	0,00	29.416,26	0,00	514.150,36	23.270,10	0,00	47.955,26	0,00	0,00	71.225,36	442.925,00	461.464,00
Prepayments on account and construction in progress	5.000,00	0,00	0,00	0,00	5.000,00	0,00	0,00	0,00	0,00	0,00	0,00	5.000,00	5.000,00
	250.412.646,84	0,00	8.973.567,52	33.266.214,75	226.119.999,61	240.788.442,84	0,00	5.091.387,52	0,00	33.266.214,75	212.613.615,61	13.506.384,00	9.624.204,00
Tangible Assets													
Fixtures on third party land	35.679.888,13	0,00	861.683,99	332.851,01	36.208.721,11	11.456.178,13	0,00	1.911.141,99	0,00	332.851,01	13.034.469,11	23.174.252,00	24.223.710,00
Other assets, furnitures and office equipment	244.834.941,06	0,00	26.523.426,97	25.344.322,61	246.014.045,42	191.066.093,11	0,00	25.524.334,98	0,00	25.181.149,61	191.409.278,48	54.604.766,94	53.768.847,95
	280.514.829,19	0,00	27.385.110,96	25.677.173,62	282.222.766,53	202.522.271,24	0,00	27.435.476,97	0,00	25.514.000,62	204.443.747,59	77.779.018,94	77.992.557,95
Financial Assets													
Shares in affiliated companies	2.506.972.213,78	0,00	590.156.155,67	0,00	3.097.128.369,45	10.800.000,00	0,00	0,00	0,00	0,00	10.800.000,00	3.086.328.369,45	2.496.172.213,78
Loans to affiliated companies	1.778.856.095,21	0,00	0,00	2.530.000,00	1.776.326.095,21	836.091.375,14	0,00	0,00	-56.699.601,94	0,00	779.391.773,20	996.934.322,01	942.764.720,07
Investments	56.897.133,12	0,00	1.241.745,63	1.484.009,52	56.654.869,23	22.246.032,20	0,00	0,00	0,00	0,00	22.246.032,20	34.408.837,03	34.651.100,92
Loans to companies in which the company has a participating interest	3.465.829,16	0,00	2.191.083,00	0,00	5.656.912,16	2.917.000,00	0,00	2.662.724,18	0,00	0,00	5.579.724,18	77.187,98	548.829,16
Long-term securities	11.970.399,08	0,00	5.017.042,65	3.970.400,00	13.017.041,73	1.301.859,65	0,00	0,00	-921.316,06	0,00	380.543,59	12.636.498,14	10.668.539,43
Other loans	6.274,96	0,00	44.299,34	0,00	50.574,30	0,00	0,00	0,00	0,00	0,00	0,00	50.574,30	6.274,96
	4.358.167.945,31	0,00	598.650.326,29	7.984.409,52	4.948.833.862,08	873.356.266,99	0,00	2.662.724,18	-57.620.918,00	0,00	818.398.073,17	4.130.435.788,91	3.484.811.678,32
	4.889.095.421,34	0,00	635.009.004,77	66.927.797,89	5.457.176.628,22	1.316.666.981,07	0,00	35.189.588,67	-57.620.918,00	58.780.215,37	1.235.455.436,37	4.221.721.191,85	3.572.428.440,27

Combined management report of Deutsche Börse AG as at 31 December 2012

including remuneration report and corporate governance declaration

Combined management report

This combined management report covers the Group as well as Deutsche Börse AG: It has been prepared in accordance with sections 289, 315 and 315a of the Handelsgesetzbuch (HGB, German Com-mercial Code) and German Accounting Standard (GAS) 20. The combined management report also takes into account the requirements set out in the Practice Statement "Management Commentary" issued by the International Accounting Standards Board (IASB).

Basic principles of the Group

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 2012, the Group employed 3,704 people in 22 locations in 16 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 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 enhances 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 takes place based on a free pricing process 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).

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 include transaction settlement, administration and custody of securities as well as global securities financing and investment funds services.

Deutsche Börse AG and Clearstream Services S.A. develop and operate Deutsche Börse Group's technological infrastructure.

The chart on the next 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 determines 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.

Simplified shareholding structure of Deutsche Börse Group as at 31 December 2012

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 Global Derivatives AG 100%
  - Eurex Zürich AG 100%[3]
    - Eurex Frankfurt AG 100%
      - Eurex Clearing AG 100%
      - Eurex Repo GmbH 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%
      - Link-Up Capital Markets, S.L. 23%
    - Clearstream Banking S.A. 100%
      - Clearstream Banking 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 Systems Inc. 100%
- Deutsche Börse Services s.r.o 100%

1) Direct equity interest of Deutsche Börse AG: 14 percent
2) Plus an equity interest of 1 percent, which is held directly via Tradegate AG Wertpapierhandelsbank
3) Direct equity interest of Deutsche Börse AG: 50 percent

The Executive Board has sole responsibility for managing the company and the Chief Executive Officer coordinates the activities of the Executive Board members. Until 30 November 2012, the Executive Board of Deutsche Börse AG had 6 members. Deutsche Börse AG's Executive Board temporarily had 7 members in December 2012 due to the appointment of Hauke Stars effective 1 December 2012 and the departure of Michael Kuhn at the end of the year. The Executive Board again had 6 members as at 1 January 2013. From 1 April 2013, the Executive Board will be reduced to 5 members due to the departure of Frank Gerstenschläger. 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 combined 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. Changes from financial year 2013 onwards are described below.

Reporting segment	Business areas
Xetra	▪ Cash market with the Xetra® electronic trading system, the Xetra Frankfurt Specialist Trading and Tradegate ▪ 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, on- and off-exchange derivatives and repo transactions (Eurex Clearing)
Clearstream	▪ Custody and settlement services for domestic and international 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 in financial year 2012 mirrored the three market areas: cash market (Xetra), derivatives market and market data (Derivatives & Market Data), as well as securities settlement 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). Changes from financial year 2013 onwards are described in the following paragraph and already reflected in the overview of the Group's leadership structure (see chart on the next page).

Changes in financial year 2013

The organisational structure and reporting segments will change as follows in financial year 2013:

- Andreas Preuss heads the cash market and derivatives businesses starting as of 1 January 2013; the Xetra and Eurex reporting segments will remain separate. Frank Gerstenschläger, the Executive Board member responsible for the Xetra division in financial year 2012, is leaving the company as at 31 March 2013.
- As of 1 January 2013, the Information Technology (IT) and Market Data & Analytics areas are combined with selected external IT services in a separate business unit under the direction of Hauke Stars. The new segment structure clearly reflects the declared intention to expand Deutsche Börse's technology leadership and expertise in the area of market data. In the 2013 financial reports, the prior-year figures will be adjusted accordingly.

Goals and strategies

Goals and strategy of Deutsche Börse Group

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. Its business success is founded on the Group's integrated business model, which aims to offer its customers efficient and cost-effective services. It is based on the following key principles:

- Integrating different financial market services such as trading, clearing, settlement 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
- Acting as an impartial marketplace organiser to ensure orderly, supervised trading with fair pricing and risk management services
-

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 and that the Group has generated a strong cash flow from its operating activities for many years.

Deutsche Börse Group continues to pursue its strategy, which has enabled it to achieve its leading position. In doing so, it focuses 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 also takes these into consideration. The aim is responsible and sustainable growth that will add long-term value – for customers and business partners, staff, shareholders as well as the company.

Deutsche Börse Group channels its energies in the next years in three directions as part of its 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 achieves this by pooling all relevant company resources. To this end, the Information Technology (IT) and Market Data & Analytics areas as well as selected external services have been bundled in a separate business unit (reporting segment as of financial year 2013).
- Tapping into new geographic growth areas, especially in Asia, and acquiring new customer groups

Leadership structure of Deutsche Börse Group as at 1 January 2013

Group Executive Board

CEO R. Francioni	CFO G. Pottmeyer	Cash & Derivatives Markets A. Preuss	Clearstream J. Tessler	IT & Market Data & Analytics H. Stars	Special Projects F. Gerstenschläger
Programs and Adivsory	Financial Accounting & Controlling	Executive Office	Client Relations Europe & Americas	Central IT & Coordination	
Internal Auditing	Strategic Finance	IT	Client Relations South Asia/ Middle East/Africa	Networks & Infrastructure Ops	
Group Strategy	Investor Relations & Treasury	Business Development	Client Relations North Asia	VMS & Xetra/ Eurex Operations	
Corporate Communications	Group Compliance, Information Security & Risk Management	Sales & Marketing	Client Relations GSF & Broker/ Dealers	AD Cash/ Derivatives	
Corporate Office	Human Resources	Operations	Business Management	Clearstream IT	
General Counsel	Organization & Administration	Clearing	Operations	Market Data & Analytics	
Market Policy & European Public Affairs	SAP & Office Automation	Cash Market Structure	Investment Funds Services		

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)
- Regulatory requirements (e.g. EMIR, Capital Requirements Directives)
- 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 other factors in part or in full, for example through lobbying efforts regarding the regulatory framework for the financial markets or developing new products and services. In this way, it can reduce its dependence on factors outside its control.

Management approach for corporate responsibility issues CR

Deutsche Börse Group takes a holistic view of its corporate responsibility. Its management approach focuses on four areas for action: the economy, employees, the environment and corporate citizenship, in order to strengthen and secure Deutsche Börse Group's benefits for the economy and for society for the long term.

- Economy: Deutsche Börse Group aims to ensure integrity, transparency and security on the capital markets. It adds the most value to society in its primary core business.
- Employees: Deutsche Börse Group pursues a responsible, sustainably focused human resources policy. It wants to win committed and competent employees and retain them for as long as possible.
- Environment: Deutsche Börse Group aims to keep its ecological footprint to a minimum by implementing an environment- and resource-friendly business ecology.
- Corporate citizenship: Deutsche Börse Group sees itself as a good corporate citizen and is committed to fulfilling this role in its international locations.

Selected initiatives and specific measures from these four areas are described in the sections on "Employees", "Corporate responsibility" and "Sustainability".

Corporate responsibility falls under the remit of the CEO. The corporate responsibility team coordinates the Group-wide measures and progresses the strategic development of the management approach. Regular reviews are held in consultation with the operating departments to determine whether the areas for action and implementation measures are still relevant and how the objectives are being met and the targets reached.

Sustainability management CR

Deutsche Börse Group feels committed to corporate governance that takes social, ethical and ecological aspects into account when implementing its economic objectives. The company gave strong expression to this commitment by signing up to the United Nations Global Compact.

As a central organiser of the capital market it is Deutsche Börse's duty to systemically stabilise the markets it organises and to ensure that sustainability information is more transparent and more easily available for market participants. As a listed company, it has a duty to consistently monitor and hone its own sustainability profile. Playing this dual role, Deutsche Börse Group focuses its sustainability management on two areas for action:

- Fostering transparency for holistic investment strategies
- Optimising its own sustainability performance

Examples of initiatives and their successful implementation can be found in the section on "Sustainability".

Internal management control

Control systems

Deutsche Börse Group's internal management control system is based on operating performance indicators of the income statement (net revenue, operating costs, EBIT, net income for the year) as well as balance sheet performance indicators (liquidity, equity less intangible assets). In addition, Deutsche Börse Group includes performance indicators in its control system that are derived from the income statement and the balance sheet (interest coverage ratio, gross debt/ EBITDA, return on shareholders' equity).

Net revenue is composed of sales revenue plus net interest income from banking business and other operating income, less volume-related costs. Sales revenue from external customers is generally dependent on the growth factors described above (performance of the financial markets, regulatory and 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 exchange rate differences, among other things. Volume-related costs comprise expenses that correlate with the level of sales revenue in certain areas of the company, 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 depreciation and amortisation of, and impairment losses on, intangible assets and property, plant and equipment. Other operating expenses mainly consist of the costs of developing and operating the Group's technological infrastructure, office infrastructure costs and marketing costs.

Around 80 per cent of Deutsche Börse Group's total costs are fixed costs (excluding special factors). 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 per cent of the Group's total costs are volume-related costs.

Deutsche Börse Group manages its EBIT via net revenue and operating costs. At Group level, Deutsche Börse Group's net income for the year also serves as a performance indicator for internal management control.

Deutsche Börse Group's balance sheet-based performance indicators include a target liquidity as well as equity less intangible assets. Liquidity planning aims at retaining liquidity amounting to the operating costs incurred in one quarter; target liquidity currently stands at €250 million. In managing its equity less intangible assets, the Group's aim is not to reach a particular target figure but rather to achieve a positive value in general.

The interest coverage ratio shows the ratio of EBITDA to interest expenses from financing activities. Under its capital management programme, the Group plans to achieve an interest coverage ratio of at least 16 for Deutsche Börse Group. In addition, the aim is to achieve a ratio of interest-bearing gross debt to EBITDA of 1.5 maximum on the Group level. The two performance indicators mentioned above play a material role at present in protecting the Group's current "AA" rating.

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 combined management report.

Internal control system and risk management with regard to the Group's accounting practices

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 orderly 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 safeguarding and control measures that also form part of the accounting process. This officer ensures that risks in the accounting system are identified early on and that adequate safeguarding 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, amongst other things, supported 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 a database created especially for this purpose.
- IFRS and German GAAP (HGB) accounting manuals and account allocation guidelines ensure a Group-wide consistent financial reporting standard and 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 database, reporting manuals and account allocation guidelines and can thus obtain current information on the regulations to be followed.

In addition, the FA&C department is responsible for monitoring changes in the accounting-related framework, analysing their potential impact on Deutsche Börse Group and initiating appropriate measures to implement these changes. This includes in particular continuously analysing the impact of any new or revised accounting standards and providing ongoing support for new transactions to ensure they are adequately reflected in the accounting system.

Another important feature of the internal control system within the FA&C department is the principle of functional 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 functional separation is ensured, among other things, by an independent control unit with the authority to grant accounting system access rights to employees and continuously monitor them by means of an "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.

All major subsidiaries of Deutsche Börse Group keep their general ledgers in the same SAP system using the SAP EC-CS consolidation software. The accounting data of subsidiaries not incorporated in the Group's SAP system is 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-driven and process-neutral checks to assess the effectiveness and appropriateness of the internal control system for accounting.

The implemented processes, systems and controls provide reasonable assurance that the accounting processes comply with the applicable financial reporting principles and laws. 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. The Executive Board and the Audit and Finance Committee established by the Supervisory Board receive regular reports on the effectiveness of the internal control system for the financial reporting process.

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 opportunities report and in the report on expected developments.

Takeover-related disclosures

Disclosures in accordance with sections 289 (4) and 315 (4) HGB

In accordance with sections 289 (4) and 315 (4) of the Handelsgesetzbuch (HGB, German Commercial Code), Deutsche Börse AG makes the following disclosures as at 31 December 2012:

The share capital of Deutsche Börse AG amounted to €193.0 million on 31 December 2012 and was composed of 193,000,000 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 per cent (see note 43 to the consolidated financial statements for details). Deutsche Börse AG is not aware of any direct or indirect investments in its capital representing more than 10 per cent 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 released in accordance with sections 84 and 85 of the AktG. In accordance with Article 6 (3) of the Articles of Association of Deutsche Börse AG, membership of the Executive Board generally terminates when members reach 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 per cent 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 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 15 May 2017, 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 per cent of the share capital. However, the acquired shares, together with any treasury shares acquired for other reasons that are held by the company or allocated to it in accordance with sections 71a et seqq. of the AktG, may at no time exceed 10 per cent 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 Deutsche Börse AG 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 25 October 2006, Deutsche Börse AG and SIX Group AG (formerly SWX Group) set out 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 per cent 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 members of executive bodies.
- On 6 May 2008, supplemented on 9 April 2009, on 30 March 2010, on 29 March 2011 and 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 Deutsche Börse AG or to determine the composition of the majority of Deutsche Börse's Executive Board.

- As part of the acquisition of ISE, it was agreed that no person or group may directly or indirectly acquire more than 40 per cent of the shares in ISE or acquire control over the voting rights attached to more than 20 per cent 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, the terms of the subordinated fixed-rate and floating-rate bonds amounting to €550.0 million issued by the company in 2008 and under the terms of the 2012/2022 fixed-rate bonds amounting to €600.0 million issued by Deutsche Börse AG, 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 per cent of the shares of Deutsche Börse AG or the number of Deutsche Börse AG shares required to exercise more than 50 per cent 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 results in 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 10 June 2015, US$220.0 million due on 10 June 2018, and US$70.0 million due on 10 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 per cent 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.

Report on the economy

Macroeconomic and sector-specific conditions

2012 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:

- A slow-down in the global economy, especially in the second half of the year.

- High government debt levels in several European countries, along with concerted countermeasures by the EU and the decline of the euro against the US dollar, especially in the second and third quarters of 2012.
- The provision of large amounts of liquidity via the major central banks' low interest rate policy

Following a 1.8 per cent increase in real GDP in the OECD countries in 2011, current estimates reveal a rise of just 1.4 per cent in 2012. Estimates published by the International Monetary Fund suggest that the global economy grew by 3.2 per cent in 2012 (2011: increase in real terms of 3.9 per cent).

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 2012 eased 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 2013 estimates put growth in German economic output at 0.9 per cent in 2012 (2011: increase in real terms of 3.1 per cent). The slowdown in GDP growth that had already been observed in the second half of 2011 continued in the year under review. According to information supplied by the German Federal Statistical Office, economic growth adjusted for price, seasonal and calendar effects amounted to 0.6 per cent in the first half of 2012 in comparison to the previous half-year period, whereas economic output in the second half of the year increased only by 0.1 per cent in comparison to the first six months of the year.

As in 2011, economic performance in the year under review was mixed across Europe: development was stable in Germany, France and Austria, while according to European Commission estimates Greece, Italy and Spain, among other countries, were in recession. On 12 July 2012, the key interest rate in Europe was cut by another 25 basis points to the new historically low level of 0.75 per cent.

The OECD is forecasting a real-term increase of 2.2 per cent in US economic output in 2012 as a result of continuing budget consolidation resulting from the US debt crisis in summer 2011. Market uncertainty is continuing due to the financial policy difficulties, the persistently high unemployment rate and resulting lower levels of consumer spending. The Federal Reserve kept the federal funds rate within the target range of zero to 0.25 per cent that it had set in December 2008.

Development of trading activity on selected European cash markets

		2012 bn	Change 2012 vs. 2011 %
London Stock Exchange[1) 2)]	£	1,017.9	–15
Euronext[1) 3)]	€	1,324.2	–22
Deutsche Börse Group – Xetra[1)]	**€**	**1,069.9**	**–24**
Bolsas y Mercados Españoles[1)]	€	698.9	–24
Borsa Italiana[2)]	€	576.2	–29

1) Trading volume in electronic trading (single-counted)
2) Part of London Stock Exchange Group
3) 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 fuel uncertainty on the financial markets. These factors led to a lower level of trading in the cash and derivatives markets in financial year 2012.

Development of contracts traded on selected derivatives markets

	2012 m contracts	Change 2012 vs. 2011 %
CBOE Holdings	1,059.4	–8
NYSE Euronext	1,928.9	–15
CME Group	2,890.0	–15
Deutsche Börse Group – Eurex	**2,292.0**	**–19**
Korea Exchange[1]	1,835.6	–53

1) As from June 2012, the Korean exchange regulator ordered an increase in the minimum contract size on the Korean market.

Source: Exchanges listed

According to the Bank for International Settlements (BIS), global net issuance of international bonds rose by 24 per cent year-on-year in the first nine months of 2012. In line with this, their aggregate principal amount grew by more than 5 per cent in the same period to €16.8 trillion (since BIS has changed the way it collects the data, the figures given are not comparable with those reported in previous years). This development underlines the continued attractiveness of the international bond markets for issuers.

The average volume of international bonds held in custody by Clearstream rose slightly year-on-year.

Business development

2012 was a difficult year for the players on the financial markets in Europe and North America, as well as for the organisers of these markets – the exchanges. Even in year five of the financial crisis, the capital markets failed to stabilise sufficiently to fully restore investor confidence.

Several factors had a significant impact on business development at Deutsche Börse Group:

- The continuing uncertainty about future global economic developments – especially in the euro zone, where the euro debt crisis continues to rear its head – put a damper on the trading activities of market participants. In times of acute crisis, banks value the reliability of exchanges as trading places that guarantee security and integrity. If, however, the uncertainty persists beyond the short term, as is currently the case, this has a paralysing effect on the market participants. In addition, the lack of confidence in a permanently stable development of the euro zone was prompting investors to withdraw their capital from Europe and either invest it back in their respective home markets, for example in the USA, or in growth markets such as Asia or South America.
- A lack of clarity surrounding the legal framework for financial markets inhibits the markets more than a strict, but ultimately reliable regulatory framework, which allows businesses to plan. For example, on the one hand, stricter capital requirements are leading banks and other market participants to scale back their trading activities; on the other hand, however, this gives Deutsche Börse Group the opportunity to develop services that allow banks to use their capital with maximum efficiency.
- The low interest rate policy pursued by central banks in response to the state of the economy led to another reduction in net interest income from banking business generated in the Clearstream segment. Interest rate derivatives traded on Eurex were also adversely impacted by stable low interest rates.
- Other factors included the ECB's liquidity programmes, such as the long-term refinancing operations initiated in December 2011 and February 2012. These operations are designed to provide long-term liquidity to the capital markets on favourable terms. This led to a deterioration in the market environment for the liquidity management services offered to market participants by the Clearstream segment.

In this challenging market environment, the result generated by Deutsche Börse Group in financial year 2012 was lower than in the previous year. Net revenue decreased by 9 per cent to €1,932.3 million in 2012 (2011: €2,121.4 million). When analysing this decline, it should be also taken into account that in 2011 the market turbulence in the euro zone had triggered a significant temporary increase in demand for exchange-based hedging, which in turn led to one of the best results in Deutsche Börse's history. By contrast, the acquisition of all of the shares of

Eurex Zürich AG, which has been reported in the consolidated financial statements of Deutsche Börse AG since the beginning of the year under review, had a positive impact on revenue in 2012.

Deutsche Börse AG increased its investments in projects of strategic importance to implement the three strategic directions communicated in 2012 (see section on "Goals and strategies of Deutsche Börse Group"). Therefore, in the year under review, costs for growth initiatives and infrastructure projects increased year-on-year by €36.7 million. The money was used in particular for projects initiated by Eurex and Clearstream to prepare the Group's platforms for clearing over-the-counter derivatives and to develop a global risk and collateral management system. Nevertheless, the Group's operating costs decreased slightly year-on-year to €958.6 million (2011: €962.2 million).

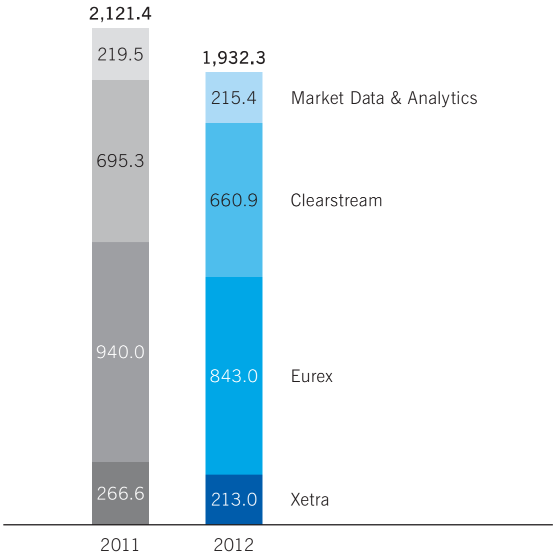
Results of operations

Deutsche Börse Group's net revenue declined by 9 per cent in financial year 2012 to €1,932.3 million (2011: €2,121.4 million). Net revenue is composed of sales revenue plus net interest income from banking business and other operating income, less volume-related costs. The decline in net revenue reflects in particular the uncertainty about future global economic developments, the situation in the euro zone and the central banks' persistent low interest rate policy. Furthermore, there is lasting uncertainty about the far-reaching reform projects in the financial industry and their impact on market participants. Together, these factors put a significant damper on the trading activity of market participants in the year under review, whereas the previous year had been characterised by high volatility due to the turbulence in the euro zone as well as to the credit rating downgrade for the United States. As a result, trading volumes in securities and derivatives and the associated post-trade services and a part of market data services declined in 2012, in some cases sharply.

In total, the cash market trading volume on Xetra contracted by 24 per cent, while the segment's net revenue fell by 20 per cent. On the derivatives market, the contract volumes for European futures and options were down by 19 per cent, the same rate of decline as for the US options traded on the International Securities Exchange (ISE). Lower contract volumes in the Eurex segment resulted in a 10 per cent drop in net revenue. The acquisition of the remaining shares in Eurex Zürich AG from SIX Group AG, which has been reflected in Deutsche Börse Group's consolidated financial statements since the start of 2012, had a stabilising effect. In contrast to the trading activity in the Xetra and Eurex segments, post-trade services were down only slightly: the Clearstream segment was able to partially offset the decline in settlements caused by the reduction in trading activity, in particular thanks to its stable custody business and a slight rise in net revenue from global securities financing. Overall, the Clearstream segment's net revenue was 5 per cent down on the previous year. Net revenue in the Market Data & Analytics segment was relatively stable due to the steady expansion of the product range, especially at the subsidiary STOXX Ltd., and to strong demand for high-quality underlyings for financial instruments, such as the DAX® index. As a result

Net revenue by segment

€ millions



of historically low key interest rates, net interest income from banking business decreased by 31 per cent to €52.0 million in the year under review, in spite of higher average customer cash deposits. The European Central Bank had cut the key interest rate by 25 basis points with effect from 14 December 2011 and again from 12 July 2012, bringing it down to a historically low level of 75 basis points. In addition, on 11 July 2012, the European Central Bank reduced the rate for the deposit facility from 0.25 to 0 per cent. Net interest income declined steadily in the course of the year, from €18.5 million in the first quarter of 2012 to €8.4 million in the fourth quarter as a result of the interest rate changes.

Accelerated implementation allowed the efficiency programme launched in 2010 with a total volume of €150 million to be completed ahead of schedule in the year under review. Overall, the cost-cutting programme was realised significantly faster than originally planned.

Deutsche Börse Group key performance figures

	2012 €m	2011 €m	Change %
Net revenue	1,932.3	2,121.4	–9
Operating costs	958.6	962.2	0
EBIT	969.4	1,162.8	–17
Net income	645.0	855.2	–25
Earnings per share (basic) in €	3.44	4.60	–25

Volume-related costs rose by 13 per cent to €276.7 million (2011: €244.0 million). The rise is mainly due to technical changes in the fee models in the cash and US options markets and has no impact on results.

The company's operating costs were down slightly year-on-year, amounting to €958.6 million (2011: €962.2 million). They include costs for efficiency programmes of €23.1 million (2011: €1.1 million). Expenses of €13.1 million were incurred in 2012 for the prohibited merger with NYSE Euronext (2011: €82.2 million). Adjusted for these one-off effects, costs increased by 5 per cent to €922.4 million (2011: €878.7 million). The following factors were the key drivers for the year-on-year increase in costs of €43.7 million:

- As part of the Group's growth strategy, the Executive Board resolved to increase spending on strategic projects in 2012. In the year under review, the costs for growth initiatives and infrastructure projects were therefore €36.7 million higher than in the prior-year period. The amount was used in particular to fund initiatives in the Eurex and Clearstream segments, for example, to prepare the clearing of OTC derivatives transactions and in the area of collateral management in the post-trade business.
- Additional costs amounting to some €9.3 million were incurred because the US dollar exchange rate strengthened against the euro.
- To enhance transparency, Deutsche Börse Group revised its accounting policy for defined benefit obligations retroactively as from 1 January 2012 by adopting the revised the IAS 19 early; actuarial gains and losses are now recognised directly in the revaluation surplus. Additionally, Deutsche Börse Group reports the net interest expenses in connection with defined benefit obligations previously presented in staff costs in the financial result. The prior-year figures have been adjusted accordingly, reducing operating costs by €11.1 million and increasing financial expense by €2.5 million. Further information is provided in note 1 to the consolidated financial statements.

Staff costs, a key factor in operating costs, rose to €414.2 million in 2012 (2011: €385.8 million). Adjusted for the effects of efficiency programmes amounting to €14.4 million (2011: €–6.7 million), staff costs only rose slightly by 2 per cent year-on-year to €399.8 million (2011: €392.5 million). This slight increase is largely due to the higher average number of people employed in the year under review and was partially offset by a drop in variable remuneration compared with the previous year. Further details of the share-based payment arrangements are provided in note 39 to the consolidated financial statements.

Depreciation, amortisation and impairment losses increased by 15 per cent to €105.0 million in the year under review (2011: €91.4 million). This was primarily driven by a rise of intangible assets and property, plant and equipment in connection with the Group's growth initiatives and infrastructure measures.

Other operating expenses, which amounted to €439.4 million in the year under review (2011: €485.0 million), relate primarily to the costs of developing and operating Deutsche Börse Group's technological infrastructure, including, for example, costs for IT services providers and data processing. In addition, other operating expenses include the cost of the office infrastructure at all the Group's locations as well as travel expenses, most of which are incurred in connection with sales activities. Because of the Group's business model and the fact that the company does not normally distribute its products and services to end customers, advertising and marketing costs only account for a very small portion of the company's operating expenses.

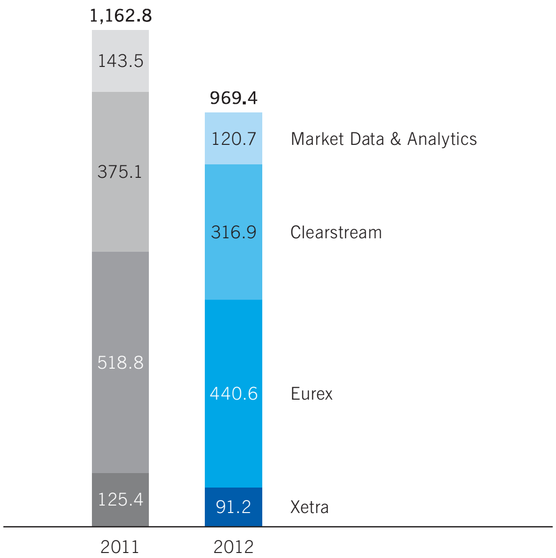
The result from Deutsche Börse Group's equity investments amounted to €–4.3 million (2011: income €3.6 million). It was generated primarily by Scoach Holding S.A., Direct Edge Holdings, LLC and European Energy Exchange AG. The positive contributions made by these companies were offset by an impairment loss of €10.8 million recognised on the Group's interest in Quadriserv Inc., which resulted in total in a loss from equity investments. SIX Swiss Exchange AG has terminated the cooperation agreement with effect from 30 June 2013. The markets contributed to the joint venture will be transferred back to the respective parent companies.

Overview of operating costs

	2012 €m	2011 €m	Change %
Staff costs	414.2	385.8	7
Depreciation, amortisation and impairment charges	105.0	91.4	15
Other operating expenses	439.4	485.0	–9
Total	**958.6**	**962.2**	**0**

EBIT by segment

€ millions



Primarily because of lower net revenue, Deutsche Börse Group's earnings before interest and tax (EBIT) declined by 17 per cent in the year under review to €969.4 million (2011: €1,162.8 million). Adjusted for the special factors mentioned above, the Group's EBIT amounted to €1,005.6 million, a 19 per cent decrease compared with 2011 (€1,246.1 million).

The Group's financial result for financial year 2012 was €–132.7 million (2011: €–3.8 million). The clear widening of this figure is primarily due to Deutsche Börse AG's agreement with SIX Group AG to acquire all the shares in Eurex Zürich AG. Under the terms of the agreement, part of the purchase price was to be settled in shares. The equity component of the purchase price liability was definitively measured at fair value through profit and loss on 1 February 2012. The rise in the share price between 31 December 2011 and 1 February 2012 led to a non-cash, tax-neutral expense of €26.3 million on the measurement of the equity component and an expense of €1.1 million on the unwinding of the discounted cash component. For 2011, there had been non-cash, tax-neutral income of €80.8 million on the measurement of the equity component and an expense of €3.4 million on the unwinding of the discount on the cash component. In addition, at the end of September 2012, Deutsche Börse AG placed a corporate bond with a maturity of 10 years and a volume of €600 million. It serves primarily to refinance part of the outstanding long-term financial liabilities, which amount to roughly €1.5 billion in total. Deutsche Börse made use of the positive market environment to obtain funds early to repay outstanding existing bonds maturing in 2013. In this context, Deutsche Börse AG made creditors of outstanding euro-denominated bonds an offer to repurchase these bonds and bought fixed-income bearer bonds issued in 2008 amounting to €72.1 million (principal amount), as well as hybrid bonds, also issued in 2008, amounting to €237.1 million (principal amount). By repurchasing the outstanding bonds, it was possible to use the funds raised through the new issue directly and thus reduce gross debt by a corresponding amount as at the end of the year. The placement of the bond and the simultaneous repurchase of some of the outstanding euro-denominated bonds led to a non-recurring charge on the net financial result of €12.4 million in the fourth quarter of 2012. The amount includes the premium for the repurchase of the bonds in excess of their principal amount. Adjusted for these factors, the net financial result in 2012 amounted to €–92.9 million (2011: €–81.2 million).

