KPMG

Audit Opinion

Consolidated Financial Statements
for the period ending 31 December 2008
prepared in accordance with
International Financial Reporting
Standards
and Group Management Report

Deutsche Börse Aktiengesellschaft
Frankfurt/Main

This is an English translation of the German text, which is the sole authoritative version.

KPMG AG Wirtschaftsprüfungsgesellschaft

Consolidated Income Statement

for the period 1 January to 31 December 2008

	Note	2008	2007
		€m	€m
Sales revenue	4	2,455.1	2,185.2
Net interest income from banking business	5	236.8	230.8
Own expenses capitalized	6	28.0	25.1
Other operating income	7	66.7	223.4
		2,786.6	2,664.5
Fee and commission expenses from banking business		–177.8	–161.6
Staff costs	8	–421.4	–566.2
Depreciation, amortization and impairment losses (other than goodwill)	13, 14, 15	–137.1	–126.0
Other operating expenses	9	–547.7	–469.7
Result from equity investments	10	5.8	4.9
Earnings before interest, tax and goodwill impairment (EBITA)		**1,508.4**	**1,345.9**
Goodwill impairment	13	0	0
Earnings before interest and tax (EBIT)		**1,508.4**	**1,345.9**
Financial income	11	237.6	126.3
Financial expense	11	–277.1	–117.4
Earnings before tax (EBT)		**1,468.9**	**1,354.8**
Income tax expense	12	–418.6	–439.9
Net profit for the year		**1,050.3**	**914.9**
Minority interests		–17.0	–3.2
Net income[1)]		**1,033.3**	**911.7**
Earnings per share (basic) (€)	41	**5.42**	**4.70**
Earnings per share (diluted) (€)	41	**5.41**	**4.70**

1) Profit attributable to shareholders of the parent company

Consolidated Balance Sheet

as at 31 December 2008

Assets

	Note	2008 €m	2007 €m
NONCURRENT ASSETS			
Intangible assets	13		
Software		101.1	127.3
Goodwill		1,977.0	1,937.1[2]
Payments on account and construction in progress		17.5	8.8
Other intangible assets		1,350.9	1,326.8
		3,446.5	3,400.0
Property, plant and equipment	14		
Fixtures and fittings		29.9	21.5
Computer hardware, operating and office equipment		75.0	76.4
Payments on account and construction in progress		4.0	0.4
		108.9	98.3
Financial assets	15		
Investments in associates		156.6	35.9
Other equity investments		52.8	66.8
Receivables and securities from banking business		756.3	514.9
Other financial instruments		6.8	12.5
Other loans		0	0.1
		972.5	630.2
Other noncurrent assets	16	13.5	18.3
Deferred tax receivables	12	3.5	17.2
Total noncurrent assets		4,544.9	4,164.0
CURRENT ASSETS			
Receivables and other current assets			
Financial instruments of Eurex Clearing AG	18	121,684.3	60,424.0
Current receivables and securities from banking business	19	8,428.0	9,619.7
Trade receivables	20	210.7	235.5
Associate receivables		5.7	4.4
Receivables from other investors		1.0	1.4
Income tax receivables[1]		96.0	106.5[2]
Other current assets	21	60.5	301.9
		130,486.2	70,693.4
Restricted bank balances	22	10,364.7	4,221.7
Other cash and bank balances		482.8	547.6
Total current assets		141,333.7	75,462.7
Total assets		145,878.6	79,626.7

1) Thereof €18.3 million (2007: €17.4 million) with a remaining maturity of more than one year from corporation tax credits in accordance with section 37 (5) KStG (Körperschaftsteuergesetz, the German Corporation Tax Act)

2) Adjustments due to the retrospective reduction of the tax rate applied in the course of the acquisition of ISE (see also note 2)

Equity and liabilities

	Note	2008 €m	2007 €m
EQUITY	23		
Subscribed capital		195.0	200.0
Share premium		1,247.0	1,242.0
Treasury shares		–596.4	–589.8
Revaluation surplus		29.3	32.1
Accumulated profit		1,779.4	1,493.0
Shareholders' equity		**2,654.3**	**2,377.3**
Minority interests		324.0	312.9
Total equity		**2,978.3**	**2,690.2**
NONCURRENT LIABILITIES			
Provisions for pensions and other employee benefits	25	18.8	20.6
Other noncurrent provisions	26, 27	72.9	118.4
Deferred tax liabilities	12	600.6	595.1[2]
Interest-bearing liabilities	28	1,512.9	1.2
Other noncurrent liabilities		8.5	5.2
Total noncurrent liabilities		**2,213.7**	**740.5**
CURRENT LIABILITIES			
Tax provisions	26, 29	239.3	273.3
thereof income tax due: €230.9 million (2007: €266.7 million)			
Other current provisions	26, 30	83.5	205.0
Financial instruments of Eurex Clearing AG	18	121,684.3	60,424.0
Liabilities from banking business[1]	31	7,916.3	9,125.9
Other bank loans and overdrafts	40	0	1,360.2
Trade payables		112.3	97.7
Payables to associates		8.7	6.1
Payables to other investors		9.4	5.2
Cash deposits by market participants	32	10,220.7	4,016.2
Other current liabilities	33	412.1	682.4
Total current liabilities		**140,686.6**	**76,196.0**
Total liabilities		**142,900.3**	**76,936.5**
Total equity and liabilities		**145,878.6**	**79,626.7**

1) Thereof €278.0 million (2007: €95.1 million) liabilities to associates
2) Adjustments due to the retrospective reduction of the tax rate applied in the course of the acquisition of ISE (see also note 2)

Consolidated Cash Flow Statement

for the period 1 January to 31 December 2008

	Note	2008	2007
		€m	€m
Net profit for the year		1,050.3	914.9
Depreciation, amortization and impairment losses	13, 14, 15	137.1	126.0
(Decrease)/increase in noncurrent provisions	37	–47.5	16.0
Deferred tax income	12	–29.5	–15.1
Other non-cash expense/(income)	37	3.3	–117.7
Changes in working capital, net of non-cash items:			
Decrease/(increase) in receivables and other assets	37	265.3	–266.5
(Decrease)/increase in current liabilities	37	–100.3	192.3
Increase/(decrease) in noncurrent liabilities		0.3	–1.1
Net gain on disposal of noncurrent assets		–0.1	–9.2
Cash flows from operating activities	37	**1,278.9**	**839.6**
Payments to acquire intangible assets and property, plant and equipment		–94.5	–79.7
Payments to acquire noncurrent financial instruments		–344.0	–124.8
Payments to acquire investments in associates		–122.3	–0.3
Payments to acquire subsidiaries, net of cash acquired		0	–1,826.6
Effects of the disposal of (shares in) subsidiaries, net of cash disposed		–24.6	358.9
Proceeds from the disposal of shares in associates		16.8	0
Net increase in current receivables, securities and liabilities from banking business with an original term greater than three months		–391.2	–149.0
Proceeds from disposals of available-for-sale noncurrent financial instruments		19.9	50.9
Proceeds from disposals of other noncurrent assets		0.3	17.4
Cash flows from investing activities	38	**–939.6**	**–1,753.2**
Purchase of treasury shares		–380.5	–395.0
Proceeds from sale of treasury shares		7.0	15.6
Net cash received from minority shareholders		0	271.3
Repayment of long-term financing		–500.0	0
Proceeds from long-term financing		1,481.6	0
Repayment of short-term financing		–1,941.7	0
Proceeds from short-term financing		794.4	1,365.4
Finance lease payments		–0.8	–0.5
Dividends paid		–403.0	–329.8
Cash flows from financing activities	39	**–943.0**	**927.0**
Net change in cash and cash equivalents		**–603.7**	**13.4**

	Note	2008	2007
		€m	€m
Net change in cash and cash equivalents (brought forward)		**–603.7**	**13.4**
Effect of exchange rate differences[1]		11.7	0
Cash and cash equivalents as at beginning of period[2]		1,040.2	1,026.8
Cash and cash equivalents as at end of period[2]	40	**448.2**	**1,040.2**
Operating cash flow per share (basic) (€)		6.71	4.33
Operating cash flow per share (diluted) (€)		6.70	4.33
Interest income and other similar income		218.4	128.4
Dividends received[3]		11.7	9.7
Interest paid		–263.5	–117.3
Income tax paid		–474.4	–524.0

1) Primarily includes the exchange differences arising on translation of the ISE subgroup
2) Excluding cash deposits by market participants
3) Dividends received from investments in associates and other equity investments

Consolidated Statement of Changes in Equity

for the period 1 January to 31 December 2008

	Note	2008 €m	2007 €m
Subscribed capital			
Balance as at 1 January		200.0	102.0
Retirement of treasury shares		– 5.0	– 2.0
Capital increase from retained earnings		0	100.0
Balance as at 31 December		**195.0**	**200.0**
Share premium			
Balance as at 1 January		1,242.0	1,340.0
Retirement of treasury shares		5.0	2.0
Capital increase from retained earnings		0	– 100.0
Balance as at 31 December		**1,247.0**	**1,242.0**
Treasury shares			
Balance as at 1 January		– 589.8	– 443.1
Purchase of treasury shares		– 380.5	– 395.0
Retirement of treasury shares		363.6	227.5
Sales within the Group Share Plan		10.3	20.8
Balance as at 31 December		**– 596.4**	**– 589.8**
Revaluation surplus	23		
Balance as at 1 January		32.1	12.9
Remeasurement of other financial instruments		– 17.4	8.8
Remeasurement of cash flow hedges		6.1	5.6
Increase in share-based payments		11.0	4.6
Deferred taxes on remeasurement of financial instruments	12	– 2.5	0.2
Balance as at 31 December		**29.3**	**32.1**
Accumulated profit	23		
Balance as at 1 January		1,493.0	1,251.6
Dividends paid	24	– 403.0	– 329.8
Net income		1,033.3	911.7
Exchange rate differences and other adjustments		40.5	– 126.4
Retirement of treasury shares		– 363.6	– 227.5
Deferred taxes	12	– 20.8	13.4
Balance as at 31 December		**1,779.4**	**1,493.0**
Shareholders' equity as at 31 December		**2,654.3**	**2,377.3**

	Note	2008	2007
		€m	€m
Shareholders' equity (brought forward)		**2,654.3**	**2,377.3**
Minority interests			
Balance as at 1 January		312.9	19.9
Changes due to capital increases		– 20.6	296.4
Changes due to share in net gain of subsidiaries for the period		17.0	3.2
Exchange rate differences		14.7	– 6.6
Balance as at 31 December		**324.0**	**312.9**
Total equity as at 31 December		**2,978.3**	**2,690.2**

Statement of recognized income and expense for the period 1 January to 31 December 2008

	Note	2008	2007
		€m	€m
Exchange rate differences	23	56.4	– 44.8
Remeasurement of cash flow hedges		6.1	– 81.3
Remeasurement of other financial instruments		– 17.4	8.8
Deferred taxes	23	– 23.3	13.6
Other comprehensive income/(expense)		**21.8**	**– 103.7**
Net profit for the year reported in consolidated income statement		1,050.3	914.9
Total comprehensive income		**1,072.1**	**811.2**
thereof shareholders of parent company		1,040.4	814.6
thereof minority interests		31.7	– 3.4

Notes to the Consolidated Financial Statements of Deutsche Börse Group

as at 31 December 2008

Basis of Preparation

1. General principles

Deutsche Börse AG ("the Company") is incorporated as a German public limited company ("Aktiengesellschaft") and is domiciled in Germany. The Company's registered office is Neue Börsenstraße 1, 60487 Frankfurt/Main.

In accordance with section 315a of the Handelsgesetzbuch (HGB, the German Commercial Code) ("Consolidated Financial Statements in Accordance with International Accounting Standards"), the consolidated financial statements for the year ended 31 December 2008 have been prepared in compliance with the International Financial Reporting Standards (IFRSs) and the related interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union in accordance with Regulation No. 1606/2002 of the European Parliament and of the Council on the application of International Accounting Standards, as well as with full IFRSs.

In accordance with the requirements of the HGB, the annual financial report of the Group comprises the consolidated financial statements, the Group management report and the responsibility statement of the Executive Board. The disclosures required in accordance with HGB section 315a (1) have been made in the notes to the consolidated financial statements and the remuneration report (see corporate governance chapter, pages 66 to 72), which forms part of the Group management report. The consolidated financial statements are also based on the interpretations issued by the Rechnungslegungs Interpretations Committee (Accounting Interpretations Committee) of the Deutsches Rechnungslegungs Standards Committee e.V. (Accounting Standards Committee of Germany), to the extent that these do not contradict the standards and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or the IASB.

Effects of new accounting standards
The interpretation of IFRIC 13 was applied prior to its effective date (see next page). In addition, the following standards and interpretations were applied for the first time in financial year 2008:

First-time application of accounting standards

Standard/Interpretation		Issued by IASB	Effective date	Endorsement[1]
IFRS 7, IAS 39	Amendments IAS 39 and IFRS 7: Reclassification of Financial Instruments	13 Oct. 2008	1 July 2008	16 Oct. 2008
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	5 July 2008	1 Jan. 2008	17 Dec. 2008

1) IFRSs adopted by the European Commission (endorsement process); date of publication

Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures"

The amendments include the option to reclassify non-derivative financial instruments that were acquired principally for the purpose of sale or repurchase in the near term (i.e. are held for trading) out of the "financial assets at fair value through profit or loss" category and out of the "available-for-sale financial assets" category. This applies in particular to financial instruments that would have originally met the definition of loans and receivables if they had not been held for trading or designated as available for sale. This option has been available since 1 July 2008. Deutsche Börse Group has not exercised this option in either its interim financial statements as at 30 September 2008 or annual financial statements.

IFRIC 14 "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"

In essence, IFRIC 14 addresses the interaction between a minimum funding requirement at the balance sheet date and the requirements of IAS 19.58. The interpretation provides general guidance on how to determine the limit in IAS 19 on the amount of surplus that can be recognized as an asset. It also states how plan assets or liabilities may be affected when there is a statutory or contractual minimum funding requirement.

IFRIC 11 "IFRS 2: Group and Treasury Share Transactions"

The interpretation was applied in 2007 prior to its effective date.

Early application of accounting standards

Following the issue of IFRSs and their adoption by the EU, the Company opted to apply the following interpretation prior to its effective date:

Early application of accounting standards

Standard/Interpretation		Issued by IASB	Effective date[1]	Endorsement[2]
IFRIC 13	Customer Loyalty Programmes	28 June 2007	1 July 2008	17 Dec. 2008

1) Application to the first period of a financial year beginning on or after this date. Earlier application is recommended.
2) IFRSs adopted by the European Commission (endorsement process); date of publication

IFRIC 13 "Customer Loyalty Programmes"

IFRIC 13 addresses accounting for customer bonus programs. The sales revenue attributable to benefits (loyalty award credits) granted to customers is deferred as a liability until the customer redeems the award credits or the right to redeem them expires. The award credits are measured at absolute or relative fair value.

The early adoption of IFRIC 13 had no impact on Deutsche Börse Group's consolidated financial statements.

