

Report of the Supervisory Board



Dr Manfred Gentz
Chairman of the Supervisory Board

Dear shareholders,

In the past financial year, the Supervisory Board held in-depth discussions on the position and prospects of the Company and performed its duties in accordance with the law and the Articles of Association. We regularly advised the Executive Board on the management of the Company and monitored its work, and were directly involved in all key decisions. Where demanded by law, the Articles of Association, or the bylaws, the Supervisory Board adopted resolutions following a thorough examination.

We held a total of nine meetings, four of which were extraordinary. At our meetings, the Executive Board provided detailed, timely and comprehensive information, both verbally and in writing, in line with the legal requirements on the course of business, the position of the Company and the Group (including the risk situation and risk management), as well as on the Company's strategy and planning. We discussed all transactions significant for the Company in the plenary meetings and in the Supervisory Board committees, based on the reports of the Executive Board. The great frequency of both plenary and committee meetings facilitated intensive dialogue between the Executive Board and the Supervisory Board. Individual issues were also addressed between meetings, both verbally and in written reports by the Executive Board. In addition, the Chairman of the Executive Board continually informed the Chairman of the Supervisory Board of current developments in the Company's business, significant transactions and upcoming decisions. All members of the Supervisory Board attended more than half of the meetings of the Supervisory Board in 2008. The average participation rate was more than 90 percent.

Focus of the work of the Supervisory Board

At our Supervisory Board meetings, we were continually informed of current developments and initiatives by the CEO's reports as well as by the Executive Board members responsible for the different business areas. We discussed projects relevant to the Company as well as market developments and regulatory changes. The financial crisis and its impact on Deutsche Börse Group were another particular focal point in the year under review. The Executive Board provided us with extensive information in this regard. The Supervisory Board was regularly informed about Deutsche Börse AG's share price performance, including the performance relative to its competitors. In addition, we gave detailed attention to the cost reduction program for Deutsche Börse Group. Moreover, the Executive Board reported on the business performance, financial position and results of operations of the subsidiaries of Deutsche Börse AG, especially the post-trading activities of Clearstream International S.A. and its subsidiaries. We also discussed Deutsche Börse's growth strategy and decided on strategic developments. The shared objective of both Executive Board and Supervisory Board is to utilize all opportunities to achieve profitable organic growth without excluding acquisitions and other consolidation options.

The Executive Board correctly submitted all transactions requiring our approval to us, and we approved these transactions. We also verified that the Executive Board's actions were lawful in all other respects by seeking legal advice from the Company's Legal Department and, in individual cases, from external parties.

At the Supervisory Board meeting convened on 27 March 2008 to adopt the financial statements, which was attended by the auditors, we discussed in detail the 2007 annual financial statements and consolidated financial statements as well as the respective management reports. We approved the 2007 annual financial statements and consolidated financial statements, thus following the recommendation of the Audit and Finance Committee, which had conducted an in-depth examination of the documents. In addition, our discussion focused on the Company's and the Group's borrowing capacity, approving the budget for the 2008 financial year, including the International Securities Exchange (ISE), and adopting the agenda for the 2008 Annual General Meeting. We also discussed ways of monitoring management more effectively. We agreed that the Supervisory Board should place an even greater focus on corporate strategy and issues of fundamental importance to the Company. In this context, the Supervisory Board resolved to adjust and raise the thresholds for certain transactions, above which its approval is required. These thresholds had remained unaltered for years. In particular, it increased the thresholds for the acquisition of equity investments, for loans, sureties and guarantees, as well as the thresholds above which any overshoot of Deutsche Börse Group's budget requires Supervisory Board approval.

At the meeting convened on 21 May 2008 immediately prior to the Annual General Meeting, we received information about strategic initiatives and the forthcoming General Meeting. At the meeting held on 16 June 2008, the Executive Board reported on liquidity management within Deutsche Börse Group. In addition, the Supervisory Board approved an increase in the investment in the European Energy Exchange (EEX). The Executive Board also reported on the Link Up Markets project, as part of which Clearstream Banking AG, Frankfurt, and six other leading central securities depositories (CSDs) agreed to establish a joint venture to make the cross-border settlement of securities transactions more efficient.