The effective Group tax rate was 26.0 per cent in 2012 (2011: 26.0 per cent). It is calculated after adjustments for the above-mentioned special factors made to the operating costs and the financial result. In addition, the Group tax rate was adjusted by non-recurring income from the reversal of deferred tax liabilities for STOXX Ltd. amounting to €20.7 million (of which SIX Group AG receives one half) as a result of a decision by the Swiss financial authorities and by non-recurring income amounting to €37.1 million from the recognition of deferred tax assets due to the ability in the future to offset loss carryforwards in connection with the acquisition of the shares held by SIX Group AG in Eurex Global Derivatives AG.

Driven by the lower EBIT, Deutsche Börse Group also recorded a decrease in net income compared to 2011 by 25 per cent to €645.0 million (2011: €855.2 million). Excluding the special factors described above, consolidated net income was down 21 per cent year-on-year to €660.9 million (2011: €839.5 million).

Non-controlling interests in net profit for the period amounted to €24.8 million (2011: €22.6 million). STOXX Ltd. accounted for the largest share of this with €24.6 million (2011: €18.5 million).

Basic earnings per share, based on the weighted average of 187.4 million shares, amounted to €3.44 (2011: €4.60 for an average of 185.8 million shares outstanding). Adjusted for the non-recurring effects described above, basic earnings per share declined by 22 per cent to €3.53 (2011: €4.51).

Key figures by quarter

	Q1		Q2		Q3		Q4	
	2012 €m	2011 €m	2012 €m	2011 €m	2012 €m	2011 €m	2012 €m	2011 €m
Net revenue	506.9	526.3	506.7	506.4	471.0	578.6	447.7	510.1
Operating costs	248.6	211.8	228.9	233.1	227.4	248.3	253.7	269.0
EBIT	260.0	319.1	278.8	279.0	245.4	333.8	185.2	230.9
Net income for the period	146.2	214.1	186.2	180.5	159.9	316.9	152.7	143.7
Earnings per share (basic) (€)	0.77	1.15	0.99	0.97	0.86	1.70	0.82	0.78

EBIT and net profitability by segment

	2012		2011	
	EBIT €m	EBIT margin[1] %	EBIT €m	EBIT margin[1] %
Xetra	91.2	43	125.4	47
Eurex	440.6	52	518.8	55
Clearstream	316.9	48	375.1	54
Market Data & Analytics	120.7	56	143.5	65
Total	**969.4**	**50**	**1,162.8**	**55**

1) Based on net revenue

Comparison of results of operations with the forecast for 2012

For 2012, Deutsche Börse Group had forecast net revenue of approximately €2,100 million to €2,350 million, operating costs of less than €930 million and EBIT of approximately €1,200 million to €1,350 million. This forecast was based on assumptions such as restored confidence among market participants in response to an improved situation in the European sovereign debt crisis, a stable interest rate environment compared with 2011 and a moderate improvement in economic conditions. At the time the forecast for 2012 was published, the company had announced that net revenue was expected to be at the lower end of the range if actual developments deviated from the assumptions made.

The conditions described under "Results of operations" above deviated significantly from the assumptions on which the forecast was based. Because of this divergence, Deutsche Börse Group missed its net revenue target, which it had already adjusted to €1,950 million at the time the results for the third quarter of 2012 were published in view of unsatisfactory business developments.

At €922.4 million, the Group met its target of achieving operating costs of less than €930 million (adjusted for merger and acquisition costs and costs for efficiency programmes amounting to around €30 million) thanks to its strict cost management.

The shortfall in net revenue compared with the expected forecast range in the financial year under review had a negative effect on the forecast EBIT range as well as on the interest coverage ratio, which at 15.2 did not entirely reach the target of at least 16.

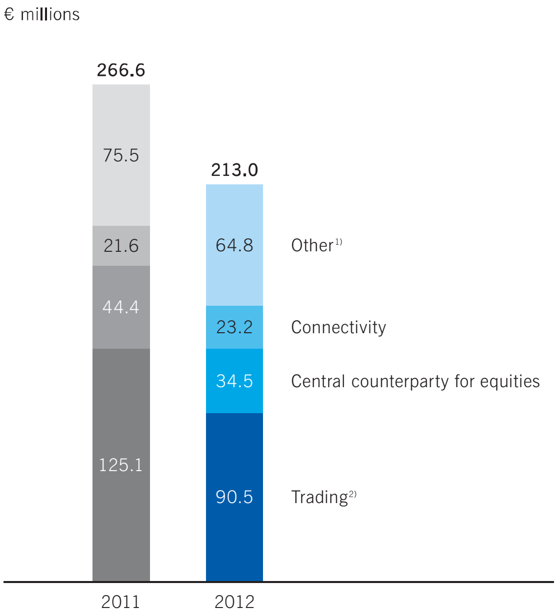
Xetra segment

The Xetra segment generates most of its net 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, accounting for 43 per cent, was net revenue from trading, which is largely conducted on Xetra, the electronic trading platform. Xetra Frankfurt Specialist Trading takes place in parallel, as does trading on Tradegate, which is aimed at private investors. The central counterparty (CCP) for equities operated by Eurex Clearing AG contributed 16 per cent to the segment's net revenue; the net revenue of the CCP is determined to a significant extent by trading activities on Xetra. IT net revenue as well as income from cooperation agreements and listing fees are grouped under "other" (together these accounted for 30 per cent of net revenue). Income from cooperation agreements mainly derives from operating the systems of the Irish Stock Exchange, the Vienna Stock Exchange, the Bulgarian Stock Exchange, the Ljubljana Stock Exchange, the Malta Stock Exchange and the Prague Stock Exchange. Listing fees predominantly came from existing company listings and admissions to trading. Connectivity income accounted for 11 per cent of net revenue.

The uncertainty surrounding future global economic development and the European debt crisis led to general risk aversion and had a negative impact on investor confidence in the financial markets. As a result, there was a marked decline in continuous

Breakdown of net revenue in the Xetra segment



1) Including income from listing and cooperation agreements
2) The position "Trading" includes Xetra Frankfurt Specialist Trading (until 23 May 2011: floor trading) as well as the Xetra® electronic trading system.

trading activity on Xetra and in Xetra Frankfurt Specialist Trading. Because of the lower levels of trading activity on the markets, net revenue in the Xetra segment fell by 20 per cent to €213.0 million (2011: €266.6 million).

The number of transactions in Xetra electronic trading (excluding Specialist Trading and Tradegate Exchange) declined by 21 per cent year-on-year to 194.7 million (2011: 247.2 million). The trading volume on Xetra (measured in terms of order book turnover, single-counted) was down by 24 per cent in the year under review to €1,069.9 billion (2011: €1,406.7 billion). The average value of a Xetra transaction was €11.0 thousand, slightly down on the previous year (2011: €11.4 thousand).

Deutsche Börse Group continued to develop its trading technology in 2012. 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. Deutsche Börse rolled out Xetra Release 13.0 in November 2012. This new version of the trading system makes new order types available to private and institutional investors, improves existing functions and expands interfaces.

The Xetra network continued to strengthen and extend its international reach in 2012. The Prague Stock Exchange migrated its electronic securities trading to the Xetra trading system on 30 November 2012. The Prague Stock exchange is linked to the Xetra network through the Vienna Stock Exchange, which has operated its cash market using Xetra since 1999. The Malta Stock Exchange has also been using the Xetra system since July 2012. In addition, the Irish Stock Exchange has extended its Xetra agreement with Deutsche Börse AG by a further four years until 31 December 2016.

While trading volumes declined among institutional investors, who primarily use Xetra, the situation in the case of private investors was mixed. Private investors are the prime target group for the Xetra Frankfurt Specialist Trading model, which combines the strengths of Xetra trading – extremely fast order execution, trading throughout Europe, high liquidity – with the benefits of floor trading, human know-how, during trading hours from 8 a.m. to 8 p.m. With this model, the Frankfurt Stock Exchange enables its customers to respond quickly to international market events and developments. The volume (single-counted) traded via the Specialist Trading model was €41.4 billion, down 22 per cent on the previous year (2011: €53.1 billion).

The long trading hours and special order types offered by the Berlin-based Tradegate Exchange is tailored to meet the needs of private investors. Tradegate Exchange generated a trading volume of €33.9 billion, an increase of 5 per cent compared with 2011 (€32.3 billion).

Although operating costs in the Xetra segment were down by 15 per cent, the decline in net revenue could only be partially offset by cost management. As a result, EBIT declined by 27 per cent to €91.2 million (2011: €125.4 million).

Cash market: trading volume (single-counted)

	2012 €bn	2011 €bn	Change %
Xetra	1,069.9	1,406.7	–24
Xetra Frankfurt Specialist Trading[1]	41.4	53.1	–22
Tradegate	33.9	32.3	5

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

Deutsche Börse has enabled ETF trading on Xetra since 2000 through a specially created 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 2012, 1,010 ETFs were listed on the Frankfurt Stock Exchange (2011: 899 ETFs). Assets under management using ETFs amounted to €205.7 billion, 31 per cent more than in the previous year (2011: €157.4 billion).

Xetra segment: key figures

	2012 €m	2011 €m	Change %
Net revenue	213.0	266.6	–20
Operating costs	126.6	148.4	–15
EBIT	91.2	125.4	–27

In spite of the general market weakness, which caused trading turnover in the XTF segment to contract by 33 per cent to €128.5 billion (2011: €192.4 billion), Deutsche Börse held on to its position as European market leader because it has the highest number of products and high liquidity in ETF trading.The most heavily traded ETFs continue to be based on the European STOXX equity indices and on the DAX index. In addition, investors can benefit from other innovative products. For the first time, they have the opportunity to make targeted investments in, for example, the performance of government bonds issued by specific countries of the euro zone or of corporate bonds issued in specific countries in South or South-East Asia.

Deutsche Börse also expanded its range of exchange-traded commodities (ETCs). ETCs reflect the performance of single commodities or commodity sectors, such as energy, agricultural commodities, or precious metals. Xetra-Gold®, a bearer bond issued by Deutsche Börse Commodities GmbH, is the most successful ETC product. Since it started trading on 14 December 2007, Xetra-Gold has been the most heavily traded ETC on Xetra. As at 31 December 2012, Deutsche Börse Group held 53.8 tonnes of gold in custody (2011: 52.8 tonnes). Given a gold price of €40.47 per gram (closing price on 31 December 2012), the value of the gold was equivalent to €2.2 billion, a new record (2011: €2.1 billion). In 2012, order book turnover for Xetra-Gold on the Xetra trading platform fell by 35 per cent to €2.0 billion (2011: €3.1 billion); its market share of order book turnover in the ETC segment was 27 per cent. 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 AG recorded 89 new admissions in the year under review. 11 of them were initial public offerings (IPOs), of which eight were in the Prime Standard and three in the Entry Standard. The total placement volume in 2012 stood at around €2.38 billion. The year's largest IPO was that of Telefónica Deutschland Holding AG, which took place in October 2012 and had a volume of around €1.45 billion. Likewise, companies that were already listed made use of the option of raising around €6.73 billion of capital through capital increases in 2012. The option of issuing bonds in the Entry Standard, introduced in 2011, recorded significant successes in 2012: 19 companies used the Entry Standard to raise debt capital. The issue volume as given in the prospectuses amounted to a total of €767 million. The issue volume of the three companies (including one transfer) that opted for the new Prime Standard segment for corporate bonds launched in 2012 amounted to €925 million. 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 the trading activities of institutional investors and proprietary trading by professional market participants. The segment's revenue is therefore generated primarily from the combined transaction fees that Eurex charges for trading and clearing derivatives contracts. As in previous years, the main revenue drivers in 2012 were equity index derivatives with a 47 per cent share of total net revenue. These were followed by interest rate derivatives (20 per cent), US options offered by the International Securities Exchange (ISE; 11 per cent) and equity derivatives (5 per cent). The "other" item (17 per cent of net revenue) includes connection fees, IT services and revenue from the Eurex Bonds and Eurex Repo subsidiaries, among other things.

The market environment in 2012 was largely dominated by the European debt crisis, continuing uncertainty about future global economic developments and the central banks' ongoing low interest rate policy. Additional factors include the far-reaching regulatory reform projects in the financial industry, whose impact on market structures and business models is difficult to gauge accurately at present. This economic and regulatory framework ultimately led institutional customers to act with greater caution and to scale back their trading activities. As a result, the use of exchange-traded and centrally cleared derivatives declined compared with the previous year – both on Deutsche Börse Group's derivatives exchanges and on the derivatives exchanges of other exchange organisations worldwide.

In total, 2,292.0 million contracts were traded on Deutsche Börse Group's derivatives exchanges (Eurex and ISE) in 2012, a year-on-year decline of 19 per cent (2011: 2,821.5 million). This is equivalent to a daily average of 9.0 million contracts (2011: 11.1 million). Eurex generated a trading volume of 1,660.2 million contracts for European futures and options, 19 per cent down on the previous year (2011: 2,043.4 million). The trading volume for US options traded on ISE contracted by 19 per cent to 631.8 million contracts (2011: 778.1 million).

Net revenue of the segment decreased by 10 per cent to €843.0 million (2011: €940.0 million). The year-on-year decline in business activity was partially compensated by the acquisition of 100 per cent of the shares in Eurex Zürich AG.

Given a 3 per cent drop in operating costs, Eurex generated EBIT of €440.6 million (2011: €518.8 million). The acquisition of all shares in Eurex Zürich AG with effect from 1 January 2012 resulted in additional EBIT of €68.5 million in the year under review.

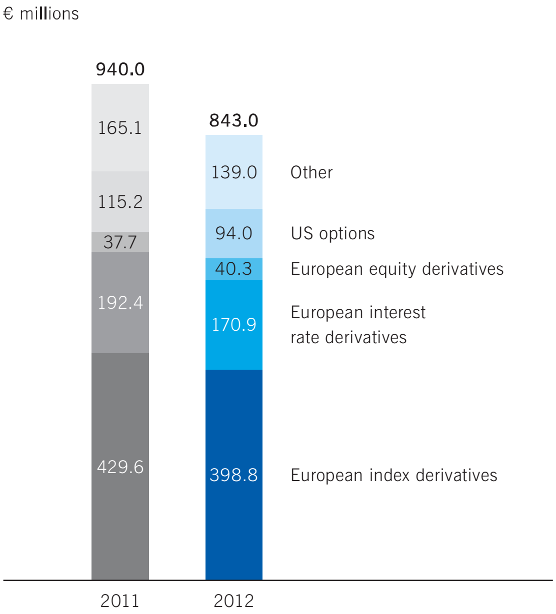
Eurex segment: key figures

	2012 €m	2011 €m	Change %
Net revenue	843.0	940.0	–10
Operating costs	375.8	387.7	–3
EBIT	440.6	518.8	–15

European equity index derivatives were again the product group with the highest trading volume. The trading volume of these derivatives, however, decreased by 20 per cent year-on-year to 770.4 million contracts (2011: 959.8 million). Although by far the most contracts were still traded on the EURO STOXX 50® index (315.2 million futures and 280.6 million options), derivatives on European STOXX® indices were also affected by the debt crisis in Europe and the lack of confidence in the common currency. Eurex generated net revenue of €398.8 million (2011: €429.6 million) on the back of trading in European equity index derivatives.

The volume of equity derivatives contracts (single stock options and futures) dropped by 8 per cent to 413.1 million (2011: 450.5 million). Nevertheless, net revenue from equity derivatives increased to €40.3 million (2011: €37.7 million), in particular due to the positive development of higher-margin dividend products.

Breakdown of net revenue in the Eurex segment



Contract volumes in the derivatives market

	2012 m contracts	2011 m contracts	Change %
Equity index derivatives[1]	770.4	959.8	–20
Equity derivatives[1]	413.1	450.5	–8
Interest rate derivatives	470.4	630.4	–25
Total European derivatives (Eurex)[2]	**1,660.2**	**2,043.4**	**–19**
US options (ISE)	631.8	778.1	–19
Total Eurex and ISE[2]	**2,292.0**	**2,821.5**	**–19**

1) Dividend derivatives have been allocated to the 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.

The volume of interest rate derivatives traded in the year under review fell by 25 per cent to 470.4 million (2011: €630.4 million); net revenue amounted to €170.9 million (2011: €192.4 million). As key interest rates remained low and interest rate differentials between a number of euro zone countries and Germany continued to be high, there was reduced demand for derivatives on German government bonds to hedge positions. By contrast, Eurex recorded a rise in the trading volume of alternative hedging instruments, such as futures on French and Italian government bonds.

On ISE, the trading volume in US options declined amid a generally weak market trend as well as a highly competitive market environment: market participants traded 631.8 million contracts in the year under review, 19 per cent fewer than in the prior year (2011: 778.1 million). ISE's market share of US equity options was 17.0 per cent in 2012 (2011: 18.2 per cent). ISE's net revenue with US options was down 18 per cent to €94.0 million (2011: €115.2 million).

Besides derivatives trading, Eurex also operates Eurex Clearing, Europe's leading clearing house. In addition to its function as a central counterparty for the clearing and risk management of products of connected trading platforms such as Xetra®, Eurex®, Eurex Bonds®, Eurex Repo®, the European Energy Exchange (EEX) and the Irish Stock Exchange, Eurex Clearing offers services for futures and options on equities and interest rate products with contract specifications similar to Eurex contracts that are traded off the order book.

On 13 November, Eurex Clearing launched Eurex OTC Clear, the new clearing offering for over-the-counter (OTC) interest rate swaps. The new offering creates the conditions needed for investors to connect to its clearing platform in good time before the central clearing obligation for certain OTC derivatives prescribed by the European Market Infrastructure Regulation (EMIR) enters into force at EU level. Many well-known banks cooperated with Eurex Clearing and provided support during development and roll-out. 12 banks have already been admitted as market participants and have successfully settled their first transactions using Eurex OTC Clear for interest rate swaps. The new clearing offering for OTC derivatives has been tailored specifically to the needs of institutional customers, with a particular focus on security and efficiency. Eurex's OTC Clear offering is a major element in Deutsche Börse Group's strategy, which aims at expanding its product and service offering to unregulated and unsecured markets.

Eurex Clearing's "Individual Clearing Model" offers full individual account maintenance (segregation) of customer positions and collateral. These are therefore optimally protected and immediately transferable in the event that a clearing member defaults, so that customers are able to continue their trading activities without interruption.

In addition, Eurex Clearing AG was the first European clearing house to introduce a central counterparty for bilateral securities lending. This service allows customers to make more efficient use of capital and simplifies operations. On completion of the pilot phase, the new service is to be extended to European markets for loans in equities, ETFs and fixed-income securities.

Eurex Repo, the marketplace for collateralised money market trading in Swiss francs and euros as well as for the GC Pooling® offering, reported average outstandings of €234.7 billion in 2012 (2011: €276.6 billion, single-counted for both years). While the euro market grew by 19 per cent to a new record high of €36.1 billion (2011: €30.3 billion, single-counted for both years), average outstanding volumes on the repo market in Swiss francs dropped significantly. This was mainly because of the interest policy measures taken by the Swiss National Bank (SNB) to devalue the Swiss franc and a decline in the issuance of SNB bills.

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 on this market increased by 23 per cent to a new record level of €145.4 billion in 2012 (2011: €118.2 billion; single-counted for both years). 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 ratings) are traded and cleared via a central counterparty (Eurex Clearing). Eurex Repo generates revenue from the fees charged for trading and clearing the repo transactions.

GC Pooling was extended to non-financial institutions in the fourth quarter of 2012 (GC Pooling® Select). Since then, banks' corporate customers have also been able to use this secured financing plus central clearing offering to minimise the counterparty risk for their cash investments.

Trading volumes on Eurex Bonds, the international electronic platform for interbank bond trading, grew by 2 per cent to €119.7 billion in 2012 (2011: €117.2 billion, single-counted for both years). The positive trend is due to increased demand for investments in issues with top-notch ratings.

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 2012 included various equity, equity index, interest rate, commodity and dividend derivatives. Eurex's futures contracts on French government bonds, for example, show that new products and asset classes not only expand the portfolio, but can also make a substantial value contribution. Eurex's trading volume in OAT futures, which were launched in April 2012 and are based on notional long-term bonds issued by the French Republic (Obligations Assimilables du Trésor – OAT), reached 4.3 million contracts in the year under review. Futures on Italian government bonds, launched in 2009, continued to record a similarly strong performance. Other examples demonstrating the success of new products include the relatively recent dividend derivatives. Trading in these derivatives contracts increased again in 2012, rising 15 per cent to 6.9 million (2011: 6.0 million). Trading in Eurex's volatility index derivatives increased even more in 2012, by around 120 per cent to 5.3 million contracts (2011: 2.4 million contracts).

When launching new products, Eurex not only relies on in-house development, but also works with partner exchanges. It cooperates particularly successfully with the Korea Exchange (KRX) on a product on Korea's benchmark KOSPI index, which has been available for trading on Eurex since 30 August 2010. This product became one of the most frequently traded index option contracts on Eurex in 2012. Its volume almost doubled in 2012 to 32.4 million contracts (2011: 17.4 million). However, the increase in the minimum contract size in the home market ordered by the Korean exchange regulator as from June 2012 has since led to a corresponding decline in the average number of contracts traded each day, but has had no impact on earnings for Eurex.

Overall, the expansion strategy pursued by Deutsche Börse and Eurex in Asia focuses on cooperation with leading local institutions. For example, Deutsche Börse has signed memorandums of understanding (MoUs) with the China Financial Futures Exchange (CFFEX) and the Taiwan-based GreTai Securities Market (GTSM). Eurex will cooperate with the China Futures Association (CFA) in the future. Under these MoUs, the respective partners aim to exchange extensive amounts of information with a view to driving forward joint efforts to further develop the financial markets.

In March 2012, Eurex agreed a further cooperative arrangement with Singapore Exchange (SGX), which enables participants to access more easily the two marketplaces. Due to the connection of the two companies' co-location data centres in Singapore and Frankfurt/Main, market participants will have easy access to the markets of the other exchange in each case.

At the beginning of December, Eurex introduced a new trading architecture and will now gradually migrate the entire portfolio of tradeable contracts to this architecture. The migration is expected to be completed by May 2013. As a result of the migration, market participants will benefit from considerably improved performance and functions without losing any of the system stability and availability to which they are accustomed.

The new system is based on Deutsche Börse Group's global trading infrastructure, which has already been successfully introduced at ISE. This provides greater flexibility, thus cutting the time to market for new products and functions. The powerful messaging architecture ensures shorter latency times and faster communications.

Clearstream segment

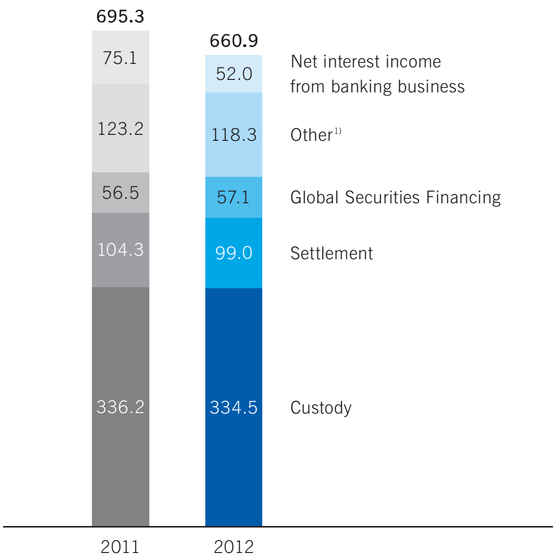
Clearstream provides the post-trade infrastructure for bonds, equities and investment funds. In addition, Clearstream offers custody services for securities from 53 markets worldwide. The key contributor to Clearstream's net revenue was the custody business generating 50 per cent. Net revenue in this business is mainly driven by the value of international and domestic securities deposited, which determines the deposit fees. The settlement business accounted for 15 per cent of Clearstream's net 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, securities lending and a wide range of collateral management services, contributed 9 per cent to the segment's net revenue. Clearstream also provides the post-trade infrastructure for investment funds. Net interest income from Clearstream's banking business contributed 8 per cent to Clearstream's net revenue. Other business activities including connectivity, reporting and external IT services accounted for an 18 per cent share of total net revenue.

In the year under review, Clearstream's net revenue fell by 5 per cent year-on-year to €660.9 million (2011: €695.3 million). It was basically stable in the custody business, slightly down in settlement, slightly up in GSF business and significantly down in net interest income from banking business.

In the custody business, the overall average equivalent value of assets under custody remained stable at record levels of €11.1 trillion in 2012 (2011: €11.1 trillion). In the international custody business, the average value of assets under custody is mainly driven by the amount of outstanding bonds and increased slightly to €6.0 trillion (2011: €5.9 trillion).

Breakdown of net revenue in the Clearstream segment

€ millions



1) Including Connectivity and Reporting

The average value of domestic securities deposited decreased by a similar amount to €5.1 trillion (2011: €5.2 trillion). The domestic custody volume is mainly determined by the market value of shares, funds and structured products traded on the German cash market. In line with business development in custody, net revenue remained stable at €334.5 million in 2012 (2011: €336.2 million).

The number of total settlement transactions (domestic and international) processed by Clearstream saw a 10 per cent decrease in 2012 to 113.9 million (2011: 126.3 million). This decline in the volume of settlement transactions corresponded to the trading activity of market participants in general, which was slower than in the previous year. However, international transactions in total grew slightly by 3 per cent to 39.0 million (2011: 37.9 million) due to a 9 per cent growth year-on-year in OTC transactions, which accounted for 82 per cent of Clearstream's international settlement business. Stock exchange transactions, which had an 18 per cent share in the international settlement business decreased by 17 per cent year-on-year. In the domestic German market, settlement transactions fell by 15 per cent to 74.8 million (2011: 88.4 million). Here, a majority of 66 per cent were stock exchange transactions and OTC business accounted for 34 per cent of the transactions. However, stock exchange transactions fell more (by 18 per cent) than OTC transactions (by 9 per cent) in the year under review, primarily as a result of trading activity in Germany, which was significantly lower than in the previous year. Net revenue in the settlement business fell by 5 per cent to €99.0 million (2011: €104.3 million). The difference between business development and the change in net revenue is due to the fact that higher-valued transactions decreased to a smaller degree than others.

The investment funds services at Clearstream keep growing. In the year under review, Clearstream processed 6.4 million transactions, 20 per cent more than in the previous year (2011: 5.3 million). More than 100,000 funds from 33 jurisdictions are available for order routing through Clearstream's Vestima platform. The average value of assets held under custody in Investment Funds Services in 2012, as part of the above-mentioned custody volumes, was €229.1 billion, up 5 per cent year-on-year (2011: €217.4 billion).

In the Global Securities Financing (GSF) business, the average outstanding volume declined to 570.3 billion (2011: €592.2 billion), a decrease of 4 per cent, mainly driven by the continued supply of liquidity by central banks while the previous year's level had been positively impacted by high market uncertainty, especially in the third quarter. Despite this market-driven decrease in volumes, the GSF business recorded a 1 per cent increase in net revenue, to €57.1 million (2011: €56.5 million). This is due to a shift of client behaviour into higher margin service segments and a continued growth in the GC Pooling service, which recorded a daily average in outstandings of €145.4 billion, a plus of 23 per cent year-on-year (2011: €118.2 billion).

Clearstream segment: key indicators

	2012	2011	Change
Custody	€bn	€bn	%
Value of securities deposited (average value during the year)	11,111	11,106	0
international	5,964	5,896	1
domestic	5,147	5,210	–1
Settlement	m	m	%
Securities transactions	113.9	126.3	–10
international – OTC	31.9	29.2	9
international – on-exchange	7.2	8.7	–17
domestic – OTC	25.7	28.3	–9
domestic – on-exchange	49.1	60.1	–18
Global Securities Financing	€bn	€bn	%
Monthly average	570.3	592.2	–4
Average daily cash balances	m	m	%
Total	10,248	10,801[1]	–5
euro	3,888	3,795	2
US dollars	4,350	4,923	–12
other currencies	2,010	2,083	–4

1) Includes some €1.6 billion currently restricted by EU and US sanctions (2011: €3.1 billion)

Average customer cash deposits declined year-on-year by 5 per cent to €10.2 billion (2011: €10.8 billion). This includes an average amount of some €1.6 billion (2011: €3.1 billion), which was not available as a result of the blocking of dedicated accounts in line with European and US sanction programmes. Adjusted for these assets, customer cash deposits increased to €8.6 billion in 2012 (2011: €7.7 billion). Net interest income from Clearstream's banking business fell by 31 per cent to €52.0 million in 2012 (2011: €75.1 million). This is due to the fact that the European Central Bank lowered its key interest rate by 25 basis points to 0.75 per cent on 11 July 2012, reaching its lowest historical level, whereas its level had been at 1.5 per cent after 13 July 2011 and at 1 per cent at the end of 2011. In addition, on 11 July 2012, the European Central Bank reduced the rate for the deposit facility from 0.25 to 0 per cent.

Lower net revenue in the main business lines and a drop in net interest income from banking business reduced Clearstream's EBIT in the year under review by 16 per cent to €316.9 million (2011: €375.1 million).

Clearstream segment: key figures

	2012 €m	2011 €m	Change %
Net revenue	660.9	695.3	–5
Operating costs	348.1	326.0	7
EBIT	316.9	375.1	–16

Clearstream's core business is the settlement and custody of international bonds. Both the trading and the post-trading market environment have become more complex in recent years, and Clearstream's goal continues to be to streamline the post-trade services industry in the interest of its customers. Clearstream offers global asset services in order to support customers in coping with the increased capital requirements and risk and liquidity management considerations resulting from the need for systemic stability of capital markets.

One of the answers to these challenges is a more efficient management of capital and liquidity and hence of collateral. Clearstream has developed its integrated collateral management environment, the Global Liquidity Hub, which allows banks to use the assets that are available as collateral more efficiently. Clearstream has repeatedly been recognised as best collateral management service provider by leading industry publications and has, for its globally demanded outsourcing solution, the competitive advantage to be the only collateral management services provider that can manage collateral across time zones and national borders while the assets stay in the respective domestic environment – as required in many legislations. Consequently, the Global Liquidity Hub has won further partners among central securities depositories worldwide. The company's new product "Liquidity Hub GO" – "GO" stands for "global outsourcing" – went live with Brazilian CSD Cetip in 2011 and is at different stages of development with Clearstream's global partners. It is planned to be launched in 2013 for CSDs in Australia (ASX), Spain (Iberclear) and South Africa (Strate). A Letter of Intent has also been signed with Canadian CSD CDS. 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. In addition to the above mentioned CSDs, the agent banks BNP Paribas Securities Services and Citi have signed an agreement with Clearstream to leverage its collateral management excellence, thus enabling joint customers to cover their global exposures through a single optimised collateral pool. Finally, Clearstream has initiated links to trading Platforms such as 360T. The collateral management activities are evidence of the Group's strategy to tap into new geographic areas and acquire new customer groups by partnering with other market players.

The settlement landscape will face a significant change with the launch of TARGET2-Securities (T2S), the standardised pan-European settlement infrastructure that the European Central Bank intends to introduce in 2015. Clearstream aims to take advantage of the emerging European market landscape and, having supported the goals of the T2S initiative since its inception, was one of the first central securities depositories to sign the T2S Framework Agreement in May 2012. The German CSD Clearstream Banking AG will account for approximately 40 per cent of the future T2S settlement volumes in the euro area and aims at becoming the preferred entry point to T2S. By being the first CSD to establish the cornerstones of a pricing model, applicable as early as 1 April 2013, Clearstream intends to guide and support existing and future customers in moving towards T2S.

A core element of Clearstream's business is also 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 strengthened its commitment to Asia by introducing a settlement link to the Philippines. The ICSD also intends to open a direct account at the new Russian CSD. Clearstream's network now encompasses 53 markets around the globe: 33 in Europe, 6 in the Americas, 11 in the Asia-Pacific region and 3 in the Middle East and Africa. Clearstream's settlement network is 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. In November 2012, Clearstream also set up a new operational branch in Ireland to facilitate the processing of hedge funds that the company so far did not cover. The new Dublin branch will allow Clearstream to service the entire range of funds: mutual funds, exchange-traded funds and alternative funds such as hedge funds.