New accounting standards

The following standards and interpretations which Deutsche Börse Group did not adopt in 2008 prior to the effective date have been published by the IASB and partially adopted by the European Commission:

New accounting standards and their effects

Standard/Interpretation		Issued by IASB	Effective date[1]	Endorsement[2]	Expected effects
Diverse	Annual Improvement Project	22 May 2008	1 Jan. 2009[3]	24 Jan. 2009	no material effect
IFRS 2	Amendments to IFRS 2 "Share-based Payment: Vesting Conditions and Cancellations"	17 Jan. 2008	1 Jan. 2009	17 Dec. 2008	no material effect
IFRS 3	Amendments to IFRS 3 "Business Combinations"	10 Jan. 2008	1 July 2009	EFRAG opinion issued; endorsement expected for Q2/2009	no material effect
IFRS 7	Amendments to IFRS 7 "Improving Disclosures about Financial Instruments"	5 Mar. 2009	1 Jan. 2009	EFRAG statement expected for June/July 2009	additional notes disclosure
IFRS 8	Operating Segments	30 Nov. 2006	1 Jan. 2009	22 Nov. 2007	additional notes disclosure
IAS 1	Amendments to IAS 1 "Presentation of Financial Statements: A Revised Presentation"	6 Sep. 2007	1 Jan. 2009	18 Dec. 2008	no material effect
IAS 23	Amendments to IAS 23 "Borrowing Costs"	29 Mar. 2007	1 Jan. 2009	17 Dec. 2008	capitalization of borrowing costs
IAS 27	Amendments to IAS 27 "Consolidated and Separate Financial Statements"	10 Jan. 2008	1 July 2009	EFRAG opinion issued; endorsement expected for Q2/2009	no material effect
IAS 32, IAS 1	Amendments to IAS 32 and IAS 1 "Puttable Financial Instruments and Obligations Arising on Liquidation"	14 Feb. 2008	1 Jan. 2009	22 Jan. 2009	no material effect
IAS 39	Amendments to IAS 39 "Financial Instruments: Recognition and Measurement: Eligible Hedged Items"	31 July 2008	1 July 2009	EFRAG opinion issued; endorsement expected for Q2/2009	none
IAS 39, IFRS 7	Amendments to IAS 39 and IFRS 7 "Reclassification of Financial Assets: Effective Date and Transition"	27 Nov. 2008	1 July 2008	EFRAG opinion issued; endorsement expected for Q2/2009	none
IFRIC 9, IAS 39	Amendment IFRIC 9 and IAS 39 "Embedded Derivatives"	12 Mar. 2009	30 June 2009	EFRAG statement expected for June/July 2009	no material effect
IFRIC 12	Service Concession Arrangements	30 Nov. 2006	1 Jan. 2008	EFRAG opinion issued; endorsement expected for Q1/2009	none
IFRIC 15	Agreements for the Construction of Real Estate	3 July 2008	1 Jan. 2009	EFRAG opinion issued; endorsement expected for Q2/2009	none
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	3 July 2008	1 Oct. 2008	EFRAG opinion issued; endorsement expected for Q2/2009	none
IFRIC 17	Distributions of Non-cash Assets to Owners	27 Nov. 2008	1 July 2009	EFRAG statement expected for Q2/2009	none
IFRIC 18	Transfers of Assets from Customers	29 Jan. 2009	1 July 2009	EFRAG statement expected for Q2/2009	none

1) Application to the first period of a financial year beginning on or after this date. Earlier application is recommended.
2) IFRSs adopted by the European Commission (endorsement process); date of publication. The Technical Expert Group of the European Financial Reporting Advisory Group (EFRAG) advises the Accounting Regulatory Committee (ARC) as part of the endorsement process by the European Commission. The ARC decides on the endorsement of individual standards and is composed of representatives from the member states under the chairmanship of the European Commission.
3) The amendments to IFRS 5 are effective for periods beginning on or after 1 July 2009.

Changes resulting from the "Annual Improvement Project"
This collection of amendments to IFRSs is the outcome of the IASB's first annual improvements process project. The amendments relate to 20 standards and give rise to accounting changes for presentation, recognition, or measurement purposes as well as terminology or editorial changes with minimal effect on accounting.

Amendments to IFRS 2 "Share-based Payment: Vesting Conditions and Cancellations"
The amendments supplement IFRS 2 such that the rules on early cancellation apply regardless of whether the entity or another party cancels the share-based payment plan. The amendments also clarified that vesting conditions are exclusively service and performance conditions.

Amendments to IFRS 3 "Business Combinations" and IAS 27 "Consolidated and Separate Financial Statements"
The IASB published the revised IAS 27 and IFRS 3 on 10 January 2008. These are the result of the second phase of the IASB's project on business combinations.

The amendments to IAS 27 relate primarily to accounting for non-controlling interests (currently referred to as "minority interests") and to the loss of control of subsidiaries. When measuring non-controlling interests, the amended IFRS 3 grants acquirers an option to measure the interest either at fair value (full goodwill method) or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets. The standard also requires the attribution of total comprehensive income to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Other significant changes relate to step acquisitions. If an entity gains control for the first time by acquiring additional interests, it must remeasure existing interests in profit or loss. If an entity's ownership interest in a subsidiary changes without the entity losing control of the subsidiary, the entity must recognize such changes directly in equity.

Amendments to IFRS 7 "Improving Disclosures about Financial Instruments"
The amendments will improve the disclosure requirements about fair value measurements and reinforce existing principles for disclosures about the liquidity risk associated with financial instruments. The amendments form part of the IASB's focused response to the financial crisis. They introduce a three-level hierarchy for fair value measurement disclosures and require entities to provide additional disclosures about the relative reliability of fair value measurements.

IFRS 8 "Operating Segments"
IFRS 8 will replace IAS 14 "Segment Reporting" and converges segment reporting under IFRSs with Statement of Financial Accounting Standards (SFAS) 131 "Disclosures about Segments of an Enterprise and Related Information" (US GAAP) effective 1 January 2009. Under IFRS 8, the management approach must be used to report on the segments' economic situation. This approach provides that operating segments are only reportable if they represent components of an entity for which separate financial information is available that is reviewed regularly by the entity's chief operating decision maker to decide on resources to be allocated to this segment and assess its performance. This financial information should normally be provided on the basis of internal reports.

Amendments to IAS 1 "Presentation of Financial Statements: A Revised Presentation"
The IASB published the revised IAS 1 on 6 September 2007. The amendments to IAS 1 are the result of Phase A of the IASB's financial statement presentation project. The new standard will achieve an extensive level of convergence between IAS 1 and Financial Accounting Standards Board (FASB) Statement No. 130 "Reporting Comprehensive Income" (US GAAP). The significant changes will have an effect on both the presentation of comprehensive income and the presentation of certain disclosures in the consolidated financial statements, especially in relation to the presentation of changes in equity arising from transactions with owners in their capacity as owners.

Amendments to IAS 23 "Borrowing Costs"
The amendments require that borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of the asset. The option of recognizing these borrowing costs immediately as an expense has been eliminated.

Amendments to IAS 32 and IAS 1 "Puttable Financial Instruments and Obligations Arising on Liquidation"
The amendments relate to entities that have issued financial instruments that are either puttable or impose an obligation on the entity to pay a pro rata share of net assets in the event of liquidation. Such instruments were previously presented as debt instruments; however, reflecting the amendments to IAS 32, they are now presented as equity instruments if they meet the established criteria.

Amendments to IAS 39 "Financial Instruments: Recognition and Measurement: Eligible Hedged Items"
The amendment clarifies how to apply hedge accounting when designating inflation risk as a hedged item as well as when designating a one-sided risk in a hedged item.

Amendments to IAS 39 and IFRS 7 "Reclassification of Financial Assets: Effective Date and Transition"
The amendments include the clarification of the effective date of the changes regarding the reclassification of financial instruments published on 13 October 2008 relating to IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures", according to which reclassifications made on or after 1 November 2008 take effect from the date when the reclassification was made and may not be applied retrospectively. Reclassifications made prior to 1 November 2008 could be applied retrospectively back to 1 July 2008 or a later date.

Amendments IFRIC 9 and IAS 39 "Embedded Derivatives"
The reclassification amendment to IAS 39 and IFRS 7 issued in October 2008 allows entities to reclassify particular financial instruments out of the "at fair value through profit or loss" category in specific circumstances. The amendments to IFRIC 9 and IAS 39 clarify that on reclassification of a financial asset out of the "fair value through profit or loss" category all embedded derivatives have to be assessed and, if necessary, accounted for separately in the financial statements.

IFRIC 12 “Service Concession Arrangements”
Service concession arrangements are arrangements whereby a government or another public sector institution grants contracts for the supply of public services – such as roads, airports, prisons, energy distribution, water supply and distribution facilities – to private operators. IFRIC 12 provides guidance on the application of existing IFRSs by the operator to these arrangements.

IFRIC 15 “Agreements for the Construction of Real Estate“
This interpretation applies to accounting for real estate sales where an agreement for the construction of real estate is entered into with the buyer before construction is complete or at the start of construction. IFRIC 15 defines criteria for determining whether the agreement is within the scope of IAS 11 “Construction Contracts” or IAS 18 “Revenue”.

IFRIC 16 “Hedges of a Net Investment in a Foreign Operation”
IFRIC 16 provides guidance on the reporting of hedges of a net investment in a foreign operation that arise in connection with IAS 21 “The Effects of Changes in Foreign Exchange Rates” and IAS 39 “Financial Instruments: Recognition and Measurement”.

IFRIC 17 “Distributions of Non-cash Assets to Owners”
IFRIC 17 provides guidance on the accounting treatment if an entity distributes non-cash assets as dividends to owners.

IFRIC 18 “Transfers of Assets from Customers”
IFRIC 18 provides guidance on accounting for agreements in which an entity receives from a customer an item of property, plant and equipment and cash that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services.

Deutsche Börse Group does not expect the application of the new IFRSs, the revised IASs/IFRSs and the new interpretations to have any material impact on its consolidated financial statements.

2. Basis of consolidation

Deutsche Börse AG’s equity interests in subsidiaries, associates and joint ventures as at 31 December 2008 included in the consolidated financial statements are presented in the following tables. Unless otherwise stated, the financial information is presented in accordance with the generally accepted accounting principles in the companies’ countries of domicile.

Fully consolidated subsidiaries as at 31 December 2008:

Subsidiaries

Company	Domicile	Equity interest as at 31 Dec. 2008 direct (indirect) %
Avox Ltd.	UK	76.82
Clearstream International S.A.	Luxembourg	100.00
Clearstream Banking S.A.	Luxembourg	(100.00)
Clearstream Banking AG	Germany	(100.00)
Clearstream Services S.A.	Luxembourg	(100.00)
Clearstream Operations Prague s.r.o.	Czech Republic	(100.00)
Deutsche Börse Finance S.A.	Luxembourg	100.00
Deutsche Börse IT Holding GmbH i.L.	Germany	100.00
Deutsche Börse Systems AG	Germany	100.00
Deutsche Börse Systems Inc.	USA	(100.00)
Deutsche Börse Dienstleistungs AG	Germany	100.00
Deutsche Gesellschaft für Wertpapierabwicklung mbH	Germany	100.00
Eurex Zürich AG	Switzerland	50.00[2]
Eurex Frankfurt AG	Germany	(50.00)[2]
Eurex Bonds GmbH	Germany	(39.72)[3]
Eurex Clearing AG	Germany	(50.00)[2]
Eurex Repo GmbH	Germany	(50.00)[2]
Eurex Services GmbH	Germany	(50.00)[2]
U.S. Exchange Holdings, Inc.	USA	(50.00)[2]
International Securities Exchange Holdings, Inc.	USA	(50.00)[2]
ETC Acquisition Corp.	USA	(50.00)[2]
International Securities Exchange, LLC	USA	(50.00)[2]
ISE Ventures, LLC	USA	(50.00)[2]
Longitude LLC	USA	(50.00)[2]
Finnovation Financial Services GmbH	Germany	100.00
Finnovation S.A.	Luxembourg	100.00
Infobolsa S.A.	Spain	50.00
Difubolsa, Serviços de Difusão e Informaçao de Bolsa, S.A.	Portugal	(50.00)
Infobolsa Deutschland GmbH	Germany	(50.00)
Risk Transfer Re S.A.	Luxembourg	100.00
Scoach Holding S.A.	Luxembourg	50.01
Scoach Europa AG	Germany	(50.01)
Scoach Schweiz AG	Switzerland	(50.01)
Xlaunch GmbH	Germany	100.00
Deutsche Börse Services s.r.o.	Czech Republic	(100.00)

1) Before profit transfer or loss absorption
2) Beneficial interest in profit or loss: 85 percent
3) Beneficial interest in profit or loss: 67.52 percent

Currency	Ordinary share capital thousands	Equity thousands	Total assets thousands	Sales revenue 2008 thousands	Net profit/loss 2008 thousands	Initially consolidated
£	0	–171	1,862	3,660	136	2005
€	25,000	970,891	1,021,125	63,301	294,483	2002
€	57,808	344,036	9,069,435	602,902	260,520	2002
€	25,000	240,718	1,382,163	286,624	90,381	2002
€	30,000	49,345	74,515	186,223	6,490	2002
CZK	200	3,268	43,668	20,940	3,068	30 Apr. 2008
€	125	627	645	0	406	2003
€	0	0	0	0	–7	2002
€	2,000	2,415	200,171	313,467	111,974[1)]	1993
US$	400	3,032	3,345	11,713	609	2000
€	50	49	49	0	–1[1)]	21 June 2007
€	25	43	55	0	–11	2006
CHF	10,000	161,799	231,948	0	206	1998
€	6,000	1,953,836	2,004,128	0	71,281	1998
€	3,600	3,852	4,456	3,508	516	2001
€	5,113	111,478	10,469,665	0	1,351[1)]	1998
€	100	550	3,606	5,530	2,370[1)]	2001
€	25	1,182,469	1,182,849	0	66,880[1)]	1 Nov. 2007
US$	1,000	961,488	2,662,339	0	29,334	2003
US$	0	2,608,678	3,478,932	0	96,298	19 Dec. 2007
US$	0	841	841	888	887	19 Dec. 2007
US$	0	167,094	242,709	341,956	121,529	19 Dec. 2007
US$	0	1,824	1,824	0	15,132	19 Dec. 2007
US$	0	–1,445	91	0	–2,528	19 Dec. 2007
€	25	24	24	0	0	14 Mar. 2007
€	13,400	10,443	12,270	0	–2,957	26 Mar. 2008
€	331	12,477	14,427	9,244	1,200	2002
€	50	57	150	346	20	2002
€	100	1,090	1,137	625	509	2003
€	1,225	5,035	7,324	0	1,443	2004
€	100	14,215	14,243	0	2,396	1 Jan. 2007
€	140	10,287	24,144	30,810	608	1 Jan. 2007
CHF	100	21,390	25,390	39,855	14,195	1 Jan. 2007
€	25	738	750	0	–12	2006
CZK	200	47,913	107,300	220,776	32,675	2006

Changes to consolidated subsidiaries

	Germany	Foreign	Total
As at 1 January 2008	14	21	35
Additions	0	2	2
Disposals	0	–2	–2
As at 31 December 2008	**14**	**21**	**35**

During the course of the year, Deutsche Börse AG established Finnovation S.A., Luxembourg, as a subsidiary. In 2008, Clearstream International S.A. founded Clearstream Operations Prague s.r.o., a subsidiary domiciled in Prague, Czech Republic. Clearstream Services (UK) Ltd., London, United Kingdom, was deconsolidated in the year under review after its liquidation was completed.

