

Explanatory report of the Executive Board of Deutsche Börse Aktiengesellschaft on the information pursuant to § 289 (4) of the German Commercial Code (*Handelsgesetzbuch*) (management report) and § 315 (4) of the German Commercial Code (consolidated management report) per 31 December 2007

Under §§ 289 (4) and 315 (4) of the German Commercial Code (HGB), listed companies are required to provide in the management report and consolidated management report additional information specified in greater detail in the Code, which, in particular, is supposed to enable potential bidders to form a picture of the structure of the target company and any takeover hurdles prior to any offer. From the date on which the Annual General Meeting is called, the Executive Board has to make explanatory notes on the mandatory information in the management report and consolidated management report available for inspection by the shareholders in the company's offices and submit the notes to the Annual General Meeting. Accordingly, the Executive Board of Deutsche Börse Aktiengesellschaft hereby provides the following notes:

On 31 December 2007 Deutsche Börse Aktiengesellschaft's share capital was EUR 200,000,000 and was divided into 200,000,000 no-par value registered shares. There are no share classes in addition to these ordinary shares. The Executive Board of Deutsche Börse Aktiengesellschaft is not aware of any restrictions on voting rights or the transfer of shares. All shares bear the same rights and obligations. Each share entitles the bearer to one vote at the Annual General Meeting and determines the shareholders' participation in the company's profits. Excepted here from are own shares held by Deutsche Börse Aktiengesellschaft, under which no rights accrue to the company.

The Children's Investment Fund Management (UK) LLP, London, Great Britain had already notified Deutsche Börse Aktiengesellschaft in financial year 2006 that on 10 April 2006 the threshold of 10 percent of voting rights in Deutsche Börse Aktiengesellschaft had been exceeded. According to this notification, the level of the share in voting rights allocated to The Children's Investment Fund Management (UK) LLP, London, Great Britain at this time was 10.06 percent or 10,264,953 votes. The Children's Investment Master Fund, George Town, Cayman Island, a fund managed by The Children's Investment Fund Management (UK) LLP, London, Great Britain, had notified Deutsche Börse Aktiengesellschaft in financial year 2006 that on 10 April 2006 the threshold of 10 percent of voting rights in Deutsche Börse Aktiengesellschaft had been exceeded. According to this notification, the level of the share of voting rights directly held by The Children's Investment Master Fund, George Town, Cayman Island, at this time was 10.06 percent or 10,264,953 votes. This share is included in the abovementioned indirectly held share of The Children's Investment Fund Management (UK) LLP, London, Great Britain.

There are no holders of shares bearing special rights that give rise to controlling powers. Employees who hold interests in Deutsche Börse Aktiengesellschaft's capital may exercise their controlling rights under the shares like other shareholders directly in accordance with the provisions of the German Stock Corporation Act (*Aktiengesetz*, AktG) and the Articles of Association.

Members of the Executive Board are appointed and dismissed in accordance with §§ 84, 85 of the German Stock Corporation Act. Pursuant to § 6 (3) of Deutsche Börse Aktiengesellschaft's Articles of Association, membership of the Executive Board generally ends upon reaching the age of 60.

According to the German Stock Corporation Act, it is the Annual General Shareholders' Meeting that adopts resolutions to amend the Articles of Association in accordance with the allocation of responsibilities. However, the Articles of Association grant the Supervisory Board the right to adopt resolutions on amendments of the Articles of Association that only involve the drafting. Pursuant to § 18 (1) of the Articles of Association, resolutions by the Annual General Meeting are adopted by a simple majority of votes cast, unless mandatory provisions of the Stock Corporation Act provide otherwise. Should the Stock Corporation Act also require a majority of the share capital represented upon adoption of the relevant resolution in order to adopt the resolution, a simple majority of the represented share capital will suffice, to the extent permitted by law.