Market Data & Analytics segment

The Market Data & Analytics segment generates, collects, analyses and prepares capital market data, and distributes it to customers in 148 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 net revenue on the basis of long-term arrangements with customers and is relatively independent of trading volumes and volatility on the capital markets.

In a difficult business environment, Market Data & Analytics' net revenue was largely stable in 2012, reaching €215.4 million (2011: €219.5 million). This is due to strong demand for high-quality underlyings for financial instruments, such as the DAX index, and for reliable, uninterrupted supplies of market information of the kind provided by Deutsche Börse's

CEF® data feed. This demand corresponds to the increased uncertainty about international economic developments and the stability of Germany as a business location.

Market Data & Analytics expanded its product range further in response to the challenging market environment, especially in its subsidiary STOXX Ltd., which generated external net revenue of €32.2 million in 2012 (2011: €34.1 million). This also applied to demand for macroeconomic data, news and indicators of the kind provided by Deutsche Börse Group's subsidiary, Market News International Inc. (MNI).

Market Data & Analytics generated most (66 per cent) of its net revenue in its first business area, the distribution of licences for real-time trading and market signals; in 2011 this area had accounted for 66 per cent as well. Its performance declined slightly because of falling employment levels in the financial sector.

An important part of this offering from Market Data & Analytics is the AlphaFlash® algorithmic news feed provided jointly with 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 in macroeconomic data. Here, too, the segment expanded its range of offerings: since May 2012, AlphaFlash® Trader has allowed users of trading platforms to automate order placement depending on price-sensitive events. In addition, the range of proprietary indicators has been extended following MNI's acquisition of the China Consumer Sentiment Survey (CCSS) from Intage Hyperlink Market Consulting (Shanghai) Co., Ltd.

In its second business area, the Market Data & Analytics segment offers indices and benchmarks 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. In addition, investors use the indices as standards for comparing the performance of their investments and for measuring risk. In the index business, which is operated by the segment's subsidiary STOXX Ltd., Market Data & Analytics' net revenue increased further in 2012. This growth was driven above all by DAX ETFs, which recorded a clear increase in assets because of the reliability of the DAX index as an underlying.

Moreover, the range of indices was continually extended in 2012, for example by adding a new country classification for emerging markets based on transparent quantitative criteria as well as the DAX ex Financials index, which tracks the share price performance of all companies on Germany's blue-chip DAX index with the exception of banks and financial services companies. The area also supports Deutsche Börse Group's internationalisation strategy: in September, for example, Market Data & Analytics added over 2,100 indices to the STOXX Global Index family, particularly for shares in Asia. In addition, new benchmarks were introduced for Chinese equities in the form of the STOXX China Total Market indices. Also in September, the DAX index was licensed to Hua An Asset Management Co. Ltd., one of China's largest fund companies.

In the segment's third business area, the supply of data for the back offices of financial services providers, demand decreased as a result of lower trading volumes. This affected in particular the TRICE® service, with which Deutsche Börse AG helps its customers to meet their obligations to report information to financial supervisory authorities and which therefore performs in line with trading. Successful marketing of historical data partially compensated for the decrease.

Operative costs in the Market Data & Analytics segment increased by 8 per cent; EBIT amounted to €120.7 million (2011: €143.5 million).

Market Data & Analytics segment: key figures

	2012 €m	2011 €m	Change %
Net revenue	215.4	219.5	–2
Operational costs	108.1	100.1	8
EBIT	120.7	143.5	–16

Development of profitability

Return on shareholders' equity represents the ratio of after-tax earnings to the average equity available to the Group in 2012. The Group's return on shareholders' equity decreased to 21.6 per cent in the year under review (2011: 29.7 per cent), primarily due to lower earnings. Adjusted for the special effects described in the results of operations, the return on shareholders' equity amounted to 22.1 per cent (2011: 29.2 per cent).

The weighted average cost of capital (WACC) after taxes amounted to 4.4 per cent in the year under review (2011: 5.9 per cent). 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

	2012 %	2011 %
Risk-free interest rate[1]	1.6	2.6
Market risk premium	5.0	5.0
Beta[2]	0.7	0.9
Cost of equity[3] (after tax)	5.0	7.1
Cost of debt[4] (before tax)	5.2	6.0
Tax shield[5]	1.4	1.6
Cost of debt (after tax)	3.9	4.4
Equity ratio[6] (annual average)	51.2	54.0
Debt ratio[7] (annual average)	48.8	46.0
WACC (before tax)	5.1	6.6
WACC (after tax)	4.4	5.9

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 non-current 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, to the extent that these do not 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 2012 amounted to €544.0 million (2011: €657.2 million).

Deutsche Börse Group generated cash flow from operating activities before changes in reporting-date CCP positions of €726.2 million in financial year 2012 (2011: €700.0 million). Including the changes in the CCP positions, cash flow from operating activities was €707.7 million (2011: €785.6 million).

Deutsche Börse Group calculates its cash flow on the basis of net income, adjusted for non-cash changes; in addition, cash flows derived from changes in balance sheet items are taken into account. The changes in cash flow from operating activities excluding reporting-date CCP positions were as follows:

- Net profit for the period declined by €208.0 million to €669.8 million.

- The other non-cash expenses increased by €121.5 million to €50.7 million (2011: non-cash income of €70.8 million), especially as a result of the remeasurement of the equity component in connection with the acquisition of additional shares in Eurex Zürich AG.
- The increase in working capital employed (changes in working capital, net of non-cash items) fell by €135.4 million year-on-year to €–42.0 million. There was a significant decline in liabilities in 2011, which was mainly attributable to tax payments and the reduction in current provisions in connection with share-based payments, as well as the efficiency measures initiated in 2010; in contrast, 2012 saw an increase in current liabilities of €12.6 million. Current receivables, on the other hand, rose by €43.7 million (2011: €4.2 million), driven primarily by a €75.4 million increase in tax receivables.
- Deferred tax income amounted to €56.9 million, mainly in connection with the recognition of deferred tax assets on loss carryforwards (2011: deferred tax expense of €6.7 million).

Cash outflows from investing activities amounted to €267.4 million in the year under review (2011: cash inflow of €823.2 million), primarily due to the payment of €295.0 million in connection with the acquisition of further shares in Eurex Zürich AG and due to the purchase of securities with an original term of more than one year amounting to €265.4 million (2011: €345.0 million). In addition, there were cash inflows of €392.2 million (2011: €558.3 million) because securities with an original maturity of more than one year matured or were sold. Current receivables and securities from banking business declined by €27.4 million in financial year 2012. In financial year 2011, the cash inflow was due to the decrease in current receivables and securities from banking business of €770.1 million.

Payments to acquire property, plant and equipment and intangible assets amounted to €145.7 million (2011: €115.6 million), mostly in connection with enhancements to the trading and settlement systems.

Cash outflows from financing activities amounted to €550.6 million (2011: €505.6 million). Cash flows from financing activities regularly contain the effects of dividend payments and of liabilities for commercial paper that is issued or repaid as part of the company's short-term liquidity management. The dividend payments in May 2012 for financial year 2011 amounted to €622.9 million, including the special dividend (dividend for financial year 2010 paid in May 2011: €390.7 million). In 2012, a corporate bond totalling a volume of €600.0 million was issued and outstanding euro-denominated bonds with a total principal amount of €309.2 million were repurchased (see section "Results of operations" for more information). In addition, commercial paper amounting to €789.3 million was issued in 2012 (2011: nil) and commercial paper worth €796.2 million was repaid (2011: nil). Moreover, treasury shares amounting to €198.2 million were acquired (2011: €111.7 million).

Cash and cash equivalents as at the end of the year under review therefore amounted to €544.0 million (2011: €657.2 million). At €580.5 million, free cash flow, i.e. cash flows from operating activities excluding reporting-date CCP positions less payments to acquire intangible assets and property, plant and equipment, was slightly below the prior-year level (2011: €584.4 million).

As in previous years, the Group does not expect any liquidity squeezes to occur in financial year 2013 due to its positive cash flow from operating activities, adequate credit lines (which had not been drawn down as at 31 December 2012) and flexible management and planning systems.

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 38 to the consolidated financial statements for details).

Consolidated cash flow statement (condensed)

	2012 €m	2011 €m
Cash flows from operating activities (excluding CCP positions)	726.2	700.0
Cash flows from operating activities	707.7	785.6
Cash flows from investing activities	–267.4	823.2
Cash flows from financing activities	–550.6	–505.6
Cash and cash equivalents as at 31 December	544.0	657.2

Liquidity management

Deutsche Börse AG meets its operating liquidity requirements primarily by means of internal financing, i.e. by retaining generated funds. The company aims at retaining liquidity amounting to the operating costs incurred in one quarter; target liquidity currently stands at €250 million. As far as regulatory and legal provisions allow and as far as it is economically sensible, its subsidiaries make their cash surplus available to Deutsche Börse AG by means of a cash pool within the Group. All of the Group's cash investments are short-term in order to ensure availability. Furthermore, investments are secured through the use of liquid bonds by top-rate issuers. Deutsche Börse AG has access to external sources of financing, such as bilateral and syndicated credit lines, and a commercial paper programme (see note 36 to the consolidated financial statements for details on financial risk management). In the past years, Deutsche Börse AG has been utilising its access to the capital market in order to meet its structural financing needs by repeatedly issuing corporate bonds.

Capital structure

Deutsche Börse Group's capital management principles remained unchanged: in general, the Group aims to distribute dividends amounting to 40 to 60 per cent 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. Deutsche Börse AG also needs to maintain a strong credit profile for the benefit of the activities at its subsidiary Eurex Clearing AG.

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 in order to meet the current rating agencies' requirements for an "AA" rating. Adjusted for merger and acquisition costs and for costs of efficiency programmes, Deutsche Börse Group fell slightly below this target in the year under review with an interest coverage ratio of 15.2. This figure is based on a relevant interest expense of €73.1 million and an adjusted EBITDA of €1,108.2 million. In addition, the aim is to achieve a ratio of interest-bearing gross debt to EBITDA of maximum 1.5 on the Group level. The two performance indicators mentioned above play a material role in protecting the Group's current "AA" rating. In the year under review the Group slightly exceeded the ratio with 1.6. This figure is based on interest-bearing gross debt of €1,737.4 million and an adjusted EBITDA of €1,108.2 million. The slight exceeding is based on the higher level of debt as a result of the refinancing starting in Q4/2012. After completion of the refinancing in the financial year 2013 the level of debt is expected to decrease slightly.

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 per cent 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.

Because of the refinancing of long-term financial liabilities started in 2012 (see section "Results of operations"), the company anticipates a significant reduction in the interest expense incurred to finance the Group in 2013 and 2014. For this reason, the company expects the interest coverage ratio to improve in the medium term.

Interest coverage ratio of Deutsche Börse Group

Interest expense from financing activities	Issue volume	2012 €m	2011 €m
Fixed-rate bearer bond	€650 m[1]	32.6	33.0
Hybrid bond	€550m[2]	14.9[3]	17.0[3]
Private placement	US$460 m	21.3	19.8
Fixed-rate bearer bond	€600 m	3.6	–
Commercial paper	€150 m – 2012[4] €0 m – 2011	0.7	–
Total interest expense (including 50% of the hybrid coupon)		**73.1**	**69.8**
EBITDA (adjusted)		1,108.2	1,325.3
Interest coverage[5]		**15.2**	**19.0**

1) A nominal amount of €72 million was repurchased as at 31 December 2012 (31 December 2011: €0 million).
2) A nominal amount of €330 million was repurchased as at 31 December 2012 (31 December 2011: €93 million).
3) Only 50 per cent 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 €29.9 million in 2012 and €33.9 million in 2011.
4) Annual average
5) EBITDA / interest expense from financing activities (includes only 50 per cent 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. and not 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

		2012	2011
Tangible equity Clearstream International S.A. (as at balance sheet date)	€m	819.2[1]	801.1[2]
Tangible equity Clearstream Banking S.A.[3] (as at balance sheet date)	€m	672.4	670.9

1) Net of the interim dividend of €75.0 million, which has not yet been adopted by the Annual General Meeting
2) Net of the interim dividend of €50.0 million
3) Including €150.0 million from profit participation rights issued by Clearstream Banking S.A. to Deutsche Börse AG

Dividends and share buy-backs

Since the launch of its capital management programme in 2005, Deutsche Börse Group returned a total of around €4.2 billion to its shareholders between 2005 and 2011 in the form of share buy-backs and dividends. In the 2012 financial year, it distributed a total of €822.3 million in the form of share buy-backs and dividends: the company bought back in total around 4.8 million shares for €199.4 million in the months of June/July, respectively November/December and paid out a dividend of €434.1 million as well as a special dividend of €188.8 million for the 2011 financial year.

Of the some 46.1 million shares repurchased between 2005 and 2012, the company cancelled a total of around 30.6 million shares up to 2012. Approximately 5.3 million shares were issued to SIX Group AG in order to settle 50 per cent of the purchase price for the acquisition of the shares of Eurex Zürich AG. 1.3 million shares were acquired by employees under the terms of the Group Share Plan (see note 39 to the consolidated financial statements). As at 31 December 2012, the remaining approximately 8.9 million shares were held by the company as treasury shares.

For financial year 2012, Deutsche Börse AG will propose to the Annual General Meeting to pay a dividend of €2.10 per share (2011: €2.30). This dividend corresponds to a distribution ratio of 58 per cent of consolidated net income, adjusted for special effects described in the results of operations (2011: 52 per cent, adjusted for merger and acquisition costs, primarily associated with the prohibited merger with NYSE Euronext, and for costs of efficiency programmes and the income from the revaluation of the share component of the purchase price for the acquisition of the shares in Eurex Zürich AG held by SIX Group AG). For 184.1 million no-par value shares bearing dividend rights, this would result in a total dividend of €386.5 million (2011: €434.1 million without special distribution). The aggregate number of shares bearing dividend rights results from an ordinary share capital of 193.0 million shares, less 8.9 million treasury shares.

Bonds
In 2012, Deutsche Börse AG issued a corporate bond with a volume of €600 million. It serves primarily to refinance part of the outstanding long-term financial liabilities, which amount to roughly €1.5 billion in total. In this context, Deutsche Börse AG made creditors of outstanding euro-denominated bonds an offer to repurchase these bonds (see section "Results of operations" for more information).

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. However, because of the weaker business environment, Standard & Poor's added a negative outlook to Deutsche Börse AG's rating on 20 December 2012. On 1 February 2013, Fitch Ratings added a negative outlook to Clearstream Banking S.A.'s AA rating because of increased operational risk.

As at 31 December 2012, Deutsche Börse AG was one of only two DAX-listed companies that had been given an AA rating by Standard & Poor's.

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 non-current assets amounted to €5,113.9 million as at 31 December 2012 (2011: €5,020.3 million). Goodwill of €2,078.4 million (2011: €2,095.2 million) represented the largest item. The change in non-current assets compared with 31 December 2011 is primarily due to the rise in non-current receivables and securities from banking business held by Deutsche Börse Group as financial assets, which increased to €1,485.0 million (2011: €1,404.6 million). The net value of internally developed software and of other equity investments increased slightly.

Current assets amounted to €211,414.0 million as at 31 December 2012 (2011: €212,982.2 million). Changes in current assets resulted primarily from the following factors:

- An increase in restricted bank balances to €19,450.6 million (2011: €13,861.5 million) as a result of higher cash collateral deposited by clearing members with Eurex Clearing AG; the amount increased primarily because clearing members preferred to provide cash rather than securities as collateral.

- A decrease in the financial instruments of Eurex Clearing AG item to €178,056.5 million (2011: €183,618.1 million) in connection with its function as a central counterparty (CCP) for cash and derivatives markets. This asset is matched by a liability in the same amount.
- A decrease in receivables and securities from banking business at Clearstream to €12,808.2 million (2011: €14,144.1 million)
- A decrease in other cash and bank balances to €641.6 million (2011: €925.2 million)

Assets were financed by equity in the amount of €3,169.6 million (2011: €3,132.6 million) and liabilities in the amount of €213,358.3 million (2011: €214,869.9 million).

The following factors determined the change in equity compared with 31 December 2011:

- A decline in the value of treasury shares to be deducted from equity to €448.6 million (2011: €691.7 million). This decrease is primarily due to Deutsche Börse AG's acquisition of the remaining shares in Eurex Zürich AG from SIX Group AG. In addition to a cash component, the purchase price included around 5.3 million shares. Share buybacks of around €200 million made in the year under review partially compensated for this effect.
- A decrease in accumulated profit to €1,938.9 million (2011: €2,123.0 million)

Non-current liabilities fell to €1,616.4 million (2011: €1,916.8 million), primarily as a result of a €298.3 million decrease in interest-bearing liabilities to €1,160.0 million (2011: €1,458.3 million). In total, the decrease was mainly due to the reclassification of bonds maturing in financial year 2013 and amounting to €577.4 million under "other current liabilities". This was partially offset by the corporate bond issued in 2012 and the repurchase of the bonds issued in 2008 (see section "Results of operations" for more information).

Current liabilities amounted to €211,741.9 million (2011: €212,953.1 million). The main changes in current liabilities occurred in the following items:

- A decrease in the financial instruments of Eurex Clearing AG item to €178,056.5 million (2011: €183,618.1 million) in connection with its function as a central counterparty for cash and derivatives markets
- An increase in liabilities from cash deposits by market participants to €19,450.6 million (2011: €13,861.5 million) as a result of higher cash collateral provided by the clearing members of Eurex Clearing AG; the amount increased primarily because clearing members preferred to provide cash rather than securities as collateral.
- A decrease in liabilities from banking business at Clearstream to €12,880.3 million (2011: €14,169.6 million)
- A decrease in liabilities to other related parties to €1.6 million (2011: €528.7 million); this is due to the reduction in the liability to SIX Swiss Exchange AG following payment of the purchase price for the acquisition of the 50 per cent

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
Fixed-rate bearer bond	€600 m	DE000A1RE1W1	10 years	Oct. 2022	2,375 %	Luxembourg/Frankfurt

1) Early termination right after 5 respectively 10 years and in each year thereafter
2) Until June 2013: fixed-rate 7.50 per cent 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 per cent)

equity interest in Eurex Zürich AG amounting to €295.0 million (plus around 5.3 million shares).
- An increase in other current liabilities to €888.4 million (2011: €322.0 million) due to the reclassification of bonds maturing in financial year 2013 which amount to €577.4 million from non-current interest-bearing liabilities.

Overall, Deutsche Börse Group invested €145.7 million in intangible assets and property, plant and equipment (capital expenditure, CAPEX) in the year under review, 26 per cent more than in the previous year (2011: €115.6 million). The Group's largest investments in the year under review were 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 €457.1 million (2011: €433.3 million). As Deutsche Börse Group collects fees for most of its services on a monthly basis, the trade receivables of €211.8 million included in the current assets as at 31 December 2012 (31 December 2011: €224.3 million) were relatively low compared with net revenue. The current liabilities of the Group, excluding technical closing date items, and the bonds maturing in 2013 amounted to €777.0 million (2011: €1,303.5 million). The Group therefore had negative working capital of €–319.9 million at the end of the year (2011: €–870.2 million). This development is primarily due to the decline in liabilities to other related parties.

Technical closing date balance sheet items

The "current receivables and securities from banking business" and "liabilities from banking business" balance sheet items are technical closing date items that were strongly correlated in the year under review and that fluctuated between approximately €11 billion and €13 billion (2011: between €8 billion and €15 billion). These amounts mainly represent customer balances within Clearstream's international settlement business.

The "financial instruments of Eurex Clearing AG" balance sheet item relates 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 and in notes 3, 15 and 36 to the consolidated financial statements. The total value of these financial instruments varied between €178 billion and €218 billion at the balance sheet dates relevant for the year under review (31 March, 30 June, 30 September, 31 December) (2011: between €151 billion and €223 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 €13.4 billion and €19.5 billion and was thus above the figures for the previous year (2011: between €5 billion and €16.5 billion). The collateral provided increased in the course of the year, driven by high volatility.

Value added: breakdown of enterprise performance CR

Deutsche Börse Group's commercial activity contributes to private and public income – this contribution is made transparent in the value added statement.

Value added is calculated by subtracting depreciation, amortisation and impairment charges and third-party costs from the enterprise performance. In 2012, the value added by Deutsche Börse Group amounted to €1,378.9 million (2011: €1,634.1 million). The breakdown of value added shows that large portions of the revenue generated flow back into the economy: 46 per cent (€637.5 million) benefited share holders in the form of dividend payments, while 30 per cent (€414.2 million) went to employees in the form of salaries and other remuneration components. Taxes accounted for 12 per cent (€166.9 million), while 7 per cent (€100.6 million) was attributable to lenders. The 5 per cent value added that remained in the company (€59.7 million) is available for investments in growth initiatives, for example (see charts below).

Overall assessment of the economic situation by the Executive Board

Deutsche Börse Group's results of operations in financial year 2012 fell short of the Executive Board's expectations because of the difficult economic conditions and the great uncertainty in the market. In addition, persistent ambiguity about financial market regulation and the central banks' low interest rate policy proved counterproductive for the Group. The Group's net revenue declined by 9 per cent in total. Business performance saw a particular decline year-on-year especially in the business areas that depend more heavily on market participants' trading activity. Despite active cost management and a decrease in operating costs, EBIT and net profit for the year also declined compared with the previous year. The Executive Board had already reduced its earnings forecast in line with this in the course of the year under review.

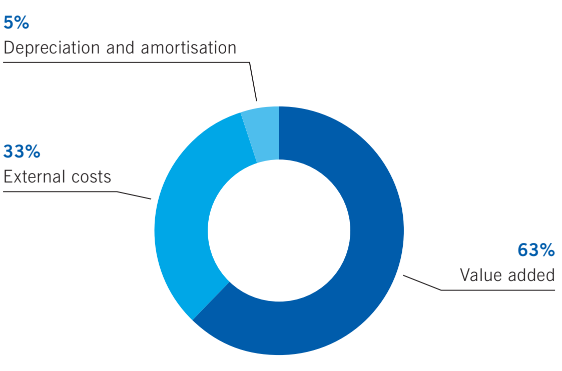
The Executive Board believes that Deutsche Börse Group's financial position was extremely stable in the year under review. As in the previous year, the company generated high operating cash flow. The decline in EBIT meant that the interest coverage ratio fell slightly short of the target of 16 at Group level. For 2013, the Executive Board expects a return to an interest coverage ratio of at least 16. This expectation is supported by the refinancing of long-term financial liabilities that began in 2012 and that will lead to a reduction in interest expenses as early as in 2013. The full benefit of this effect will be felt in 2014.

Rating agencies again confirmed the Group's credit quality by awarding it excellent ratings in 2012. However, because of the weaker business environment, Standard & Poor's added a negative outlook to Deutsche Börse AG's rating on 20 December 2012. In addition, on 1 February 2013, Fitch Ratings added a negative outlook to Clearstream Banking S.A.'s rating because of increased operational risk.

Deutsche Börse AG has offered its shareholders attractive returns for years – and financial year 2012 is no exception. With a proposed dividend of €2.10, the distribution to shareholders is close to the previous year's level of €2.30 in spite of lower earnings. Compared with the previous year, the distribution ratio has increased from 52 to 58 per cent (adjusted for special items in both cases) and is at the upper end of the Executive Board's target range of between 40 and 60 per cent.

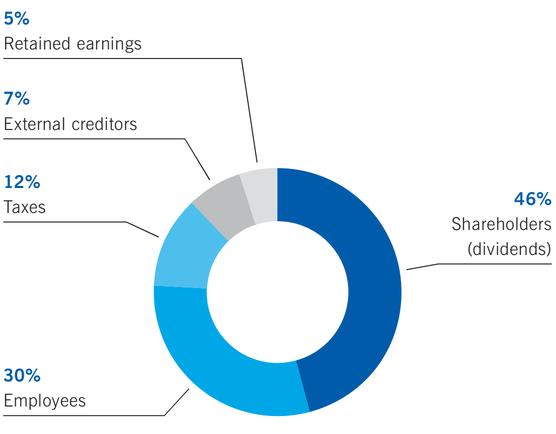
Origination of value added

Company performance: €2,200.0 million



Distribution of value added

Value added :€1,378.9 million



Deutsche Börse group: ten-year review

		2003	2004	2005
Consolidated income statement				
Net revenue	€m	n.a.	1,395.5	1,616.4
thereof net interest income from banking business	€m	94.4	77.1	112.7
Operating costs	€m	–969.0	–869.9	–910.9
Earnings before interest and tax (EBIT)	€m	452.6	458.7	705.0
Net income	€m	246.3	266.1	427.4
Earnings per share (basic)	€	1.10[2]	1.19[2]	2.00[2]
Consolidated cash flow statement				
Cash flow from operating activities	€m	530.6	439.6	667.7
Consolidated balance sheet				
Non-current assets	€m	2,381.8	2,162.7	2,007.8
Equity	€m	2,353.5	2,552.5	2,200.8
Non-current interest-bearing liabilities	€m	503.2	502.3	501.6
Performance indicators				
Dividend per share	€	0.28[2]	0.35[2]	1.05[2]
Dividend payout ratio	%	25	28	49
Employees (average annual FTEs)		3,049	3,080	2,979
Net revenue per employee, based on average FTEs	€ thous.	n.a.	453	543
Personnel expense ratio (staff costs / net revenue)	%	n.a.	24	25
EBIT margin, based on net revenue	%	32	33	44
Tax rate	%	45.2	43.8	38.0
Return on shareholders' equity (annual average)[11]	%	11	10	18
Gross debt / EBITDA		0.8	0.8	0.6
Interest coverage ratio	%	n.a.	n.a.	n.a.
The shares				
Closing price of Deutsche Börse-shares	€	21.68[2]	22.14[2]	43.28[2]
Average market capitalisation	€bn	4.7	4.9	7.5
Market indicators				
Xetra and Xetra Frankfurt Specialist Trading[17]				
Trading volume[18]	€bn	964.7	1,014.3	1,125.5
Eurex				
Number of contracts	m	1,014.9	1,065.6	1,248.7
Clearstream				
Value of securities deposited (annual average)	€bn	7,335[20]	7,593[20]	8,752[20]
Number of transactions	m	61.8[21]	50.0[21]	53.9[21]
Global Securities Financing (average outstanding volume for the period)	€bn	111.2[22]	136.4[22]	210.9[22]

1) Amount restated to reflect the transition of the accounting policies for defined benefit obligations to the revised IAS 19
2) Amount restated to reflect the capital increase in 2007
3) Thereof €449.8 million are reported under "Other current liabilities".
4) €1,160.0 million thereof are reported under "Interest-bearing liabilities", and the bonds that will mature in financial year 2013 in the amount of €577.4 million are reported under "Other current liabilities".
5) Proposal to the Annual General Meeting 2013
6) Adjusted for the ISE impairment charge recognised in Q4/2009
7) Adjusted for the costs of efficiency programmes and for the ISE impairment charge recognised in Q4/2010
8) Adjusted for the costs of mergers and acquisitions and of efficiency programmes and for income arising from the remeasurement of the equity component of the purchase price for the acquisition of the shares in Eurex Zürich AG held by SIX Group AG
9) Figure based on the proposal to the 2013 Annual General Meeting
10) Adjusted for the costs of efficiency programmes
11) Net income / average shareholders' equity for the financial year based on the quarter-end shareholders' equity balances
12) Adjusted for tax relief resulting from the ISE impairment charge in 2009

	2006	2007	2008	2009	2010	2011	2012
	1,899.6	2,416.0	2,497.4	2,039.4	2,015.8	2,121.4	1,932.3
	150.7	230.8	236.8	97.4	59.4	75.1	52.0
	–879.1	–1,075.2	–994.8	–1,396.8	–1,500.2	–962.2[1]	–958.6
	1,027.5	1,345.9	1,508.4	637.8	527.8	1,162.8[1]	969.4
	668.7	911.7	1,033.3	496.1	417.8	855.2[1]	645.0
	3.36[2]	4.70	5.42	2.67	2.25	4.60[1]	3.44
	843.4	839.6	1,278.9	801.5	943.9	785.6	707.7
	1,907.6	4,164.0	4,544.9	5,251.0	5,069.5	5,020.3	5,113.9
	2,283.3	2,690.2	2,978.3	3,338.8	3,410.3	3,132.6[1]	3,169.6
	499.9	501.0[3]	1,512.9	1,514.9	1,455.2	1,458.3	1,737.4[4]
	1.70[2]	2.10	2.10	2.10	2.10	2.30	2.10[5]
	50	51	38	56[6]	54[7]	52[8]	58[9, 15]
	2,739	2,854	3,115	3,333	3,300	3,278	3,416
	694	847	802	612	611	647	566
	22	23	17	19	20[10]	19[10]	21[10]
	54	56	60	31	26	55	50
	36.0	36.0	28.5	26.9[12]	26.9[13]	26.0[14]	26.0[15]
	30	39	41	18	14	30	22
	0.4	0	1.0	1.3[6]	1.2[7]	1.1[16]	1.6[16]
	58.5	64.4	18.9	15.8	16.8[12]	19.0[13]	15.2
	69.71[2]	135.75	50.80	58.00	51.80	40.51	46.21
	11.7	18.4	16.0	10.2	10.1	9.6	8.5
	1,695.3	2,552.5	2,229.1	1,120.6	1,298.3	1,459.8	1,111.3
	1,526.8	2,704.3[19]	3,172.7	2,647.4	2,642.1	2,821.5	2,292.0
	9,203[20]	10,504	10,637	10,346	10,897	11,106	11,111
	104.7	123.1	114.3	102.0	116.4	126.3	113.9
	301.2[22]	332.7	398.8	483.6	521.6	592.2	570.3

13) Adjusted for tax relief resulting from the ISE impairment charge in 2010
14) Adjusted for the non-taxable income related to the revaluation of the share component of the purchase price paid for the acquisition of the shares in Eurex Zürich AG held by SIX Group
15) Adjusted for expenses related to the revaluation of the share component of the purchase price paid for the acquisition of the shares in Eurex Zürich AG held by SIX Group, a one-off income from the reversal of deferred tax liabilities for STOXX Ltd. based on a decision by the Swiss Financial Supervisory Authority and a one-off income from the recognition of deferred tax assets resulting from the future possible offsetting of losses carried forward by Eurex Global Derivatives AG
16) Adjusted for the cost of mergers and acquisitions and of efficiency programmes
17) Xetra Frankfurt Specialist Trading, prior to 23 May 2011: floor trading
18) Excluding certificates and warrants
19) Pro forma figure including US options of ISE
20) Value of assets under custody on 31 December
21) Due to a change in the statistical reporting procedure in 2007, the figures are only comparable to a limited extent with those from 2006 onwards.
22) Average outstanding volume in December of the year

Report on post-balance sheet date events

On 5 February 2013 Deutsche Börse AG announced that the Executive Board of the company is planning to accelerate the measures to increase the operating efficiency. In its meeting on 19 February 2013, the Supervisory Board approved the measure. For that purpose the company will identify and implement additional personnel and non-personnel cost savings of €70 million per annum. This will allow the company to compensate the expected inflationary cost increase ahead of time. Furthermore, this ensures the necessary flexibility to continue the growth and infrastructure investments, which will allow the company to seize opportunities relating to structural and regulatory changes in financial markets and potential in markets like Asia. At the same time the company continues to adapt to evolving customer needs. All efficiency measures shall be fully realised by 2016. To achieve the efficiency improvements, the company is expecting implementation costs in a magnitude of €90 to €120 million. The majority of this amount is expected to be recognized in the income statement in the form of provisions already in 2013.

Deutsche Börse shares

Stock market performance

Global economic growth continued to slow year-on-year in the course of 2012, and economic output even declined in the euro zone. This trend is due, among other factors, to restrictive fiscal policies, primarily in the USA, where taxes increased and government spending was reduced, and to the ongoing tense financial situation in the euro zone. Despite the fact that the overall economic conditions deteriorated year-on-year, DAX®, Germany's blue-chip index, performed very well during the course of the year, ending at 7,612 points, 29 per cent higher than in the previous year. The largely contradicting trends in the economy and the stock markets are mainly attributable to historically low interest rates as well as fears of inflation, which have made it more attractive to invest in shares than other types of investment. However, the positive equity market trends only affected the Group's business activity to a limited extent because the market environment overall continued to be dominated by marked restraint in participants' capital market activities. Deutsche Börse AG's share price nonetheless performed well in 2012, ending the year with a 14 per cent increase. This also approximately corresponds to the share price performance of other exchange organisations, based on the Dow Jones Global Exchanges Index, which rose by 13 per cent in 2012. The STOXX® Europe 600 Financials Index, which serves as the benchmark index for the Executive Board's share-based remuneration and reflects the performance of European financial stocks, grew by 26 per cent in 2012. Deutsche Börse AG shares recorded a twelve-month intraday high of €52.10 on 21 February 2012 and a twelve-month intraday low of €36.25 on 5 June 2012. They closed the last trading day of the year under review at €46.21 (2011: €40.51). The performance of the share price in the course of the year was affected on the one hand by the prohibited merger with NYSE Euronext, after which the shares reached their year high. On the other hand, the fact that business activity during the year was weaker than expected and various plans for regulatory reform, which were perceived as risks for the Group, also played a role and contributed to the low in June 2012.