ISE Stock Exchange, LLC was merged into Direct Edge Holdings, LLC at the end of 2008 giving Deutsche Börse Group an indirect shareholding in that company of 15.77 percent, which is accounted for as an associate.

The ISE subgroup was included in the consolidated financial statements for the first time as at 31 December 2007, since the effects on the net assets, financial position and results of operations of Deutsche Börse Group between the effective date of acquisition, 19 December 2007, and the end of the year were considered to be immaterial. The ISE subgroup's income statement was consolidated for the first time in the 2008 reporting period.

Since the acquisition of the ISE subgroup first took effect shortly before the 2007 balance sheet date, only its preliminary tax rate could be ascertained in 2007. The following table shows the subsequent final calculation of goodwill:

Goodwill from acquisition of ISE

	Final goodwill calculation 31 Dec. 2007 €m	Preliminary goodwill calculation 31 Dec. 2007 €m
Purchase price[1]	2,042.2	2,042.2
Cash acquired	–239.7	–239.7
Transaction costs	18.6	18.6
Total acquisition cost	**1,821.1**	**1,821.1**
Exchange license	–299.1	–299.1
Member relationships	–951.5	–951.5
Market data customer relationships	–54.4	–54.4
ISE trade name	–20.4	–20.4
Options, stock and Longitude technology	–19.7	–19.7
Other assets and liabilities	–198.0	–209.1
Deferred taxes	584.2	615.1
Goodwill	**862.2**	**882.0**

1) Purchase price in the amount of US$2,811.1 million, translated at a partially hedged exchange rate of 1.3765

The reduction in goodwill from €882.0 million to €862.2 million is the result of the retrospective reduction of ISE's tax rate from 45.3 percent to 43.0 percent and the associated decrease in both deferred tax liabilities on the assets identified during the acquisition and income tax receivables.

Deutsche Börse AG's direct equity interest in Eurex Zürich AG increased to 50.0 percent in 2008. As a consequence of the amendment of the Swiss Stock Corporation Act, the shares in Eurex Zürich AG held by the Executive Board members of Deutsche Börse AG and the members of the Board of Directors of Eurex Zürich AG were retransferred to Deutsche Börse AG. On the basis of the profit participation rights granted to Deutsche Börse AG, its actual beneficial interest in Eurex Zürich AG's profit or loss was 85 percent as in the previous year. Acquisition accounting is based on this figure.

With effect from 26 January 2009, Deutsche Börse AG acquired Market News International Inc. (MNI), New York, USA, for a purchase price of US$10.6 million. MNI will be included in the consolidated financial statements for the first time as a wholly owned subsidiary from 31 January 2009. Purchase price allocation was not completed at the date of initial consolidation.

Associates accounted for using the equity method as at 31 December 2008 in accordance with IAS 28:

Associates

Company	Domicile	Segment[1]	Equity interest as at 31 Dec. 2008 direct (indirect) %	Ordinary share capital € thous.	Assets[2] € thous.	Liabilities[2] € thous.	Sales revenue 2008[2] € thous.	Net profit/loss 2008[2] € thous.	Associate since
BrainTrade Gesellschaft für Börsensysteme mbH	Germany	Xetra	28.57[3]	1,400	5,125	3,206	24,788	461	1 Jan. 2007
BSP Regional Energy Exchange LLC	Slovenia	Eurex	(24.50)	1,500	957	128	36	–670	8 Apr. 2008
Deutsche Börse Commodities GmbH	Germany	Xetra	16.20	1,000	384,725	384,156	455	–275	27 Nov. 2007
Direct Edge Holdings, LLC	USA	Eurex	(15.77)	169,622[4,8]	197,368[4]	27,746[4]	392,340[4]	19,053[4]	29 Dec. 2008
European Energy Exchange AG[5]	Germany	Eurex	(17.37)	40,050	534,256	452,658	43,154	21,727	1999
FDS Finanz-Daten-Systeme Verwaltungs GmbH	Germany	Market Data & Analytics	(50.00)	26	41	5	0	1	1998
FDS Finanz-Daten-Systeme GmbH & Co. KG	Germany	Market Data & Analytics	50.00	19,451	2,415	12	0	–57	1998
Link-Up Capital Markets, S.L.	Spain	Clearstream	(18.18)	3	7,812	348	0	–239	2 Apr. 2008
STOXX Ltd.	Switzerland	Market Data & Analytics	33.33	1,000[6]	77,369[6]	19,959[6]	90,820[6]	49,893[6]	1997
The Clearing Corporation Inc.[5]	USA	Eurex	(6.31)	71,283[4,8]	123,746[4]	79,612[4]	762[4]	–2,790[4]	2004
The Options Clearing Corporation[7]	USA	Eurex	(10.00)	600[4]	4,730,365[4]	4,694,848[4]	117,377[4]	–864[4]	19 Dec. 2007
U.S. Futures Exchange LLC	USA	Eurex	(13.84)	–8,622[4,8]	6,772[4]	15,394[4]	1,335[4]	–25,506[4]	2006

1) For associates allocated to Eurex segment, the figures reported reflect 50 percent of the Eurex subgroup's equity interest. The beneficial interest in profit or loss amounts to 85 percent of the Eurex subgroup's equity interest.
2) Preliminary figures
3) Indirect beneficial interest: 14.28 percent
4) US$ thousands
5) Subgroup figures
6) CHF thousands
7) Figures as at 31 December 2007
8) Equity figures

During the course of the reporting period, Clearstream Banking AG acquired an 18.18 percent interest in the company Link-Up Capital Markets, S.L., Madrid, Spain. This entity was classified as an associate and accounted for using the equity method because Clearstream Services S.A. provides the IT infrastructure for Link-Up Capital Markets, S.L. Under IAS 28 this constitutes significant influence over the organization.

In addition, Eurex Frankfurt AG and the energy exchange Borzen organizator trga z električno energijo d.o.o. established BSP Regional Energy Exchange LLC, Ljubljana, Slovenia, in which Eurex Frankfurt AG holds a 49.0 percent interest. The joint venture agreement does not envisage a joint control. Thus, the company is classified as an associate under IAS 28 and accounted for using the equity method.

In 2008, the direct interest held by Eurex Zürich AG in European Energy Exchange AG was increased for the payment of a purchase price of €30.5 million from 23.22 percent to a total of 34.73 percent. The interest is still accounted for using the equity method. Since the investment is held via Eurex Zürich AG, the indirect interest amounts to 17.37 percent.

The Eurex subgroup's US activities on 31 December 2008 included an unchanged 12.62 percent interest in The Clearing Corporation Inc. (CCorp), held by U.S. Exchange Holdings, Inc., and an unchanged 27.71 percent interest in U.S. Futures Exchange LLC (USFE). Because the appointment of members of the board of directors gives rise to the ability to significantly influence its operating and financial policies, CCorp is included in the consolidated financial statements using the equity method in accordance with IAS 28.7. Both of these investments are held via Eurex Zürich AG, thereby reducing the indirect interest in these companies accordingly.

The Clearing Corporation Inc. was merged with ICE U.S. Trust Holding Company LP with effect from 6 March 2009. Since then U.S. Exchange Holdings Inc. has an interest of 6.3 percent in ICE U.S. Trust Holding Company LP.

International Securities Exchange Holdings, Inc. (ISE) acquired a 31.54 percent interest in Direct Edge Holdings, LLC in the fourth quarter of 2008. The purchase price of US$125.2 million included both a cash component and the contribution of shares of ISE Stock Exchange, LLC, which had previously been a fully consolidated subsidiary. The interest in Direct Edge Holdings, LLC is accounted for using the equity method.

The 47.96 percent interest of ISE Ventures, LLC in CDEX Inc., which had previously been recognized as an associate, was sold in the reporting year. Since the investment had been held via International Securities Exchange Holdings, Inc., the indirect interest was 23.98 percent. The gain from the termination of the joint venture was reported under other operating income.

3. Accounting policies

The consolidated financial statements have been prepared in euros. Unless stated otherwise, all amounts are shown in millions of euros (€m). The annual financial statements of subsidiaries included in the consolidated financial statements have been prepared on the basis of common Group-wide accounting principles based on IFRSs that are described in detail in this note. For reasons of materiality, the single-entity financial statements of associates were not adjusted to comply with uniform Group accounting policies.

Recognition of revenue and expenses
Trading, clearing and settlement fees are recognized immediately at the trade date and billed on a monthly basis. Custodian fees, as well as fees from the sale of information services and system operation services, are generally recognized ratably and billed on a monthly basis. Fees charged to trading participants in connection with International Securities Exchange, LLC's expenses for supervision by the U.S. Securities and Exchange Commission (SEC) are recognized at the settlement date.

International Securities Exchange, LLC earns market data revenue from the sale of trade and quote information on options through the Options Price Reporting Authority (the regulatory authority responsible for distributing market data revenues among the US options exchanges), from the sale of such information on equity transactions through another authority, the Consolidated Tape Authority, and from the Nasdaq UTP Plan that fulfills the same function for all transactions in Nasdaq-listed securities that are tradable on other exchanges. Pursuant to regulation by the SEC, US exchanges are required to be members of and report trade and quote information to these organizations. International Securities Exchange, LLC earns a portion of each association's income based on its share of eligible trades for option securities and eligible trades and quotes for equity securities.

As a rule, sales allowances are deducted from sales revenue. They are recognized as an expense to the extent that they exceed the associated sales revenue.

Risk Transfer Re S.A.'s premium income and acquisition costs from reinsurance contracts are recognized over the life of the contracts. The activities of this company are immaterial in the context of the consolidated financial statements of Deutsche Börse Group.

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

Government grants
A government grant is not recognized until there is reasonable assurance that the entity will comply with the conditions attaching to it, and that the grant will be received. Government grants related to assets are presented as deferred income in the consolidated balance sheet and are recognized as income over the life of the depreciable asset. Grants related to income are deducted in reporting the expense which they are intended to compensate over the periods in which the latter occur. If the payment date for government grants falls after the expenses to be compensated have been incurred and it is probable that the conditions for receiving the grants will be met, they are recognized in profit or loss when the corresponding expenses are incurred.

Intangible assets
Research costs are expensed in the period in which they are incurred. Development costs are capitalized at cost, provided that they satisfy the recognition criteria set out in IAS 38. These development costs include direct labour costs, costs of purchased services (external consultants) and workplace costs, including proportionate overheads that can be directly attributed to the preparation of the respective asset for use, such as costs for the software development environment. Borrowing costs are not included in production costs. Capitalized development costs are generally amortized over the expected useful life of five years, starting on the date of first use. Intangible assets are derecognized on disposal or when no further economic benefits are expected to flow from the assets.

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

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

Useful life of software

Assets	Amortization method	Amortization period
Standard software	straight-line	3 to 10 years
Purchased custom software	straight-line	4 to 6 years
Internally developed custom software	straight-line	5 years

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

The cost of the other intangible assets acquired in the course of the acquisition of the ISE subgroup corresponds to the fair value as at the acquisition date. Assets with a finite useful life are amortized. Amortization is recognized using the straight-line method over the expected useful life.

Useful life of other intangible assets arising out of the acquisition of ISE

Assets	Amortization method	Amortization period
Exchange license	n.a.	n.a.
Member relationships	straight-line	30 years
Market data customer relationships	straight-line	30 years
ISE trade name	straight-line	10 years

As the exchange license does not have a finite term and ISE expects to retain the license as part of its overall business strategy, the useful life of this asset is estimated as indefinite. A review is performed in each reporting period to determine whether the events and circumstances still justify estimating the useful life of the license as indefinite.

The exchange license and the trade name do not generate cash inflows that are largely independent from those of ISE's other assets. Therefore, they are allocated to ISE as a cash-generating unit.

Property, plant and equipment

Property, plant and equipment is carried at cost and reduced by depreciation for wear and tear. The cost of an item of property, plant and equipment comprises all costs directly attributable to the production process, as well as an appropriate proportion of production overheads. Financing costs are not recognized.

Useful life of property, plant and equipment

Assets	Depreciation method	Depreciation period
Computer hardware	straight-line	3 to 5 years
Office equipment	straight-line	5 to 25 years
Improvements to leasehold and own property	straight-line	based on lease term or 10 years for own property

Investments in moveable items of property, plant and equipment made during a month are depreciated from the first day of this month.

Purchased low-value assets are written off in accordance with the applicable tax provisions. Repair and maintenance costs are expensed as incurred. If it is probable that the future economic benefits associated with an item of property, plant and equipment will flow to the Group and the cost of the respective asset can be reliably determined, expenditure subsequent to acquisition is added to the carrying amount of the asset as incurred. The carrying amounts of the parts of the asset that have been replaced are derecognized.

Provided that the criteria for classification as a finance lease have been satisfied, leased property, plant and equipment is recognized in accordance with IAS 17 and depreciated, and a corresponding finance lease liability is recognized. Gains from sale and leaseback transactions are immediately recognized in income under "other operating income" as at the date of the transaction if such transactions were at fair value and the lease agreements entered into in the course of the transaction resulted in operating leases.

Financial assets and investment property
Financial assets and investment property are initially measured at fair value; in the case of a financial asset that is not measured at fair value through profit or loss, this includes transaction costs. Subsequent to initial recognition, the measurement depends on the type of instrument as described below.

Investments in associates consist of investments in joint ventures and other associates. Joint ventures and other associates are generally accounted for using the equity method in accordance with IAS 31.38 or IAS 28.13. Joint ventures and other associates that are insignificant for the presentation of a true and fair view in the consolidated financial statements are not accounted for using the equity method, but are carried at cost.

For disclosures on other equity investments and current receivables and securities from banking business, see the “Financial instruments” section.

Other noncurrent financial instruments are classified as available-for-sale financial assets and carried at their fair values in accordance with IAS 39, based on market prices. Discounted cash flow methods are applied where a current market price is not available. Discount rates used are based on market interest rates for financial instruments having substantially the same terms and characteristics.

In accordance with IAS 40, Deutsche Börse Group has chosen the cost model to measure its investment property. As at 31 December 2006, the investment property item related to two buildings leased to third parties, except for a minor part of one building. These buildings were sold during financial year 2007. The gain on the disposal was reported under other operating income.

Impairment testing
In accordance with IAS 36, noncurrent assets are tested for impairment. At each balance sheet date, the Group assesses whether there is any indication that an asset may be impaired. In this case, the carrying amount is compared with the recoverable amount (the higher of value in use and fair value less costs to sell) to determine the amount of any potential impairment. The value in use is estimated on the basis of the discounted estimated future cash flows from continuing use of the asset and from its ultimate disposal, before taxes. For this purpose, discount rates are estimated based on the prevailing pre-tax weighted average cost of capital adjusted for the specific risks for the asset.