At the extraordinary meeting on 12 September 2008, the Supervisory Board was informed about inquiries from individual shareholders who were challenging Deutsche Börse Group's integrated business model. Under this model, the Group offers one-stop securities trading, clearing and settlement. At this meeting, the Supervisory Board discussed at great length the question of whether the Group's integrated business model should be maintained. After a detailed discussion, the Supervisory Board confirmed that it wants to retain the integrated business model. In addition, the process, managed by the Nomination Committee, for proposing candidates to stand for the pending regular election of shareholder representatives at the 2009 Annual General Meeting was presented at the Supervisory Board meeting.

At the regular meeting on 22 September 2008, the Supervisory Board dealt with strategic issues from the various business areas, such as the positioning of the cash market in competition with OTC trading platforms, innovation in the derivatives segment and various post-trading activities. In addition, it was informed about the planning status of Deutsche Börse AG's new Group headquarters in Eschborn. At an extraordinary meeting held also on 22 September 2008, it discussed a cooperation project between ISE and platform operator Direct Edge. This cooperation project is aimed at ensuring sustained growth in the cash market for US stocks.

At the extraordinary meeting on 19 October 2008, Kurt Viermetz informed the Supervisory Board that he would leave the Supervisory Board and resign from his position as Chairman of the Supervisory Board as of the end of 8 December 2008. In addition, the Supervisory Board discussed the convening of an Extraordinary General Meeting that a shareholder had requested.

At the regular meeting on 8 December 2008, the Supervisory Board dealt with current developments in the cash market and in clearing. The Supervisory Board adopted the budget for 2009 and discussed initial considerations for the dividend proposal for the financial year 2008. It was also again informed about the remuneration system for the Executive Board and adopted a resolution on the future adjustments of the remuneration system. In addition to the remuneration components, it thereby decided on the main

contract elements and the redistribution of responsibilities between the Personnel Committee and the Supervisory Board in response to the latest changes to the German Corporate Governance Code. Other agenda items included the adoption of the declaration of conformity for 2008, the presentation of the results of the efficiency audit and the decision on resulting measures for implementation. Finally, the Supervisory Board approved the candidates proposed by the Nomination Committee for the elections to the Supervisory Board at the 2009 General Meeting. After the regular meeting, an extraordinary Supervisory Board meeting was held on 8 December 2008 (see "Personnel" at the end of this report).

Work of the committees

The Supervisory Board has a total of six committees, which are responsible for preparing the decisions and topics to be discussed in the plenary meetings. Additionally, we have delegated individual decision-making powers to the committees, to the extent that this is legally permissible. Each of the committee chairs provided detailed reports of committee work at the meetings of the Supervisory Board. In accordance with the bylaws, the Chairman of the Supervisory Board automatically chairs the Personnel Committee, the Nomination Committee and the Strategy Committee. The composition of the individual committees is as follows:

Composition of the committees

Personnel Committee

Kurt F. Viermetz
(Chairman and member until 8 December 2008)
Dr Manfred Gentz
(Chairman and member since 9 December 2008)
Richard M. Hayden
Friedrich von Metzler
Otto Wierczimok

Strategy Committee

Kurt F. Viermetz
(Chairman and member until 8 December 2008)
Dr Manfred Gentz
(Chairman and member since 9 December 2008)
Herbert Bayer
Birgit Bokel
Richard M. Hayden
Friedrich Merz
Gerhard Roggemann

Audit and Finance Committee

Dr Manfred Gentz
(Chairman until 8 December 2008 and member until 6 February 2009)
Dr Erhard Schipporeit
(Chairman since 9 December 2008; was already a member)
Udo Behrenwaldt
Thomas Neiß (member since 3 February 2009)
Johannes Witt

Technology Committee

Craig Heimark (Chairman)
Sadegh Rismanchi
Gerhard Roggemann
Dr Herbert Walter

Clearing and Settlement Committee

Hermann-Josef Lamberti (Chairman)
Richard Berliand
Hans-Peter Gabe
Dr Konrad Hummler

Nomination Committee

Kurt F. Viermetz
(Chairman and member until 8 December 2008)
Dr Manfred Gentz
(Chairman and member since 9 December 2008)
Richard Hayden
Friedrich von Metzler

The **Personnel Committee** is responsible in particular for concluding, amending or terminating contracts of service with Executive Board members. The Personnel Committee met four times during the year under review. At the beginning of the year, it resolved the bonus paid to Executive Board members for 2007 and established the goals for 2008. In addition, the Personnel Committee concerned itself with the reappointment of Andreas Preuß as a member of the Executive Board of Deutsche Börse AG and his appointment as Deputy Chief Executive Officer. In the 2008 financial year, the Committee also dealt with the amendments to the German Corporate Governance Code relevant to remuneration and drafted the resolutions of the Supervisory Board on the further development of the structure and elements of the remuneration system and the associated processes to implement section 4.2.2 of the new version of the German Corporate Governance Code.