Exchange data of Deutsche Börse AG 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

An attractive long-term investment

Deutsche Börse shares continue to offer investors 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 strong focus on operating efficiency. Since Deutsche Börse AG went public in 2001, shareholders have benefited from an average annual return of around 11 per cent to the end of 2012, significantly higher than the performance of DAX; in the same period, a direct investment in DAX would have yielded an annual return of around 1 per cent. 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 €34,334 at the end of 2012. Had they invested in the DAX index during the same period, their holdings would have been worth just €11,467.

Deutsche Börse AG share: key figures

		2012	2011
Earnings per share (basic, adjusted)[1]	€	3.44	4.60
Dividend per share	€	2.10[2]	2.30
Dividend yield[3]	%	4.8	4.6
Opening price (as at 1 Jan.)[4]	€	40.51	51.80
High[5]	€	52.10	62.48
Low[5]	€	36.25	35.46
Closing price (as at 31 Dec.)	€	46.21	40.51
Average daily trading volume on Xetra®	m shares	1.0	1.4
Number of shares (as at 31 Dec.)	m	193.0[6]	195.0
thereof outstanding (as at 31 Dec.)	m	184.1	183.4
Free float (as at 31 Dec.)	%	100	100
Price-earnings ratio[3]		12.4	11.0
Market capitalisation (as at 31 Dec.)	€bn	8.9	7.9

1) Adjusted for costs of efficiency programmes and merger and acquisition costs
2) For financial year 2012, proposal to the Annual General Meeting 2013
3) Based on the volume-weighted average of the daily closing prices
4) Closing price on preceding trading day
5) Intraday price
6) Deutsche Börse AG reduced its ordinary share capital to €193.0 million or 193.0 million shares on 17 February 2012 by redeeming 2.0 million treasury shares.

Share price development of Deutsche Börse AG and benchmark indices in 2012

Indexed to 30 December 2011 = 100

1) Between 1 January and 7 February 2012 the data shown refer to tendered shares (ISIN DE000A1KRND6).

Index membership

Deutsche Börse AG shares are represented in a series of European and global equity indices, among others in the German blue-chip index DAX, the Dow Jones Global Exchanges Index, the STOXX Europe 600 Financials and the German dividend index DivDAX®. However, Deutsche Börse AG Group's shares were removed from the EURO STOXX 50, the pan-European blue-chip index, effective 18 June 2012, because their market capitalisation was too low on the cut-off date for calculating the index composition.

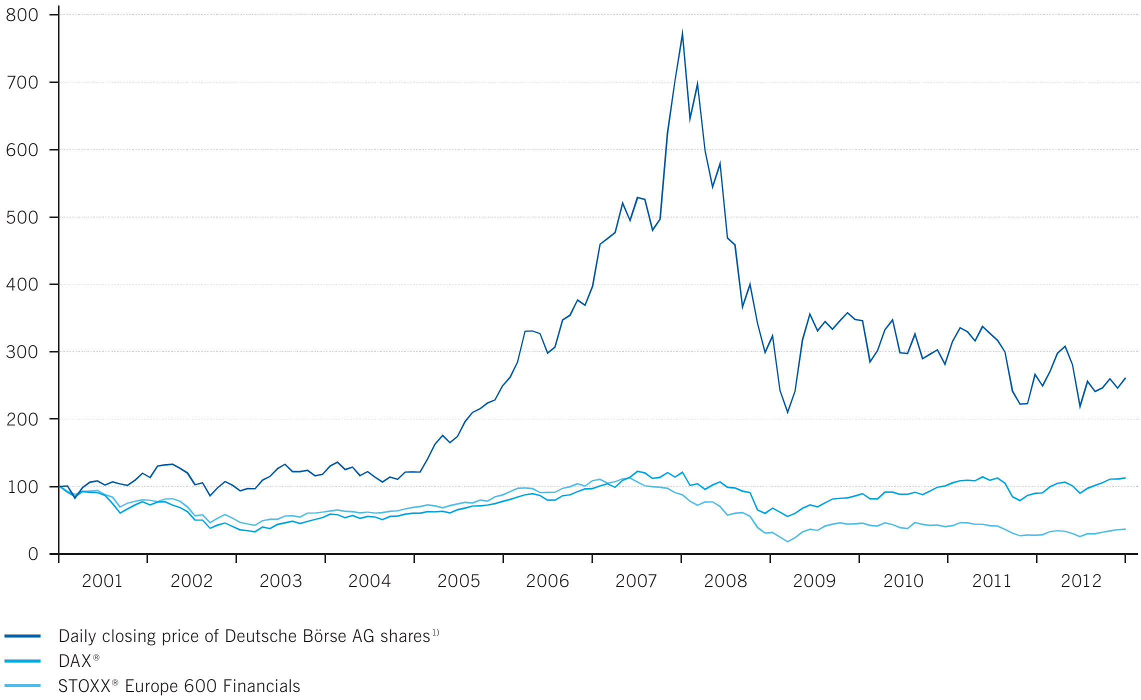
Thanks to Deutsche Börse Group's transparent reporting on its corporate responsibility activities, the company was also represented in key sustainability indices in 2012, such as the FTSE4Good Index Series (FTSE4Good Global Index and FTSE4Good Europe Index) and the two Dow Jones Sustainability Indices (DJSI World and DJSI Europe), which include the top 10 per cent of companies in each sector in line with the "best in class" principle. The company is also represented in other sustainability indices: since 2003 in the Advanced Sustainability Performance Index (ASPI), since 2008 in the ECPI Ethical Index Euro, as well as in the MSCI World ESG Index and the STOXX® Global ESG Leaders Index since these two indices were launched in 2010, resp. 2011.

Investor relations activities

On numerous occasions during the reporting period, the company informed existing and potential investors as well as other capital market participants about its long-term strategy as well as the cyclical factors and structural growth drivers of its business. At the beginning of the past financial year, communication with the company's shareholders centred on issues in connection with the planned merger with NYSE Euro

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

Indexed to 5 February 2011 = 100



1) Between 20 July 2011 and 7 February 2012 the data shown refer to tendered shares (ISIN DE000A1KRND6).

next, which was prohibited in February 2012, and the strategic directions adopted by the company following this initiative. As the year progressed, questions relating to opportunities and risks arising from changes to the regulatory framework dominated the company's investor relations work.

Deutsche Börse Aktiengesellschaft held its Annual General Meeting at the Jahrhunderthalle in Frankfurt/Main on 16 May 2012. Around 59.5 per cent of the share capital was represented (2011: 42.9 per cent). The company held its sixth investor day in Eschborn in June 2012. At this event, domestic and international analysts and institutional investors were informed about the Group's strategic priorities and current developments in the individual business areas. 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. The quality of the Group's investor relations activities was confirmed, for example in a survey of institutional investors and financial analysts conducted by Institutional Investor magazine: Deutsche Börse AG came first in the "Best Investor Relations" category in the "Specialty & Other Finance" sector.

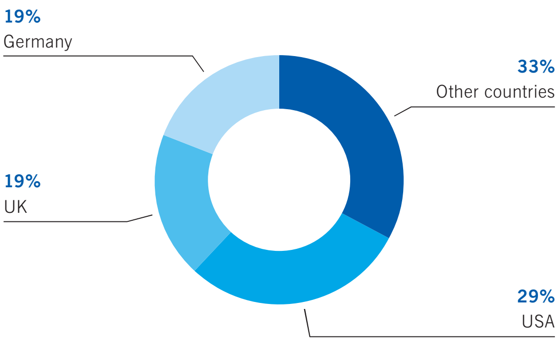
International investor base

The proportion of non-German shareholders remained stable year-on-year at around 81 per cent (2011: 81 per cent), although there was a clear shift to other countries from the USA. This trend is largely associated with significant caution on the part of US investors, who reduced their positions in European shares in general due to the uncertainties in the euro zone. Deutsche Börse AG had approximately 70,000 shareholders at the end of the reporting period based on the share register and analyses of shareholdings. The proportion of institutional investors based on the number of shares was around 93 per cent in 2012, compared with around 95 per cent in the previous year. The slight decline reflects the higher number of private investors, which rose year-on-year primarily because of the attractive dividend distribution.

Attractive dividend

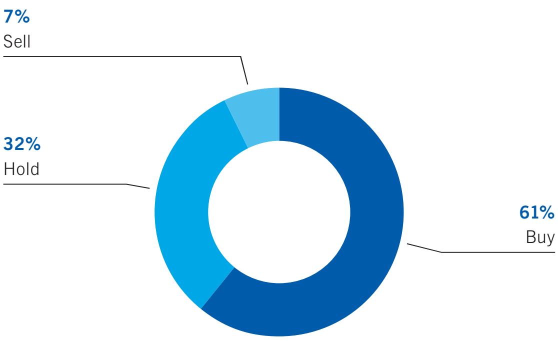
In the past year, Deutsche Börse AG ensured that its shareholders were able to participate in its very good 2011 business performance and increased the regular dividend by 10 per cent to €2.30. This resulted in a distribution ratio of 52 per cent of consolidated net income (adjusted for costs for mergers and acquisitions, as well as for efficiency programmes). In addition to the dividend, the company paid out a special distribution of €1.00 per share. For financial year 2012, Deutsche Börse AG's Executive Board and Supervisory Board will propose a dividend of €2.10 per share to the Annual General Meeting on 15 May 2013. This corresponds to the dividend per share which was paid from 2008 to 2011. Adjusted for costs of mergers and acquisitions as well as for efficiency programmes), the distribution

Share of international shareholders on a high level in 2012



As at 31 December 2012

Deutsche Börse AG: analysts predominantly issue buy recommendations



As at 31 December 2012

ratio related to the consolidated net income amounts to around 58 per cent and is at the upper level of the Group's defined 40 to 60 per cent range; this value is in line with the Group's dividend policy.

Analysts

Around 30 analysts from banks and securities trading firms published regular earnings forecasts for and studies on Deutsche Börse AG in the reporting period. As at 31 December 2012, 61 per cent of analysts recommended buying Deutsche Börse AG shares. This compares with 32 per cent who issued hold and 7 per cent who issued sell recommendations. The average target price set by analysts was €48 at the end of 2012.

Financial and non-financial performance indicators CR

Employees CR

Committed, highly skilled employees are the cornerstone of Deutsche Börse Group's business success. They master challenging tasks and shape the corporate culture with their sense of responsibility, their dedication and flexibility as well as their will to deliver outstanding performance. Deutsche Börse Group aims to make sure that staff with these qualities continue to join the company in the future and, ideally, that they stay for the long term. This is the basis for its long-term human resources policy.

As at 31 December 2012, Deutsche Börse Group had 3,704 employees (31 December 2011: 3,588); the average number of employees in the year under review was 3,654 (2011: 3,522). The year-on-year increase is mainly due to the expansion of its locations in Prague (+58 employees) and Singapore (+16 employees) as part of the operating efficiency programme ("Excellence"), which the Executive Board had resolved in 2010. Under this programme, operations were relocated from Frankfurt and Luxembourg to Prague and Singapore. The workforce in Luxembourg was –15 employees and in Frankfurt +50 employees. Two mutually offsetting effects were at work here: on the one hand, the number of employees decreased as a result of measures under the "Excellence" programme, while on the other, jobs were created for strategically important projects, such as the Eurex Clearing AG initiatives. At the US subsidiary International Securities Exchange (ISE), the number of employees at the New York location declined by 19, while the size of the workforce at the other locations grew by 26 employees.

Employees by segment

	31 Dec 2012	31 Dec 2011
Xetra	436	448
Eurex	1,034	999
Clearstream	1,816	1,749
Market Data & Analytics	418	392
Total Deutsche Börse Group	**3,704**	**3,588**

Deutsche Börse Group is an international team: as at 31 December 2012, it employed people at 22 locations worldwide. The following table breaks this figure down into countries and regions:

Employees per countries/regions

	31 Dec 2012	%
Germany	1,598	43.1
Luxembourg	973	26.2
Czech Republic	462	12.5
United Kingdom	101	2.7
Rest of Europe	147	4.0
North America	308	8.4
Asia	107	2.9
Middle East	8	0.2
Total Deutsche Börse Group	**3,704**	**100**

To recruit and retain the best talent in the long term, Deutsche Börse Group offers flexible working hours: taking into account part-time employees, there was an average of 3,416 full-time equivalents (FTE) during the year (2011: 3,278). As at 31 December 2012, the proportion of part-time employees was higher in the general workforce than in management, and it was higher among women than among men.

Under the joint declaration signed by all DAX companies, the company aims to fill 20 per cent of upper and middle management positions and 30 per cent of lower management positions in Germany with women by 2015. As at 31 December 2012, the proportion of such positions filled by women stood at 13 per cent for all of Deutsche Börse Group (Germany: 12 per cent) for upper and middle management positions, and at 23 per cent (Germany: 20 per cent) for lower management positions. In order to increase the proportion of women in management positions, Deutsche Börse has adapted its talent management programmes and recruitment and promotion processes. Employee qualifications are always the decisive criteria for filling a position, with equal consideration being given to both men and women, irrespective of age. In addition, women are explicitly taken into account when appointing replacements for top management positions. Deutsche Börse Group also offers a variety of other instruments to develop female employees: targeted succession planning, an external and internal mentoring programme, a women's network as well as coaching and training specifically for women. Eight of the current 21 members of the "high potential circle", Deutsche Börse Group's programme for growing potential management talent, are female (38 per cent). In addition, remuneration differences between women and men are analysed on a regular basis. The analysis has not identified any systematic disadvantages for women. Rather, differences in remuneration are due to qualifications, years of service and function.

The company provides a number of options designed to achieve a good work-life balance as part of its Job, Life & Family initiative:

- Option to telework from home
- Emergency childcare service, which was used in Germany on a total of 166 days in 2012
- A holiday club for schoolchildren
- An emergency parent-child office at the Eschborn and Luxembourg locations
- Reservation of places for employees' children aged between six months and three years at a daycare centre for children in Eschborn; the number of dedicated places depends on demand in the company
- An "Elder and Family Care" programme to facilitate care for needy family members
- The ability to take sabbaticals – this option was used by five employees in Germany and Luxembourg in 2012

A total of 28 male and 37 female employees took parental leave in financial year 2012. This figure included three male employees in management positions. In 2012, 24 male and 43 female employees returned to the company from parental leave. Out of these totals, one male and three female employees left the company after their parental leave.

In the year under review, Deutsche Börse Group supported its employees by subsidising childcare in the amount of €692 thousand (2011: €576 thousand). Financial subsidies for childcare have gone up as 2012 marks the first year that employees in management positions also received subsidies. Employees in management and non-management positions receive a monthly net sum of up to €255.65 per child up until the child is six years old or until it starts school.

Moreover, 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). One of the aims of these measures is to maintain the health of employees in spite of high workloads and to keep the sickness rate in the company to a minimum. Deutsche Börse Group's sickness rate averaged 2.8 days per employee in the year under review (2011: 2.8 days).

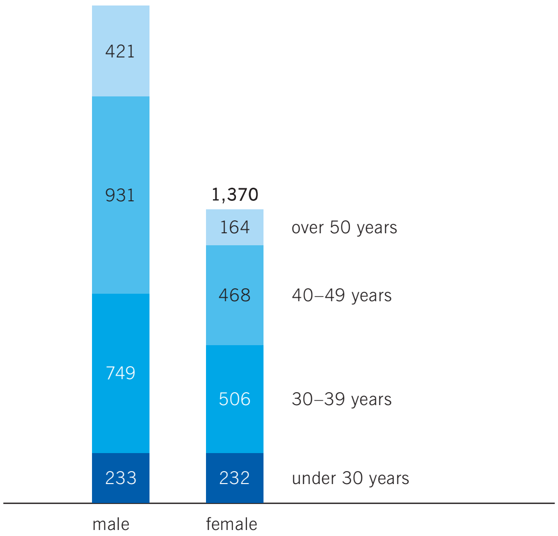
As at 31 December 2012, 62.5 per cent of Deutsche Börse Group employees were graduates (2011: 62.1 per cent). This figure is calculated on the basis of the number of employees holding a degree from a university, university of applied sciences, or professional academy; it also takes into account employees who have completed comparable studies abroad. Deutsche Börse Group offers its staff a broad portfolio of professional development opportunities in the form of internal and external training events. In total, the Group invested an average of 2.1 days per employee in staff training.

Measured in terms of the average number of full-time equivalent employees in the year under review, net revenue per employee declined by 13 per cent to €566 thousand (2011: €647 thousand). Staff costs per employee, adjusted for efficiency programme costs, went down by 2 per cent to €117 thousand (2011: €120 thousand). The remuneration paid under the company collective labour agreement in Germany increased by 3.0 per cent in financial year 2012. Salaries were also adjusted at the Group's other locations.

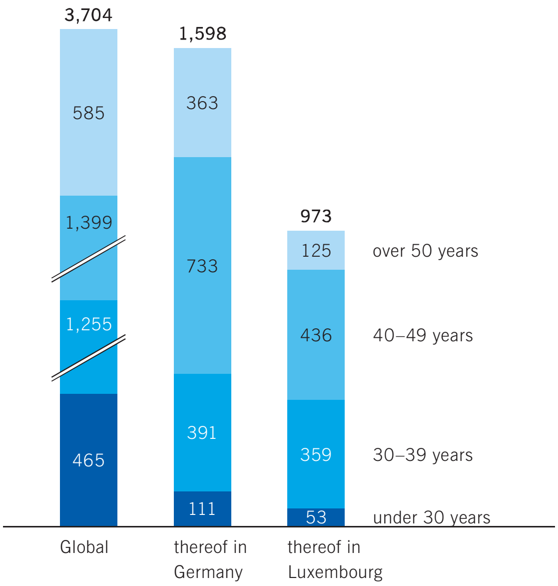
The average age of Deutsche Börse Group's employees at the end of the year under review was 40.4 years. The charts on the right show the employee age structure as at 31 December 2012.

207 employees left Deutsche Börse Group and 309 joined the Group in the course of the year. The staff turnover rate was 5.7 per cent and therefore lower than in the previous year (2011: 8.9 per cent). The average length of service at the end of the year under review was 10.6 years.

Deutsche Börse Group employees' age structure
(by gender)



Deutsche Börse Group employees' age structure
(by location)



Code of conduct CR

Important basic principles and values forming part of the Group's corporate culture are set out in a code of conduct at Deutsche Börse Group, which serves as a guideline for all employees at every level of the Group. This includes, as a matter of course, respect for human and labour rights. For example, Deutsche Börse Group complies with international agreements such as the United Nations Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the standards issued by the International Labour Organisation. In addition, it has undertaken to implement the ten principles of the UN Global Compact in the areas of human rights, labour standards, the environment and anti-corruption throughout the Group. The employees receive mandatory introductory training in this area. In 2012, 8 training days of 8 hours took place and were attended by a total of 92 employees.

Key figures on Deutsche Börse Group's workforce as at 31 December 2012

	Global			thereof in Germany			thereof in Luxembourg		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Employees	2,334	1,370	3,704	1,011	587	1,598	605	368	973
Upper and middle management	152	23	175	88	12	100	43	9	52
Lower management	168	50	218	81	20	101	44	17	61
Staff	2,014	1,297	3,311	842	555	1,397	518	342	860
Part-time employees	59	343	402	29	185	214	26	130	156
Upper and middle management	1	4	5	0	2	2	1	2	3
Lower management	2	6	8	1	3	4	1	3	4
Staff	56	333	389	28	180	208	24	125	149
Disabled employees	31	18	49	28	18	46	3	–	3
Proportion of graduates (%)	66	57	63	66	51	61	55	48	52
Apprentices	3	9	12	3	9	12	–	–	–
Interns and students[1]	123	108	231	112	104	216	11	2	13
Length of service									
Under 5 years (%)	31	36	33	20	24	22	14	18	15
5–15 years (%)	47	43	46	54	50	52	65	58	63
Over 15 years (%)	22	21	21	26	26	26	21	24	22
Staff turnover									
Joiners	196	113	309	53	33	86	15	19	34
Leavers	137	70	207	30	17	47	25	15	40
Training days per staff member	2.1	2.3	2.1	2.1	2.6	2.3	2.3	2.4	2.3
Promotions	94	63	157	47	20	67	32	19	51
Employees covered by collective bargaining agreements[1]	1,151	819	1,970	859	561	1,420	292	258	550

1) The global figures reported here refer solely to the locations in Germany, Luxembourg and the Czech Republic; this corresponds to 82 per cent of Group staff.

Corporate responsibility

In its corporate responsibility (CR) strategy "Growing responsibly", Deutsche Börse defines what it means by corporate responsibility and lays down the scope of activity for the entire Group. 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

As a capital market organiser, Deutsche Börse Group provides fair market access as well as liquid and transparent trading for investors. It reduces information asymmetries and uses highly effective instruments to manage its customers' risks. In doing so, the Group makes its greatest value contribution to society in its primary core business of organising sound, transparent and secure capital markets worldwide.

A key element of this is operating and developing its integrated business model. In accordance with this, top strategic priority is given to investments in the availability and reliability of trading systems, in services and technologies to manage the risk and liquidity of market participants, and in initiatives aimed at applying the high standards of the regulated market to the largely unregulated off-exchange segment of the capital markets.

Because Deutsche Börse Group sets standards in the market, effective corporate governance structures, sound business practice and compliance with all the laws, requirements and regulations in the operating business play a key role. For example, as a member of the UN Global Compact, Deutsche Börse Group is committed to implementing the ten principles of the UN Global Compact in the areas of human rights, labour, environmental protection and anti-corruption throughout the Group when designing its business processes.

In addition, Deutsche Börse Group campaigns for greater transparency of sustainability information on the global capital markets – with measures ranging from introducing its own transparency initiatives to supporting the campaigns of other players in this area or promoting best practice in the market. Against this background, Deutsche Börse Group supports the German Sustainability Code and has published an annual declaration of compliance to this code, for the first time in 2011 and annually since then.

Employees

Deutsche Börse Group takes its responsibility as an employer seriously, because its business success is founded on the commitment and performance of its staff. To ensure that Deutsche Börse Group continues to attract responsible and motivated people in the future and, ideally, retain them in the long term, it pursues a responsible, sustainable human resources policy. The objectives include improving its employees' work-life balance – a comprehensive "Job, Life & Family" programme has been developed for this purpose – and specifically promoting diversity (see section on "Employees" for details).

Environment

Although Deutsche Börse Group is not a manufacturing company and can therefore exert only little influence on climate change, it is aware of the significance of this issue: reductions in greenhouse gas emissions and the careful handling of resources are an important part of its commitment to greater sustainability. The focus is on continuously improving the Group's business ecology through environment-friendly IT management as well as on reducing its energy demand, water and paper consumption, and waste (see the following section on "Sustainability").

Corporate citizenship

Deutsche Börse Group sees itself as a corporate citizen and is committed to fulfilling this role, especially at its locations. Its activities in this area focus on education and science, culture and social involvement. When selecting projects, it gives priority in particular to innovative ideas and concepts that also allow its staff to get involved.

All charitable contributions are subject to Group-wide corporate citizenship guidelines adopted by the Executive Board. They provide a binding framework that determines the nature and proper handling of contributions. Sports, private individuals, religious institutions or political parties are not eligible for support (exception: the Political Action Committee of the subsidiary ISE).

Sustainability

Deutsche Börse Group also feels committed to sustainable business activities in particular. Examples include initiatives to promote the transparency of holistic investment strategies on the one hand and measures to optimise its own sustainability performance on the other.

Initiatives to foster transparency in holistic investment strategies

Sustainable index products

Deutsche Börse Group develops index products that are used by investors as a basis for sustainable investments. The aim is to promote the transparency of holistic investment decisions by improving the available information and to demonstrate best practice across a diverse index portfolio. The indices focus the attention of capital market participants on the companies engaging in sustainable business practices.

In 2012, STOXX Ltd., a subsidiary of Deutsche Börse AG, again expanded its range of sustainability indices to a total of 19 indices. The STOXX ESG Leaders Index family (ESG stands for "Environment, Social, Governance") gives Deutsche Börse Group a range of sustainability indices; their selection model is based entirely on transparent criteria. On the basis of the "KPIs for ESG 3.0" standard published by the Society of Investment Professionals in Germany (DVFA) and data released by Sustainalytics, the leading provider of sustainability data, a uniform model has been developed under which all companies in the global STOXX® Global 1800 equity index are given a consistent and transparent score for the ESG criteria. The underlying catalogue of criteria can be accessed on the www.stoxx.com website. Moreover, to ensure that the model is maintained and reviewed on an ongoing basis, the STOXX ESG Advisory Board has been set up, an international body of experts from research/science and business. This board includes one representative each from Deutsche Börse AG and Eurex.

In addition to the STOXX ESG Leaders Indices, STOXX calculates and markets other indices that track sustainable investments: an alliance with Sarasin, a Swiss private bank known in particular for its sustainability research, has resulted in the DAXglobal® Sarasin Sustainability Indices for Germany and Switzerland, as well as the STOXX Europe Sustainability Index family – a series of pan-European sustainability indices.

Emissions trading

In cooperation with the European Energy Exchange (EEX) in Leipzig, Eurex operates a regulated, transparent marketplace for trading greenhouse gas (CO_2) emissions, which helps companies to meet the climate change targets under the Kyoto Protocol. Market participants of both exchanges can trade on a common platform and hedge against the risks arising from their activities on the emissions market. In addition to emission rights, power, gas and coal derivatives are traded on the EEX.

In addition, Deutsche Börse Group has published a 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 more transparent for analysts and traders.

Information portal for sustainable securities

Deutsche Börse's information portal for sustainable securities supports both private and institutional investors in accounting for sustainability criteria in their investment decisions. This free service is part of www.boerse-frankfurt.de. It pools information on all sustainable products tradeable at Deutsche Börse (i.e. equities, indices, investment funds and certificates) on a single platform. In addition to company-specific master data and key financial indicators of 1,800 global companies in the STOXX universe, the master data sheets on the information portal contain supplementary ESG indicators as well as data points from the Carbon Disclosure Project. The ESG data, which is provided by Sustainalytics, one of the world's leading research providers, corresponds to the corporate ratings for the STOXX Global ESG Leaders index family. In addition, Deutsche Börse Group publishes a transparency and a performance indicator reflecting each company's contribution to climate protection. This indicator is determined by the Carbon Disclosure Project, a non-profit organisation which maintains the world's largest database of company-relevant climate information.

Initiatives to optimise Deutsche Börse's own sustainability performance CR

Energy-efficient IT management

Deutsche Börse Group fulfills its role as marketplace organiser primarily by developing and operating IT-based solutions. Therefore, energy-efficient IT management offers the Group considerable scope for improving its sustainability performance.

The guiding principle of sustainable IT management at Deutsche Börse Group is to achieve the highest possible operating efficiency, i.e. optimised server and storage system utilisation and a reduction in back-up systems, as far as market requirements concerning system security and speed allow. Another objective is to ensure that the servers currently being deployed are used continuously if possible by actively distributing the load.

A new flexible profile system has been selected for Deutsche Börse Group's server rooms in Frankfurt/Main. This system enables the strict separation of cold supply air and hot exhaust air, known as cold aisle containment, and thus prevents cold and warm air from mixing. In addition, the use of fibre-optic rather than copper cables and direct cooling lead to a sustained reduction in power consumption. In 2012, all servers at the data centre were supplied with 100 per cent environmentally friendly hydroelectric power. At the Luxembourg location, Clearstream's data centre is situated underneath the office building. This allows an especially efficient use of energy, as the office premises are heated with hot exhaust air from the servers. Further energy savings are achieved by cooling the server rooms directly with fresh outdoor air.

Outside the data centres, too, the focus is on sustainable, energy-efficient IT solutions. For example, thin clients (network computers without hard drives) are used throughout the Group and the hardware (awarded the "Energy Star" label) is selected specifically for its long lifespan and ecological certification.

Resource-efficient business ecology

For Deutsche Börse Group, environmental protection is an unconditional commitment to preserving the natural environment and resources. The Group therefore aims to record its own ecological footprint as accurately as possible and to steadily reduce it.

Facility management is highly relevant in this regard. As early as the planning stage for the Group's headquarters in Frankfurt/Eschborn, attention was paid to the use of energy-efficient and environmentally-friendly systems. The power generated by the company's own combined heat and power plant covers up to 60 per cent of its energy requirements. With its ecologically innovative design, the building was the first German office building to be awarded the LEED ("Leadership in Energy and Environmental Design") platinum standard, a US sustainability certificate, in 2010. Clearstream's building complex "The Square" was the first established property in Luxembourg to receive the "NF Bâtiments Tertiaires – Démarche HQE" sustainability certificate.

Other initiatives to improve the Group's business ecology focus on reducing greenhouse gas emissions, water and paper consumption and waste. They include:

- Using shuttle buses between the Eschborn and Luxembourg sites to cut down on individual trips
- Offering job tickets for local public transport to staff in Eschborn
- Using videoconferencing instead of business travel
- Automatically presetting printers for double-sided printing
- Reducing the number of printed publications
- Sending letters and parcels at the Frankfurt site and parcels at the Luxembourg site via the Deutsche Post and DHL "Go Green" initiative
- Organising Group-wide "Green Days" to raise awareness of environmental issues among staff

Code of conduct for suppliers
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 mandatory compliance with basic legal principles and rules of conduct, such as respect for human and employee rights. The agreement also imposes ecological and social requirements on the Group's service providers. Suppliers accounting for around 94 per cent of the Group's global purchasing volume had signed this code of conduct by the end of 2012, or submitted voluntary obligations that cover or even exceed the issues listed. The suppliers are assessed at regular intervals as part of the business relationship. The evaluation criteria include aspects relating to economic, ecological and ethical sustainability.

Responsible procurement
As early as the materials procurement stage, Deutsche Börse Group makes sure it buys exclusively environmentally compatible products wherever possible. These include FSC paper, recycled toners and other office consumables, as well as small appliances that have been awarded "Blue Angel" or "Energy Star" environmental certification.

Sustainability ratings
Sustainability ratings assess companies' sustainability reporting and performance. They measure ecological, social and corporate governance performance and rate companies' holistic management of opportunities and risks. For investors with a focus on sustainability, the results of these ratings increasingly play a role in their assessment of companies on the capital markets.

Deutsche Börse Group is also regularly analysed by various service providers, such as Robeco SAM, Sustainalytics, EIRIS, oekom, Vigeo and Sarasin. The Group's positive performance in various sustainability ratings and rankings has repeatedly led to Deutsche Börse shares being included in the following sustainability indices:

- Dow Jones Sustainability Indices (DJSI): in DJSI World and DJSI Europe since 2005; result of Robeco SAM rating: company score 57; average score of sector 39
- FTSE4Good Index: in the Global Index and the Europe Index since 2009; result of EIRIS/IMUG rating: absolute score 4 out of 5, supersector relative 95 out of 100 points
- Carbon Disclosure Leadership Index (CDLI): since 2009; score: 89 out of 100
- STOXX ESG Leaders Index: since 2011 (launch year). The entirely rule-based and transparent STOXX rating model means that there is no conflict of interests; result of sustainalytics rating: total score of 72 (E: 70, S: 66, G: 83), ranking: 4 out of 139 companies
- ECPI Ethical Index Euro: since 2008
- MSCI World ESG Index: since 2010 (launch year)
- Advanced Sustainability Performance Index (ASPI): since 2003

Corporate Responsibility: key figures of Deutsche Börse Group

		2012	2011
Transparency			
Proportion of companies listed in the Prime Standard (for shares) as a percentage of all listed companies (by market capitalisation)[1]	%	83	77
Number of calculated indices		appr. 12,000	appr. 8,600
thereof sustainability indices		19	15
Safety			
System availability of trading systems (Xetra®/Eurex®)	%	99,999	99,975
Market risk cleared via Eurex Clearing (gross monthly average)	€bn	7,507	9,230
Supplier management			
Share of sales revenue generated with suppliers/service providers that have signed the Code of Conduct or have made voluntary commitments over and above those required under the Code	%	94.3	91.1
Compliance			
Punished cases of corruption		0	0
Proportion of business units reviewed for corruption risk	%	100	100
Number of employees trained in anti-corruption measures[2]		1,133	248
Number of justified customer complaints relating to data protection		0	1
Environment			
Energy consumption[3]	MWh	69,120	68,073
Greenhouse gas emissions	t	29,452	29,799
thereof travel-based greenhouse gas emissions	t	6,304	7,315
Water consumption[4]	m^3	63,757	63,144
Paper consumption[5]	t	113	122
Cash value of material administrative fines and total number of non-monetary penalties due to non-compliance with legal requirements in the environmental area	€	0	0
Good Corporate Citizenship			
Corporate responsibility project expenses per employee[6]	€	850	900
Corporate volunteering days per employee	days	2	2

1) Market capitalisation of companies listed in the Prime Standard (shares) in relation to the market capitalisation of all companies listed on the Frankfurt Stock Exchange (FWB®, Frankfurter Wertpapierbörse)
2) In addition to initial training for new recruits, compliance training is performed at two-year intervals. As a result, the number of employees may differ significantly in a direct year-on-year comparison.
3) The energy consumption reported comprises direct and indirect energy consumption.
4) The water consumption reported comprises only the volume of water sourced from municipal utilities.
5) The paper consumption reported only relates to office requirements.
6) For memberships, donations, sponsoring and communication; does not include social benefits or special leave expenses for corporate volunteering.