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

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

A review is conducted at every balance sheet date to see whether there is any indication that an impairment loss recognized on noncurrent assets (excluding goodwill) in the previous period no longer applies. If this is the case, the carrying amount of the asset is increased up to the recoverable amount and the difference is recognized in profit or loss. Reversals for goodwill are not permitted.

Financial instruments

Recognition of financial assets and liabilities

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

With the exception of receivables and liabilities from banking business and the financial instruments of Eurex Clearing AG, all financial assets and liabilities are recognized at the trade date. For details on the receivables and liabilities from banking business and the financial instruments of Eurex Clearing AG see below.

Derecognition of financial assets and liabilities

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

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

Netting of financial assets and liabilities

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

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

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

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

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

Other equity investments
Other equity investments are equity interests of less than 20 percent that are designed to establish a permanent relationship with the company concerned and where no significant influence based on the criteria set out in IAS 28.7 exists. In accordance with IAS 39.46, such financial assets are measured at their fair values, based on observable current market prices. Unrealized gains and losses are recognized directly in equity in the revaluation surplus. Where a current market price is unavailable and alternative valuation methods are inappropriate, such investments are carried at cost subject to an impairment review. Other investments for which no active market exists are measured on the basis of current comparable market transactions. Realized gains and losses are recognized under financial income or financial expense.

Receivables, securities and liabilities from banking business
The financial instruments contained in the receivables and securities from banking business as well as in the liabilities from banking business are accounted for in accordance with IAS 39, which states that the entire portfolio of financial assets and liabilities must be classified into four categories and measured in accordance with this classification:

“Financial assets at fair value through profit and loss” are recognized at the trade date. This category includes currency swaps and forward foreign exchange transactions not classified as hedging instruments under IAS 39. Fair value of these derivatives is calculated based on observable current market rates. Realized and unrealized gains and losses are immediately recognized in the consolidated income statement as other operating income and other operating expenses. As in the previous year, Deutsche Börse Group did not exercise the option to designate financial assets or liabilities as at fair value through profit or loss on initial recognition in the reporting period.

“Loans and receivables” are recognized at the settlement date. This category includes loans created by providing funds to a debtor. It also includes reverse repurchase agreements, i. e. securities purchase agreements under which essentially identical securities will be resold at a certain date in the future at an agreed price. Such agreements are treated as secured fixed-term deposits. The amounts paid are reported as loans to other banks and customers. Loans and receivables are carried at amortized cost, less any write-downs for impairment. Premiums and discounts are included in the amortized cost of the instrument concerned and are amortized using the effective interest method; they are contained in “net interest income from banking business”.

“Available-for-sale financial assets” comprise current and noncurrent financial assets.

Current available-for-sale financial assets (financial assets other than at fair value through profit and loss or loans and receivables) are recognized at the settlement date. Subsequently, they are measured based on their fair values, calculated based on observable current quotations. Interest income is recognized in the consolidated income statement in net interest income from banking business based on the effective interest rate method. Other realized gains and losses are recognized in the consolidated income statement in other operating income and other operating expenses. Fair value adjustments are recognized directly in equity in the revaluation surplus.

Noncurrent available-for-sale financial assets include bonds and other fixed-income securities. They correspond to the investment of the entity's capital, are hence held for the long term and are classified as noncurrent assets irrespective of their remaining maturity. They are recognized at the settlement date. Subsequently, they are measured based on their fair values, based on observable current quotations. Interest income is recognized in the consolidated income statement as net interest income from banking business based on the effective interest rate method. When such bonds are hedged instruments under fair value hedges, hedge accounting is applied for fair value adjustments corresponding to the hedged item (see "Fair value hedges" below). Other fair value adjustments are recognized directly in equity in the revaluation surplus.

Deutsche Börse Group did not use the "held-to-maturity investments" category in financial years 2008 and 2007.

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

Financial liabilities measured at fair value through profit and loss
According to IAS 32.18 (b), a financial instrument that gives the holder the right to put it back to the issuer for cash or another financial asset (a "puttable instrument") is a financial liability. Because of the put option that is held in favour of the minority shareholders, the minority interests in Avox Ltd. are classified as such and carried at fair value. They are reported under "other noncurrent liabilities".

Derivatives and hedges
Derivatives are used to hedge interest rate risk or foreign exchange risk associated with the activities of Deutsche Börse Group.

All derivatives are carried at their fair values. The fair value of interest rate swaps is determined on the basis of current observable market interest rates. The fair value of forward foreign exchange transactions is determined on the basis of forward foreign exchange rates at the balance sheet date for the remaining period to maturity.

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

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

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

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

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

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

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

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

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

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

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

In addition to these daily collateral payments, each clearing member must make contributions to the clearing fund (for further details, see the risk report in the Group management report). Cash collateral is reported in the consolidated balance sheet under "cash deposits by market participants" and the corresponding amounts under "restricted bank balances". In accordance with IAS 39.20 (b) in conjunction with IAS 39.37, securities collateral is not derecognized by the clearing member providing the collateral. As the transfer of securities does not meet the conditions for derecognition, the securities are not recognized as assets in accordance with IAS 39 AG 34.

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

Recognition of measurement adjustments
Net profit for the year includes changes in the measurement of financial assets and liabilities at fair value through profit and loss that are presented under “current receivables and securities from banking business”, as well as “liabilities from banking business”; adjustments in the measurement of derivatives presented under “other noncurrent and current assets and liabilities” that are not part of a hedging relationship; the ineffective portion of cash flow hedges; adjustments in the measurement of fair value hedges; and adjustments in the measurement of investments in associates that are not recognized in equity.

Changes in the measurement of other noncurrent financial instruments, other noncurrent loans and available-for-sale financial assets held within receivables and securities from banking business are taken directly to shareholders’ equity until realized, or until an impairment loss is recognized, at which time the cumulative gain or loss previously taken to equity is included in the profit for the year.

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

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

Provisions for pensions and other employee benefits
Provisions for pension obligations are measured using the projected unit credit method on the basis of actuarial reports in accordance with IAS 19. The obligations are measured at the balance sheet date each year using actuarial methods that conservatively estimate the relevant parameters. The pension benefits expected on the basis of projected salary growth are spread over the remaining length of service of the employees. The calculations are based on generally accepted industry mortality tables. In Germany, the “2005 G” mortality tables (generation tables) developed by Prof Dr Klaus Heubeck were used.

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

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

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

A new scheme for the retirement provisions for senior executives in Germany was agreed and implemented as at 1 January 2004. The new benefits are based on performance and no longer exclusively on the principle of providing benefits. The old pension system based on pensionable income was replaced by a “capital component system”. This system builds on annual income received composed of both the fixed annual salary and the variable remuneration paid. Individual professional performance is thus directly reflected in the future pension payments. Every year, Group companies contribute an amount that corresponds to a certain percentage of the pensionable income. This amount is multiplied by a capitalization factor depending on age, resulting in the “annual capital component”. The benefit assets equal the total of the acquired capital components of the individual years and are converted into a lifelong pension once the benefits fall due. Since 1 July 2006, this benefit has been no longer available to new senior executives.

The employees of the Clearstream subgroup in Luxembourg participate in separate defined benefit pension plans.

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

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

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

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

Other provisions

In accordance with IAS 37, the other provisions take account of all identifiable risks as well as uncertain obligations and are measured in the amount of the probable obligation. A provision for restructuring is only recognized when an entity has a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Group Share Plan and phantom stock option plan

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

Group Share Plan

The cost of shares granted to employees at a discount is recognized in the income statement at the grant date. Options granted follow the accounting principles for share-based payments with a choice of settlement in cash or equity instruments. As the Company does not have an obligation to settle in cash at the grant date, the options are recognized as equity-settled share-based payments. The options are measured at their fair values at the grant date and recognized in the income statement over the two-year vesting period, with a corresponding increase in shareholders' equity.

Under the 2003 tranche, a present obligation to settle in cash arose during the vesting period following the announcement of cash settlement prior to the end of the vesting period. Accordingly, the options in the 2003 tranche were recognized as cash-settled share-based payments in the period under review. The options are measured at their respective fair values at the reporting date and recognized in the income statement.

The cost of GSP shares granted to employees of the US subsidiary International Securities Exchange Holdings, Inc. at a discount is recognized in the consolidated income statement at the grant date. The GSP shares granted follow the accounting principles for share-based payments with a choice of settlement in cash or equity instruments. As the Company does not have an obligation to settle in cash at the grant date, the options are recognized as equity-settled share-based payments. The GSP shares are measured at their fair value at the grant date and recognized in the income statement over the one- to three-year vesting period, with a corresponding increase in shareholders' equity.

Phantom stock option plan
Options granted follow the accounting principles for cash-settled share-based payments. The cost of the options is estimated using an option pricing model (fair value measurement).

Stock Bonus Plan (SBP)
The SBP shares granted follow the accounting principles for share-based payments with a choice of settlement in cash or equity instruments. As the Company does not have an obligation to settle in cash at the grant date, the SBP shares are recognized as equity-settled share-based payments. The SBP shares are measured at their fair value at the grant date and recognized in the income statement over the three-year vesting period, with a corresponding increase in shareholders' equity.

Deferred tax assets and liabilities
Deferred tax assets and liabilities are computed using the balance sheet approach in accordance with IAS 12. The deferred tax calculation is based on temporary differences between the carrying amounts in the tax accounts and the carrying amounts in the IFRS financial statements that lead to a future tax liability or benefit when assets are used or sold or liabilities are settled. No deferred taxes are recognized on differences resulting from the initial recognition of goodwill.

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

Currency translation
In accordance with IAS 21, foreign currency transactions are translated at the exchange rate prevailing at the transaction date.

At the balance sheet date, monetary balance sheet items in foreign currency are measured at the exchange rate at the balance sheet date, while non-monetary balance sheet items are measured at historical cost. Non-monetary balance sheet items measured at fair value are translated at the closing rate. Currency translation differences are recorded as income or expense in the period in which they arise unless the underlying transactions are hedged. Such items of income or expense are contained in other operating income or expenses, as appropriate. If a hedging transaction was entered into in the form of a hedge of the net investment in a foreign operation, the gain or loss from the hedging transaction that is designated as highly effective is recognized in equity.

Consolidation

Acquisition accounting uses the purchase method in accordance with IFRS 3. The acquiree's identifiable assets, liabilities and contingent liabilities are recognized at their fair values at the acquisition date. Any excess of cost over the acquirer's interest in the net fair value of the subsidiary is recognized as goodwill and carried at cost. Goodwill is measured in subsequent periods at cost less accumulated impairment losses.

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

Interests in equity attributable to minority shareholders are carried under "minority interests" within equity. Where these are classified as "puttable instruments", they are reported under "other noncurrent liabilities". For more information see above under "Financial liabilities measured at fair value through profit and loss".

Deutsche Börse AG's functional currency is the euro. Investments in subsidiaries outside the euro area, as well as investee equity items, are translated at historical exchange rates. Assets and liabilities of companies whose functional currency is not the euro are translated into euros at the closing rate. In accordance with IAS 21, income statement items are translated using average exchange rates. Resulting exchange differences are recognized directly in accumulated profit. When a subsidiary is disposed of, the cumulative exchange differences recognized in accumulated profit until its deconsolidation are recognized in consolidated profit in the period in which the deconsolidation gain or loss is recognized.

The following euro exchange rates have been used:

Exchange rates

		Average rate 2008	Average rate 2007	Closing rate as at 31 Dec. 2008	Closing rate as at 31 Dec. 2007
Swiss francs	CHF	1.5602	1.6495	1.4888	1.6573
US dollars	USD (US$)	1.5012	1.3911	1.4062	1.4713
Czech koruny	CZK	25.1561	27.7228	26.6629	26.5770
Pounds sterling	GBP (£)	0.8395	0.6972	0.9744	0.7362

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

Key sources of estimation uncertainty and management judgements
The application of accounting policies, presentation of assets and liabilities and recognition of income and expenses requires the Executive Board to make certain judgements and estimates. Estimated amounts may differ from actual amounts. The amounts are therefore adjusted retrospectively if they relate to previous periods.

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

Accounting for provisions for pensions and similar obligations requires the application of certain actuarial assumptions (e. g. discount rate, staff turnover rate) so as to estimate their carrying amounts (see above). Note 25 shows the present value of the obligations at each balance sheet date. These assumptions may fluctuate considerably, for example because of changes in the macroeconomic environment, and may thus materially affect provisions already recognized. However, this effect is mitigated by application of the corridor method.

Note 46 contains disclosures on the valuation model used for the options. Where the estimates of the valuation parameters originally applied differ from the actual values available when the options are exercised, adjustments are necessary; such adjustments are recognized in the consolidated income statement for the period if they relate to cash-settled share-based payment transactions.

In addition, the probable utilization applied when establishing provisions for expected losses from rental agreements is estimated (see note 27). In the creation of personnel-related restructuring provisions, certain assumptions were made with regard to, for example, fluctuation rate, discount rate and salary trends. Should the actual values deviate from these assumptions, adjustments may be necessary.

Consolidated Income Statement Disclosures

4. Sales revenue

Composition of external sales revenue by segment

	2008 €m	2007 €m
Xetra		
Xetra trading fees	187.3	199.0
Clearing and settlement fees	97.4	115.1
Scoach trading fees	55.7	37.6
Floor trading fees	34.1	53.7
Listing fees	12.2	13.0
Income from cooperation agreements	8.4	14.3
Other sales revenue	4.3	2.3
	399.4	**435.0**
Eurex		
Equity index derivatives	450.0	367.8
Interest rate derivatives	211.1	251.6
Equity derivatives	58.6	53.4
US options (ISE)	176.6	0
Other sales revenue	113.8	41.1
	1,010.1	**713.9**
Clearstream		
Custody fees	459.1	466.2
Transaction fees	140.2	165.1
Global Securities Financing	83.5	55.4
Other sales revenue	86.5	81.5
	769.3	**768.2**
Market Data & Analytics		
Sales of price information	142.6	130.2
Other sales revenue	38.0	38.1
	180.6	**168.3**
Information Technology		
Systems operation	86.1	88.5
Systems development	9.6	11.3
	95.7	**99.8**
Total	**2,455.1**	**2,185.2**
thereof Deutsche Börse Group without ISE	2,213.9	2,185.2
thereof ISE	241.2	0

Xetra and Eurex sales revenue is composed principally of trading and clearing revenue. Xetra charges a fee per executed order and depending on order value, Eurex charges a fee per contract. The Eurex trading and clearing fees represent the contractual 85 percent of transaction fees invoiced by Eurex Clearing AG. The remaining 15 percent are paid to SIX Swiss Exchange AG and are not included in Deutsche Börse Group's consolidated financial statements.

A new pricing model for the differentiated service levels for clearing in the tariff structure for trading on the Xetra electronic system was introduced on 1 September 2008. In addition to the existing comprehensive offering, which will be known in future as the Full Service offering, Eurex Clearing now offers a Basic Net Service and an Extended Net Service. Depending on the service selected, this could lead to cost savings of up to 40 percent for clearing participants. The decline in segment revenue of 8 percent to €399.4 million (2007: €435.0 million) is largely due to the fall in Xetra trading fees and in clearing and settlement fees. This in turn is attributable to the decrease in the Xetra trading volume of 12 percent to €2,149.0 billion (2007: €2,443.0 billion). Floor trading fees were also down by 36 percent due to the drop in the floor trading volume.