The Executive Board has the following powers to issue or buy back shares:

- § Subject to the Supervisory Board's consent, the Executive Board is authorized to increase the share capital on one or more occasions until 23 May 2011 by up to a total of EUR 5,200,000 by issuing new registered no-par value shares against cash contributions and/or contributions in kind (Authorized Capital I). In this respect, the shareholders must generally be granted a subscription right. However, subject to the Supervisory Board's consent, the Executive Board may exclude the shareholders' subscription right, provided the capital increase is implemented against contributions in kind for purposes of acquiring enterprises, parts of enterprises or interests in enterprises or of other assets. The full authorization is set forth in § 4 (3) of the Articles of Association.
- § Moreover, subject to the Supervisory Board's consent, the Executive Board is authorized to increase the share capital on one or more occasions until 13 May 2008 by up to a total of EUR 14,797,440 by issuing new registered no-par value shares against cash contributions and/or contributions in kind (Authorized Capital II). In this respect, the shareholders must generally be granted a subscription right. However, subject to the Supervisory Board's consent, the Executive Board is authorized to exclude the shareholders' subscription right if certain requirements are met. The full authorization is set forth in § 4 (4) of the Articles of Association.
- § Pursuant to § 4 (5) of the Articles of Association, the company's share capital is conditionally increased by up to EUR 6,000,000 by issuing up to 6,000,000 registered no-par value shares (Conditional Capital I). The conditional capital increase is intended solely to satisfy subscription rights that were granted until 13 May 2008 based on the Annual General Meeting's authorization dated 14 May 2003 under topic 7 of the agenda at that time. The conditional capital increase is implemented only to the extent that holders of the subscription rights issued avail themselves of their subscription right and the company does not satisfy the subscription rights by transferring own shares or by way of a cash payment. The new shares participate in

profits from commencement of the financial year in which they are created as a result of the exercise of subscription rights.

- § Pursuant to § 4 (6) of the Articles of Association, the company's share capital is conditionally increased by an additional amount of up to EUR 60,000,000 by issuing up to 60,000,000 registered no-par value shares (Conditional Capital II). The conditional capital increase is implemented only to the extent that the holders of options or conversion rights or parties obliged to exercise options or conversion rights under bonds with warrants or convertible bonds issued or guaranteed by the company or a wholly-owned direct or indirect affiliate of the company based on an authorizing resolution by the Annual General Meeting on 14 May 2003 until 13 May 2008 actually exercise their option or conversion rights or, if they are obliged to exercise their option or conversion rights, meet their obligation to exercise their option or conversion rights. The new shares are issued at the option or conversion price to be determined in a given case in accordance with the aforementioned authorizing resolution. The new shares participate in profits from commencement of the financial year in which they are created as a result of the exercise of option or conversion rights or satisfaction of option or conversion obligations. Subject to the Supervisory Board's consent, the Executive Board is authorized to specify further details for implementation of the conditional capital increase.
- § Moreover, the Executive Board is authorized to increase the share capital on one or more occasions until 10 May 2012 with the Supervisory Board's consent by up to a total of EUR 6,000,000 by issuing new registered no-par value shares against cash contributions and/or contributions in kind (Authorized Capital IV). In this case as well, the shareholders must be granted a subscription right, unless the Executive Board exercises the power granted it to exclude the shareholders' subscription right with the Supervisory Board's consent. In particular, subject to the Supervisory Board's consent, the Executive Board is authorized to exclude the shareholders' subscription right in order to issue up to 900,000 new shares per financial year to members of the Executive Board and company employees as well as to members of the executive boards, managements and employees of its affiliates within the meanings of §§ 15 *et seq.* AktG. The full authorization is set forth in § 4 (7) of the Articles of Association.
- § The Executive Board is authorized to purchase own shares constituting up to 10 percent of the share capital. However, together with any own shares acquired for other reasons and held by the company or attributable to it pursuant to §§ 71 *a et seq.* AktG, the acquired shares may at no time exceed 10 percent of the company's share capital. The authorization to acquire own shares is valid until 31 October 2008 and may be exercised in whole or in part, on one or more occasions, and may be also implemented by dependent companies or companies in which the company has a majority holding or for its or their account by third parties. At the Executive Board's choice, the acquisition may be effected (1) via the exchange or (2) by way of a public offer to purchase directed at all shareholders or a public request directed at the company's shareholders to make offers to sell or (3) by issuing tender rights to the shareholders or (4) by using derivatives (put or call options or a combination of both). The full and exact text of the authorization to acquire own shares, in particular, the permissible purposes for their use, is set forth in topic 8 of the agenda of the Annual General Meeting on 11 May 2007.