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 in the long term. To this end, the Group has established a Group-wide risk strategy and a Group-wide risk management system which defines roles, processes and responsibilities and is binding for all staff and organisational entities within Deutsche Börse Group.

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, financial, and business risks as well as its overall risk. This is done by laying down corresponding requirements for the management, control and limitation of risk. The Group ensures that appropriate measures are taken to avoid, reduce and transfer, or intentionally accept risk. The principles of this strategy apply to all business segments within the Group.

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. Relevant reports are prepared on both a regular and an ad-hoc basis, and cover existing as well as potential risks.

Deutsche Börse Group's risk management is based on the following principles:

- Each Group Executive Board bears the ultimate responsibility for the risk management of Deutsche Börse Group and its companies.
- An awareness of risk and the associated risk culture are ensured by means of a clear organisational structure, defined responsibilities, viable processes and continuous knowledge transfer to employees.
- The re-sponsible management levels must always be informed about the relevant risks and the risk profile of the Group in an open, timely and complete manner.
- Effective and efficient risk management supports Deutsche Börse Group in achieving its corporate goals and safeguards the company's continued existence. The risk management system is designed to provide complete, timely and consistent risk-related information in order to ensure the identification, assessment and monitoring and reporting of risks.

Risk management system

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 a single legal entity, as well as specific material risks, in a timely manner. The aim is to identify developments that could threaten the Group and to take appropriate countermeasures promptly.

Governance
Through the governance structure of its risk management system, Deutsche Börse Group ensures a strong awareness of risk throughout the entire Group and the effectiveness and efficiency of the risk management system.

The Executive Board of Deutsche Börse AG is responsible for Group-wide risk management. The Supervisory Board monitors the effectiveness of the risk management system. In addition, the Finance and Audit Committee of the Supervisory Board monitors the Group's risk strategy and the effectiveness of the risk management system, and also examines the quarterly reports from Group Risk Management (GRM). These reports contain assessments of existing and new risks. The full Supervisory Board is informed in writing of the content of these reports.

The Chief Financial Officer and business areas are jointly responsible for risk management at the segment level. The Group-wide Risk Committee of Deutsche Börse Group acts as the steering committee, chaired by the Group Chief Financial Officer. The central task of the Risk Committee is to support the Executive Board in monitoring Deutsche Börse Group's risk profile. The Committee is made up of the leadership of the relevant business areas as well as representatives of the Chief Financial Officer, such as Group Risk Management, a central function which coordinates the work carried out by the Committee. The Risk Committee monitors the validity and reliability of the risk strategy, the risk management system including the various methods used, and the risk management process. It also promotes Group-wide awareness of risk and examines current risk assessments. The Risk Committee proposes actions where it is required to reduce or avoid risks.

The business areas identify risks and report these promptly to GRM. 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 is applied and that it complies with the same minimum standards in all companies belonging to Deutsche Börse Group.

In addition to the Finance and Audit Committee, GRM also reports to Deutsche Börse AG's Executive Board on a quarterly and ad-hoc basis where required. GRM proposes the risk strategy and its formation in the form of guidelines for risk management to the Risk Committee and Deutsche Börse Group's Executive Board.

In addition, other areas within Deutsche Börse Group assume relevant risk management functions. For example, representatives of the Chief Financial Officer are responsible for central credit and treasury matters. Furthermore, Financial Accounting & Controlling issues reports to the supervisory authorities in compliance with regulatory guidelines. It is also responsible for the entire Group's budget controlling. 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. Deutsche Börse AG's early risk warning system is controlled by the external auditor in accordance with legal requirements.

Risk management process

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 controlled. Deutsche Börse Group's risk management process therefore comprises five stages (see chart on the next page).

Step 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 matters that could have a material impact on Deutsche Börse Group's business or that might change the risk profile must be recognised as early as possible. It is the responsibility of all business areas and their employees to identify these potential risks.

Governance structure of risk management

Supervisory Board
Monitoring of risk management system efficiency

Audit and Finance Committee
Assessment of risk strategy and risk management system

Executive Board
Responsible for the Group-wide risk management

Group-wide Risk Committee[1]
Monitoring of Deutsche Börse Group's risk profile

Group Risk Management
Risk assessment and reporting to Executive Board and Supervisory Board

Risk management functions[2]
Risk identification, risk surveillance as well as risk reporting

1) Representatives from relevant CFO areas, relevant business areas as well as Group Risk Management
2) Among them Credit, Treasury and Financial Accounting & Controlling departments

Step 2: Risk notification

All business areas must inform GRM regularly and, in urgent cases, on an ad hoc basis of the risks they have identified and quantified. This procedure guarantees that all potential risks and threats are captured centrally.

Step 3: Risk assessment

GRM assesses the risk potential in a quantitative and qualitative manner based on the information available. The VaR method is used for the quantitative assessment of a potential risk (see section on "Risk management methods" of this consolidated management report). Deutsche Börse Group uses a risk matrix for the qualitative assessment of specific risks, in particular regulatory requirements. This matrix allows risks to be observed over a period exceeding the usual observation period of twelve months. This helps to ensure that the risk situation of the entire Group is observed in a comprehensive manner over several years.

Step 4: Risk control

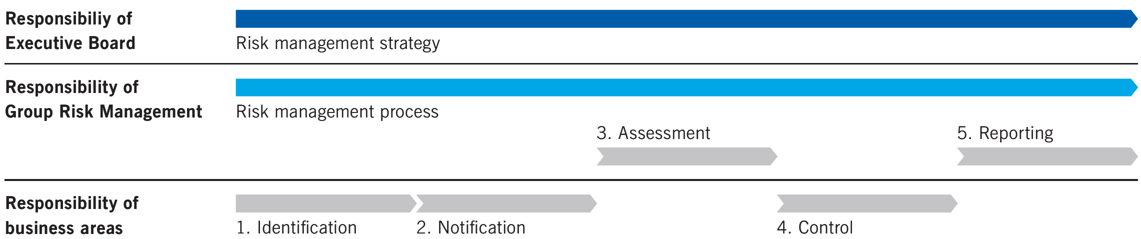
All business areas and their employees are responsible for risk control and for taking measures to limit loss. The possible responses are risk mitigation, deliberate risk acceptance, external risk transfer, or risk avoidance. The business areas decide on and implement the most appropriate alternative in each case. The internal control system (ICS) that the Executive Board has set up for Deutsche Börse Group (for details see section on "Strategy and objectives" of this consolidated management report) is used to help prevent risks. Along with other measures, the ICS is designed to ensure the effectiveness and efficiency of the Group's business operations, avert or uncover financial losses 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.

Step 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.

In addition, GRM sends an "Internal Capital Adequacy Assessment Process" (ICAAP) report to the Executive Boards of the Clearstream Holding group and Eurex Clearing AG once a year, thus fulfilling the provisions of the second pillar of the Basel II regulatory framework. In this report, GRM reports on the current risk situation and assesses the capital resources of the

Five-stage risk management system with central and decentral responsibility



Clearstream Holding group and Eurex Clearing AG. In accordance with the third pillar of Basel II, the Clearstream Holding group and Eurex Clearing AG also meet a broad obligation to report their business activities in their capacity as financial institutions. In particular, the companies regularly report to the supervisory authorities on the methods of their risk management and the assessment of capital resources.

An example for the course of the risk management process

A subsidiary of Deutsche Börse Group receives a customer claim for compensation for a loss. The department concerned first identifies the reason for this claim for compensation and the person responsible for operational risk at this department (operational risk representative) evaluates the potential impact of the event (1). If the amount of the claim for compensation exceeds a certain threshold, the operational risk representative records the event and its impact in the operational risk event database, as well as the compensation for the loss if the claim for compensation is justified. In this way, GRM receives notification of the event (2). GRM analyses the available information, assesses the case and, if appropriate, proposes measures (3). If necessary, line management then makes improvements and takes the appropriate measures (4). GRM informs the Executive Board of the event, its details and analysis, as well as any measures already planned, in the report for the following quarter or, if necessary, ad hoc (5).

Risk management methods

Deutsche Börse Group uses various quantitative and qualitative risk management methods to monitor and control the risk profile. The combination of different methods is intended to provide as complete a picture of the current risk situation as possible. This allows Deutsche Börse Group to take appropriate measures to safeguard the Group's continued existence. The following section illustrates the central risk management instruments used by Deutsche Börse Group.

Value at risk

Deutsche Börse Group uses a standardised approach – value at risk (VaR) – for measuring and reporting all risks across the Group, including entities that are not subject to regulation by supervisory authorities. VaR is a comprehensive way of presenting and controlling the general risk profile. It quantifies risks and lays down, for the specified confidence level, the maximum cumulative loss Deutsche Börse Group could face if certain loss events materialised over a specific period. Likewise potential concentration risks can also be identified by way of VaR analyses.

The Group determines the VaR in three stages:

- Stage 1: Determining the loss distribution for each individual risk. 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, for example, to simulate counterparty default in credit risk).
- Stage 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.
- Stage 3: Calculating VaR on the basis of the Monte Carlo simulation. To do this, the losses calculated by the Monte Carlo simulation are arranged by size in descending order, and the corresponding losses are determined for the specified confidence levels.

Economic capital

The Group's economic capital (EC) can be determined using the VaR. EC measures the amount of capital that is required in order to be able to cover extreme events as well over a period of twelve months. Economic capital is calculated at a confidence level of 99.98 per cent. This means that losses within the next twelve months will not exceed the calculated EC with a probability of 99.98 per cent. Deutsche Börse Group uses two different EC concepts for this. These differ with respect to the assumed diversification between individual risks and between segments.

- Required economic capital: The required economic capital does not take into account any diversification effects, i.e. a correlation of 1 is assumed between the individual risks as well as for the inter-company correlation. Deutsche Börse Group uses the most conservative approach for this purpose.

- Diversified required economic capital: Diversification effects between the individual risks are included when calculating the diversified required economic capital.

Expected shortfall
Deutsche Börse Group uses the expected shortfall concept as a complementary method to EC. The expected shortfall is defined as the average of losses exceeding EC. The objective of this concept is to supplement the focus on EC by obtaining information regarding potential losses exceeding EC.

Stress tests
Deutsche Börse Group also carries out stress test calculations for operational as well as financial risks for the Clearstream and Eurex segments, along with their respective legal entities. These stress tests simulate the occurrence of extreme losses or an accumulation of major losses in one year. Since the Group has not incurred any major losses to date, potential risk scenarios are defined for this purpose. These risk scenarios describe possible loss events and their probability as well as the potential amount of loss, which is estimated. The values determined in the stress tests are compared with the limits defined as part of the risk-bearing capacities. Both historical as well as hypothetical scenarios are calculated.

Reverse stress tests
Reverse stress tests have also been performed since 2011. This instrument is used to determine loss scenarios that would have to occur in order to exceed risk-bearing capacities.

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) since 1 January 2008 to calculate their capital requirements for operational risk under the Solvabilitätsverordnung (SolvV, German Solvency Regulation) based on the Basel II regulatory framework, while Clearstream Holding AG has used this approach at Group level since receiving the approval of the German Federal Financial Supervisory Authority (BaFin, Bundesanstalt für Finanzdienstleistungsaufsicht) 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.

Risk-bearing concepts
The Group uses two risk-bearing concepts. Risk-bearing capacity assumes the liquidation of the Group (gone concern), whereas risk appetite assumes the continuation of the Group (going concern).

GRM reports to the Risk Committee, Executive Board as well as the Finance and Audit Committee on a quarterly basis regarding the results of the risk appetite and risk-bearing capacity concepts. 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.

Risk-bearing capacity
Deutsche Börse Group calculates the required economic capital in order to determine the risk-bearing capacity. The most conservative approach is pursued for the required economic capital in order to show the dependencies. A value of 1 is assumed for both the correlation of inter-risk diversification effects as well as for the inter-company correlation, that is these potential risks occur at the same time and are therefore accumulated. Deutsche Börse Group uses the shareholders' equity recognised under IFRS as the risk-bearing capacity for its economic capital, adjusted, among others, by an amount to reflect the risk of not being able to liquidate intangible assets at their carrying amounts in a stress situation. The Clearstream Holding group uses its regulatory capital as the risk-bearing capacity for its economic capital (for details see note 20 to the consolidated financial statements).

Required eco-economic capital is compared with the available risk-bearing capacity. Deutsche Börse Group also calculates required economic capital at the level of individual risks and business segments. These are compared against limits representing a percentage of the available risk-bearing capacity defined for each individual risk.

Risk appetite

The risk appetite concept is used in order to ensure the Group's continued existence. Diversified required economic capital is determined initially for this purpose. It is calculated in the same way as required economic capital. However, diversification effects between individual risks and between business segments are taken into account for this purpose. These arise because losses do not occur for all 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. The projected EBIT for the following year is defined as risk appetite. This represents the risk limit for the Group in order to achieve its corporate goals. Compliance with the limit is reviewed both at Group level as well as segment level.

Risk management as a contribution to sustainability CR

Deutsche Börse Group aims to make a sustainable contribution to society with its range of risk management services. In its role as a capital market organiser, Deutsche Börse primarily does this by ensuring the security and integrity of the markets and by increasing the allocation efficiency of the markets through its pricing function. Deutsche Börse Group also assumes important risk management functions for its customers and, in doing so, contributes to the efficiency and systemic stability of the capital markets.

- Since 2011, for example, the Client Asset Protection solution has allowed client assets within the clearing house to be clearly assigned to the participant concerned if a trading partner defaults.
- The systematic expansion of the central counterparty service will enable Deutsche Börse Group to better hedge against risks in OTC derivatives trading in future.
-
- Via its Clearstream subgroup, Deutsche Börse manages and holds securities in custody on behalf of its customers in the most secure form possible, usually electronically. The Global Liquidity Hub guarantees that the securities deposited are used efficiently. Deutsche Börse Group also enables the settlement of anonymous, collateralised money market transactions through GC Pooling.

Deutsche Börse Group's internal risk management guarantees that it can offer these services without interruption (for details see section on "Business continuity management").

Risk description and assessment

Risk structure

Deutsche Börse Group distinguishes between operational, financial, business and project risk. These individual risks constitute substantial risks for the Group. They are described in this risk report both generally as well as at Deutsche Börse Group segment level.

Operational risks

In the operational risk category, a distinction is made between availability risk, service deficiencies, damage to physical assets, legal offences and business practices.

- Availability risk results from the possible failure of operating resources essential to the services Deutsche Börse Group offers, making it impossible to deliver services on time or at all. This risk constitutes the greatest operational risk for Deutsche Börse Group.
- The category of service deficiencies 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 the many automated systems and efforts aimed at delivering straight-through processing.

- Damage to physical assets is included under risks due to accidents and natural disasters, as well as terrorism and sabotage.
- 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 inadequate control measures to prevent money laundering, violations of competition regulations, or breaches of banking secrecy. Business practice risk also includes human resources risk. Deutsche Börse Group's success is founded on the commitment and performance of its employees. The Group is therefore exposed to the risk of important employees in key positions leaving the company, or of positions not being filled adequately.

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 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 a careful analysis of operational risk events that have occurred so that steps can be defined to reduce the probability of their recurrence. 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 loss events.

Against the background of the human resources risks described above, Deutsche Börse Group aspires to be perceived as an attractive employer by implementing a range of human resources policy measures (for details see section on "Employees").

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.

Business continuity management: 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 against 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 to ensure that business continues as normal if a crisis occurs, thus substantially reducing availability risk. It covers arrangements for all key resources (systems, rooms, staff, suppliers/service providers), including

Risk structure of Deutsche Börse Group

Risk positions of the Group

Operational risks	Financial risks	Business risks
▪ Availability risk	▪ Credit risk	
▪ Service deficiencies	▪ Market price risk	
▪ Damage to physical assets	▪ Liquidity risk	
▪ Legal offences and business practicess	▪ Risk associated with regulatory parameters	

Project risks

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.

Compliance function: Moreover, the Group Compliance function and the business segments have the task to protect the Group against possible loss or damage resulting from failure to comply with applicable 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

Insurance policies: 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

Business continuity measures

Incident and crisis management process

Systems
- All trading, clearing and settlement systems as well as related networks are designed for continuous high-availability operations without loss of electronic data.
- Tha data centres are duplicated locally to protect against a failure of an entire location.

Workspace
- 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.

Staff
- In case of significant staff unavailability in a specific location, critical operations can be shifted to other locations.
- Additional pandemic mitigation measures are in case of a pandemic outbreak.

Suppliers
- 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.

that uniform insurance cover is available at all times for the entire Group at an attractive cost-benefit ratio. Insurance policies are individually reviewed and approved by the Chief Financial Officer of Deutsche Börse AG.

Financial risk

Deutsche Börse Group breaks down financial risk into credit, market price and liquidity risk as well as the risk of not meeting regulatory parameters.

- Credit risk describes the risk of a counterparty defaulting and not being able to 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.
- Market price risk can arise in the form of interest rate or currency risk in business operations 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. 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 arises if there is insufficient liquidity to meet daily payment obligations or when increased refinancing costs are incurred in the event of liquidity bottlenecks.
- 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 20 to the consolidated financial statements.

Business risks

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. In addition, it includes the Group's strategic risk, which relates to the impact of risk on the business strategy and any resulting adjustment to the strategy. This risk is expressed in relation to EBIT. Business risk can impact 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 capital markets or a lack of investor confidence in the financial markets may impact financial performance. Business risk is not broken down further.

Detailed information on the relevant regulatory initiatives and their potential impact on the Group or the companies of the business segments, as far as can be estimated from today's perspective, is provided in the "Regulatory environment" section of this consolidated management report.

Project risks

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. Project risk is not, however, broken down further.

Clearstream segment

Operational, financial, business and project risk are described and assessed at the Clearstream segment level in the following.

Operational risks

Service deficiencies, availability risk and legal risks constitute substantial operational risks for the Clearstream segment.

Service deficiencies: Service deficiencies constitute the greatest operational risk for the Clearstream segment. The greatest danger is that human errors may lead to service deficiencies and thus loss for Clearstream. The risk is that client instructions are not processed correctly, are processed too late or are not processed at all. Customers who are affected by such an error would have to be compensated for any associated losses. In order to avoid this risk, Clearstream is continuously improving its systems and procedures to process customer instructions. In addition, all incomplete instructions and conflicting instructions are rejected. The various companies of the Clearstream Holding group also work together with their customers on standardising the procedure for handling customer instructions. There is also the risk that information is not transmitted or only transmitted incorrectly to clients. This may result from technical faults as well as human error. If customers suffer a loss, then this would need to be reimbursed by Clearstream. A number of different technical solutions have been implemented to mitigate this risk. In addition, all processes that potentially generate new information about specific events that is of relevance for clients must be reviewed by a second person (four-eyes principle). In the reporting year there were no material losses.

Availability risks: The risk that the services and products offered by the companies of the Clearstream Holding group may not be available constitutes a substantial risk for Clearstream. This includes the risk that critical IT systems of the international central securities depository fail. This could mean that basic business activities of companies of the Clearstream Holding group cannot be conducted for a specific period of time. This risk is mitigated by extensive BCM measures, including a redundant hardware and network infrastructure. In order to ensure the effectiveness of these measures, business continuity measures are also tested regularly. No material losses due to availability risk were determined in the reporting year.

Legal risks: Clearstream is also exposed to legal risks that manifest themselves in particular in legal disputes that are ongoing at present.

In September 2007, the plaintiffs in a civil action obtained a default judgement against Iran in US courts. In June 2008, the 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 allegedly owned by an Iranian government entity. Consistent with its custodial obligations, Clearstream Banking S.A. defended itself against the restraints and filed a motion to vacate the restraints on various grounds. In October 2010, the plaintiffs commenced a lawsuit which seeks to have the restrained positions of approximately US$2 billion turned over to the plaintiffs. An amended complaint was received by Clearstream Banking S.A. in Luxembourg on 7 January 2011. This includes a cause of action directly against Clearstream Banking S.A. amounting to damages of US$250 million in connection with purportedly fraudulent conveyances related to the restrained positions. In summer 2011, Citibank NA included other potential judgment creditors of Iran in 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 in the course of litigation. Should the case proceed, Clearstream Banking S.A. intends to defend itself vigorously to the fullest extent, in line with its custodial obligations.

Clearstream Banking S.A. is cooperating with the US export control authority, the Office of Foreign Assets Control (OFAC), on its ongoing investigation of "Iranian Transaction Regulations" in connection with the transfer of assets via Clearstream's processing system.

On 9 January 2013, Deutsche Börse AG reported in an ad-hoc announcement that the Office of Foreign Assets Control (OFAC) had contacted Clearstream Banking S.A. with regard to certain securities transfers associated with the closure of accounts maintained by Iranian customers. OFAC's preliminary views are that (1) apparent violations of US sanctions may have occurred in 2008 in connection with the aforementioned securities transfers, and (2) if OFAC were to issue a civil pre-penalty notice, the penalty specified would be in amount of approximately US$340 million. These estimates were shared with Clearstream for discussion purposes only and are subject to potential significant change in favour of Clearstream, depending on the outcome of discussions with OFAC. Clearstream continues to believe that its actions were in compliance with any applicable US sanctions and regulations and considers OFAC's preliminary figure to be unwarranted and excessive. Clearstream will take the opportunity during the substantive discussions to explain why a penalty should not be imposed or, if a settlement payment is agreed upon, why it should be in a far lesser amount.

Other risks: There are also risks arising from the loss of employees in key positions as well as through damage to physical assets. No material losses were determined in 2012 for these risks either.

Stress test: Stress test calculations are performed within the Clearstream segment for operational risk. These stress tests simulate the occurrence of extreme operational losses or an accumulation of major operational losses in one year. Since Clearstream has not incurred any major 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 available 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 available risk-bearing capacity for the Clearstream segment.

Financial risks
Substantial financial risks for the Clearstream segment are detailed below.

Credit risks: Credit risk is the material financial risk for Clearstream.

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. To determine the safety margin, Clearstream takes all relevant risk factors into account. A specific margin is allocated to each individual factor. The aggregate safety margin is calculated by adding together the individual margins of the relevant risk factors.

In addition, Clearstream calculates credit risk concentrations by performing VaR analyses for the Clearstream Holding group to detect any risk clusters relating to individual counterparties. To this end, credit risk VaRs are calculated for individual counterparties 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.

Further credit risks can arise in relation to cash investments made by companies belonging to the Clearstream Holding group. This risk is reduced for the companies by spreading 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. Maximum investment limits are established on the basis of regular assessments of creditworthiness and, if necessary, adhoc analyses.

Credit risk stress tests are calculated for the Clearstream Holding group, Clearstream Banking S.A. and Clearstream Banking AG to analyse the impact of further extreme scenarios, e. g. a default of the largest customer. A special stress test examines Clearstream Banking S.A.'s credit risk exposure from the Euroclear settlement process. In addition to classic stress tests, which analyse the impact of predefined stress scenarios on the available risk-bearing capacity, the entities mentioned above have performed so-called reverse stress tests since 2011. This instrument is used to determine how many clients would have to default for the losses to exceed the risk-bearing capacities.

The results of the stress tests and reverse stress tests can entail further analyses and the implementation of risk mitigation actions. The stress test calculations did not identify any material credit risks in the financial year 2012.

Liquidity risk: 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. Extensive further sources of liquidity are available to provide additional security. The Clearstream Holding group had sufficient liquidity throughout 2012.

Stress test calculations are performed on liquidity risk in the Clearstream Holding group. To this end, the Clearstream Holding group 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 implemented so-called reverse stress tests on liquidity risk. The reverse stress tests analyse which scenarios would additionally have to occur to bring about a situation of insufficient liquidity. Based on the stress tests, the Clearstream segment had sufficient liquidity in 2012.

Other risks: Clearstream is also exposed to market price risk and risk arising from regulatory parameters. The Clearstream Holding group is exposed to interest rate risk in connection with cash investments. These risks are mitigated by means of a limit system that only permits maturity transformation to a limited extent. Market price risk is immaterial to the Clearstream segment companies.

Business risks

Business risks constitute a potential risk for the Clearstream segment companies. In particular, a possible escalation of the European sovereign debt crisis into an economic crisis in the euro zone represents a risk to the Clearstream segment. In light of the ongoing sovereign debt crisis and the deterioration in the economic environment this might entail, there is the possibility that the segment's financial performance could develop negatively. The companies analysed the potential impact of different scenarios right up to a collapse of the euro zone in order to be prepared for different developments. The various scenarios affect the segment in different ways. A collapse of the euro zone would have the greatest consequences. Its effects on both the financial markets and the European banking sector would lead to significant upheaval. The foreseeable deterioration in the financial markets and the expected bank defaults would negatively impact the segment. The segment companies are aware of these risks and arrangements have been made to counter the possible effects. Another material business risk for the Clearstream segment is a general interest rate level that remains low. There is also the risk that the authorities and institutions of the European Union are unable to reassure the markets and restore confidence in market participants. If international financial markets were to deteriorate significantly, there would be a negative impact on the business activities of the Clearstream segment companies.

In addition, regulatory initiatives could exacerbate the Clearstream segment companies' competitive environment, thus negatively influencing their earnings. This includes in particular the planned regulation of CSDs (central securities depositories), the various reorganisation and winding-up provisions, as well as another revision of the Capital Requirements Directive (CRD IV).

Scenarios are established and quantitatively assessed for the Clearstream companies based on the most significant risk events. In addition, stress scenarios are defined to analyse the impact on EBIT of further extreme scenarios. Reverse stress tests are performed for the Clearstream Holding group, Clearstream Banking S.A. and Clearstream Banking AG, and their impact on the available risk-bearing capacity is analysed. Results of the stress tests indicate that potential losses arising from business risk are matched by adequate risk-bearing capacity.

Project risks

The Clearstream segment is currently in the process of implementing the uniform European securities settlement engine, TARGET2-Securities. This process is constantly monitored in order to detect potential risk at an early stage and enable appropriate measures.

Eurex segment

Like the Clearstream segment, the Eurex segment is exposed to operational, financial, business and project risk. These are described and assessed as follows.

Operational risks

Availability risk, service deficiencies and legal risks constitute material operational risks for the Eurex segment companies.

Availability risk: Availability risk results from the possible failure of operating resources, such as systems, rooms, employees and/or suppliers/service providers, which are essential to the services Eurex offers, making it impossible to deliver services on time or at all. For example, defects in the CCP system could lead to processing delays at Eurex Clearing AG. Problems with the risk engine could lead to the incorrect calling of collateral to be assigned by the clearing participant. There is also the risk that the Eurex Frankfurt AG trading system is unavailable for a specific period of time. Triggers could include hardware or software failure, operator or security errors, or physical damage to the data centres. In order to combat availability risk, the Eurex segment companies use comprehensive BCM measures that are formalised within the framework of the business continuity plan. The effectiveness of the various measures is monitored by regularly reviewing or testing these plans. No losses were incurred in 2012 as a result of the failure of operating resources, nor was there any recognisable severe risk either.

Service deficiency risk: This category includes risks that could materialise if a service for clients of companies from the Eurex segment 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 the many automated systems and efforts aimed at delivering straight-through processing (STP). In addition, manual intervention in market and system management is necessary in special cases. In order to prevent service deficiencies, all such work processes are reviewed by at least two people, helping to minimise the incidence of human error by employees. In addition, the technical systems are being continuously improved to preclude hardware and software failures. No material losses were incurred in 2012 as a result of service deficiencies.

Legal offences: Eurex segment companies are exposed to legal risks.

On 26 November 2012, the insolvency administrator of Lehman Brothers Bankhaus AG (LBB AG) brought an action against Eurex Clearing AG. On the basis of German insolvency law, the insolvency administrator is demanding from Eurex Clearing AG the repayment of €113.5 million and payment of another amount of around €1.0 million plus interest of 5 percentage points above the base rate accrued on the total amount since 13 November 2008. Eurex Clearing AG considers the claim unfounded and is defending itself against the insolvency administrator's action. The action is against the background of payments in the amount of €113.5 million that LBB AG had made to Eurex Clearing AG on 15 September 2008. LBB AG was thereby effecting collateral payments (intraday margin payments) of Lehman Brothers International (Europe) (LBIE) from the underlying clearing relationship to Eurex Clearing AG by acting as correspondence bank for the former clearing member LBIE. On the same day, administration proceedings were opened in the United Kingdom with respect to LBIE, and Bundesagentur für Finanzdienstleistungsaufsicht (BaFin, German Federal Financial Supervisory Authority) issued a moratorium with regard to LBB AG. On 13 November 2008, insolvency proceedings were opened with regards to LBB AG.

In addition, on 12 November 2012, the Chicago Board Options Exchange (CBOE) brought an action against the International Securities Exchange (ISE) for patent infringements. CBOE is claiming damages of US$525 million for an alleged infringement of three patents on procedures to limit market maker-specific risks. ISE believes that the claim for damages made by CBOE is unfounded, as it has no factual or legal basis. ISE intends to defend itself in these court proceedings by all available means. ISE itself brought an action against the CBOE for patent infringements in November 2006. In this legal dispute which is still ongoing, and for which the main hearing is due to commence on 11 March 2013, ISE is claiming damages of US$475 million due to an infringement of an ISE patent on a procedure for the operation of an automated trading system.

Other risks: Furthermore, the Eurex segment companies are exposed to human resources risks and the risk of material damage. However no material losses were determined in the year under review.

Stress tests: In the course of their scenario validation, the Eurex segment entities perform stress tests. These stress tests simulate the occurrence of extreme operational losses or an accumulation of major operational losses in one year. Since no major losses have been incurred 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 busi ness areas. The following extreme loss situations are simulated for the stress test on the basis of these risk scenarios and compared with the available 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

In addition to these stress tests, which analyse the impact of predefined stress scenarios on available risk-bearing capacities, the Eurex segment companies have been performing so-called reverse stress tests since 2011.

Financial risks
Credit risk and liquidity risk constitute material financial risk for the Eurex segment companies.

Credit Risks: In accordance with its clearing conditions, Eurex Clearing AG conducts transactions with its clearing members only. Clearing relates to securities, pre-emptive 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 clients.

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 per cent. Regular checks ensure that the margins correspond to the required confidence level.

Since 13 November 2012, Eurex Clearing AG has also been offering clearing services for OTC interest rate swaps and forward rate agreements. As part of these services, bilateral transactions are settled via Eurex Clearing AG, the central counterparty, which acts as an intermediary between the transactions. Participation requires members to have their own clearing license. Eurex Clearing AG uses the new Prisma (portfolio-based risk management) method to calculate margins. This method is based on the clearing member's entire portfolio and calculates the margin requirement taking historical and stress scenarios into account. It takes correlation breaks into account and imposes margin premiums on concentrated or illiquid portfolios. The margin is basically calculated in such a way that market fluctuations are covered over the entire liquidation period. At the same time, Eurex Clearing AG expanded its default management process to include the Prisma method.

Eurex Clearing AG is planning to offer its clearing members Prisma as an alternative to risk-based margining for on-exchange products as well – for a limited period until it is replaced altogether. As soon as risk-based margining has been replaced entirely by portfolio-based risk management, on-exchange and off-exchange transactions can be netted out against each other in full.

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 per cent. Eurex Clearing AG applies an additional haircut to issuers from countries that have been classified as too risky; 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. All risk factors are taken into consideration during this process. The safety margin calculated in this way is then compared with a minimum safety margin. The higher of the two values is used as the safety margin.