The sharp increase in Eurex's sales revenue by 41 percent to €1,010.1 million (2007: €713.9 million) results mainly from the full consolidation of the ISE subgroup, which contributed €239.8 million to sales revenue. Adjusted for ISE's contribution, Eurex generated organic growth of 8 percent to €770.3 million due to the 14 percent rise in the number of traded contracts (excluding US options of ISE). Revenue growth was lower than volume growth because of volume-related sliding-scale discounts (such as for index products) and the change in the product mix.

At €769.3 million, sales revenue in the Clearstream segment was on a level with the previous year (2007: €768.2 million). Although the average value of securities held in custody increased slightly by 1.3 percent to €10.6 trillion (2007: €10.5 trillion), custody revenue fell by 2 percent. This is primarily the result of the volume-related fee schedule, which offers a decrease in average pricing as volumes increase. Transaction revenue was down by 15 percent; this was due to the 7 percent drop in the number of transactions to 114.3 million (2007: 123.1 million) as a result of the global financial crisis. Income in the Global Securities Financing business rose by 51 percent to €83.5 million (2007: €55.4 million). This is attributable to substantially higher securities lending volumes and the ASLplus service, where Clearstream Banking S.A. acts as principal in securities borrowing and lending transactions.

Sales revenue in the Market Data & Analytics segment rose by 7 percent to €180.6 million (2007: €168.3 million). Most of the revenue was generated by the sale of price information. Other revenue is generated by index license income and the provision of securities information.

Information Technology develops and operates systems for internal and external customers. External revenue fell by 4 percent to €95.7 million (2007: €99.8 million).

5. Net interest income from banking business

Composition of net interest income from banking business

	2008 €m	2007 €m
Loans and receivables	396.3	382.2
Financial liabilities measured at amortized cost	–199.9	–186.5
Available-for-sale financial assets	25.0	28.5
Financial assets or liabilities at fair value through profit or loss:		
Interest income	17.0	11.9
Interest expense	–19.3	–7.0
Interest income – interest rate swaps – cash flow hedges	45.0	37.3
Interest income – interest rate swaps – fair value hedges	8.6	8.1
Interest expense – interest rate swaps – cash flow hedges	–28.9	–36.4
Interest expense – interest rate swaps – fair value hedges	–7.0	–7.3
Total	**236.8**	**230.8**

Net interest income from banking business was up 3 percent to €236.8 million.

Net interest income on financial assets or liabilities at fair value through profit or loss results from derivatives held for trading.

6. Own expenses capitalized

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

Research and development costs

	Total expense for software development		of which own expenses capitalized	
	2008 €m	2007 €m	2008 €m	2007 €m
Xetra				
Xetra software	11.2	15.8	6.1	9.7
CCP releases[1]	4.7	3.8	2.2	2.3
	15.9	**19.6**	**8.3**	**12.0**
Eurex				
Eurex software	24.3	27.8	14.4	14.4
Global Trading System	8.7	0	6.2	0
CCP releases[1]	0	0.3	0	0
	33.0	**28.1**	**20.6**	**14.4**
Clearstream				
Collateral Management, Settlement and Strategic	34.1	50.2	5.8	6.7
Custody	16.0	16.3	0.8	0.7
Connectivity	10.5	6.7	1.1	0
Investment funds	7.3	4.4	1.5	1.4
	67.9	**77.6**	**9.2**	**8.8**
Market Data & Analytics				
CEF data feeds	5.3	3.4	0	0
Other	0.3	1.9	0.3	1.7
	5.6	**5.3**	**0.3**	**1.7**
Information Technology				
Other	1.1	1.7	0	0
	1.1	**1.7**	**0**	**0**
Total of all segments	**123.5**	**132.3**	**38.4**	**36.9**
less intercompany profits	–20.6	–21.0	–10.4	–11.8
Total	**102.9**	**111.3**	**28.0**	**25.1**

1) CCP releases comprise the Equity Central Counterparty, CCP, FI-CCP, ISE-CCP and Integrated Clearer systems, which are managed as part of a joint project. The development costs were allocated to the Xetra and Eurex segments on the basis of the resources used.

7. Other operating income

Composition of other operating income

	2008 €m	2007 €m
Income from agency agreements	33.2	35.9
Gains on the disposal of equity investments	9.4	15.0
Income from exchange rate differences	9.2	11.4
Rental income from sublease contracts	8.1	9.2
Gains on sale of buildings and investment property	0	120.6
Gains on the disposal of land held for sale	0	9.4
Rental income from investment property	0	8.0
Miscellaneous	6.8	13.9
Total	**66.7**	**223.4**
thereof Deutsche Börse Group without ISE	57.3	223.4
thereof ISE	9.4	0

Income from agency agreements results mainly from the operational management of the Eurex Zürich derivatives market for SIX Swiss Exchange AG.

Gains on the disposal of equity investments amounting to €9.4 million relate to the termination of a joint venture between ISE Ventures, LLC and the Canadian TSX Group Inc. In the previous year, this item included a gain on the disposal of shares in the International Index Company Ltd.

For details of rental income from sublease contracts see note 45.

Miscellaneous other operating income includes income from cooperation agreements and from training as well as employee contributions for company cars and valuation allowances.

8. Staff costs

Composition of staff costs

	2008 €m	2007 €m
Wages and salaries	363.9	508.1
Social security contributions, retirement and other benefits	57.5	58.1
Total	**421.4**	**566.2**
thereof Deutsche Börse Group without ISE	370.9	566.2
thereof ISE	50.5	0

In 2008, wages and salaries expense fell by 28 percent to €363.9 million (2007: €508.1 million). This was due to several effects: the decline in Deutsche Börse AG's share price reduced expenses relating to the Group Share Plan, stock option program and Stock Bonus Plan (see also note 46) to €9.1 million (2007: €156.8 million). Additionally, provisions of €41.3 million were recognized in staff costs in 2007 as part of the Company's restructuring and efficiency program. This was offset by the wages and salaries of the ISE subgroup amounting to €46.0 million included for the first time in financial year 2008.

Social security contributions, retirement and other benefit costs went down by 1 percent to €57.5 million (2007: €58.1 million), of which €24.0 million (2007: €22.1 million) related to contributions to defined contribution pension plans. For details on defined benefit pension plans, see note 25.

9. Other operating expenses

Composition of other operating expenses

	2008 €m	2007 €m
Costs for IT services providers and other consulting services	128.1	117.2
Premises expenses	74.5	59.9
IT costs	54.7	46.5
Purchase of price information	51.3	43.0
Non-recoverable input tax	45.1	41.2
Communication costs (including network costs)	26.9	27.0
Advertising and marketing costs	23.8	23.2
Cost of agency agreements	22.6	23.3
Travel, entertainment and corporate hospitality expenses	19.3	16.5
Expenses for liquidity supply: Scoach	15.1	0
Insurance premiums, contributions and fees	14.2	14.9
Sales revenue-related costs ISE	12.7	0
Non-wage labour costs and voluntary social benefits	12.0	10.9
Xontro system operation	10.6	15.5
Cost of exchange rate differences	6.5	2.1
Valuation allowances and bad debt losses	5.9	1.3
Supervisory Board remuneration	4.1	5.8
Fees payable to Nasdaq OMX Group, Inc.	2.5	3.7
Postage and transport costs	2.0	2.0
Rent and leases (excluding IT and buildings)	2.0	1.8
Office supplies	2.0	1.6
Miscellaneous	11.8	12.3
Total	**547.7**	**469.7**
thereof Deutsche Börse Group without ISE	497.8	469.7
thereof ISE	49.9	0

Costs for IT services providers and other consulting services relate mainly to expenses in conjunction with software development. An analysis of development costs is presented in note 6. These costs also contain costs of strategic and legal consulting services as well as of audit activities.

The fees for the auditors, KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, Germany, expensed in accordance with section 314 (1) no. 9 Handelsgesetzbuch (HGB, the German Commercial Code) in the year under review, were as follows:

Composition of fees for the auditor

	2008 €m	2007 €m
Statutory audit	1.3	1.7
Tax advisory services	0.5	1.0
Other assurance or valuation services	0.1	0.1
Other services	0.5	1.7
Total	**2.4**	**4.5**

The decline in costs for statutory audits in the year under review is due to the costs incurred in the previous year for the acquisition of ISE and to the enhanced requirements of the TUG (Transparenzrichtlinie-Umsetzungsgesetz, the Transparency Directive Implementing Act), among other things. The lower expenses for tax advisory services are attributable to reduced project activity in financial year 2008.

Premises expenses relate primarily to the cost of providing office space. They include rent, maintenance, security, energy, cleaning and miscellaneous premises expenses. The increase is largely attributable to the premises rented in Luxembourg since financial year 2008, the full consolidation of the ISE subgroup as well as to the relocation to Eschborn.

IT costs contain the costs for rental, leasing and maintenance of hardware and software. The year-on-year rise is the result of the full consolidation of the ISE subgroup (€10.6 million).

Costs for the purchase of price information are incurred for data and information from other exchanges. A sharp increase was recorded here due to volume growth in index licenses (Eurex) and the full consolidation of ISE.

Non-recoverable input tax results mainly from the VAT-free trading and clearing fees charged in the Eurex segment, and from tax-free service fees from payment services.

Communication costs include costs for the participant network, the SWIFT network and telephone charges.

The cost of agency agreements relates to the costs of SIX Swiss Exchange AG, which renders services for the Eurex subgroup and provided services for Scoach Schweiz AG.

Travel, entertainment and corporate hospitality expenses rose due to the growing internationalization of the Group (Clearstream Operations Prague s.r.o., Deutsche Börse Services s.r.o., ISE).

Scoach trading migrated to Xetra in the year under review. The specialists (market participants contracted by Scoach to provide binding quotes on a continuous basis) receive fees for making liquidity available on an ongoing basis that are recognized as sales-related costs in the Xetra segment and that are matched by revenue in the same amount. These fees amounted to €15.1 million in 2008.

In the year under review, the ISE subgroup incurred expenses of €12.7 million for index licenses and SEC fees.

The costs of operating the Xontro system were lower than in the previous year due to the decline in trading volumes.

Miscellaneous other operating expenses include license fees, donations, cash transaction and processing error costs, maintenance fees, external labour and losses from the disposal of noncurrent assets.

10. Result from equity investments

Composition of result from equity investments

	2008 €m	2007 €m
Equity method-accounted result of associates		
European Energy Exchange AG	3.3	2.0
BrainTrade Gesellschaft für Börsensysteme mbH	0	0.8
STOXX Ltd.	3.4	0.4
International Index Company Ltd.	0	0.1
Total income[1] from equity method measurement	**6.7**	**3.3**
U.S. Futures Exchange LLC	0	–7.8
FDS Finanz-Daten-Systeme GmbH & Co. KG	–0.1	–0.3
The Clearing Corporation Inc.	–1.1	0
Other	–0.5	0
Total losses[1] from equity method measurement from associates	**–1.7**	**–8.1**
Dividends from associates		
STOXX Ltd.	9.5	7.9
BrainTrade Gesellschaft für Börsensysteme mbH	0.6	0.6
FDS Finanz-Daten-Systeme GmbH & Co. KG	0.1	0.3
International Index Company Ltd.	0	0.2
Total dividends from associates	**10.2**	**9.0**
Result from associates	**15.2**	**4.2**
Result from other equity investments	**–9.4**	**0.7**
Result from equity investments	**5.8**	**4.9**

1) Including impairment losses (see note 15)

The result from other companies includes impairment losses on available-for-sale investments amounting to €10.0 million (2007: €0 million) and dividends amounting to €0.6 million (2007: €0.7 million).

Gains and losses on the disposal of equity investments are reported in other operating income.

11. Financial result

Composition of financial income

	2008 €m	2007 €m
Interest on reverse repurchase agreements categorized as "loans and receivables"	166.7	94.7
Interest on bank balances categorized as "loans and receivables"	46.2	28.3
Income from available-for-sale securities	0.3	0.4
Other interest and similar income	0.7	1.1
Interest-like income from derivatives held as hedging instruments	2.5	0
Interest-like income from revaluation of derivatives held for trading	2.1	0.1
Interest-like income from noncurrent receivables	0.9	1.7
Income from exchange rate differences	18.2	0
Total	**237.6**	**126.3**

Interest on reverse repurchase agreements and other interest and similar income (+77 percent) grew more slowly than the average volumes of cash deposits at Eurex Clearing AG (+175 percent) as a result of Deutsche Börse Group's conservative investment strategy and the decline in interest rates. In the US dollar and Swiss franc currency areas, for example, rate levels were close to zero in the fourth quarter of 2008.

Composition of financial expense

	2008 €m	2007 €m
Interest paid on Eurex participants' cash deposits	166.8	87.9
Interest on noncurrent loans[1]	60.8	17.4
Interest on current liabilities[1]	37.3	4.5
Interest-like expenses for exchange rate differences on liabilities[1]	3.0	0
Transaction costs of noncurrent liabilities[1]	0.9	0
Subsequent valuation of derivatives held for trading	0.8	2.3
Interest-like expenses from derivatives held as hedging instruments	5.6	0.9
Other costs	1.9	2.7
Other interest and similar expenses	0	1.7
Total	**277.1**	**117.4**

1) Measured at amortized cost

Due to the aforementioned reasons, the interest paid on Eurex participants' cash deposits rose. Interest on noncurrent loans increased due to the issue of euro and US dollar senior bonds and a hybrid bond that Deutsche Börse AG used to replace the short-term bridge financing for its ISE acquisition in June and July 2008 (see note 28). Interest on current liabilities includes €29.6 million (2007: €2.7 million) for the interim financing of the acquisition of ISE and €6.8 million for the commercial paper program. Other interest and similar expenses primarily include interest expenses from taxes, other costs relate to commitment fees for credit facilities.

12. Income tax expense

Composition of income tax expense (main components)

	2008 €m	2007 €m
Current income taxes:		
of the year under review	450.3	459.7
from previous years	–2.2	–4.7
Deferred tax income on current temporary differences	–29.5	–15.1
Total	**418.6**	**439.9**

Tax rates of 26 to 32 percent were used in the year under review to calculate deferred taxes for the German companies (2007: 32 percent). These reflect trade income tax at multipliers of 460 and 280 percent (2007: 460 percent) on the tax base value of 3.5 percent (2007: 3.5 percent), corporation tax of 15 percent (2007: 15 percent) and the 5.5 percent solidarity surcharge (2007: 5.5 percent) on the corporation tax.

A tax rate of 28.59 percent (2007: 29.63 percent) was used for the Luxembourg companies, reflecting trade income tax at a rate of 6.75 percent (2007: 6.75 percent) and corporation tax at 22 percent (2007: 23 percent).

Tax rates of 21 to 45 percent were applied to the companies in the UK, the USA, Spain, Switzerland, the Czech Republic and Portugal.