The **Strategy Committee** held four regular meetings and one extraordinary meeting in the period under review. The Committee considered in detail the status of strategic projects and discussed possible growth initiatives in this context. In addition, it discussed Deutsche Börse Group's strategy for post-trading activities and adopted the strategic planning for the Company. Current strategic topics were also discussed at the regular and extraordinary plenary meetings of the Supervisory Board in particular.

The **Audit and Finance Committee** met eight times in the period under review. The Audit and Finance Committee discussed the annual financial statements and the audit report for financial year 2007 in a meeting at which the auditors were present. It also addressed the interim reports for the first and third quarter, the half-yearly financial report which was reviewed by the auditors, and the preliminary results for the first half of 2008. It obtained the necessary statement of independence from the auditors, prepared the Supervisory Board's proposal to the Annual General Meeting in May 2008 for the election of the auditors and discussed the audit fee. The auditors supported the Audit and Finance Committee in all material questions relating to accounting and regular monitoring activities. Other important topics included Deutsche Börse Group's risk management, compliance, reports on the internal control system and the internal audit report. The members of the Committee were regularly informed about these topics and discussed them in detail, including methods and systems applied as well as their efficiency. Other topics discussed in detail by the Audit and Finance Committee included the financial impact of the relocation to Eschborn, the initiatives to optimize the capital structure and their impact, and the status of current nearshoring initiatives. At its last meeting in the period under review, the Committee also discussed in detail the 2009 budget and the declaration of conformity, and recommended these to the Supervisory Board for approval.

The **Technology Committee** held four meetings in the period under review, at which it dealt with the further development of the Xetra® and Eurex® trading systems in relation to the roll-out of new releases in 2008. In this context, the Committee discussed improvements to system interfaces for participants and in algorithmic trading. In addition, the Technology Committee received in-depth information about the IT strategies in the Clearstream segment and at Eurex Clearing AG, and discussed the integration of the IT systems at ISE. At the last meeting of the year under review, it discussed in detail the 2009 IT project plan for Deutsche Börse Group.

The **Clearing and Settlement Committee** held two meetings in financial year 2008. It discussed the clearing and post-trading strategy of Deutsche Börse Group, focusing on strategic challenges in these areas. Other focal points included regulatory developments and structural changes in the post-trading business. For example, it considered the progress in implementing the TARGET2-Securities project. Other key discussion items were the project reports of Clearstream Banking AG on reducing cross-border transaction costs in Europe (Link Up Markets project).

The **Nomination Committee** met six times. Its work focused on preparations for the election of shareholder representatives to the Supervisory Board by the 2009 General Meeting. The Nomination Committee received external advice on suitable election candidates and, following intensive discussion of the alternatives, recommended a list of candidates to the Supervisory Board. With input from external experts, the Committee also reviewed the existing remuneration of the Supervisory Board and came to the conclusion that there is currently no need for revaluation. The Nomination Committee also dealt with the preparations for the election of the Chairman and Deputy Chairman of the Supervisory Board at the extraordinary Supervisory Board meeting on 8 December 2008.

The Supervisory Board regularly received comprehensive and continuous information about all meetings of the Supervisory Board committees.

Corporate governance and declaration of conformity

Corporate governance issues are of major importance to the Supervisory Board. We therefore decided in our annual declaration of conformity in accordance with section 161 of the Aktiengesetz (AktG, the German Stock Corporation Act) to comment not only on the recommendations of the German Corporate Governance Code but also – voluntarily and without being legally required to do so – on the suggestions. We have made the declaration publicly available on the Company's website under www.deutsche-boerse.com > Investor Relations > Corporate Governance > Declaration of Conformity. More information on corporate governance at Deutsche Börse Group can be found in the report, which has been adopted jointly by the Executive and Supervisory Boards, on pages 62 to 72 of this Annual Report.

Audit of the annual and consolidated financial statements

KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, audited the annual financial statements of Deutsche Börse AG and the consolidated financial statements, as well as the accompanying management reports, together with the bookkeeping system and issued an unqualified audit opinion. The half-yearly financial report was also reviewed by KPMG.