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 members concerned, their 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 the clearing of credit default swaps. 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 clearing members and their collateral to market price fluctuations at a confidence level of at least 99.9 per cent. 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 2012, collateral amounting to €45,159.2 million had been provided for the benefit of Eurex Clearing AG. This collateral was offset by credit risk amounting to €34,864.7 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 €7.0 million as at 31 December 2012. As at 4 January 2013, Eurex Clearing AG increased its contribution to the clearing funds to €50.0 million in total.
5. After this, a proportionate claim would be made on the contributions paid into the clearing funds by all other clearing members. As at 31 December 2012, the volume of Eurex Clearing AG's clearing fund stood at €1,011 million. The separate clearing fund established for the clearing of credit default swaps amounted to €2.0 million. Once this has been used up, Eurex Clearing AG may call in additional collateral from the clearing participants, up to twice the amount of the clearing fund contribution originally requested.
6. Ultimately, remaining shortfalls would be covered by a letter of comfort issued by Deutsche Börse AG. In this letter of comfort, Deutsche Börse AG has issued a guarantee ("Patronatserklärung") to Eurex Clearing AG to provide Eurex Clearing AG with the funds needed to cover the shortfall resulting from a default of or failure to pay a clearing member in excess of the above lines of defence. The undertaking has a cap of €700 million.

Credit risk stress tests are calculated for Eurex Clearing AG to analyse the impact of 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 available risk-bearing capacities. In addition, credit risk stress tests are conducted for Eurex Clearing AG to analyse the simultaneous default of several counterparties. In addition to classic stress tests, which analyse the impact of predefined stress scenarios on the available risk-bearing capacity, Eurex Clearing AG has performed so-called reverse stress tests since 2011. This instrument is used to determine how many counterparties would have to default for the lines of defence to be no longer sufficient to absorb the losses.

The results of the stress tests and reverse stress tests can entail further analyses and the implementation of risk mitigation actions. The credit risk stress test calculations did not identify any material risks in the financial year.

In addition credit risks can arise in relation to cash investments. The function is performed by the central Treasury-function, which has Group-wide responsibilities. Treasury reduces this risk for Eurex segment companies 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. Maximum investment limits are established on the basis of regular assessments of creditworthiness and, if necessary, ad hoc analyses.

The Eurex segment companies perform regulatory stress tests on the market price risk. Market price risks, however, are not material for the segment and its subsidiaries. Therefore, apart from the regulatory stress tests, no further stress tests of the market price risk are performed. Therefore, apart from the regulatory stress tests, no further stress tests of the market price risk are performed.

Liquidity risks: Treasury monitors the daily and intraday liquidity of the companies and manages it with the help of a limit system. The Eurex segment companies also perform 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. Eurex Clearing AG is currently striving to extend its licence as a credit institution under the German Banking Act. As a result, Eurex Clearing AG will be able to enter into credit and deposit operations with restrictions. Furthermore, the extension of Eurex Clearing AG's licence will allow it to make use of the German Bundesbank's permanent facilities. This will allow the segment to control its internal liquidity even better. It is hoped that the licence will be received in April 2013.

Risk arising from regulatory parameters: The failure to meet regulatory parameters only constitutes an immaterial risk for Eurex segment companies.

Business risks

The Eurex segment companies are also affected by business risks. Material risks include a sharp decline in trading activity as a result of caution shown by customers and a possible escalation of the European sovereign debt crisis. There is also the risk of increased competition between established derivatives exchanges or the entry of new competitors, which could potentially lead to the Eurex segment companies losing market share.

Likewise there is the risk of a negative impact as a result of various regulatory initiatives such as the German act to regulate high-frequency trading.

In addition, other regulatory initiatives could affect the Eurex segment and negatively influence the financial position. These initiatives include in particular a financial transactions tax in eleven EU Member States, which would cause the migration of trading volumes to markets that are less regulated and less transparent, as well as the revision of the EU's Markets in Financial Instruments Directive (MiFID) and the Markets in Financial Instruments Regulation (MiFIR).

The European Market Infrastructure Regulation (EMIR) increases the requirements for central counterparties. Eurex Clearing AG is committed to dealing with the future requirements arising from EMIR. As a result, the required adjustments to the new provisions are being prepared for business operations in order to ensure prompt authorisation as a central counterparty under the new regulatory framework. This means therefore that Eurex Clearing AG is pro-actively making its contribution, as earmarked by the supervisory authorities, to achieve the various G20 objectives.

Scenarios are established and quantitatively assessed for the Eurex segment companies based on the most significant risk events. In addition, stress scenarios are defined to analyse the impact on EBIT of further extreme scenarios. Potential losses from the occurrence of improbable and large-loss scenarios associated with business risk are matched by adequate risk-bearing capacity.

Project risks

Eurex Clearing AG is due to implement the Prisma method in 2013. The implementation will be continuously monitored in order to ensure that any potential risks which may arise as a result of this process can be identified at an early stage.

Xetra segment

Operational, business and project risks constitute material risks in the Xetra segment. Contrary to the Clearstream and Eurex segments, financial risks are not substantial for Xetra segment companies. The individual risks with respect to the Xetra business segment are described and assessed in the following sections.

Operational risks

In the same way as the Eurex segment, service deficiencies and availability risks constitute material operational risks for the Xetra segment companies.

Service deficiency risks: Individual employee errors which may, for example, lead to errors with respect to the continuity of operations constitute a material risk within the framework of this risk class. This risk should be mitigated by way of measures such as the principle of four-eyes principle.

Availability risks: There is the risk in the Xetra segment that trading or settlement systems are unavailable for a specific period of time due to technical faults or human error. The Xetra segment is aware of this risk and has implemented comprehensive BCM measures in order to mitigate this risk, including the redundant design of all critical IT systems and the technical infrastructure, as well as the setup of back-up workspaces in each of the main operational trading centres for employees in critical functions. The efficiency and effectiveness of these measures is regularly reviewed and safeguarded.

Other risks: There are also legal risks for the Xetra segment along with the risk of damage to physical assets. However, these risks are immaterial to the segment. There are also human resources risks for the Xetra segment.

No material losses from operational risks were incurred in the year under review.

Financial risks

Due to its economic orientation, financial risks for the Xetra segment are not substantial.

Business risk

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 negatively impact financial performance. In particular, the possible escalation of the European sovereign debt crisis into an economic crisis in the euro zone represents a risk to the Xetra segment.

There are also risks arising from regulatory initiatives. There is the risk in particular that the proposed Federal Act for the Prevention of Risks and the Abuse of High Frequency Trading (Gesetz der Bundesregierung zur Vermeidung von Gefahren und Missbrauch im Hochfrequenzhandel) has a deteriorating effect on business within the Xetra segment. The requirements of the act may mean that the trading activity of the majority of customers is reduced, thus leading to a deterioration in the financial position. The Xetra segment companies are aware of these risks and have taken appropriate measures to counter the possible consequences. In addition, the introduction of a financial transactions tax in eleven EU Member States would presumably lead to a decline in trading volumes. In the event a financial transactions tax is introduced, Xetra segment customers would shift part of their trading activities to markets that are less regulated and less transparent in order to avoid paying tax.

Further regulatory projects that could impact the earnings position or the competitive environment, respectively, include in particular the revision of the EU's Markets in Financial Instruments Directive (MiFID), the Markets in Financial Instruments Regulation (MiFIR), as well as European Market Infrastructure Regulation, EMIR.

The analysis of potential loss scenarios for 2012 showed that potential losses are matched at any time by an adequate risk-bearing capacity.

Project risks

The Xetra segment is currently pursuing a project to develop a direct connection between the marketplace and customer groups, such as investment companies or pension funds. The objective is to facilitate better access to the trading system. This project is regularly monitored by Group Risk Management in order to be able to detect risks at an early stage and initiate appropriate measures.

Market Data & Analytics segment

Just like the Xetra segment, the risk profile of the Market Data & Analytics (MD&A) business segment is essentially characterised by operational, business and project risks. However, financial risks are not substantial for the business segment. The individual risks of MD&A are illustrated and assessed in the following part. Overall the MD&A segment is characterised by a low risk profile.

Operational risks

Business practice risks and availability risks constitute the material operational risks for the MD&A segment.

Business practice risks: There is the risk that the business segment incurs losses resulting from failure to comply with statutory provisions or the use of unlicensed products. This risk is mitigated by introducing and constantly developing various control measures. The central Group Compliance function should in particular ensure compliance with the various statutory provisions.

Availability risks: The risk that the services offered are not available constitutes a material risk for the MD&A segment. It is possible that specific data or data packages, such as information regarding index levels, cannot be transmitted to customers as a result of technical faults or manual errors. The risk therefore is that customers may submit compensation claims to a segment company.

Other risks: Damage to physical assets, human resources risks and service deficiencies constitute other risks for the segment.

No material losses from operational risks were incurred in the financial year 2012.

Financial risks
Financial risks are not substantial for the MD&A business segment.

Business risks
A sustained or increased consolidation process within the banking sector constitutes a material business risk for the MD&A segment. This could have a negative impact on customer demand for products or services within this segment, thus leading to a reduction in revenue. In the same way as other segments, there is also the risk of a possible escalation of the European sovereign debt crisis which would also have negative consequences for the financial position of the MD&A segment.

In addition, the Markets in Financial Instruments Regulation (MiFIR) could negatively impact the MD&A segment. Potential new and/or more stringent requirements for publishing market data could constitute a risk for the MD&A segment. Furthermore, the introduction of a financial transaction tax in eleven European countries would also have negative implications for the segment.

A number of different scenarios were taken into account for the segment in order to analyse potential losses. This scenario analysis showed that potential losses are matched by adequate available risk-bearing capacity.

Project risks
The MD&A segment is currently reorganising structures within the business segment. This means that the departments should be more closely interconnected with IT. The objective is to further expand the technological leadership of Deutsche Börse Group. This project is regularly monitored. As a result, all project-related risks should be identified at an early stage in order to be able to initiate appropriate measures.

Overall assessment by the Executive Board

In its function as responsible body, the Executive Board of Deutsche Börse AG reviews the Group-wide risk management. The resulting conclusion of the Executive Board and the outlook for the coming financial year is illustrated in the following part.

Summary
In the past financial year, further external risk factors for Deutsche Börse Group's business emerged. However, the Group identified new risks at an early stage and took appropriate measures to encounter 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 to which Deutsche Börse Group was exposed were matched at all times by adequate risk-bearing capacities. As at 31 December 2012, Deutsche Börse Group's required economic capital amounted to €1,451 million and was opposed by an available risk-bearing capacity amounting to €2,407 million. The Executive Board of Deutsche Börse AG firmly believes in the effectiveness of its risk management system. To further boost the management of operational risk, comprehensive risk management software was introduced at the Clearstream Holding group in the past year.

Outlook
The Group evaluates its risk situation on an ongoing basis. Taking into account the stress test calculations performed, the resulting economic capital, and the

risk management system, which it considers to be effective, the Executive Board of Deutsche Börse AG concludes that the available risk-bearing capacity is sufficient. Moreover, it cannot identify any risk that could jeopardise the Group's viability as a going concern.

Further developments in the area of risk management are scheduled for 2013. Moreover, 2013 will see an increased number of assessments of business and in particular regulatory risks that could impact Deutsche Börse Group beyond the one-year period used to calculate economic capital. In addition, the Group is planning to extend its Group-wide credit risk consolidation systems. In the coming year, Eurex Clearing AG und the Clearstream Holding group will also implement the new requirements under the revised Minimum Requirements for Risk Management (MaRisk) published on 14 December 2012. It is possible that Eurex Clearing AG and the Clearstream Holding group will fall under the legislation on protection against risks and on planning the reorganisation and winding up of banks and financial groups which is currently planned. In this case, Eurex Clearing AG and Clearstream Holding group will develop a recovery plan for their institutions.

Report on opportunities

Management of opportunities

Deutsche Börse Group's management of opportunities aims to identify and assess opportunities as early as possible and to initiate appropriate measures in order to take advantage of opportunities and transform them into business success.

Deutsche Börse Group evaluates organic growth opportunities specifically as part of its annual budget planning process and on an ongoing basis in the course of the year, as required. These evaluations are based on the proposals for new products, services, or technologies developed in the Group's business areas.

The process begins with a careful analysis of the market environment, taking into account not only customer wishes, but also factors such as market developments, competitors and regulatory changes. This draws on a range of opportunity development tools such as a strengths and weaknesses analysis or inside-out and outside-in approaches.

The ideas for growth initiatives are fleshed out using uniform, Group-wide templates and subjected to a profitability analysis. Qualitative aspects are documented in the form of a business plan, and expenses and revenues are projected in detail for several years.

The business plan includes, for example, information about the product or service that is to be offered, as well as about target customers and competitors, market size, barriers to market entry and the positioning of the product or service on the market. It also outlines the resources required, the implementation approach including the marketing/sales strategy, and highlights potential risks.

The profitability analysis is based on absorption costing. A distinction is made between expense- and expenditure-related variables, allowing the effect on both the Group's income statement and its cash flow statement to be modelled.

Investment appraisal tools are used to assess whether the proposed growth initiative is of economic benefit to the Group. Deutsche Börse Group uses the discounted cash flow method to do this. Alongside the net present value, the appraisal also uses the internal rate of return and the payback period. The discount rate, which is essential for calculating the net present value, is calculated on the basis of Deutsche Börse Group's cost of equity and aggregates project-specific risk premiums that are determined using a standardised process. For example, premiums must be charged if a growth initiative expands into new geographic regions or involves the development of completely new products and services that Deutsche Börse Group does not have any prior experience with.

Once the business plan and profitability analysis have been prepared for the individual growth initiatives, a decision is made as to their implementation. This is made by the Executive Board of Deutsche Börse Group as part of the annual budget planning process. The Executive Board starts by setting the budget for growth initiatives; this depends on general business performance. This budget is then allocated to the individual business areas on the basis of various factors (such as a business area's contribution to the Group's EBIT). The relevant growth initiatives are then prioritised within the business areas. Prioritisation is based on the profitability analysis. It also takes risks into account and assesses the contribution of individual growth initiatives to business area and Group strategies. Economies of scope (where a growth initiative offers benefits for several business areas) also play a role in the prioritisation of growth initiatives. The initiatives that make the highest value contribution and that can be financed within the scope of the budget allocated to the business area are selected by the Executive Board and incorporated into the budget.

Budgeting for growth initiatives involves reserving a full-year budget in the form of cash outflows and expenditures for each selected growth initiative included in the investment portfolio. The budget is approved by the Executive Board of Deutsche Börse Group in the course of the year and is classified by project phases. This ensures that funding approval is linked to project progress and that projects are reviewed regularly. It also gives the Executive Board the opportunity to adjust the deployment of the funds reserved for the year as a whole and to react to general business performance – if required, for example, new growth initiatives can be approved and budgeted in the course of the year.

Monitoring of growth initiatives within the scope of the intraperiod budget approval process is complemented by regular reporting. As a rule, Deutsche Börse Group's Executive Board receives a monthly report on the status and progress of initiatives currently being implemented. The report is coordinated by central functions in cooperation with the individual projects from the business areas and compares planned costs and revenues with actual budget usage and the revenues actually generated. In addition, financial planning is adjusted, forecasts are updated and changes to the scope of the project are made transparent. Milestones are also tracked and project-specific risks and the countermeasures taken are described. Project management and the supporting central functions report to the Executive Board on the status of the project.

Organic growth opportunities

Specifically, Deutsche Börse Group is currently focusing on growth initiatives in relation to OTC derivatives clearing and liquidity management.

Clearing of OTC-traded derivatives (Eurex)
In the light of experience gained during the 2008 financial crisis, which was triggered by the non-settlement of highly risky, bilateral over-the-counter (OTC) transactions entered into on an unsecured basis, the leading industrialised nations (G20) agreed to create an effective regulatory environment to make off-exchange derivatives transactions more transparent and secure. In response, the European Union has developed the European Market Infrastructure Regulation (EMIR), which is aimed at regulating OTC trading with derivatives. EMIR stands for:

- An obligation to clear standardised OTC derivatives transactions using a central counterparty
- Special risk management requirements for transactions in non-standardised derivatives
- An obligation to report the transactions to a trade repository

EMIR entered into force on 16 August 2012 and is currently being implemented. To help market participants meet the requirements of EMIR, Eurex Clearing has developed a central counterparty for clearing OTC derivatives transactions; it is known as "EurexOTC Clear" and has been available to the market since 13 November 2012. This offering, which may later be extended to other asset classes, is aimed primarily at institutional customers and their interest rate derivatives transactions (interest rate swaps). It focuses in particular on security and efficiency, allowing customers to profit from the full benefit of Eurex Clearing's risk and collateral management services for their OTC transactions as well.

Collateral and liquidity management (Clearstream)

The liquidity management offering developed as part of the Global Liquidity Hub growth initiative enables Clearstream to help its customers cope with structural changes, such as those resulting from the additional liquidity requirements under Basel III and the new clearing obligations under EMIR. The Global Liquidity Hub allows banks to use the assets that Clearstream holds in custody on their behalf more efficiently across different platforms and countries. Since this is a key issue worldwide, Clearstream has started to market its collateral management system to third parties and has entered into outsourcing agreements with various market infrastructure operators around the world. This service – the Liquidity Hub GO (Global Outsourcing) – is at different stages of development with Clearstream's international partners. In addition to central securities depositories, Clearstream has also signed agreements with agent banks to leverage their collateral management expertise.

External growth opportunities

In addition to organic growth, the company regularly pursues external growth opportunities, which are subjected to the same kind of stringent analysis as the organic growth initiatives. For this reason, only few of the opportunities analysed are ultimately realised.

Examples of external growth in the past few years include the acquisition of all the shares in Eurex from SIX Group AG, of a majority interest in the European Energy Exchange and of additional shares in the index provider STOXX Ltd. Deutsche Börse Group is also open to cooperations in Asia – examples can be found in the section "Eurex segment". In general, however, given that the company already offers a very comprehensive range of products and services along the entire value chain, the focus is squarely on organic growth.

Cyclical and structural opportunities

Alongside organic and external growth opportunities, the company has identified a number of possible cyclical developments that could have a positive impact on Deutsche Börse Group:

- In the cash and derivatives market segments (Xetra and Eurex), sustained positive economic development, an improvement in the situation of the southern EU member states, a lasting rise in investor confidence in the capital markets and, as a result, a renewed rise in risk appetite among market participants as well as greater stock market volatility could stimulate trading activity by market participants and boost trading volumes.
- The volumes of interest rate derivatives traded on the Group's derivatives markets could pick up further as a result of increasing speculation about the trend in long-term interest rates on German and other European government bonds, if key interest rates actually rose and if the spread between the various European government bonds narrowed.
- In the post-trading segment, Clearstream, a reduction in the liquidity supplied by the central banks could encourage bond issuance and thus cause custody volumes to rise. Moreover, this could increase demand for Clearstream's range of collateral and liquidity management services. Net interest income from banking would benefit from a rise in short-term interest rates in the euro zone and the USA.

- In the market data business, an increase in the number of employees at companies active on the financial markets could lead to growing demand for data packages.

However, Deutsche Börse Group is convinced that structural rather than cyclical factors will dominate in the long term and impact business success.

- For the Eurex derivatives segment, the company has identified opportunities arising from growing demand for European derivatives among investors and trading houses based outside Europe, for ex-ample in Asia. This is primarily related to growing investment volumes and increasing portfolio diversification in those regions.
- As a result of the European legal and administrative framework relating to certain undertakings for collective investment in transferable securities (UCITS III), the company also expects that traditional investment funds will increasingly include derivatives in their portfolio strategies.
- Since the importance of risk management has been rising as a consequence of the financial crisis, the company expects market participants to make greater use of the Group's clearing services to settle transactions in different asset classes, such as OTC-traded derivatives, and in this way to eliminate counterparty risk.
- For Clearstream's post-trading activities, the company anticipates that in the long term companies will increasingly raise capital through equity and debt financing on the capital markets. This is related to the higher capital and liquidity requirements for banks and the resulting negative impact on the total volume of available credit. For Clearstream, this could have a positive effect on custody volumes, especially in the international bond segment. In addition, given the growing internationalisation of the capital markets, the company continues to predict a sharper rise in the volume of bonds issued internationally compared with fixed-income securities issued domestically. Moreover, because of changed regulatory requirements and the persistent loss of confidence among market participants the Group anticipates a structural increase in demand for collateral and liquidity management services.

Report on expected developments

The report on expected developments describes how Deutsche Börse Group is expected to perform in financial year 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 opportunities, 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 opportunities, 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 anticipates that the business environment will continue to be difficult worldwide during the forecast period. The company also expects that the uncertainty surrounding the creditworthiness and liquidity of certain euro zone countries will continue to influence the capital markets. On this basis, the company does not believe that the confidence of capital market participants will improve significantly in the short term. With regard to interest rate developments, the company does not expect the central banks in Europe and the USA to fundamentally abandon the prevailing low interest rate policy.

In its forecast of economic development for 2013 published in January 2013, the International Monetary Fund (IMF) predicts a decline of around 0.2 per cent in the euro zone and growth of around 0.6 per cent in Germany. The difference between the euro zone and Germany is a result of the renewed contraction anticipated in countries such as Italy and Spain. Expectations for the United Kingdom and the United States are higher than for the euro zone. In 2013, the economy is forecast to grow by around 1.0 per cent in the UK and by around 2.0 per cent in the USA. The highest growth by far in 2013 – approximately 7 to 8 per cent – is again expected in Asian countries (and especially China) in anticipation of high domestic demand. Given the extremely varied estimates for the different economic regions, global economic growth is projected to be around 3.5 per cent in 2013.

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). For Deutsche Börse Group's customers, the impact of these far-reaching regulatory reform projects on market structures and business models is difficult to gauge accurately at present. Deutsche Börse anticipates that this uncertainty will continue to weigh on the business activities of market participants during the forecast period. For the Group itself, the different regulatory projects will have both positive and negative consequences. Overall, however, the company sees the changing regulatory environment as an opportunity to expand its business further.

In 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 combined management report) that the Group will continue to pursue during the period under review 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 key 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.

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. The main focus is on new regulations for banks, although the financial market infrastructure and the settlement of securities, derivatives and other financial instruments are also affected in some instances. The supervisory structures have also changed as a result of these regulations: the European supervisory authorities created on 1 January 2011 and the European Systemic Risk Board now play a much more significant role, while the scope for decisions at national level has declined. The introduction of a financial transaction tax is also being discussed within the European Union. To this end, several EU member states have agreed "increased cooperation" aimed at introducing uniform taxation of financial transactions. The introduction of such a tax would negatively impact Deutsche Börse's business performance. The extent to which this tax would impact on business performance depends on which asset classes would be included, how it would be applied and what the tax rates would be. It is not possible to predict the concrete impact on the Group 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 regulation on central securities depositories (CSD Regulation).

MiFID

The European Commission published a draft revision of MiFID at the end of 2011. The aim is to increase the transparency and integrity of the markets and to further strengthen investor protection, among other things in the light of the financial market crisis. In addition, the European Commission is planning to apply the measures regulating high frequency trading and to tighten competition, particularly in the area of derivatives trading and clearing. For Deutsche Börse Group, the regulations originally proposed by the European Commission regarding access to different links in the value chain could potentially intensify the competition. Moreover, depending on the version ultimately adopted, the measures regulating high frequency trading could dampen trading activity by the Group's customers. The regulation is expected to be implemented in 2015. Some of the rules will take the form of a regulation (MiFIR) that is directly applicable throughout the EU.

EMIR

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 draft was presented by the European Commission in September 2010 and the final version published at the end of July 2012. Among other things, the regulation aims to mandate the use of central counterparties for settling a greater number of derivatives transactions – a proposal that offers an opportunity for Deutsche Börse Group to extend its clearing offering to OTC derivatives. 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. However, the additional importance to be placed on central counterparties in Europe will also entail increased capital requirements. In the case of the operator of Deutsche Börse Group's central counterparty, Eurex Clearing AG, the company expects an additional capital requirement of up to €150 million. An amount of €110 million was already injected in January 2013. The application in practice of EMIR is only expected for 2014.

CSD regulation

With the CSD regulation, the European Commission aims to reform the European securities settlement and custody environment and, by doing so, to create a uniform European regulatory framework for central securities depositories for the first time. The European Commission submitted a proposal for this in March 2012. The measures are expected to be passed in the second half of 2013. Depending on the outcome of the organisational regulations currently under discussion in this context, these measures could have an impact on Clearstream's business activities.

The above-mentioned regulatory initiatives are supplemented by the revision of the Capital Requirements Directive (CRD IV) and the regulatory project on the recovery and resolution of financial institutions (see the following section entitled "Banking regulations"). A revision of European Securities Law Legislation (SLL) is also expected for 2013.

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 Hochfrequenzhandelsgesetz (German High Frequency Trading Act) in particular will have some implications for Deutsche Börse Group.

Banking regulations

With respect to banking regulation, which affects the Group both directly and indirectly, significant change projects are in the final phase of development or have already reached the implementation stage, with further changes already on the horizon. This applies both to the international regulatory framework (the rules issued by the Basel Committee on Banking Supervision) and to the European regulations (Capital Requirements Directive, CRD) and national regulations that build on these. In addition, there are supplementary initiatives at all three of the above levels that deal with issues such as corporate governance or recovery and resolution planning for (systemically important) institutions.

Back 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. On 25 July 2012, revised rules for the capitalisation of exposures to central counterparties were published. Finally, on 6 January 2013, the BCBS endorsed further adjustments to the liquidity requirements, which were published on 7 January 2013.

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 positions 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; certain subareas will be reviewed and, if necessary, modified during the transition process. The Basel III package also comprises a general revision of the capitalisation requirements for exposures to central counterparties.

Taking into account various interim rules, the Basel III regulations have, in principle, been in force internationally since 1 January 2013. However, to enter into force in the EU, they must be implemented in EU and, if applicable, national law.

In addition, the BCBS is currently discussing further fine-tuning or fundamental revisions of individual aspects of the Basel regulatory framework, including rules on allocating items to the trading or banking book, rules on organising the internal audit function in banks and adjustment modifications to the requirements for the liquidity coverage ratio. Since 2011, the BCBS has also been holding detailed discussions on additional capital requirements over and above the Basel III regulations for global and domestic systemically important banks (G-SIBs/D-SIBs). The BCBS already issued guidelines on this on 19 July 2011 and on 29 June 2012. Some of these additional rules are collectively known colloquially as “Basel III.5”. On the basis of purely qualitative indicators, the supervisory authority responsible assigns the banks in its area of supervision to one of the two categories or to both.

In the EU, the Basel III regulations, together with other aspects such as corporate governance issues and the implementation to a large extent of a single rule book, are to be incorporated in a revised regulatory framework for banks and securities service providers. To this end, the EU Directives 2006/48/EC (Banking Directive) and 2006/49/EC (Capital Adequacy Directive), which up to now have been collectively referred to as the Capital Requirements Directives, are being completely revised and restructured to produce an integrated legislative package (commonly referred to as CRD IV) consisting of a directive (which will subsequently have to be implemented in national law) and a regulation (which will enter into force directly).

The European Commission submitted a proposal on this on 20 July 2011. In May 2012, the European Council and the European Parliament set out their position on the European Commission’s proposal; since then, the proceedings have since been in the trialogue phase. As the negotiations were not completed in 2012, the regulations did not enter into force on the planned date, 1 January 2013. While the negotiations are being finalised, current regulatory initiatives, such as the revised Basel rules on the counterparty weight for exposures to central counterparties, the extended capital requirements (Basel III.5), the rules for systemically important institutions (including the increased capital requirements for such institutions), capital buffers for systemic risk, the option to introduce national rules setting stricter capital requirements and the revised Basel liquidity requirements of January 2013 are also being discussed and are expected to be incorporated into the final text of the regulations. The regulations are now not anticipated to enter into force before the later part of 2013 at the earliest, or even in 2014.

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. Based on the current status of the discussions, the future interaction between EMIR, the CSD regulation, MiFID and the CRD is particularly relevant from Deutsche Börse Group's point of view.

Independently of the ongoing negotiations at EU level, the Federal Government started in spring to implement the provisions of CRD IV in German law. Following consultation on the drafts, the Federal Government introduced a draft bill implementing CRD IV into the parliamentary process on 15 October 2012. The bill has since been supplemented by consultations on subsequent regulations. The completion of the legislative process is, however, dependent on the CRD IV package being finalised at a European level.

Given the current status of the discussions on the provisions of CRD IV, the company does not expect any material effect on the equity base of its regulated companies in the short to medium term. Nevertheless, the Group will continue to analyse the capital resources of the regulated entities – including the inter actions with the requirements for the Group's central counterparties under EMIR – and will adjust them if necessary to strengthen risk coverage. Depending on business performance, the possible designation of Group companies as systemically important institutions, the size of the relevant buffers and the setting of a leverage ratio (which may have a limiting effect in the future), it is, however, expected that the capital base will have to be gradually strengthened in the long term. On the basis of its internal analyses and forward-looking planning, the Group will take the necessary measures in good time. 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 the Group's business activities cannot be assessed or predicted at the present time.

The financial crisis triggered extensive discussions at the international and European level about the need to prepare recovery and resolution plans for financial sector institutions. As a result, in October 2011, the Financial Stability Board (FSB) adopted the Key Attributes of Effective Resolution Regimes for Financial Institutions (Key Attributes), which are aimed at resolving systemically important institutions without loss to the public purse, thus avoiding the "too big to fail" dilemma. The Key Attributes specify that resolution and recovery plans must be prepared at least for global systemically important financial institutions. The heads of state and government of the G20 countries have undertaken to implement the Key Attributes.

At a European level, the European Commission published a proposal on 6 June 2012 for a directive of the European Parliament and the European Council which defines a framework for the recovery and resolution of credit institutions and securities firms (Recovery and Resolution Directive). The Recovery and Resolution Directive will establish European law and incorporate material components of the Key Attributes.

On 2 November 2012, the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin, German Federal Financial Supervisory Authority) published a consultation draft entitled "Mindestanforderungen an die Ausgestaltung von Sanierungsplänen" (Minimum Requirements for the Design of Recovery Plans, MaSan). On 20 December 2012, the Federal Ministry of Finance published a draft bill for the recovery and resolution planning of credit institutions and financial groups.

Deutsche Börse Group's involvement in regulatory initiatives

Deutsche Börse Group has been, and will continue to be, deeply involved in the above-mentioned political and regulatory initiatives right from the start. 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 excessive effects for the Group or any of its subsidiaries and works to ensure that any affected business units are included appropriately.

Development of results of operations

Deutsche Börse Group continues to consider itself very well positioned and expects to see a positive trend in its results of operations in the long term. For the forecast period, however, the uncertainty about the future behaviour of capital market participants makes specific forecasts of the results of operations difficult. A recurrence of the disconnect observed in financial year 2012 between the performance of the stock markets and the real economy and trading on the Group's cash and derivatives markets, which is linked to a loss of confidence among investors and market participants, cannot be ruled out for the forecast period either. The company also expects continuing uncertainty among market participants about the future form of the regulatory projects. As a result, the dampening effect on the business activities of the Group's customers could persist in the forecast period.

As part of its budget planning process, the company has therefore developed different possible scenarios for its results of operations in 2013. If the capital market environment and investor confidence fail to improve and the markets continue to be impacted by uncertainty regarding global economic performance and the future situation in the euro zone, business activity would be on a level comparable to the second half of 2012. For full-year 2013, this would mean net revenue of around €1.8 billion, a potential decline of around 7 per cent compared with 2012. Should the capital market environment, investor confidence and the position of the southern EU member states improve significantly in 2013, the company would expect net revenue to increase moderately year-on-year to more than €2.0 billion. The scenario used to forecast net revenue is to a significant extent determined by cyclical factors, which prevail in the short to medium-term and whose impact on business activity the company is unable to control.

With regard to net interest income from banking business, the company does not anticipate any fundamental change in interest rate policies in Europe and the USA. Since the market interest rates relevant to the Group declined in the course of 2012, the company expects net interest income to decrease in 2013.

If, contrary to expectations, general conditions become even worse than described above, or impact the company's customers to an even greater extent, the company believes it is in a good position to continue to do business profitably due to its integrated business model, the cost management that has already been implemented and measures planned, which are described in the following section.

In the forecast period, the company aims to systematically continue its successful operating cost management of the past few years. In February 2013, the Group announced that it will increase operating efficiency further by cutting staff costs and non-personnel costs by €70 million a year. The full effect of the efficiency improvements is expected to be felt from 2016 onwards. The company expects implementation costs associated with the measures to be in a range of between €90 million and €120 million, of which probably most will be reflected in earnings in 2013 in the form of provisions. The additional savings are intended to offset at an early stage the inflation-linked cost increases expected in the forecast period and beyond. At the same time, they provide the Group with the freedom needed to continue its growth and infrastructure initiatives, which it intends to use to take advantage of opportunities presented by the structural and regulatory changes on the financial markets and to harness the potential offered by growth markets such as Asia. By doing this, the company is also adapting to changing customer requirements. Primarily as a result of increased investments, the company expects operating costs (adjusted for special effects such as efficiency programmes) to increase moderately overall in the forecast period and beyond, starting in 2013.