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

Composition of deferred taxes

	Deferred tax assets		Deferred tax liabilities		Exchange rate difference	Deferred tax expense/(income)		Tax expense/(income) recognized directly in equity	
	2008 €m	2007 €m	2008 €m	2007 €m	2008 €m	2008 €m	2007 €m	2008 €m	2007 €m
Pension provisions and other employee benefits	9.0	8.3	0	0	0	–0.7	0.5	0	0
Other provisions	12.8	16.3	–2.1	–11.2	–0.7	–4.9	–11.1	0	0
Interest-bearing liabilities	0	0	–2.0	0	0	2.0	0	0	0
Intangible assets	1.4	2.2	–12.8	–16.1[1]	0	–2.5	–8.7	0	0
Intangible assets from purchase price allocation for ISE	0	0	–585.2	–578.4[2][3]	26.7	–19.9	0	0	0
Noncurrent assets	0	0	–2.6	–5.6[2]	–0.3	–2.7	0	0	0
Securities	0	0	–7.1	–3.3	0	1.3	0.4	2.5	–0.9
Other noncurrent assets	0	0	–1.2	–0.7	0	0.5	0	0	0
Other	0.3	0.3	–0.2	–3.1[4]	0	–2.6[5]	3.8[5]	0	0.7
Exchange rate differences	0	13.4	–7.4	0	0	0	0	20.8[6]	–13.4[6]
Gross amounts	**23.5**	**40.5**	**–620.6**	**–618.4**	**25.7**	**–29.5**	**–15.1**	**23.3**	**–13.6**
Netting of deferred taxes	–20.0	–23.3	20.0	23.3	–	0	–	–	–
Total	**3.5**	**17.2**	**–600.6**	**–595.1**	**–**	**–29.5**	**–15.1**	**23.3**	**–13.6**

1) Thereof €–0.6 million from changes in the basis of consolidation
2) From changes in the basis of consolidation
3) Adjustments due to the retrospective reduction of the tax rate applied in the course of the acquisition of ISE (see also note 2)
4) Netted against €0.4 million from changes in the basis of consolidation
5) Thereof €0.3 million (2007: €1.0 million) netted against "Accumulated profit"
6) Separate disclosure under "Accumulated profit" (see also consolidated statement of changes in equity)

Changes taken directly to equity relate to deferred taxes on changes in the measurement of noncurrent financial assets carried at fair value (see also note 23). In addition, deferred taxes on transaction costs from the share buy-back program and staff costs that originated from exercised options allocated under the Group Share Plan were recognized directly in "Accumulated profit".

€9.3 million (2007: €8.6 million) of deferred tax assets and €570.7 million (2007: €608.8 million) of deferred tax liabilities have an expected remaining maturity of more than one year.

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

In addition, no deferred tax assets were recognized for the temporary difference of €86.9 million (2007: €86.9 million) arising from the hedging transaction associated with the acquisition of the ISE subgroup.

Reconciliation between the expected and the reported tax expense

	2008 €m	2007 €m
Expected income taxes derived from earnings before tax	470.0	543.8
Non-tax-deductible losses carried forward	0	0.5
Tax increases due to other non-tax-deductible expenses	6.0	6.6
Effects resulting from different tax rates	–20.2	–48.3
Tax decreases due to dividends and income from the disposal of equity investments	–30.1	–52.1
Other	–4.9	–5.9
Income tax expense arising from current year	**420.8**	**444.6**
Prior-period income taxes	–2.2	–4.7
Income tax expense	**418.6**	**439.9**

To determine the expected tax expense, profit before tax has been multiplied by the composite tax rate of 32.00 percent assumed for 2008 (2007: 40.14 percent).

As at 31 December 2008, accumulated unused tax losses amounted to €144.2 million (2007: €101.6 million), for which no deferred tax assets were recognized. Tax losses of €8.8 million were utilized in 2008 (2007: €2.1 million).

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

Consolidated Balance Sheet Disclosures

13. Intangible assets

Intangible assets

	Purchased software €m	Internally developed software €m	Goodwill €m	Payments on account and construction in progress[1] €m	Other intangible assets €m	Total €m
Historical cost as at 1 Jan. 2007	**249.0**	**659.2**	**1,077.4**	**14.3**	**0**	**1,999.9**
Changes in the basis of consolidation[2]	13.4	20.8	867.2[3]	0.3	1,326.6	2,228.3
Additions	9.9	9.2	0	15.9	0.2	35.2
Disposals	–0.1	0	0	0	0	–0.1
Reclassifications	0.3	21.4	0	–21.7	0	0
Exchange rate differences	–0.2	0	0	0	0	–0.2
Historical cost as at 31 Dec. 2007	**272.3**	**710.6**	**1,944.6**	**8.8**	**1,326.8**	**4,263.1**
Changes in the basis of consolidation	–0.5	0	0	0	0	–0.5
Additions	10.4	9.9	0	19.8	0	40.1
Reclassifications	1.1	10.3	0	–11.4	0	0
Exchange rate differences	0	1.0	39.9	0.3	61.4	102.6
Historical cost as at 31 Dec. 2008	**283.3**	**731.8**	**1,984.5**	**17.5**	**1,388.2**	**4,405.3**
Amortization and impairment losses as at 1 Jan. 2007	**234.3**	**544.1**	**7.5**	**0**	**0**	**785.9**
Amortization	8.0	65.7	0	0	0	73.7
Impairment losses	0	3.8	0	0	0	3.8
Disposals	–0.2	0	0	0	0	–0.2
Exchange rate differences	–0.1	0	0	0	0	–0.1
Amortization and impairment losses as at 31 Dec. 2007	**242.0**	**613.6**	**7.5**	**0**	**0**	**863.1**
Changes in the basis of consolidation	–0.2	0	0	0	0	–0.2
Amortization	12.9	38.6	0	0	35.1	86.6
Impairment losses	0	7.0	0	0	0	7.0
Exchange rate differences	0	0.1	0	0	2.2	2.3
Amortization and impairment losses as at 31 Dec. 2008	**254.7**	**659.3**	**7.5**	**0**	**37.3**	**958.8**
Carrying amount as at 1 Jan. 2007	14.7	115.1	1,069.9	14.3	0	1,214.0
Carrying amount as at 31 Dec. 2007	30.3	97.0	1,937.1	8.8	1,326.8	3,400.0
Carrying amount as at 31 Dec. 2008	**28.6**	**72.5**	**1,977.0**	**17.5**	**1,350.9**	**3,446.5**

1) Additions in payments on account and construction in progress in the year under review relate exclusively to internally developed software.
2) This relates exclusively to additions as part of the acquisition of ISE and Scoach Holding S.A.
3) Adjustments due to the retrospective reduction of the tax rate applied in the course of the acquisition of ISE (see also note 2)

Software, payments on account and construction in progress
Additions to and reclassifications of software relate primarily to the development of software products for the Clearstream segment and to the expansion of the Xetra and Eurex electronic trading systems. Changes in the basis of consolidation (see note 2) relate to the disposal of ISE Stock Exchange, LLC.

Purchased software includes leased assets of which, in accordance with IAS 17, the Group is the beneficial owner. The net carrying amount of the leased assets amounted to €1.4 million as at 31 December 2008 (2007: €1.0 million).

Payments on account and construction in progress relate mainly to software. Amortization of and impairment losses on software and other intangible assets are reported in the income statement under "depreciation, amortization and impairment losses (other than goodwill)". Impairment losses on internally developed software relate to ISE's Eurex Longitude and Eurex Option Trading systems in the Eurex segment and the Self-Collateralization system in the Clearstream segment (2007: the reference data factory system in the Clearstream segment).

Carrying amounts and remaining amortization periods of software

	Carrying amount as at		Remaining amortization period as at	
	31 Dec. 2008 €m	31 Dec. 2007 €m	31 Dec. 2008 years	31 Dec. 2007 years
Xetra				
Xetra Release 9.0	5.6	–	4.3	–
Xetra Release 8.0	1.6	2.0	3.4	4.4
CCP 4.1	1.5	–	4.8	–
CCP 4.0	1.8	–	4.6	–
Eurex				
Eurex Option Trading (ISE)	11.4	16.3	2.0	5.0
Eurex Longitude (ISE)	1.2	2.7	4.0	5.0
Eurex Release 11.0	6.5	–	4.8	–
Eurex Release 10.0	5.7	7.2	3.9	4.9
Eurex Release 9.0	2.6	3.5	2.9	3.9
Eurex Release 8.0	3.8	5.9	1.9	2.9
Clearstream				
Collateral Management	6.4	8.4	3.0	4.3
Central Facility for Funds (CFF)	4.4	2.7	4.1	4.4
CreationConnect	2.4	9.2	1.0	1.3
ECB 3	1.6	2.2	2.5	3.5
Daytime Bridge	1.1	3.3	0.6	1.6
Other software assets[1]	43.5	63.9		
Total	**101.1**	**127.3**		

1) Each with a carrying amount of less than €1.0 million

Goodwill

Changes in goodwill

	Eurex (ISE) €m	Clearstream International S.A. €m	Other[1)] €m	Total goodwill €m
Balance as at 1 Jan. 2007	**0**	**1,063.8**	**6.1**	**1,069.9**
Changes in the basis of consolidation	882.0	0	5.0	887.0
Changes in rate of taxation	–19.8	0	0	–19.8
Balance as at 31 Dec. 2007	**862.2**	**1,063.8**	**11.1**	**1,937.1**
Exchange rate differences	39.9	0	0	39.9
Balance as at 31 Dec. 2008	**902.1**	**1,063.8**	**11.1**	**1,977.0**

1) Including the goodwill of Scoach Holding S.A. and Infobolsa S.A.

Apart from the stock exchange license acquired as part of the acquisition of ISE, goodwill allocated to the cash-generating units is the sole intangible asset with an indefinite useful life.

The recoverable amounts of the cash-generating units to which goodwill is allocated are based on their values in use.

Key assumptions relating to these values vary depending on the cash-generating unit. Pricing or market share assumptions are based on past experience or market research. Other key assumptions are mainly based on external factors. Significant macro-economic indicators include, for instance, equity index levels, volatility of equity indices, as well as interest rates, exchange rates, GDP growth, unemployment levels, or government debt.

Eurex (ISE)

The net carrying amount of goodwill resulting from the acquisition of ISE has been allocated to the Eurex segment. The change in goodwill for 2007 from €882.0 million to €862.2 million is due to the subsequent reduction of ISE's tax rate, which was calculated only on a preliminary basis at the acquisition date. See note 2 for further details.

Since the ISE goodwill had been calculated in US dollars, an exchange rate difference of €39.9 million occurred in 2008.

Assumptions on volumes in index and interest rate derivatives and volumes in the US equity options market were the key criteria used to determine the values in use.

Cash flows were projected over a three-year period (2009 to 2011) for European as well as American activities. Cash flow projections beyond this period are extrapolated assuming a 4.0 percent growth rate for European as well as for US activities. The pre-tax discount rate used is 10.4 percent.

Clearstream

Assumptions on assets held in custody, transaction volumes and market interest rates were the key criteria used to determine Clearstream's value in use.

Cash flows are projected over a five-year period (2009 to 2013). Cash flow projections beyond 2013 are extrapolated assuming a 4.0 percent (2007: 4.0 percent) perpetual annuity. The pre-tax discount rate used is 13.4 percent (2007: 11.9 percent).

Other intangible assets

Changes in other intangible assets

	ISE's exchange license €m	Member relationships ISE €m	ISE's market data customer relationships €m	ISE trade name €m	Miscellaneous intangible assets €m	Total €m
Balance as at 31 Dec. 2007	**299.1**	**951.5**	**54.4**	**20.4**	**1.4**	**1,326.8**
Differences in foreign exchange	13.8	42.1	2.4	0.8	0.1	59.2
Amortization	0	–31.2	–1.8	–2.0	–0.1	–35.1
Balance as at 31 Dec. 2008	**312.9**	**962.4**	**55.0**	**19.2**	**1.4**	**1,350.9**
Remaining amortization period (years)	**n.a.**	**29.0**	**29.0**	**9.0**		

Exchange license

In the course of the purchase price allocation carried out in December 2007, the greenfield approach was used to determine the fair value of the exchange license. The exchange license, granted in 2000 by the U.S. Securities and Exchange Commission, permits the ISE subgroup to operate as a regulated securities exchange in the United States. This asset meets the IFRS criterion for recognition separately from goodwill.

The exchange license held by the ISE subgroup is estimated to have an indefinite useful life. This results from the fact that the license itself does not have a finite term and Eurex management expects to maintain the license as part of its overall business strategy.

The exchange license does not generate cash flows largely independent from those generated by the ISE subgroup as a whole. Consequently, the exchange license has been allocated to the ISE subgroup as the cash-generating unit. The net carrying amount of the exchange license as at 31 December 2008 was €312.9 million.

Member relationships and market data customer relationships
The ISE subgroup has established relationships with a number of members responsible for providing order flow, facilitating orderly trading in the different listed options products traded on the exchange. As such, the activities of the participants are responsible for generating the transaction and membership fees earned by the exchange. Furthermore ISE has established relationships with OPRA (Option Price Reporting Authority) and with a number of individual customers who directly purchase ISE's proprietary market data products. In December 2007, the excess earnings method was used to calculate the fair value of the member relationships as well as the market data customer relationships. Both assets meet the separability and contractual criteria for the recognition of an intangible asset separate from goodwill and are amortized over 30 years using the straight-line method.

Trade name ISE
The ISE trade name is well recognized in the marketplace and it is likely that market participants would continue to use the ISE name given the investment to date in the brand. As the trade name is registered, it meets the IFRS criterion for recognition separately from goodwill. Measurement is based in this case on the so-called relief-from-royalty method. In line with the PPA result from December 2007, the asset is amortized over ten years using the straight-line method.

The above-mentioned intangible assets were tested for impairment at the end of the year in accordance with IAS 36.30 "Value in Use". Key assumptions made here were based on the expected volumes on the US options market. Cash flows are projected over a five-year period (2009 to 2013). A 5.0 percent growth rate was assumed beyond 2013. The pre-tax discount rate used is 11.0 percent.