The documents relating to the financial statements and the reports by KPMG were presented to us for examination in a timely manner. The auditors attended the relevant meetings of the Audit and Finance Committee and the plenary meeting of the Supervisory Board convened to adopt the accounts. The auditors reported on the key results of the audit and elaborated in particular on the net assets, financial position and results of operations of the Company and Group, as well as being available to provide supplementary information.

The Audit and Finance Committee discussed the financial statement documents and the reports by KPMG in detail with the auditors and examined them carefully. It is satisfied that the reports meet the statutory requirements under sections 317 and 321 of the Handelsgesetzbuch (HGB, the German Commercial Code). The Committee reported to the Supervisory Board on its examination and recommended that the Supervisory Board approve the annual financial statements and consolidated financial statements, including the management reports.

Based on our own examination of the annual financial statements, the consolidated financial statements, the management report and the Group management report, we concurred with the results of the audit performed by the auditors. The final results of our examination did not lead to any objections. The Supervisory Board approved the annual financial statements prepared by the Executive Board and the consolidated financial statements at its meeting on 23 March 2009 in line with the Audit and Finance Committee's recommendation. The annual financial statements of Deutsche Börse AG are thereby adopted. The Audit and Finance Committee discussed the Executive Board's proposal for the appropriation of the unappropriated surplus in detail with the Executive Board, in particular in view of the Company's liquidity and financial planning as well as taking into account shareholders' interests. Following this discussion and its own examination, the Audit and Finance Committee approved the Executive Board's proposal for the appropriation of the unappropriated surplus. After its own examination, the Supervisory Board also approved the Executive Board's proposal for the appropriation of the unappropriated surplus.

Personnel

The following changes took place in the composition of the Supervisory Board in the period under review:

David Krell was appointed a member of the Supervisory Board with effect from 1 January 2008 by way of a court ruling dated 12 December 2007. This appointment as well as that of Dr Konrad Hummler, who was appointed by way of a court ruling

dated 11 September 2007, was approved by the General Meeting on 21 May 2008. Kurt Viermetz resigned from his position as Chairman of the Supervisory Board and left the Supervisory Board as of the end of 8 December 2008.

At its extraordinary meeting on 8 December 2008, the Supervisory Board elected Dr Manfred Gentz as Chairman of the Supervisory Board with effect from 9 December 2008. In accordance with the bylaws of the Supervisory Board, the election of Dr Manfred Gentz as Chairman of the Supervisory Board automatically made him the Chairman of the Strategy, Personnel and Nomination Committees. In addition, the Supervisory Board elected Gerhard Roggemann as Deputy Chairman of the Supervisory Board with effect from 9 December 2008, and Dr Erhard Schipporeit as Chairman of the Audit and Finance Committee as from the same date. Dr Erhard Schipporeit thus replaced Dr Manfred Gentz, who had resigned from his position as Committee Chairman when he was elected Chairman of the Supervisory Board. Dr Manfred Gentz continued to be a member of the Audit and Finance Committee until he ended his membership of that Committee with effect from 6 February 2009. By way of a court ruling dated 16 January 2009, Thomas Neißé was appointed a new member of the Supervisory Board. He was elected member of the Audit and Finance Committee with effect from 3 February 2009.

Andreas Preuß was reappointed for a period of five years by way of a Supervisory Board resolution dated 16 June 2008. His term of office will end on 31 March 2014. At the same meeting, Mr Preuß was appointed Deputy Chief Executive Officer of Deutsche Börse AG with immediate effect.

Thomas Eichelmann's Executive Board mandate is to end by mutual agreement on 30 April 2009. The Supervisory Board would like to thank Thomas Eichelmann already today for his very successful work.

We would like to personally thank former Supervisory Board member and former Chairman of the Supervisory Board Kurt Viermetz for his outstanding service for Deutsche Börse AG, whose further development he supported tirelessly and with high commitment. In addition, the Supervisory Board would like to thank all its members, who will resign from the Supervisory Board upon conclusion of the Annual General Meeting, and the Executive Board, as well as all employees and the employee representatives for their excellent work. Once again, they contributed decisively to a successful financial year for Deutsche Börse Group.

Frankfurt/Main, 23 March 2009
On behalf of the Supervisory Board:



Dr Manfred Gentz
Chairman