In terms of operating profit, the declining net revenue scenario would generate EBIT of around €0.8 billion, adjusted for special effects. In the scenario with a moderate rise in net revenue, adjusted EBIT would be approximately €1.0 billion (and hence similar to 2012) because of the slight rise in operating costs.

The Group anticipates an unchanged tax rate of approximately 26 per cent, adjusted for special effects, for the forecast period.

Net income would amount to around €0.5 billion in the declining net revenue scenario and to around €0.7 billion in the scenario with moderately rising net revenue, adjusted for special effects in both cases. The refinancing of long-term financial liabilities which began in 2012 will positively impact net income because it will lead to a reduction of interest expenses as a result of lower interest rate levels.

At the publication date of this combined management report the company is expecting special effects of some €90 million, mainly relating to costs for efficiency measures, to contribute to operating costs. Additional costs might also be incurred due to the current OFAC investigation (see risk report for details) and potential consolidation effects.

The parent company Deutsche Börse AG has also considered the scenarios described above in its planning. For 2013, the company expects net revenue between €1.1 and €1.2 million and net profit of €0.5 million, adjusted for special effects, in both scenarios.

Xetra segment

Net revenue in the Xetra cash market segment will continue to depend on equity market trends, equity market volatility and structural and cyclical changes in trading activity. The year 2012 saw a significant level of caution on the part of market participants because of the macroeconomic environment. Sustainable growth would require a significant improvement in investor confidence. However, there were only tentative signs of this at the time this management report was prepared.

In addition to developing its own cash market, the company will continue to maintain 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.

Eurex segment

In the past year, the described cyclical factors led to a significant decrease in trading volumes. 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.

Eurex will continue to step up investments to enhance its technology and its product offering in the forecast period. The 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. In the medium to long term, the company expects this initiative to deliver significant additional net revenue. Since the regulatory requirements to settle OTC derivatives transactions via a central counterparty will probably not finally enter into force until 2014, only a small additional contribution to net revenue is anticipated for 2013.

Clearstream segment

The Clearstream segment generates its net revenue primarily with the settlement and custody of international bonds – a business that is much more stable and less subject to fluctuations on the capital markets than the trading business. 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 an 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 Global Liquidity Hub offering: after connecting Brazil's central securities depository Cetip in 2011, plans are in place to connect other providers, such as those in Australia and South Africa, in the forecast period. In the medium to long term, the company expects this initiative to deliver significant additional net revenue. However, since the different providers can only be connected consecutively, only a small additional contribution to net revenue is anticipated for 2013.

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 company does not expect this to have a major impact on its net revenue or to result in a loss of market share during the forecast period.

Information Technology and Market Data & Analytics segment

Since 1 January 2013, the Information Technology (IT) and Market Data & Analytics areas have been combined in a separate reporting segment together with selected external IT services. The aim of the new segment is to accelerate the expansion of Deutsche Börse's technology leadership and expertise in the area of market data by pooling all the company's relevant resources in a dedicated market-driven business unit. The goal is to open up untapped growth opportunities in the medium to long term under uniform management and with separate profit and loss responsibility.

For the forecast period, the company expects the new segment's combined external IT net revenue to be stable. Net revenue in the Market Data & Analytics area is largely dependent on demand for market data in the financial sector. The company anticipates that the environment in this business area will remain difficult during the forecast period. However, the segment intends to steadily expand its product range in all areas with new data services to offset these cyclical factors.

Development of pricing models
Deutsche Börse anticipates 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.

Over the long term, the average net 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.

Non-financial performance indicators CR

Initiatives to promote the transparency and security of the markets will be a focus during the forecast period, ensuring Deutsche Börse Group's value contribution to society. To live up to this goal, Deutsche Börse will continue to expand its Group-wide product and service offering in the area of market transparency, for example by adding indices developed and calculated by the Group. Moreover, the investments in the trading and clearing infrastructure already made in 2012 as well as those planned for the forecast period will ensure that the systems meet customer and market requirements. Against this background, the company anticipates that the availability of the different systems will be maintained at the very high level of previous years throughout the forecast period.

Responsible management with a focus on long-term value creation has a high priority for Deutsche Börse Group as a service company. In particular in view of demographic change and the resulting shortage of specialist staff, the company aims to continue to position itself adequately and therefore intends to increase the number of women in management positions. By 2015, the proportion of women in middle and upper management is to be increased to 20 per cent, while the figure in junior management should be 30 per cent. The appointment of Hauke Stars means that the goal of having at least one female Executive Board member by 2015 was already met in 2012.

Development of the Group's financial position

The company expects operating cash flow, which is Deutsche Börse Group's primary funding instrument, to remain positive in the forecast period. With regard to liquidity, the Group expects two significant factors to influence its development. Firstly, with respect to its cash flow from investing activities, the company plans to invest in a magnitude of €150 million per year in intangible assets and property, plant and equipment during the forecast period on a consolidated basis. These investments will serve primarily to develop new products and services in the Eurex and Clearstream segments and enhance existing ones. The total mainly comprises investments in the trading infrastructure and risk management functionalities. Secondly, the Executive Board and Supervisory Board of Deutsche Börse AG will propose to the Annual General Meeting to be held in May 2013 that a dividend of €2.10 per share should be paid. This would correspond to a liquidity outflow of €386.5 million. Apart from the above, no further material factors were expected to impact on the Group's liquidity at the time the management report was prepared. As in previous years, the Group does not expect any liquidity squeezes due to its positive cash flow, adequate credit lines (see note 36 to the consolidated financial statements for details) and flexible management and planning systems.

Under its capital management programme, Deutsche Börse will react flexibly to a changing market environment in the forecast period. Both the general target dividend distribution ratio of 40 to 60 per cent of consolidated net income for the year and any share buybacks are subject to capital requirements, investment needs and general liquidity considerations.

For 2013, the company expects to reach an interest coverage ratio of at least 16, the target at Group level. This would be possible even if net revenue were to decline, because the Group's interest expense can already be reduced in 2013 as a result of the refinancing of its long-term financial liabilities, which began in 2012. The full benefit of this effect will be felt in 2014, so that the Group anticipates an interest coverage ratio clearly above 16.

In addition, the aim is to achieve a ratio of interest-bearing gross debt to EBITDA of 1.5 maximum on Group level. For 2013, the Group expects to slightly exceed the ratio of 1.5 depending on the potential development of net revenue.

The parent company, Deutsche Börse AG, plans to invest some €50 million in intangible assets and property, plant and equipment during the forecast period.

Overall assessment by the Executive Board

The Executive Board of Deutsche Börse AG believes that, thanks to its comprehensive offering along the securities trading value chain and its innovative power, the company remains in an extremely good position compared with the international competition and expects to see a positive trend in its results of operations in the long term. For the forecast period, however, the uncertainty about the future behaviour of capital market participants in relation to economic and regulatory conditions makes it difficult for the Executive Board to make a specific forecast. By taking the additional efficiency measures resolved in 2013, the Executive Board has prepared the company at an early stage for the changing market and will be able to compensate for the expected inflation-linked cost increases after the forecast period. At the same time, this means the Executive Board has provided the freedom needed to continue the Group's growth and infrastructure initiatives, which it intends to use to take advantage of opportunities presented by the structural and regulatory changes on the financial markets and to harness the potential offered by growth markets such as Asia. Primarily as a result of the increased level of investments, the Executive Board expects operating costs (after adjustments) to increase moderately in the forecast period and beyond. Overall, the Executive Board anticipates on this basis that cash flow from operating activities will remain clearly positive and, as in previous years, there will be no liquidity squeezes.

Deutsche Börse AG (Disclosures based on the HGB)

In contrast to the consolidated financial statements, the single-entity financial statements of Deutsche Börse AG are not prepared in accordance with International Financial Reporting Standards (IFRS) but in accordance with the German Commercial Code (HGB) and the supplementary provisions of the German Stock Corporation Act (AktG).

Business and operating environment

General situation of the company

Deutsche Börse AG is the parent company of Deutsche Börse Group. Its business activities comprise above all the cash and derivative markets as well as IT and Market Data & Analytics. The performance of the Clearstream segment is reflected in the business performance of Deutsche Börse AG mainly because of the profit transfer agreement with Clearstream Holding AG. In view of this, the business and operating environment of Deutsche Börse AG is essentially the same as that of Deutsche Börse Group. These are described in detail in the section “Macroeconomic and overall industry-specific conditions”.

Overview of Deutsche Börse AG’s business development in the year under review

Deutsche Börse AG’s profit in 2012 was lower than in financial year 2011 primarily because of the worsening market conditions.

Performance figures of Deutsche Börse AG

	2012 €m	2011 €m	Change %
Sales revenue	1,110.3	1,280.7	–13
Total costs	692.6	741.2	–7
Result from investments	307.6	207.0	49
EBIT	844.6	864.4	–2
Result from ordinary business activity (EBT)	726.3	760.1	–4
Net income	605.7	679.7	–1
Earnings per share (€)	3.23[1]	3.66[1]	–12

1) Calculation based on weighted average of shares outstanding.

Sales revenue fell by 13 per cent to €1,110.3 million (2011: €1,280.7 million). The largest contribution to sales was provided by the Eurex segment, in which sales revenue amounted to €660.2 million (2011: €765.6 million).

At €692.6 million, the company’s total costs (staff costs, impairment losses relating to intangible assets and property, plant and equipment, and other operating expenses) were 7 per cent lower than in the previous year (2011: €741.2 million).

In 2012, the result from investments of Deutsche Börse AG was €307.6 million (2011: €207.0 million). Income from the transfer of profit amounting to €215.4 million (2011: €173.4 million) and income from profit participation rights amounting to €15.0 million (2011: €15.0 million) contributed to this result. There was also a partial reversal of the impairment of the profit participation rights of Deutsche Börse AG in Eurex Frankfurt AG amounting to €56.7 million (2011: €29.3 million). This reversal is a result of the profit generated by Eurex Frankfurt AG in financial year 2012. Income from investments also included dividends amounting to €23.1 million (2011: €10.2 million).

Earnings before interest and taxes (EBIT) fell by 2 per cent to €844.6 million (2011 adjusted: €864.4 million). Net income amounted to €605.7 million, falling by 11 per cent (2011: €679.7 million) in particular because of merger-related special effects in 2011 amounting to €60.1 million.

Results of operations of Deutsche Börse AG

Deutsche Börse AG's revenue fell in 2012 by 13 per cent to €1,110.3 million (2011: €1,280.7 million). The table on the next page shows how this revenue breaks down among the company’s segments.

Information on the business development in the Xetra segment can mainly be found in the section “Xetra segment”.

Sales revenue by segment

	2012 €m	2011 €m	Change %
Xetra	232.4	306.9	–24
Eurex	660.2	765.6	–14
Market Data & Analytics	196.6	196.9	0
Clearstream[1)]	21.1	11.3	88
Total	**1,110.3**	**1,280.7**	**–13**

1) The sales revenue attributable to the Clearstream segment results from IT services provided by Deutsche Börse AG for companies within the Clearstream Holding AG subgroup.

Please refer to the section "Eurex segment" for details of the performance of the Eurex derivatives segment. The reasons for any deviations from the information in the above-mentioned section lie in the fact that developments in the US derivatives market operated by the International Securities Exchange (ISE) do not directly affect Deutsche Börse AG's business. Furthermore, the increase in the revenues and costs generated as a result of the acquisition of the remaining shares in Eurex Zürich AG in the year under review do not have a direct impact on the annual financial statements of Deutsche Börse AG because the net revenues are passed on to the subsidiary Eurex Global Derivatives AG. Accordingly, Deutsche Börse AG continues to participate directly in 85 per cent of the economic result of Eurex Zürich AG.

The results of operations in the Market Data & Analytics segment are essentially explained in the section "Market Data & Analytics segment". Please note that business developments at the subsidiary STOXX Ltd. have no direct impact on Deutsche Börse AG's business performance.

Other operating income decreased slightly in the year under review to €109.2 million (2011: €118.8 million). This is above all due to the lower out-of-period income arising from the reversal of provisions, which have dropped to €6.9 million (2011: €19.5 million).

In the year under review, total costs fell by 7 per cent compared to 2011 to €692.6 million (2011: €741.2 million) and are composed as follows:

Overview of total costs

	2012 €m	2011 €m	Change %
Staff costs	138.0	146.5	–6
Depreciation/amortisation	32.5	28.4	14
Other operating expenses	522.1	566.3	–8
Total	**692.6**	**741.2**	**–7**

Staff costs fell year-on-year by 6 per cent to €138.0 million in the year under review, mainly due to lower costs for pensions and early retirement.

In the year under review, amortisation and depreciation relating to intangible assets and property, plant and equipment increased by 14 per cent to €32.5 million (2011: €28.4 million). This increase is essentially due to higher depreciation on IT hardware amounting to €22.0 million (2011: €18.3 million).

Other operating expenses were reduced year-on-year by 8 per cent mainly due to lower advisory fees amounting to €101.5 million (2011: €146.9 million). The higher advisory fees in 2011 arose in particular due to the planned merger with NYSE Euronext.

The result from ordinary business activity fell by 4 per cent to €726.3 million (2011: €760.1 million) compared to the previous year.

Development of profitability

Deutsche Börse AG's return on equity represents the ratio of the result after tax to the average equity that was at the disposal of the company in 2012. It fell compared to 2011, mainly because of the poorer result, from 31.5 per cent to 27.4 per cent.

Financial position of Deutsche Börse AG

As at the reporting date on 31 December 2012, cash funds amounted to €281.1 million (2011: €596.0 million) including cash, current account balances at banks and fixed deposits.

The company received dividends of €23.1 million (2011: €10.2 million). The rise is due above all to the higher dividend of €15.0 million (2011: €7.8 million) paid by STOXX Ltd.

Deutsche Börse AG can draw on external credit lines amounting to €605.0 million (2011: €605.0 million), which had not been used as at 31 December 2012. In addition, the company has an opportunity for flexible, short-term financing provided by a commercial paper programme involving a total facility of €2.5 billion in various currencies. As in the previous year, no commercial paper was in circulation at the end of the year.

Deutsche Börse AG uses a Group-wide cash pooling process to guarantee an optimal allocation of liquidity within Deutsche Börse Group, thus ensuring that all subsidiaries are able to meet their payment obligations at all times.

In the past financial year, Deutsche Börse AG issued a corporate bond with a face value of €600 million. There are also other euro-denominated bonds with a face value totalling €797.8 million and US dollar bonds with a face value in the amount of US$460 million.

Please see section “Financial position” for more information on these bonds.

In 2012, Deutsche Börse AG generated cash flow from operating activities amounting to €456.6 million (2011: €615.4 million). The decrease in operating cash flow was mainly due to higher cash outflows in connection with amounts owed to affiliated companies and trade payables.

Cash flow statement (condensed)

	2012 €m	2011 €m
Cash flows from operating activities	456.6	615.4
Cash flows from investing activities	–371.0	–133.5
Cash flows from financing activities	–526.1	–496.8
Cash and cash equivalents as at 31 December	–241.7	198.8

The cash flow from investing activities came to €–371.0 million (2011: €–133.5 million). The rise was mainly due to the higher investments in financial assets compared to the previous year.

Cash flow from financing activities in the year under review was €–526.1 million (2011: €–496.8 million). The increase is predominantly due to the higher dividend. The dividend rose from €2.10 to €2.30 per share; in addition, shareholders received a special distribution of €1.00 per share. This resulted for financial year 2012 in a cash outflow of €622.9 million (2011: €390.7 million).

As at the reporting date, 31 December 2012, cash and cash equivalents amounted to €–241.7 million (2011: €198.8 million). They include liquid funds amounting to €281.1 million (2011: €596.0 million) minus liabilities from cash pooling amounting to €522.7 million (2011: €397.2 million) and liabilities to banks in the amount of €0.1 million (2011: €0.0 million).

Net assets of Deutsche Börse AG

As at 31 December 2012, the non-current assets of Deutsche Börse AG amounted to €4,221.7 million (2011: €3,572.4 million). The largest part was accounted for by shares in affiliated companies amounting to €3,086.3 million (2011: €2,496.2 million), primarily from the investment in Clearstream Holding AG and from loans to affiliated companies of €996.9 million (2011: €942.8 million).

Non-current assets (condensed)

	2012 €m	2011 €m
Intangible assets	13.5	9.6
Tangible assets	77.8	78.0
Financial assets	4,130.4	3,484.8
Non-current assets as at 31 December	**4,221.7**	**3,572.4**

Shares in affiliated companies rose by €590.2 million, mainly as a result of the acquisition of Eurex Global Derivatives AG for the amount of €552.9 million. €295.0 million of the purchase price was paid in cash and €255.9 million by delivery of shares in Deutsche Börse AG to SIX Group AG. Furthermore, ancillary acquisition costs of €2.0 million were capitalised.

Loans to affiliated companies in the year under review were up by €54.1 million, above all due to the reversal of the write-down on the profit participation rights of Eurex Frankfurt AG in the amount of €56.7 million.

In the year under review, investments by Deutsche Börse AG in intangible assets and property, plant and equipment amounting to €36.4 million (2011: €34.1 million) exceeded write-downs; these came to €32.5 million (2011: €28.4 million).

Receivables from and liabilities towards affiliated companies include charges for Group-internal services and the amounts invested by Deutsche Börse AG within the scope of cash pooling arrangements. Receivables from affiliated companies are mainly due as a result of the existing profit transfer agreement with Clearstream Holding AG; they amount to €215.4 million. Liabilities towards affiliated companies mainly arise from cash pooling in the amount of €509.5 million (2011: €384.7 million).

Deutsche Börse AG receives fees for most of its services shortly after the end of each month. Accordingly, trade receivables as at the end of the year amounted to €118.8 million (2011: €119.9 million).

In the year under review, net working capital came to €–438.1 million (2011: €–350.4 million). The change is primarily attributable to an increase in liabilities towards affiliated companies arising from cash pooling by Deutsche Börse Group.

Employees of Deutsche Börse AG

In the year under review, the number of employees at Deutsche Börse AG increased by 16 to 1,012 as at 31 December 2012 (31 December 2011: 996). On average, 1,001 employees worked for Deutsche Börse AG during financial year 2012.

In the course of financial year 2012, 38 employees left Deutsche Börse AG, resulting in a fluctuation rate of 3.8 per cent.

As at 31 December 2012, Deutsche Börse AG employed personnel at eight locations throughout the world. The following table shows a breakdown by countries and regions:

Employees per country/region

	31.12.2012	%
Germany	956	94.5
United Kingdom	42	4.1
Rest of Europe	13	1.3
Asia	1	0.1
Total Deutsche Börse AG	**1,012**	**100**

The employee age structure at Deutsche Börse AG as at 31 December 2012 was as follows:

Age structure of employees

	31.12.2012	%
Under 30 years	54	5
30 to 39 years	242	24
40 to 49 years	463	46
Over 50 years	253	25
Total Deutsche Börse AG	**1,012**	**100**

The following table illustrates the length of service of the company's employees as at 31 December 2012:

Employees length of service

	31.12.2012	%
Less than 5 years	214	21
5 to 15 years	506	50
Over 15 years	292	29
Total Deutsche Börse AG	1,012	100

As at 31 December 2012, 67 per cent of Deutsche Börse AG's employees were graduates. 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, and employees who have completed studies abroad.

In total, the company invested an average of 2.8 days per employee in staff training.

Remuneration report of Deutsche Börse AG

As the structure and design principles of the remuneration system correspond to those of Deutsche Börse Group, please refer to the Remuneration Report in the 2012 corporate report.

Corporate governance declaration in accordance with section 289a HGB

The corporate governance declaration in accordance with section 289a HGB applies to Deutsche Börse Group and Deutsche Börse AG, please refer to the corporate governance declaration made on behalf of the Group.

Opportunities and risks facing Deutsche Börse AG

As the opportunities and risks facing Deutsche Börse AG and the measures and processes for dealing with them are essentially the same as for Deutsche Börse Group, please refer to the sections "Risk report" and "Opportunities report" for more information. Deutsche Börse AG's share of the opportunities and risks of its equity investments and subsidiaries is fundamentally proportionate to the size of its shareholding. Risks that threaten the existence of the Eurex Clearing AG subsidiary have a direct impact on Deutsche Börse AG as it has issued a guarantee ("Patronatserklärung"). Further information on the guarantee issued to Eurex Clearing AG is available in the section "Other obligations and transactions not included in the balance sheet" contained in the notes to the annual financial statements of Deutsche Börse AG.

The description of the internal control system (ICS) stipulated in section 289 (5) HGB is given in the "Internal management control" section.

Report on events after the balance sheet date at Deutsche Börse AG

The key events that have occurred after the balance sheet date correspond to the events described in the "Report on events after the balance sheet date" section.

Report on expected developments at Deutsche Börse AG

This report describes the expected development of Deutsche Börse AG in financial year 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 on expected developments. In turn, these are subject to known and unknown opportunities, risks and uncertainties. Numerous factors influence the company's success, business strategy and financial results. Many of these factors are outside the company's control. Should one of the opportunities, risks or uncertainties materialise or one of the assumptions made turn out to be incorrect, the actual development of the company could deviate either positively or negatively from the expectations and assumptions detailed in the forward-looking statements and the information given in this report.

Development of the operating and regulatory environment

As Deutsche Börse AG's business, operating and regulatory environment is essentially the same as that of Deutsche Börse Group, please refer to the relevant parts in the "Report on expected developments" for an assessment of future developments.

Development of Deutsche Börse AG's results of operations

In its expected business development Deutsche Börse AG is generally impacted by the same factors as Deutsche Börse Group. They are described in the „Report on expected developments" which also includes quantitative statements on Deutsche Börse AG.

Remuneration report

This remuneration report is a component of the combined management report. The report reflects the requirements of Handelsgesetzbuch (HGB, the German Commercial Code) and the International Financial Reporting Standards (IFRSs), respectively, as well as the German Accounting Standard (GAS) 17 “Reporting on the Remuneration of Members of Governing Bodies”. In addition, the report corresponds to the requirements of the German Corporate Governance Code (the Code).

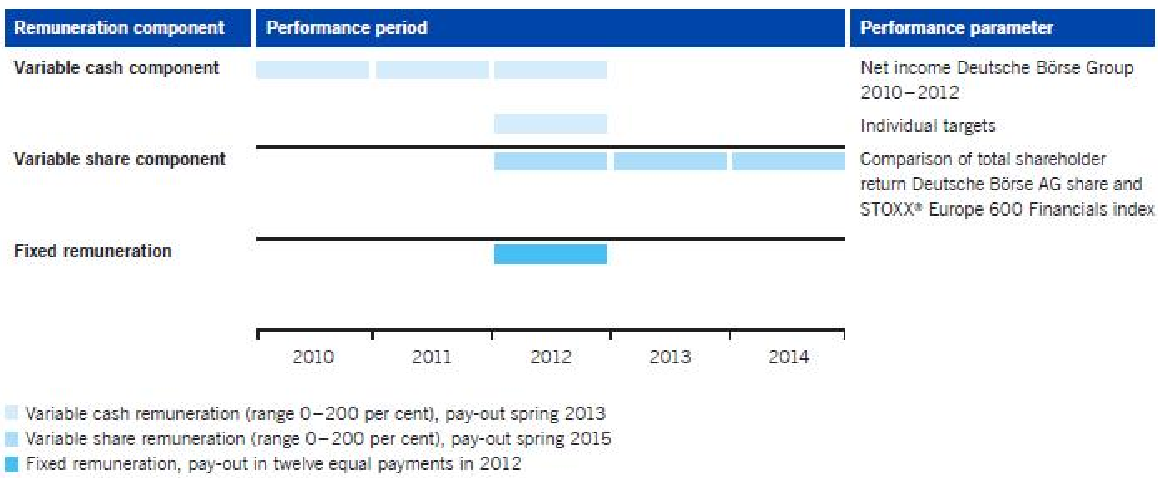
Executive board remuneration

Remuneration system and targets

The Executive Board remuneration is designed in a way that rewards sustainably successful and responsible corporate governance. The remuneration system provides incentives based on multi-year assessment periods and aims to prevent unjustifiable risks from being taken. The company’s economic performance, stakeholder management, succession planning for management positions, employee satisfaction as well as the value contribution made to the economy and society over the medium and long term, are key components of the remuneration system within the target definition and within the measurement of the achievement of the target criteria

The remuneration of the Executive Board is determined by the entire Supervisory Board. The Personnel Committee is responsible for preparing the Supervisory Board’s decision. The Supervisory Board regularly reviews the appropriateness of the Executive Board remuneration. The → chart below outlines the Executive Board remuneration system. The system aims to compensate the Executive Board members appropriately for their tasks and responsibilities, as well as in accordance with legal requirements.

System of the Executive Board remuneration



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 per cent 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. These include the provision of an appropriate company car for business and personal use. Tax is payable by the Executive Board members on 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 insurances for them, like an accident insurance and a D&O insurance. The D&O insurance policy includes a deductible of 10 per cent 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

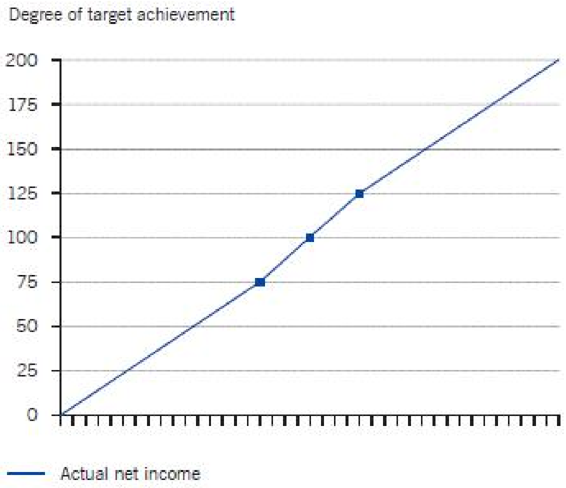
The performance-related remuneration represents approximately 70 per cent of the total target remuneration for the year and consists of variable cash and variable share components. Starting in the year under review, the reference periods for performance measurement are based on the past three years for the variable cash component and on the next three years for the variable share component. Consequently, in the year under review, the variable cash component was determined based on performance in 2010 to 2012 and the variable share component was based on the period from 2012 to 2014.

Variable cash component
The Supervisory Board establishes the 100 per cent target value of the variable cash component in euros for every Executive Board member each year. Two parameters are used to measure the extent to which targets have been met:

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 on a corresponding return on equity. This measure takes into account the Group's net income for the current financial year and 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 per cent to a maximum of 200 per cent. The average level of target achievement is then used to calculate two-thirds of the variable cash component for the current financial year. The Supervisory Board has to take into account exceptional, one-off effects when determining the level of target achievement.

Measurement of the target achievement for the variable cash component

Comparison of the net income target with the actual net income



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 their individual targets. The individual targets are set in each case for the current financial year. Target achievement is determined after the year has come to an end. The target achievement for the variable cash component can range from 0 per cent to a maximum of 200 per cent.

Variable share component

The Supervisory Board establishes the 100 per cent target value for the variable share component for each Executive Board member in euros. Based on this target value, a number of phantom Deutsche Börse shares is calculated for each member of the Executive Board at the beginning of the financial year. This is done by dividing the euro amount of the target share component by the average share price (Xetra® closing price) in the two calendar months before the target value is determined. An entitlement to the variable stock bonus only arises at the end of the three-year performance period (vesting period) and is settled fully in cash. 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 at the end of the period.

The number of shares calculated at the end of the vesting period 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).

If the average performance of Deutsche Börse AG's TSR in the vesting 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 per cent or less than the index's TSR, the number of phantom shares falls to nil. If the TSR of DBAG is at least twice the index's TSR, the number of phantom shares doubles. Concerning the variable share component, a double cap exists. Firstly, the performance of the allocated phantom shares is restricted to a maximum of 200 per cent, at the ratio of Deutsche Börse AG's TSR to the TSR of the peer group. Secondly, the Supervisory Board settled a maximum of 250 per cent of the original target value as the upper limit for the payment of the variable share component.

The following shows the relationship between TSR performance and the number of shares:

2012 expense for share-based payments (2009 tranche)[1] (all amounts in € thousands)

	Expense recognised 2009 tranche	Carrying amount as at the balance sheet date (2009 tranche)
Reto Francioni	111.5	0
Andreas Preuss	86.1	0
Frank Gerstenschläger	54.3	0
Michael Kuhn	69.5	0
Gregor Pottmeyer	0	0
Hauke Stars	0	0
Jeffrey Tessler	40.3	0
Total	**361.7**	**0**

1) In 2009, the last tranche of the old stock bonus plan was allocated.

2012 expense for share-based payments
(2010, 2011 and 2012 tranches) (all amounts shown in € thousands)

	Expense recognised (2010–2012 tranches)	Carrying amount as at the balance sheet date (2010–2012 tranches)
Reto Francioni	801.7	1,416.3
Andreas Preuss	665.1	1,174.9
Frank Gerstenschläger	409.9	724.2
Michael Kuhn	521.7	921.6
Hauke Stars	10.8	10.8
Gregor Pottmeyer	443.4	783.3
Jeffrey Tessler	525.5	928.5
Total	**3,378.1**	**5,959.6**

2012 total expense (all amounts shown in € thousands)

	Expense recognised (total)	Carrying amount as at the balance sheet date (total)
Reto Francioni	913.2	1,416.3
(previous year)	469.4	1,028.5
Andreas Preuss	751.2	1,174.9
(previous year)	384.8	829.4
Frank Gerstenschläger	464.2	724.2
(previous year)	238.1	515.8
Michael Kuhn	591.2	921.6
(previous year)	303.3	658.0
Gregor Pottmeyer	443.4	783.3
(previous year)	215.0	339.9
Hauke Stars	10.8	10.8
(previous year)	0	0
Jeffrey Tessler	565.8	928.5
(previous year)	308.1	676.3
Total	**3,739.8**	**5,959.6**
(previous year)	**1,918.7**	**4,047.9**

A modified Black-Scholes option pricing model (Merton model) was used to measure the stock options arising from the variable share component. It is based on the following valuation parameters:

Valuation parameters (2010, 2011 and 2012 tranches)

		Share component 2012	Share component 2011	Share component 2010
Term		3 years	2 years	1 year
Risk-free interest rate	%	-0.04	-0.04	0.02
Volatility	%	31.50	27.01	8.90
Deutsche Börse AG share price[1)]	€	46.21	46.21	46.21
Dividend yield	€	4.54	4.54	4.54
Fair value	€	42.11	44.03	46.03
Relative total shareholder return	%	-8.16	1.20	5.68

1) Share price as at 31 December 2012 (Xetra closing price).

Number of 2012 phantom shares

		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 2012
Reto Francioni	2012 tranche	18,204	-1,854	16,350
	2011 tranche	14,866	179	15,045
	2010 tranche	16,448	935	17,383
	Total of 2010 to 2012 tranches			**48,778**
Andreas Preuss	2012 tranche	15,101	-1,538	13,563
	2011 tranche	12,332	148	12,480
	2010 tranche	13,645	776	14,421
	Total of 2010 to 2012 tranches			**40,464**
Frank Gerstenschläger	2012 tranche	9,308	-948	8,360
	2011 tranche	7,601	92	7,693
	2010 tranche	8,411	478	8,889
	Total of 2010 to 2012 tranches			**24,942**
Michael Kuhn	2012 tranche	11,847	-1,207	10,640
	2011 tranche	9,674	117	9,791
	2010 tranche	10,704	608	11,312
	Total of 2010 to 2012 tranches			**31,743**
Gregor Pottmeyer	2012 tranche	10,068	-1,025	9,043
	2011 tranche	8,222	99	8,321
	2010 tranche	9,097	517	9,614
	Total of 2010 to 2012 tranches			**26,978**
Hauke Stars[3]	2012 tranche	935	-95	840
	2011 tranche			
	2010 tranche	–	–	–
	Total of 2010 to 2012 tranches			**840**
Jeffrey Tessler	2012 tranche	11,934	-1,216	10,718
	2011 tranche	9,745	117	9,862
	2010 tranche	10,783	613	11,396
	Total of 2010 to 2012 tranches			**31,976**
	Total of 2010 to 2012 tranches			**205,721**

1) As from 2010, the variable share component has a vesting period of three years.
2) The adjustments to 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 2012. The number may change as a result of the performance comparison based on the total shareholder return in 2013 and 2014.
3) Appointed to the Executive Board effective 1 December 2012

Amount of Executive Board remuneration

The overview below shows the remuneration awarded to each Executive Board member for financial years 2012 and 2011, not including retirement benefits.