14. Property, plant and equipment

Property, plant and equipment

	Land and buildings €m	Fixtures and fittings €m	Computer hardware, operating and office equipment €m	Payments on account and construction in progress €m	Total €m
Historical cost as at 1 Jan. 2007	**128.7**	**85.4**	**257.6**	**4.3**	**476.0**
Changes in the basis of consolidation	– 128.7	– 40.7	0	0	– 169.4
Additions	0	1.8	42.3	0.4	44.5
Disposals	0	0	– 9.2	0	– 9.2
Reclassifications	0	2.0	2.3	– 4.3	0
Historical cost as at 31 Dec. 2007	**0**	**48.5**	**293.0**	**0.4**	**341.9**
Changes in the basis of consolidation	0	0	– 0.1	0	– 0.1
Additions	0	15.7	34.8	3.9	54.4
Disposals	0	0	– 10.2	0	– 10.2
Reclassifications	0	0	0.3	– 0.3	0
Exchange rate differences	0	0.2	0	0	0.2
Historical cost as at 31 Dec. 2008	**0**	**64.4**	**317.8**	**4.0**	**386.2**
Depreciation and impairment losses as at 1 Jan. 2007	**9.4**	**38.9**	**192.2**	**0**	**240.5**
Changes in the basis of consolidation	– 11.9	– 19.4	0	0	– 31.3
Depreciation	2.5	7.5	33.6	0	43.6
Disposals	0	0	– 9.2	0	– 9.2
Depreciation and impairment losses as at 31 Dec. 2007	**0**	**27.0**	**216.6**	**0**	**243.6**
Depreciation	0	7.4	36.1	0	43.5
Disposals	0	0	– 10.0	0	– 10.0
Exchange rate differences	0	0.1	0.1	0	0.2
Depreciation and impairment losses as at 31 Dec. 2008	**0**	**34.5**	**242.8**	**0**	**277.3**
Carrying amount as at 1 Jan. 2007	119.3	46.5	65.4	4.3	235.5
Carrying amount as at 31 Dec. 2007	0	21.5	76.4	0.4	98.3
Carrying amount as at 31 Dec. 2008	**0**	**29.9**	**75.0**	**4.0**	**108.9**

15. Financial assets

Financial assets

	Investments in associates €m	Other equity investments €m	Receivables and securities from banking business €m	Other financial instruments €m	Other loans €m
Historical cost as at 1 Jan. 2007	**44.4**	**17.4**	**288.1**	**8.0**	**0.1**
Changes in the basis of consolidation	9.5	0	0	0	0
Additions	0.3	36.3	288.6	0	0.2
Disposals	–1.4	0	–50.9	0	–0.2
Reclassification	0.2	–0.2	0	0	0
Historical cost as at 31 Dec. 2007	**53.0**	**53.5**	**525.8**	**8.0**	**0.1**
Additions	124.7	10.9	333.3	0	0
Disposals	–7.4	0	–19.9	0	–0.1
Reclassification	0	0	–76.1[1]	0	0
Exchange rate differences	–1.6	0	0.8	0	0
Historical cost as at 31 Dec. 2008	**168.7**	**64.4**	**763.9**	**8.0**	**0**
Revaluation as at 1 Jan. 2007	**–11.0**	**–1.2**	**–4.7**	**3.9**	**0**
Disposals of impairment losses	–0.2	0	0	0	0
Net income from equity method measurement[2]	–4.8	0	0	0	0
Currency translation differences recognized in income statement	0	0	–2.3	0	0
Other fair value changes recognized in profit or loss[3]	0	0	–0.8	0	0
Other fair value changes recognized directly in equity	0	14.5	0	0	0
Market price changes recognized directly in equity	0	0	–3.1	0.6	0
Currency translation differences recognized directly in equity	–1.1	0	0	0	0
Revaluation as at 31 Dec. 2007	**–17.1**	**13.3**	**–10.9**	**4.5**	**0**
Net income from equity method measurement[2]	5.0	0	0	0	0
Other fair value changes recognized in profit or loss[2]	0	–4.4	0	0	0
Other fair value changes recognized directly in equity	0	–20.5	0	0	0
Market price changes recognized directly in equity	0	0	2.5	–5.7	0
Market price changes recognized in profit or loss[3]	0	0	4.8	0	0
Reclassification	0	0	–4.0[1]	0	0
Revaluation as at 31 Dec. 2008	**–12.1**	**–11.6**	**–7.6**	**–1.2**	**0**
Carrying amount as at 1 Jan. 2007	33.4	16.2	283.4	11.9	0.1
Carrying amount as at 31 Dec. 2007	35.9	66.8	514.9	12.5	0.1
Carrying amount as at 31 Dec. 2008	**156.6**	**52.8**	**756.3**	**6.8**	**0**

1) Reclassified as current receivables and securities from banking business
2) Included in the result from equity investments (see note 10)
3) Included in net interest income from banking business

For details on revaluations and market price changes recognized directly in equity, see also note 23.

Other equity investments include available-for-sale shares.

In the year under review, impairment losses amounting to €10.0 million were recognized in the income statement, €5.6 million of which related to the loss in the value of listed shares. The remaining €4.4 million is attributable to unlisted equity instruments whose fair value cannot be reliably determined. The loss in the value of these instruments was estimated on the basis of the average loss in performance compared with other market participants.

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

Composition of receivables and securities from banking business

	Total amounts		thereof with remaining maturity of 12 months or less	
	31 Dec. 2008 €m	31 Dec. 2007 €m	31 Dec. 2008 €m	31 Dec. 2007 €m
Fixed-income securities				
from sovereign issuers	189.3	87.1	0	13.7
from multilateral banks	32.4	68.1	0	6.8
from other credit institutions	197.9	159.7	0	0
from regional or local public bodies	136.7	0	0	0
Other receivables[1]	200.0	200.0	0	0
Total	**756.3**	**514.9**	**0**	**20.5**

1) Fully secured through total return swaps

Securities from banking business include financial instruments listed on a stock exchange amounting to €556.3 million (2007: €314.9 million).

In 2007, depreciation of €4.9 million was recognized for investment property sold in that year.

16. Other noncurrent assets

Composition of other noncurrent assets

	31 Dec. 2008 €m	31 Dec. 2007 €m
Insurance recoverables	8.0	7.8
Surplus from defined benefit pension plans	5.1	2.3
Other derivative assets	0.4	0.7
Derivatives used for hedging purposes	0	7.4
Miscellaneous	0	0.1
Total	**13.5**	**18.3**

Derivatives are presented in detail in note 17; defined benefit pension plans are explained in detail in note 25.

€0.8 million (2007: €1.8 million) of insurance recoverables was pledged to the IHK (Industrie- und Handelskammer, the Chamber of Commerce) Frankfurt/Main.

17. Derivatives and hedges

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

Derivatives (fair value)

	Note	Assets		Note	Liabilities	
		31 Dec. 2008 €m	31 Dec. 2007 €m		31 Dec. 2008 €m	31 Dec. 2007 €m
Fair value hedges						
noncurrent	16	0	2.9		–4.2	0
current		0	0	31	–0.1	0
Cash flow hedges						
noncurrent	16	0	4.5		–1.2	–1.0
current	19, 21	9.1	8.2	33	–0.6	–3.4
Derivatives held for trading						
noncurrent	16	0.4	0.7		–0.4	–0.7
current	19, 21	2.1	0.8	31	–92.9	0
Total		**11.6**	**17.1**		**–99.4**	**–5.1**

Private placements denominated in US dollars that were designated as currency risk hedges of the net investment in ISE are presented under “interest-bearing liabilities”. Please refer to “Hedges of a net investment” further below for details.

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

The following table gives an overview of the notional amount of the positions covered by fair value hedges at 31 December 2008 and the corresponding weighted average interest rates:

Outstanding positions fair value hedges

		31 Dec. 2008	31 Dec. 2007
Notional amount of pay-fixed interest rate swaps	€m	165.7	185.6
Fair value of pay-fixed interest rate swaps	€m	–4.3	2.9
Average pay rate in the reporting period	%	3.97	3.88
Average receive rate in the reporting period	%	4.88	4.33

The gains and losses on the positions covered by fair value hedges and the hedging instruments are indicated in the following table:

Gains/losses by fair value hedges

	31 Dec. 2008 €m	31 Dec. 2007 €m
Gains/(losses) on hedged items	7.1	– 1.4
(Losses)/gains on hedging instruments	– 7.1	1.4
Net hedging ineffectiveness	0	0

Cash flow hedges
Interest rate swaps, under which a variable rate of interest is paid and a fixed rate is received, are used to hedge part of the expected cash flows from the investment of cash balances from the settlement business (cash flow hedges).

The Clearstream subgroup entered into interest rate swaps in 2008 to hedge approximately 36 percent of the expected euro cash flows (2007 for 2008: 19 percent) from the investment of cash balances during the period from 17 October 2008 until 27 December 2009. US dollar cash flows for 2009 have not been hedged (2007 for 2008: 33 percent).

Hedging relationships refer to interest rate swaps entered in 2008 to hedge 2008 and 2009 interest rate risk. Interest rate swaps entered in 2007 to hedge 2008 interest rate risk ceased to be highly effective in October 2008. Those interest rate swaps have therefore been reclassified from hedging to held for trading.

Outstanding positions interest rate swaps

		31 Dec. 2008	31 Dec. 2007
Notional amount of pay-variable interest rate swaps	€m	500.0	1,415.6
Fair value of pay-variable interest rate swaps	€m	8.1	3.5
Average pay rate in the reporting period	%	2.97	4.97
Average receive rate in the reporting period	%	3.24	4.77

Composition of outstanding positions

Currency	Notional amount	Equivalent		Term		Receive rate
		2008	2007	from	until	
	million	€m	€m			%
US$	600.0	0	407.8	5 Jan. 2007	5 Jan. 2008	5.2644
US$	600.0	0	407.8	4 Jan. 2008	5 Jan. 2009	5.2925
€	300.0	0	300.0	5 Jan. 2007	5 Jan. 2008	3.8400
€	300.0	0	300.0	4 Jan. 2008	5 Jan. 2009	4.3300
€	500.0	500.0	0	17 Oct. 2008	27 Dec. 2009	3.2400

The interest rate swaps (notional amount as at 31 December 2007: €536.0 million; fair value as at 31 December 2007: €1.6 million) entered into in 2007 and 2008 to hedge interest rate risks arising from the debt financing of ISE shares were closed out at the time of the long-term refinancing (please refer to note 28 for details). The amount recognized in the revaluation surplus is allocated to the original term of long-term refinancing.

Owing to the lower level of interest rates, the swaptions traded in 2007 were not exercised (notional amount as at 31 December 2007: €436.0 million; fair value as at 31 December 2007: €3.2 million).

The money market swap with a notional amount of €1.0 billion entered into in 2007 to hedge current interest rate risk was implemented during the year under review.

A forward foreign exchange transaction in the notional amount US$45.0 million was entered into to repay the short-term loan taken out as part of the ISE acquisition. The transaction was closed by 31 December 2008.

In addition, Deutsche Börse AG hedged a portion of the expected US dollar cash flows in 2008 by using forward foreign exchange transactions against a devaluation of the US dollar. Two forward foreign exchange transactions in the amount of US$17.0 million each were sold against receipt of euros.

In addition, there were the following outstanding transactions to hedge a subsidiary's pound sterling functional currency as at the balance sheet date:

Outstanding positions of forward foreign exchange transactions in US$ against £

		31 Dec. 2008	31 Dec. 2007
Notional amount of forward foreign exchange transactions	US$m	11.7	0
Fair value of forward foreign exchange transactions	€m	–1.8	0

€0.6 million of the negative fair value is reported under "other current liabilities" and €1.2 million under "other noncurrent liabilities".

Composition of outstanding positions

Currency	Notional amount	Equivalent		Term		Agreed exchange rate
		2008	2007	from	until	
	million	£ million	£ million			
US$	3.9	2.0	–	2 June 2008	8 Sep. 2009	1.9038
US$	3.9	2.1	–	2 June 2008	7 Sep. 2010	1.8771
US$	3.9	2.1	–	2 June 2008	6 Sep. 2011	1.8614

In addition, in 2008 the Clearstream subgroup entered into forward foreign exchange transactions in order to hedge part of the expected euro cash flows from US dollar sales revenue at risk from a weaker US dollar. In February 2008, the Clearstream subgroup entered into ten such transactions amounting to US$4.5 million each that all matured at the end of each month in the period from March 2008 to December 2008 to hedge the risk arising in 2008. In October 2008, the Clearstream subgroup entered into twelve similar transactions, amounting to US$3.0 million each that all mature at the end of each month in the period from January 2009 to December 2009 to hedge the risk arising in 2009. The contracts had a positive fair value of €1.0 million as at 31 December 2008 and were included in the "current receivables and securities from banking business" item (see note 19).

Development of cash flow hedges

	2008 €m	2007 €m
Cash flow hedges as at 1 January	**8.3**	**0.3**
Amount recognized in equity during the year	15.3	–78.3
Amount recognized in profit or loss during the year[1]	–9.2	–3.0
Ineffective hedge portion recognized in profit or loss[2]	–2.3	–0.8
Premium paid	0	3.2
Realized (gains)/losses	–4.8	86.9
Cash flow hedges as at 31 December	**7.3**	**8.3**

1) Thereof ineffective amounts of €0 million (2007: €1.8 million), disclosed under other operating expenses
2) Disclosed under net interest income from banking business (€2.1 million) as well as under financial result (€0.2 million; 2007: €0.8 million)

Hedges of a net investment

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

Composition of private placement[1]

Type	Issue volume	Equivalent		Term	
		as at 31 Dec. 2008	as at emission	from	until
	US$m	€m	€m		
Series A	170.0	120.9	110.2	12 June 2008	10 June 2015
Series B	220.0	156.4	142.7	12 June 2008	10 June 2018
Series C	70.0	49.8	45.4	12 June 2008	10 June 2020
Total	**460.0**	**327.1**	**298.3**		

1) Presented under the item "interest-bearing liabilities". See note 28 as well as the Group management report.

Effective changes in exchange rates from the private placement are reported in the balance sheet item “accumulated profit”, as are exchange rate differences from the translation of foreign subsidiaries. €28.6 million was recognized in this item directly in equity during the reporting year. There was no ineffective portion of the net investment hedges in 2008.

Derivatives held for trading
Foreign exchange swaps as at 31 December 2008 expiring in less than three months with a notional value of €2,004.7 million (2007: €222.4 million) had a negative fair value of €92.9 million (2007: positive €0.3 million). These swaps were entered into to convert foreign currencies received through the issue of commercial paper from the banking business into euros, and to hedge short-term foreign currency receivables and liabilities in euros. These are reported under “liabilities from banking business” in the balance sheet (2007: under “receivables and securities from banking business”), see also note 31.

Interest rate swaps listed below were classified as cash flows hedges until October 2008, when the corresponding hedging relationships ceased to qualify as highly effective hedges under IAS 39 and the interest rate swaps were consequently reclassified under held for trading.

Outstanding positions interest rate swaps

		31 Dec. 2008	31 Dec. 2007
Notional amount of pay-fixed interest rate swaps	€m	726.7	0
Fair value of pay-fixed interest rate swaps	€m	0.3	0
Average pay rate in the reporting period	%	3.62	0
Average receive rate in the reporting period	%	4.99	0

Average pay and receive rates mentioned above correspond to the average over the whole year 2008, including the period until end of September 2008 over which they were considered as hedging instruments under highly effective hedge relationships.

Composition of outstanding positions

Currency	Notional amount	Equivalent		Term		Receive rate
		as at 31 Dec. 2008	as at 31 Dec. 2007	from	until	
	million	€m	€m			%
US$	600.0	426.7	0	4 Jan. 2008	5 Jan. 2009	5.2925
€	300.0	300.0	0	4 Jan. 2008	5 Jan. 2009	4.3300

Due to the redemption of US$130.0 million of the interim financing of the ISE acquisition on 18 July 2008, a currency swap amounting to US$34.0 million was concluded. It was settled on 1 August 2008.