In the event of a change of control as a result of a takeover bid, the following material agreements are in place:

- § On 31 August 1998, Deutsche Börse Aktiengesellschaft and SWX Swiss Exchange AG agreed on an extraordinary termination right within a period of 60 days in the event that a third party exchange or organization acquires a controlling influence over a given party in a shareholders' voting agreement concerning their joint interest in Eurex Zürich AG and its subsidiaries. Notice of termination would result in termination of the joint venture.
- § On 10 May 2005, Deutsche Börse Aktiengesellschaft and its subsidiary Clearstream Banking S.A. concluded an agreement (facility agreement) with a consortium of 37 banks concerning a short term operating loan totalling up to USD 1,000,000,000). In the event of a change of control, the lead underwriter must terminate the agreement subject to a 30 day notice period and to declare all of the creditors' claims to be immediately due and payable if this is demanded by a majority of the syndicate banks that together accounts for two-thirds of the total loan amount granted at the time of the change of control. One or more persons will be deemed to have control within the meaning of this agreement if they co-ordinate their conduct and/or if they are able to manage the company's businesses or determine the composition of the majority of the Executive Board.
- § On 25 October 2006, Deutsche Börse Aktiengesellschaft and SWX Group agreed in a co-operation agreement to combine their business in the structured products segment in a European exchange organization under a common company name and brand. The co-operation agreement provides both parties with a termination right subject to a six month termination period to the end of a given month, which results in termination of the joint venture if a change of control occurs at Deutsche Börse Aktiengesellschaft or SWX Group. According to the co-operation agreement, there is a change of control if a person, corporation or partnership, alone or together with other affiliates or in consultation with other persons or companies, directly or indirectly acquires control over a company. A company has control if it directly or indirectly holds more than 50 percent of the voting rights or of the capital of another corporation or partnership, has to fully consolidate another corporation or partnership according to IFRS or can control it through voting agreements or the appointment of management bodies. The termination right lapses if it is not exercised within three months of occurrence of the change of control.
- § On 22 October 2007, Deutsche Börse Aktiengesellschaft and a consortium of 15 banks concluded an agreement (facility agreement) concerning bridge financing of USD 700,000,000 and EUR 1,000,000,000 to finance a portion of the acquisition of International Securities Exchange Holdings, Inc., New York, USA, (ISE). In the event of a change of control, the lead underwriter must terminate the agreement subject to a 30 day notice period and declare all of the creditors' claims to be immediately due and payable if this is demanded by a majority of the syndicate banks that together accounts for two-thirds of the total loan amount granted at the time of the change of control. One or more persons will be deemed to have control within the meaning of this agreement if they co-ordinate their conduct and/or if they are able to manage the businesses of Deutsche Börse Aktiengesellschaft or Eurex Frankfurt AG or determine the composition of the majority of the Executive Board.

- § As part of the acquisition of ISE, it was agreed that, without the prior consent of the U.S. Securities and Exchange Commission (SEC), no person or group may directly or indirectly acquire more than 40% of the shares in ISE or voting control over more than 20% of the shares in ISE. Otherwise, as many ISE shares as necessary in order to meet the requirements will be transferred to a trust.
- § The Executive Board members of Deutsche Börse Aktiengesellschaft have a special right of termination in the event of a change of control. Pursuant to the agreements with all Executive Board members, there is a change of control if (1) a shareholder or third party advises pursuant to §§ 21, 22 of the German Securities Trading Act (*Wertpapierhandelsgesetz, WpHG*) that it holds more than 50 percent of the voting rights in Deutsche Börse Aktiengesellschaft, (2) an inter-company agreement is concluded with Deutsche Börse Aktiengesellschaft as dependent company pursuant to § 291 AktG or (3) Deutsche Börse Aktiengesellschaft is integrated pursuant to § 319 AktG or merged pursuant to § 2 of the German Reorganization Act (*Umwandlungsgesetz, UmwG*).
- § In addition to these agreements on the part of Deutsche Börse Aktiengesellschaft and its subsidiaries, which are subject to a change of control as a result of a takeover bid, there are other agreements that, in the view of Deutsche Börse Aktiengesellschaft, are not material within the meaning of §§ 289 (4), 315 (4) HGB and are therefore not mentioned here.

The compensation agreements reached for the event of a takeover bid with the members of the Executive Board may be seen in the remuneration report in the Corporate Governance chapter in the business report.

Frankfurt, 4 March 2008

Deutsche Börse Aktiengesellschaft
The Executive Board

(Dr. Reto Francioni)

(Thomas Eichelmann)

(Dr.-Ing. Michael Kuhn)

(Andreas Preuß)

(Jeffrey Tessler)

(Frank Gerstenschläger)