Total Executive Board remuneration for 2012, 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	17.0	1,445.5	18,204	839.0	3,401.5
	(1,100.0)	(60.1)	(1,596.6)	(14,866)	(839.0)	(3,595.7)
Andreas Preuss[4)]	800.0	29.0	1,199.7	15,101	696.0	2,724.7
	(800.0)	(29.0)	(1,325.1)	(12,332)	(696.0)	(2,850.1)
Frank Gerstenschläger	580.0	28.2	699.0	9,308	429.0	1,736.2
	(580.0)	(26.8)	(776.1)	(7,601)	(429.0)	(1,811.9)
Michael Kuhn	650.0	20.1	875.8	11,847	546.0	2,091.9
	(650.0)	(20.1)	(990.6)	(9,674)	(546.0)	(2,206.7)
Gregor Pottmeyer	600.0	17.3	799.8	10,068	464.0	1,881.1
	(600.0)	(23.9)	(902.0)	(8,222)	(464.0)	(1,989.9)
Hauke Stars[5)]	48.3	4.8	69.6	935	38.8	161,5
	(–)	(–)	(–)	(–)	(–)	(–)
Jeffrey Tessler[6)]	729.4	32.0	947.1	11.934	550.0	2.258,5
	(711.7)	(32.0)	(1,013.1)	(9,745)	(550.0)	(2,306.8)
Total	4,507.7	148.4	6,036.5	**77.397**	3,562.8	**14,255.4**
	(4,441.7)	**(191.9)**	**(6,603.5)**	**(62,440)**	**(3,524.0)**	**(14,761.1)**

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 2012 grant date is calculated by dividing the target for the stock bonus by the average share price (Xetra closing price) of Deutsche Borse shares in the calendar months January and February 2012 (€46.09). 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 per cent target value for the 2012 phantom stock bonus. The variable stock component under the 2012–2014 performance assessment will be paid out in 2015.
4) Deutsche Börse AG contributes €215.7 thousand (2011: €225.7 thousand) to total remuneration for Andreas Preuss. This amount is composed as follows: non-performance related remuneration: €64.0 thousand (2011: €64.0 thousand), other remuneration from ancillary contractual benefits: nil (2011: nil), variable cash payment: €96.0 thousand (2011: €106.0 thousand), number of phantom shares: €1,209 (2011: 987), their amount at the grant date: €55.7 thousand (2011: €55.7 thousand)
5) Appointed to the Executive Board effective 1 December 2012
6) Deutsche Börse AG does not contribute to total remuneration for Jeffrey Tessler. Clearstream International S.A. pays out 100 per cent of the remuneration.

Retirement benefits

Mr Francioni, Mr Pottmeyer and Mr Tessler are entitled to pension benefits after reaching the age of 60, Ms Stars after reaching the age of 62, and Mr Gerstenschläger, Mr Kuhn and Mr Preuss after reaching the age of 63, provided that they are no longer in the employment of Deutsche Börse AG in each case at that time. 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 2012 are presented in the → table on page 99.

Defined benefit retirement benefit system

After reaching the contractually agreed retirement age, 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 per cent. It rose by 5 percentage points with each reappointment, up to a maximum of 50 per cent. The provisions of the defined benefit retirement benefit system apply to Mr Francioni, Mr Gerstenschläger, Mr Kuhn, Mr Preuß and Mr Tessler.

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 annual interest of 3 per cent. The provisions of the defined contribution retirement benefit system apply to Mr Pottmeyer and Ms Stars.

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. Members of the Executive Board who have a defined contribution pension are not eligible for early retirement benefits.

Retirement benefits

	Pensionable income[1]	Replacement rate		Present value / defined benefit obligation		Pension expense	
	2012 € thousands	as at 31 Dec 2012 %	as at 31 Dec 2011 %	as at 31 Dec 2012 € thousands	as at 31 Dec 2011 € thousands	2012 € thousands	2011 € thousands
Defined benefit system							
Reto Francioni	1,000.0	40.0	35.0	10,647.8	8,170.4	0	0
Andreas Preuss	600.0	40.0	40.0	5,796.8	4,036.6	683.7	675.2
Frank Gerstenschläger	500.0	40.0	40.0	4,269.5	4,717.8	56.9	0
Michael Kuhn	500.0	50.0	50.0	5,794.0	5,619.5	240.9	235.7
Jeffrey Tessler[2]	577.8	40.0	40.0	4,166.8	4,057.6	94.0	78.3
Total	**3,177.8**			**30,674.9**	**26,601.9**	**1.075,5**	**989.2**
Defined contribution system							
Gregor Pottmeyer[3]	500.0	48.0[4]	48.0[4]	1,035.9	669.5	298.6	307.5
Hauke Stars[5]	500.0	36.0[4]	–	22.9	–	-	–
Total				**1,058.8**	**669.5**	**298,6**	**307.5**

1) Since 2010, pensionable income is no longer based on fixed remuneration, but is reviewed and determined by the Supervisory Board.
2) Deutsche Börse AG does not contribute to total remuneration for Jeffrey Tessler. Clearstream International S.A. pays out 100 per cent of the remuneration.
3) The pension agreement with Mr Pottmeyer was entered into as part of the restructuring of the Executive Board remuneration in 2010.
4) Annual pension contribution on the basis for assessment in the defined contribution system.
5) Appointed to the Executive Board effective 1 December 2012

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 or 62.

In the event of the death of an Executive Board member, his or her spouse receives 60 per cent of the above amount and each dependent child receives 10 per cent (25 per cent for full orphans), up to a maximum of 100 per cent 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. It 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 per cent of the transitional payment.

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 payment 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 per cent 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.

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 granting such 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 did not grant any advances or loans to members of the Executive Board in financial year 2012, 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 (2011: €1.6 million). The actuarial present value of the pension obligations as at the balance sheet date was €41.5 million in the year under review (2011: €33.3 million).

Supervisory Board remuneration

The Annual General Meeting of Deutsche Börse AG on 16 May 2012 adopted a new remuneration system for the Supervisory Board and amended article 13 of Deutsche Börse AG's Articles of Association accordingly. Consequently, two different remuneration systems were applied in 2012. These are described below.

Old remuneration system

Until 31 May 2012, Supervisory Board members received rateable fixed remuneration, 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) was remunerated: the additional remuneration was 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 received annual variable remuneration based on two different targets relating to the company's performance. Target 1: in the year in which the remuneration was paid, the consolidated return on equity after taxes of Deutsche Börse Group had to 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 had to exceed consolidated earnings per share for the previous year in each case by 8 per cent or more. The members of the Supervisory Board each received annual variable remuneration in the amount of €16 thousand for each target met. In financial year 2012, target 1 was met.

New remuneration system

Since 1 June 2012, members of the Supervisory Board receive fixed annual remuneration of €70 thousand. The Chairman receives remuneration of €170 thousand and the Deputy Chairman receives €105 thousand. Members of Supervisory Board committees receive additional fixed annual remuneration of €30 thousand for each committee position they hold. This amount rises to €35 thousand for members of the Audit and Finance Committee. The committee chairmen's remuneration is €40 thousand, or €60 thousand for the Chairman of the Audit and Finance Committee. If a Supervisory Board member belongs to several Supervisory Board committees, only the work in a maximum of two committees is remunerated. The remuneration for the work in the two most highly remunerated committees is awarded. Supervisory Board members who only belong to the Supervisory Board for part of the financial year, receive one-twelfth of the fixed annual remuneration and, if applicable, of the remuneration for their committee membership for each month or part month of membership.

Supervisory Board remuneration in 2012
under to the two remuneration systems applicable for the financial year

Remuneration paid to members of the Supervisory Board for advisory and agency services

In the year under review, €42.5 thousand (2011: €161.4 thousand) was paid to Richard Berliand Limited for advisory and agency services. Richard Berliand is the Managing Director and general partner of Richard Berliand Limited.

As part of the transaction between Deutsche Börse Group and NYSE Euronext that has since been prohibited by the European Commission, Deutsche Börse AG 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 2012, Deutsche Börse Group paid Deutsche Bank AG and Mayer Brown LLP a total of €1,097.4 thousand (2011: €3,038.5 thousand) for advisory services in connection with this transaction.

Supervisory Board remuneration[1)2)]

	Membership		Non-performance-related remuneration		Performance-related remuneration	
	2012	2011	2012	2011 € thousands	2012	2011 € thousands
Joachim Faber (Chairman as from 16 May 2012)	full year	full year	192.3	88.0	6.7	16.0
Gerhard Roggemann (Deputy Chairman)	full year	full year	151.3	132.0	6.7	16.0
Herbert Bayer[3)]	1 Jan – 16 May	full year	28.3	68.0	6.7	16.0
Richard Berliand	full year	full year	114.2	68.0	6.7	16.0
Birgit Bokel[3)]	1 Jan – 16 May	full year	28.3	68.0	6.7	16.0
Irmtraud Busch[4)]	16 May – 31 Dec	–	64.0	–	1.3	–
Karl-Heinz Floether[4)]	16 May – 31 Dec	–	83.2	–	1.3	–
Marion Fornoff[4)]	16 May – 31 Dec	–	64.0	–	1.3	–
Hans-Peter Gabe	full year	full year	88.3	68.0	6.7	16.0
Manfred Gentz (Chairman until 16 May 2012)[3)]	1 Jan – 16 May	full year	77.5	186.0	6.7	16.0
Richard M. Hayden	full year	full year	120.8	108.0	6.7	16.0
Craig Heimark	full year	full year	96.7	78.0	6.7	16.0
Konrad Hummler[3)]	1 Jan – 16 May	full year	32.5	78.0	6.7	16.0
David Krell	full year	full year	86.7	68.0	6.7	16.0
Hermann-Josef Lamberti[3)]	1 Jan – 16 May	full year	20.0	48.0	6.7	16.0
Monica Mächler[4)]	16 May – 31 Dec	–	64.0	–	1.3	–
Friedrich Merz	full year	full year	97.9	88.0	6.7	16.0
Thomas Neiße	full year	full year	95.0	88.0	6.7	16.0
Heinz-Joachim Neubürger[4)]	16 May – 31 Dec	–	86.1	–	1.3	–
Roland Prantl[3)]	1 Jan – 16 May	full year	28.3	68.0	6.7	16.0
Erhard Schipporeit	full year	full year	112.5	88.0	6.7	16.0
Jutta Stuhlfauth[4)]	16 May – 31 Dec	–	64.0	–	1.3	–
Norfried Stumpf[3)]	1 Jan – 16 May	full year	28.3	68.0	6.7	16.0
Martin Ulrici[4)]	16 May – 31 Dec	–	64.0	–	1.3	–
Johannes Witt	full year	full year	89.6	68.0	6.7	16.0
Total			**1,977.8**	**1,526.0**	**129.7**	**288.0**

1) See note 39 in the notes to the consolidated financial statements for details of the long-term incentive components.
2) The recipient of the remuneration is determined individually by the members of the Supervisory Board.
3) Left the Supervisory Board on 16 May 2012
4) Elected to the Supervisory Board on 16 May 2012

Corporate governance declaration

In accordance with section 289a of the Handelsgesetzbuch (HGB, German Commercial Code), the corporate governance declaration is part of the combined management report. In this declaration, Executive Board and Supervisory Board of Deutsche Börse AG report on the following: the declaration of conformity in accordance with section 161 of the Aktiengesetz (AktG, German Stock Corporation Act), relevant information on corporate governance practices, Executive and Supervisory Board working practices, as well as the composition and working practices of the committees of the Supervisory Board.

Declaration of conformity in accordance with section 161 of the AktG

On 10 December 2012, the Executive Board and Supervisory Board of Deutsche Börse AG issued the following declaration of conformity:

"Declaration of Conformity – December 2012

Declaration of Conformity by the Executive Board and Supervisory Board of Deutsche Börse AG in accordance with section 161 of the German Stock Corporation Act

Section 161 of the German Stock Corporation Act (AktG) requires the executive board and supervisory board of a listed stock corporation to declare annually that the recommendations of the "Government Commission German Corporate Governance Code" published by the Federal Ministry of Justice in the official section of the *Bundesanzeiger* (Federal Gazette) have been and are being met or, if not, which recommendations have not been or are not being applied and why not.

For the period since the last regular declaration of conformity dated 13 December 2011 and the intrayear declaration of conformity dated 16 May 2012, the declaration of conformity refers to two different versions of the Code: Until 14 June 2012, the declaration set out below refers to the old version as of 26 May 2010. Since 15 June 2012, the declaration refers to the requirements of the Code in its current version as of 15 May 2012, which was published in the *Bundesanzeiger* on 15 June 2012.

The Executive Board and the Supervisory Board of Deutsche Börse AG declare that the recommendations of the "Government Commission German Corporate

Governance Code" have been and will be met with a few deviations. The following applies to the deviations:

1. Deductible in the D&O policy for the Supervisory Board (no. 3.8 (3) of the Code)

The Company has not followed the recommendation of agreeing a deductible in the D&O policy for the Supervisory Board pursuant to no. 3.8 (3) of the Code. Furthermore, the Company will not follow this recommendation for the time being.

Since agreeing a deductible is relatively unusual in other countries, there was and is some concern that agreeing a deductible could impact on the Company's goal of staffing its Supervisory Board with prominent members of the community abroad who have broad business experience.

2. Agreement of severance payment caps when concluding Executive Board contracts and of change of control clauses (no. 4.2.3 (4) and (5) of the Code)

2.1 Severance payment caps pursuant to no. 4.2.3 (4) of the Code

All current service contracts with members of the Executive Board include Code-compliant severance payment caps so that in this respect, the recommendation pursuant to no. 4.2.3 (4) of the Code has been and is being complied with. As in the past, however, the Supervisory Board still reserves the right to deviate from the recommendation pursuant to no. 4.2.3 (4) of the Code under certain circumstances in the future. The Supervisory Board is of the opinion that a deviation may become necessary in extraordinary cases.

2.2 Change of control clauses in Executive Board contracts pursuant to no. 4.2.3 (5) of the Code

The recommendation to limit severance payments in the event of a change of control pursuant to no. 4.2.3 (5) of the Code has not been and is not complied with in full. The Supervisory Board resolved the implementation of Code-compliant severance payments in the event of a change of control in accordance with no. 4.2.3 (5) of the Code, in the context of introducing a new remuneration system in 2010. These Code-compliant provisions already apply to all new Executive Board members appointed since September 2009 and to all Executive Board members reappointed since 1 January 2010. However, individual change of control clauses in all other service contracts with Executive Board members remain unchanged until the end of the current term of service. Thus, the implementation of Code compliant change of control clauses has not yet been completed entirely, resulting in a deviation.

3. Remuneration of the members of the Supervisory Board (no. 5.4.6 (2) of the Code)
Following the proposal of the Executive Board and the Supervisory Board, the Annual General Meeting of Deutsche Börse AG resolved on 16 May 2012 to change the remuneration system of the members of the Supervisory Board to a purely fixed remuneration without any performance-related components and to amend the Articles of Incorporation accordingly. The Executive Board and the Supervisory Board are of the opinion that this kind of remuneration is more appropriate to the controlling function of the Supervisory Board, which has to be performed independently of the Company's success.

Accordingly, the declaration of conformity had to be amended on 16 May 2012, as the then applicable German Corporate Governance Code (version as of 26 May 2010) in no. 5.4.6 (2) still recommended performance-related compensation for members of the Supervisory Board and the discontinuation of this recommendation resolved by the Government Commission German Corporate Governance Code became applicable only after the new version of the Code had been published in the Federal Gazette on 15 June 2012.

Since the current version of the German Corporate Governance Code does not recommend performance-related remuneration in no. 5.4.6 (2) any more, the temporary deviation no longer exists.

The annual declaration of conformity in accordance with section 161 of the AktG is publicly available on the company's website at www.deutsche-boerse.com/declconformity. The declarations of conformity for the previous five years can also be accessed there.

Information on corporate governance practices [CR-SYMBOL]

Policies/Code of Conduct

Deutsche Börse Group's global orientation requires that binding policies and standards of behaviour are applied at each of its locations around the world. The principles for cooperation are aimed in particular at ensuring responsibility, respect and mutual esteem. They are also applied in the implementation of the Group's business model. As a fully integrated exchange company, Deutsche Börse Group organises financial markets and provides the infrastructure for all areas of the equities and derivatives business – from trading through settlement and, clearing, the provision of market data down to custody and securities management. Communication with customers, investors, employees and the public is based on timely information and transparency. In addition to profit-based activity, recognised social responsibility standards form the basis for managing Deutsche Börse as a business.

Group-wide Code of Conduct

Responsible actions and behaviour depend on values that are shared by all employees throughout the Group. The Code of Conduct adopted by the Executive Board and applicable throughout the Group lays the foundation for this and sets minimum ethical and legal standards. It is equally binding on members of the Executive Board and on all other management levels and employees of the Group. In addition to specific rules, it provides general guidance as to how employees can contribute to putting defined corporate standards into practice in their daily working lives. The aim of the Code of Conduct is to set out guidance for working together in the company's day-to-day activities, to contribute to solving any cases of conflict and to help meet ethical and legal challenges.

The Code of Conduct for employees can be viewed at www.deutsche-boerse.com > Corporate responsibility > Employees > Code of ethics.

Supplier policy

Deutsche Börse Group demands adherence to high standards not only from its management and its employees, but also from its suppliers. The Code of Conduct for Suppliers and Service Providers requires them to respect human rights and employee rights and to comply with minimum standards. Most suppliers have signed up to these conditions; other business partners have made voluntary commitments that correspond to or exceed Deutsche Börse Group's standards. Service providers and suppliers must sign up to the Code as a prerequisite for doing business with Deutsche Börse Group.

The standards are regularly reviewed in the light of current developments and are amended as necessary.

The Code of Conduct for Suppliers can be found on the Internet at ↖ www.deutsche-boerse.com > Corporate responsibility > Economy > Procurement management.

Values

Deutsche Börse Group's business activities are based on the legal frameworks and ethical standards of the different countries in which it operates. The Group makes the values clear to which it attaches importance especially by joining initiatives and organisations that stand for generally accepted ethical standards. The relevant memberships are as follows:

- United Nations Global Compact (↖ www.unglobalcompact.org): The United Nations Global Compact is an international agreement between companies and the United Nations. By participating, the company agrees to meet minimum social and ecological standards.
- Diversity Charter (↖ www.diversity-charter.org): As a signatory to the Diversity Charter, Deutsche Börse AG is committed to recognising, valuing and enhancing the diversity of its workforce, customers and business associates – irrespective of age, gender, disability, race, religion, nationality, ethnic background, sexual orientation or identity.
- International Labour Organisation (↖ www.ilo.org): The UN agency is the international organisation responsible for drawing up and overseeing international labour standards; it brings together representatives of governments, employees and employers to jointly shape policies and programmes.
- The German Sustainability Code (↖ www.nachhaltigkeitsrat.de): The German Council for Sustainable Development adopts the German Sustainability Code and recommends that the political and business communities use it extensively as a voluntary instrument. The German Sustainability Code arose by virtue of an innovative process of dialogue among stakeholders. Since 2011, the company has published a declaration of conformity with the German Sustainability Code.

Sector-specific policies

Deutsche Börse Group's pivotal role in the financial sector requires that it deals with information responsibly. For this reason, a number of rulebooks are in force in the Group to ensure that employees deal with sensitive information, data and facts consciously and responsibly. These rulebooks contain both legal requirements and special policies applicable to the respective industry segment.

Whistleblowing system

Deutsche Börse Group's whistleblowing system gives employees and external service providers an opportunity to report non-compliant behaviour. Deutsche Börse Group has engaged Deloitte & Touche to act as an external ombudsman and to receive any information submitted by phone or e-mail. The whistleblowers' identity will remain anonymous at all times and will not be revealed to Deutsche Börse Group.

Risk and control management policies

Functioning control systems are an important part of stable business processes. Deutsche Börse's Group-wide control systems are embedded in an overarching framework. Among other things, this takes into account legal rules, the recommendations of the German Corporate Governance Code, European regulations and recommendations as well as further company-specific policies. The people responsible for the different elements of the control system are in close contact with each other and with the Executive Board and report regularly to the Supervisory Board or its committees. The Group also has a Group-wide risk management system that covers and provides mandatory rules governing roles, processes and responsibilities, such as risk limit.

Executive and Supervisory Board working practices

The dual board principle, which assigns separate, independent responsibilities to the Executive Board and the Supervisory Board, is a fundamental principle of the German Stock Corporation law. The actions of Deutsche Börse AG's governing bodies and committees are based on the principle of responsible corporate governance. Corporate governance aims to promote long-term value creation and to make a sustainable contribution to guaranteeing the company's long-term success through transparency and a values-driven approach: good corporate governance boosts the confidence of investors, customers, business partners, employees and the financial markets.

Executive Board of Deutsche Börse AG

The Executive Board heads up Deutsche Börse AG and Deutsche Börse Group. It temporarily had seven members in December of the year under review, but otherwise has six members. Its duties include defining the Group's corporate goals and strategic orientation, managing and monitoring the operating units, and establishing and monitoring an efficient risk management system. The Executive Board is responsible for preparing the quarterly and half-yearly financial reports, the consolidated financial statements and the annual financial statements of Deutsche Börse AG. In addition, its job is to ensure that legal requirements and official regulations are complied with.

The members of the Executive Board are jointly responsible for all aspects of management. Irrespective of the collective responsibility of all members of the Executive Board, each member manages the company divisions assigned to them in the Board's schedule of responsibilities independently and on their own responsibility. In addition to the business areas, there are functional responsibilities; in addition to the office of the Chief Executive Officer, these comprise Finance (including Investor Relations), Risk Management, Human Resources and Compliance. The business responsibilities relate to operating business areas, such as cash market activities and the derivatives business, securities settlement and custody, information technology and the market data business. Further details of the Executive Board's work are determined in bylaws that the Supervisory Board has adopted for the Executive Board. These bylaws specify the responsibilities of the Executive Board members for particular areas, matters reserved for the full Executive Board, special measures that require the approval of the Supervisory Board and other procedural details and resolution procedures.

The Executive Board meets regularly for Executive Board meetings, which are convened by the Chief Executive Officer, who coordinates the work of the Executive Board. Each Executive Board member can demand that a meeting be convened. In accordance with its bylaws, the full Executive Board normally takes decisions on the basis of resolutions passed by a simple majority of the members voting on the resolution. If an equal number of votes is cast, the Chairman's vote is decisive. The Chairman also has a veto, although he cannot enforce a resolution against a majority vote.

The Executive Board can establish fixed-term Executive Board committees and appoint advisory boards to implement audits or reviews, or prepare Executive Board resolutions, but did not make use of this possibility in financial year 2012.

More information on the Executive Board, its composition, the member's individual appointments and their biographies can be viewed at ↸ www.deutsche-boerse.com/execboard.

Close cooperation between Executive Board and Supervisory Board

The Executive and Supervisory Boards work closely together on a basis of mutual trust. They perform their duties in the interests of the company with the aim of achieving a sustainable increase in value. The Executive Board provides the Supervisory Board with regular, timely and comprehensive information on the course of business. In addition, the Executive Board informs the Supervisory Board regularly on all issues concerning business planning, business development, the risk situation and risk management as well as the control systems in the company. The Chairman of the Executive Board reports to the Supervisory Board without delay, verbally or in writing, on any matters that are of special importance to the company. The company's strategic orientation is examined in detail and coordinated with the Supervisory Board and its implementation discussed at regular intervals. In particular, the Chairmen of the two Boards maintain regular contact and discuss the company's strategy, business performance and risk management. Moreover, the Supervisory Board can request a report from the Executive Board at any time, especially on matters relating to Deutsche Börse AG and on business transactions at subsidiaries that could have a significant impact on the position of Deutsche Börse AG.

Supervisory Board of Deutsche Börse AG

The Supervisory Board supervises and advises the Executive Board in the management of the company. It supports it in significant business decisions and provides assistance in matters of strategic importance. The Supervisory Board has defined measures that require the approval of the Supervisory Board in the bylaws for the Executive Board. In addition, the Supervisory Board is responsible in particular for appointing the members of the Executive Board, for specifying the total remuneration of each Executive Board member and for examining the consolidated financial statements and the annual financial statements of Deutsche Börse AG. The work of the Supervisory Board in the 2012 financial year is explained in the → report of the Supervisory Board on pages 70 to 77 of the corporate report 2012.

Two-thirds of the Supervisory Board's members are shareholder representatives and one-third are employee representatives. In accordance with the Articles of Association of Deutsche Börse AG, the Supervisory Board currently has 18 members. The Supervisory Board's current period of office is three years; the latest period began at the Annual General Meeting in 2012, whereby the periods of office for the shareholder and employee representatives are identical.

The Supervisory Board comes together for regular meetings in February, March, June, May, September and December. In addition, extraordinary meetings are held as required. The committees also hold regular meetings. The Supervisory Board passes its resolutions with a simple majority. It regularly reviews the efficiency of its work, discusses areas for improvement and resolves suitable measures to achieve this wherever necessary.

With regard to its composition, the Supervisory Board has resolved a requirements catalogue, which specifies certain targets. It defines basic qualifications, such as an understanding of business issues, knowledge of the German corporate governance system, analytical and strategic abilities as well as integrity and suitability of character for the position. In addition, company-specific qualification requirements have been defined on the basis of the business model, concrete objectives and specific regulations applicable to Deutsche Börse Group. They include in particular sound knowledge about exchanges, the clearing and settlement business, financial, audit and risk management, compliance, accounting and auditing, information technology and experience of regulatory requirements. Whereas each Supervisory Board member should ideally demonstrate the basic qualifications, the company-specific qualifications relate to the Supervisory Board as a whole. Moreover, the requirements catalogue resolved by the Supervisory Board contains specific targets for the adequate representation of women and specifies a sufficient number of independent Supervisory Board members. Information on the composition profile can be found in the → corporate governance report in the corporate report 2012.

The committees of the Supervisory Board and their working practices

The Supervisory Board has established committees with the aim of improving the efficiency of its work by dealing with complex matters in smaller groups and preparing them for the Supervisory Board. They are convened by the chairman of the committee. The Supervisory Board has established six committees. The individual responsibilities and the rules of procedure for adopting resolutions have been incorporated into the bylaws for the Supervisory Board. The rules of procedure correspond to those of the plenary meeting of the Supervisory Board. The tasks and composition of the individual committees are presented in the table below. The chairmen report to the plenary meeting about the subjects addressed in, and resolutions of, the committee meetings.

Information on the activities and meetings for the reporting period can be found in the → report of the Supervisory Board

More information on the Supervisory Board and its committees, its composition, the members' individual appointments and their biographies can be viewed at ↖ www.deutsche-boerse.com/supervboard.

Information on the treatment of potential conflicts of interest is given on page 77 of the → report of the Supervisory Board in the corporate report 2012.

The committees of the Supervisory Board: composition and responsibilities		
Strategy Committee		
Members until 16 May 2012	**Members as from 16 May 2012**	**Composition** ■ Chairman of the Supervisory Board as committee chairman ■ At least five other members who are elected by the Supervisory Board **Responsibilities** ■ Advises the Executive Board on matters of strategic importance to the company ■ Prepares the positions to be adopted by the plenary meeting of the Supervisory Board for strategic issues
Manfred Gentz (Chairman)	Joachim Faber (Chairman)	
Herbert Bayer	Richard Berliand	
Birgit Bokel	Karl-Heinz Floether	
Joachim Faber	Hans-Peter Gabe	
Richard M. Hayden	Heinz-Joachim Neubürger	
Friedrich Merz	Gerhard Roggemann	
Gerhard Roggemann	Jutta Stuhlfauth	
Audit and Finance Committee		
Members until 16 May 2012	**Members as from 16 May 2012**	**Composition** ■ Normally four members who are elected by the Supervisory Board ■ Excluded from membership: the Chairman of the Supervisory Board, former members of the company's Executive Board whose appointment
Erhard Schipporeit (Chairman)	Erhard Schipporeit (Chairman)	
Friedrich Merz	Friedrich Merz	
Thomas Neiße	Heinz-Joachim Neubürger	

Johannes Witt	Johannes Witt	ended less than two years ago ■ Prerequisite for the chairman of the committee: he or she must have special knowledge and experience in the application of financial reporting principles and internal control methods as well as independence **Responsibilities** ■ Deals with matters relating to the preparation of the annual budget, risk management, internal auditing, control systems, accounting, reporting, compliance and other related issues ■ Discusses and examines in detail the financial statement documents including the auditor's report on the annual and consolidated financial statements as well as the half-yearly financial report and the interim reports ■ Reports to the Supervisory Board on the examination of the annual financial statements and the consolidated financial statements and recommends approval ■ Commissions the auditor, fixes the audit fees, establishes the areas of emphasis of the audit, obtains the necessary statement of independence from the auditors, prepares of the Supervisory Board's proposal to the Annual General Meeting for the election of the auditors
Technology Committee		
Members until 16 May 2012	**Members as from 16 May 2012**	**Composition** ■ Normally four members who are elected by the Supervisory Board **Responsibilities** ■ Advises the plenary meeting of the Supervisory Board on all issues relating to IT development and the organisation of data processing at Deutsche Börse AG and its affiliated companies
Craig Heimark (Chairman)	Craig Heimark (Chairman)	
Richard Berliand	Karl-Heinz Floether	
David Krell	David Krell	
Roland Prantl	Martin Ulrici	
Clearing and Settlement Committee		
Members until 16 May 2012	**Members as from 16 May 2012**	**Composition** ■ Normally four members who are elected by the Supervisory Board **Responsibilities** ■ Advises the plenary meeting of the Supervisory Board on the assessment of relevant regulatory trends at national and European level and on estimating the impacts of these trends on Deutsche Börse Group
Konrad Hummler (Chairman)	Richard Berliand (Chairman)	
Joachim Faber	Irmtraud Busch	
Thomas Neiße	Monica Mächler	
Norfried Stumpf	Thomas Neiße	

Personnel Committee		
Members until 16 May 2012	**Members as from 16 May 2012**	**Composition** ■ Chairman of the Supervisory Board as committee chairman ■ At least three other members who are elected by the Supervisory, one of them being an employee representative **Responsibilities** ■ Deals with matters relating to the service contracts of Executive Board members, in particular, the structure and amount of their remuneration ■ Deals with personnel development and succession planning of the Executive Board ■ Approves appointments of Deutsche Börse AG's Executive Board members to other executive boards, supervisory boards, advisory boards and similar boards, honorary offices and secondary activities, as well as other related issues ■ Approves matters relating to the executive board's agreement on employees' retirement benefits, to the executive board's granting of individual-legally retirement benefits or to the intention to reach company agreements through the definition of pension plans
Manfred Gentz (Chairman)	Joachim Faber (Chairman)	
Hans-Peter Gabe	Marion Fornoff	
Richard M. Hayden	Richard M. Hayden	
Gerhard Roggemann	Gerhard Roggemann	
Nomination Committee		
Members until 16 May 2012	**Members as from 16 May 2012**	**Composition** ■ Normally three members: exclusively shareholder representatives who are also represented on the Personnel Committee ■ The Chairman of the Personnel Committee also chairs the Nomination Committee **Responsibilities** ■ Proposes to the Supervisory Board suitable candidates for election to be proposed to the Annual General Meeting
Manfred Gentz (Chairman)	Joachim Faber (Chairman)	
Richard M. Hayden	Richard M. Hayden	
Gerhard Roggemann	Gerhard Roggemann	

Frankfurt/Main, 11 March 2013
Deutsche Börse AG

Reto Francioni	Andreas Preuss	Frank Gerstenschläger
Gregor Pottmeyer	Hauke Stars	Jeffrey Tessler

Auditor's Report

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the combined management report of the Deutsche Börse AG, Frankfurt/Main for the business year from January 1 to December 31, 2012. The maintenance of the books and records and the preparation of the annual financial statements and combined management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the combined management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB [„Handelsgesetzbuch", „German Commercial Code"] 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 annual financial statements in accordance with [German] principles of proper accounting and in the combined management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company 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 books and records, the annual financial statements and the combined management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and combined 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 annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with [German] principles of proper accounting. The combined management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Frankfurt/Main, March 13, 2013

KPMG AG
Wirtschaftsprüfungsgesellschaft

Signature	Signature
Braun German Qualified Auditor	Beier German Qualified Auditor

Responsibility Statement by the Executive Board

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements of Deutsche Börse Aktiengesellschaft give a true and fair view of the assets, liabilities, financial position and profit and loss of the company, and the management report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.

Frankfurt/Main, 11 March 2013

Deutsche Börse Aktiengesellschaft

The Executive Board

Reto Francioni

Andreas Preuß

Frank Gerstenschläger

Gregor Pottmeyer

Hauke Stars

Jeffrey Tessler