During the reporting period, a currency swap was entered into in the notional amount of US$12.6 million. The transaction related to a coupon payment for the long-term refinancing of the ISE acquisition.

As at 31 December 2008, there were two forward foreign exchange transactions in US dollars that are currently classified as held for trading, since they did not meet the requirements for hedge accounting at the balance sheet date. These transactions are intended to hedge a future foreign currency receivable within the Group which had not yet arisen at the balance sheet date. Both forward foreign exchange transactions will be designated as cash flow hedges when the receivable is recognized.

Outstanding positions of forward foreign exchange transactions in US$ against €

		31 Dec. 2008	31 Dec. 2007
Notional amount of forward foreign exchange transactions	US$m	80.0	–
Fair value of forward foreign exchange transactions	€m	1.8	–

Composition of outstanding positions

Currency	Notional amount	Equivalent		Term		Agreed exchange rate
		as at 31 Dec. 2008	as at 31 Dec. 2007	from	until	
	million	€m	€m			
US$	40.0	29.7	–	16 Oct. 2008	3 Aug. 2009	1.3467
US$	40.0	29.8	–	16 Oct. 2008	30 Dec. 2009	1.3439

18. Financial instruments of Eurex Clearing AG

Composition of financial instruments of Eurex Clearing AG

	31 Dec. 2008 €m	31 Dec. 2007 €m
Options[1]	37,724.9	18,595.4
Forward transactions in bonds and repo transactions	83,315.9	41,771.4
Other	643.5	57.2
Total	**121,684.3**	**60,424.0**

1) Fair value of traditional options and option premiums for future-style options

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

See note 43 for details on the deposited collateral held by Eurex Clearing AG relating to its financial instruments.

19. Current receivables and securities from banking business

In addition to noncurrent receivables and securities from banking business that are classified as noncurrent financial assets (see note 15), the following receivables and securities from banking business, attributable solely to the Clearstream subgroup, were classified as current assets as at 31 December 2008.

Composition of current receivables and securities from banking business

	31 Dec. 2008 €m	31 Dec. 2007 €m
Loans to banks and customers		
Reverse repurchase agreements	2,910.9	2,278.4
Money market lendings	2,876.7	5,629.5
Balances on nostro accounts	1,349.2	711.2
Overdrafts from settlement business	722.3	799.8
	7,859.1	**9,418.9**
Available-for-sale fixed-income securities – money market instruments	147.2	135.2
Available-for-sale debt instruments	331.9	0
Interest receivables	80.4	65.3
Forward foreign exchange transactions[1]	1.0	0.3
Interest rate swaps – cash flow hedges[1]	8.1	0
Interest rate swaps – held for trading[1]	0.3	0
Total	**8,428.0**	**9,619.7**

1) See note 17.

Overdrafts from settlement business represent short-term loans of up to two days' duration that are usually secured by collateral. Potential concentrations of credit risk are monitored against counterparty credit limits (see note 43).

Remaining maturity of loans to banks and customers

	31 Dec. 2008 €m	31 Dec. 2007 €m
Less than 3 months	7,859.1	9,212.2
3 months to 1 year	0	206.7
Total	**7,859.1**	**9,418.9**

All of the money market instruments held as at 31 December, 2008 and 2007, were issued by sovereign or sovereign-guaranteed issuers and were not listed. As at 31 December 2008, the remaining maturity was more than three months and less than one year (31 December 2007: less than three months).

Available-for-sale fixed-income securities with a remaining maturity not exceeding one year are included under current receivables and securities from banking business. This caption also includes a put option exercised on 9 February 2009. The fair value of the put option has not been recognized separately due to immateriality.

Remaining maturity of available-for-sale debt instruments

	31 Dec. 2008 €m	31 Dec. 2007 €m
Less than 3 months	100.0	0
3 months to 1 year	231.9	0
Total	**331.9**	**0**

In general, there were no early call rights in the loans extended.

20. Development of allowance against trade receivables

As in the previous year, there were no trade receivables due after more than one year as at 31 December 2008.

Allowance account

	€m
Balance as at 1 Jan. 2007	**6.3**
Additions	1.0
Utilization	–1.0
Reversal	–1.4
Balance as at 31 Dec. 2007	**4.9**
Additions	7.6
Utilization	–0.9
Reversal	–0.8
Balance as at 31 Dec. 2008	**10.8**

Uncollectible receivables of €0.2 million for which no allowance accounts had previously been recognized were derecognized in 2008 (2007: €0.1 million).

21. Other current assets

Composition of other current assets

	31 Dec. 2008 €m	31 Dec. 2007 €m
Tax receivables (excluding income taxes)	17.2	18.6
Prepaid expenses	13.4	13.7
Other receivables from CCP transactions	9.8	246.4
Collection business of Deutsche Börse Systems AG	8.3	5.6
Interest receivables	2.4	1.5
Forward foreign exchange transactions	1.8	0
Cash flow hedges	0	8.2
Miscellaneous	7.6	7.9
Total	**60.5**	**301.9**

For details on forward foreign exchange transactions reported under other current assets, see note 17.

22. Restricted bank balances

Amounts reported separately under liabilities as cash deposits by market participants are restricted. Such amounts adding up to €10,220.7 million (2007: €3,797.2 million) are mainly invested via bilateral or triparty reverse repurchase agreements and in the form of overnight deposits at banks (restricted bank balances). Government or government-guaranteed bonds, mortgage bonds and bank bonds with an external rating of at least AA– are accepted as collateral for the reverse repurchase agreements.

Cash funds amounting to €144.0 million (2007: €424.5 million) attributable to the Clearstream subgroup are restricted due to minimum reserve requirements.

23. Equity

Changes in equity are presented in the consolidated statement of changes in equity. 5,000,000 shares previously acquired under the share buy-back program were retired in March 2008. As at 31 December 2008, the number of no-par value shares of Deutsche Börse AG issued was 195,000,000 (31 December 2007: 200,000,000).

The transaction costs from the buy-back of treasury shares, less attributable taxes, in the amount of €0.1 million (2007: €0.1 million) were taken directly to equity.

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

Composition of authorized share capital

	Amount in €	Date of authorization by the shareholders	Expiry date	Existing shareholders' pre-emptive rights may be disapplied for fractioning and/or may be disapplied if the share issue is:
Authorized share capital I	5,200,000	24 May 2006	23 May 2011	■ against non-cash contributions for the purpose of acquiring companies, parts of companies, interests in companies, or other assets
Authorized share capital II	14,800,000	21 May 2008	20 May 2013	■ for cash at an issue price not significantly lower than the stock exchange price up to a maximum amount of 10 percent of the nominal capital ■ to issue new shares to employees or subsidiaries' employees with a pro rata amount of the share capital of up to a total of €3 million under a Group Share Plan ■ against non-cash contributions for the purpose of acquiring companies, parts of companies, interests in companies, or other assets
Authorized share capital IV	6,000,000	11 May 2007	10 May 2012	■ for the issuance of up to 900,000 new shares per year to Executive Board members and employees of the Company as well as to the management and employees of affiliated companies within the meaning of the Aktiengesetz (AktG, German Stock Corporation Act) sections 15 et seqq.

In addition to authorized share capital I, II and IV, the Company has a contingent capital I, which allows it to issue up to 6,000,000 shares to settle stock options under the Group Share Plan (see note 46).

There were no further subscription rights for shares as at 31 December 2008 or 31 December 2007.

Revaluation surplus

The revaluation surplus results from the revaluation of securities and other current and noncurrent financial instruments at their fair value less deferred taxes, as well as the value of the stock options under the Group Share Plan and the stock options under the Share Bonus Plan for which no cash settlement was provided at the balance sheet date (see note 46).

Revaluation surplus

	Other equity investments (financial assets) €m	Securities from banking business (financial assets) €m	Other financial instruments (financial assets) €m	Current securities from banking business €m	Cash flow hedges €m	Equity options (GSP and ATP) €m	Total €m
Balance as at 1 Jan. 2007	**0.7**	**7.0**	**3.9**	**0**	**0.1**	**1.2**	**12.9**
Fair value measurement	14.5	–3.1	0.6	0	–78.3	0	**–66.3**
Increase in share-based payments	0	0	0	0	0	4.6	**4.6**
Reversal to profit or loss	0	–3.2	0	0	–3.0	0	**–6.2**
Reclassification directly in equity[1]	0	0	0	0	86.9	0	**86.9**
Deferred taxes	0	1.9	0	0	–1.7	0	**0.2**
Balance as at 31 Dec. 2007	**15.2**	**2.6**	**4.5**	**0**	**4.0**	**5.8**	**32.1**
Fair value measurement	–20.5	2.5	–5.7	3.1	15.3	0	**–5.3**
Increase in share-based payments	0	0	0	0	0	11.0	**11.0**
Reversal to profit or loss	5.6	–2.3	0	–0.1	–9.2	0	**–6.0**
Deferred taxes	–0.1	0.4	0	–1.2	–1.6	0	**–2.5**
Balance as at 31 Dec. 2008	**0.2**	**3.2**	**–1.2**	**1.8**	**8.5**	**16.8**	**29.3**

1) Reclassified as accumulated profit

Overall, deferred taxes amounting to €–5.6 million (2007: €–3.1 million) were recognized in the revaluation surplus.

Accumulated profit
The “accumulated profit” item includes exchange rate differences amounting to €5.5 million (2007: €–36.2 million). €70.3 million was added due to currency translation for foreign subsidiaries in the year under review (2007: €-38.2 million) and €28.6 million was withdrawn relating to a net investment hedge that was used to hedge the net investment in ISE against currency risk (2007: €0 million).

Capital management program
The purpose of the capital management program is the analysis of the balance sheet structure and an increase in capital efficiency. Deutsche Börse Group’s business operations, and in particular its securities custody and settlement activities, depend on a strong credit rating. In order to safeguard the current rating of its securities custody and settlement subsidiary Clearstream Banking S.A., the parent company Deutsche Börse AG has publicly declared its intention to comply with certain key performance indicators that the Company believes correspond to an AA rating. For example, the so-called tangible equity (equity less intangible assets) should not fall below €700 million at Clearstream International S.A., and €250 million at Clearstream Banking S.A. An additional goal is to maintain the profit participation rights of €150 million issued by Clearstream Banking S.A. to Deutsche Börse AG.

Deutsche Börse Group pursues the objective to maintain an interest coverage ratio (ratio of EBITDA to interest expenses from financing activities) of at least 16 at the Group level. 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.

Available equity that is surplus to requirements will be distributed to shareholders in the form of dividend payments or as part of a share buy-back program: both the planned dividend distribution ratio of 40 to 60 percent of consolidated net income for the year and the intended share buy-backs are subject to capital and investment requirements and general liquidity considerations.

Relevant key performance indicators of the capital management program

		2008	2007
Interest coverage ratio Deutsche Börse Group		18.9	64.4
Interest coverage ratio Clearstream subgroup[1)]		–	–
Tangible equity Clearstream International S.A. (as at balance sheet date)	€m	720.6	828.4
Tangible equity Clearstream Banking S.A.[2)] (as at balance sheet date)	€m	663.3	614.5

1) As in the previous year, there were no financial liabilities from non-banking business during the year.
2) Including €150.0 million from profit participation rights issued by Clearstream Banking S.A. to Deutsche Börse AG

Interest expenses used to calculate the interest coverage ratio include the consolidated interest costs of financing, but exclude interest costs relating to the Group's financial institution companies, including but not limited to Clearstream Banking S.A. and Clearstream Banking AG as well as Eurex Clearing AG, and exclude interest charges not related to financing. 50 percent of the interest expense on the hybrid bond issued in 2008 is excluded from the interest coverage calculation reflecting the assumed equity component of the hybrid bond.

Regulatory capital requirements and regulatory capital ratios

The Clearstream subgroup and the Group companies Clearstream Banking S.A. and Clearstream Banking AG as well as Eurex Clearing AG are subject to solvency supervision by the Luxembourg or German banking supervisory authorities (Commission de Surveillance du Secteur Financier, CSSF, and Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin, respectively). All Group companies are non-trading-book institutions. Market risk positions consist only of a relatively small open foreign currency position. As a result of the Group companies' specific businesses, their risk-weighted assets are subject to sharp fluctuations and their solvency ratios are correspondingly volatile.

Modified capital requirements have been in force in the European Economic Area (EEA) since 1 January 2007. They have been implemented in national regulations to reflect the 2006 EU Banking and Capital Requirements Directives and are based on the "Basel II" rules.

2007 was a transitional year for the introduction of the new capital requirements rules: they were not required to be applied in 2007. Deutsche Börse Group applies the standardized approach for credit risk across the entire Group. Eurex Clearing AG uses the Basic Indicator Approach for operational risk, while the Clearstream subgroup applies the AMA (Advanced Measurement Approach). Eurex Clearing AG has applied the new German rules since 1 January 2007, while the Clearstream subgroup has applied the new Luxembourg and German rules only since 2008 because of the considerably greater implementation effort necessitated by the significantly larger number of customers and the fact that the AMA could only be used from 1 January 2008. On 11 January 2008, Clearstream International S.A. received permission from the CSSF to use the AMA with effect from 1 January 2008.

Deutsche Börse Group companies have only a limited amount of Tier 2 regulatory capital. To enhance comparability, the solvency ratio was determined in accordance with the requirements for the overall capital ratio under German law. The overall capital ratio must be a minimum of 8 percent. The Group companies' capital resources adequately reflect the fluctuation in risk-weighted assets, which can lead to extremely high overall capital ratios. The disclosures for Eurex Clearing AG for 2007 already include the regulatory capital requirements for covering operational risk. Operational risk for the Clearstream companies was covered in 2007 by adequate capital resources, whereas the amounts resulting from the regulatory requirements were included for 2008.

The regulatory capital requirements for operational risk were €177 million for the Clearstream subgroup at the end of 2008 (Clearstream Banking S.A.: €114 million, Clearstream Banking AG: €64 million). The global financial crisis did not have any significant effects on regulatory capital requirements in the Clearstream subgroup.

Owing to the increased market volatility and the situation in the money markets as a result of the global financial crisis, the clearing members of Eurex Clearing AG deposited considerably more collateral. Unusual market events in the period between the end of September and the beginning of November led to an overnight portfolio of cash collateral that peaked at a total of over €30 billion (before the financial market crisis: normally around €3 to 6 billion). A significant portion of the collateral was contributed as intraday margins late in the day. Due to the general market situation, the large volumes and the timing of the cash inflow, it was not possible to invest significant portions of these funds on a secured basis, which led to a sharp increase in regulatory capital requirements. As a result, Eurex Clearing AG increased its capital in two steps by a total of €60 million. In addition, various measures for increasing secured deposits were implemented and funds were deposited at central banks. Finally, the calming of the markets at the end of the year resulted in a significant reduction overall in cash collateral, and in particular in intraday margins (for more information, see also note 43). The regulatory capital requirements for Eurex Clearing AG's operational risk increased slightly year-on-year to €14 million (2007: €13 million).

The regulatory minimum requirements were generally complied with at all times by all companies during the year under review and in the period up to the preparation of the financial statements. Eurex Clearing AG's capital fell below minimum requirements on two trading days as a result of the extreme market conditions described above; however, this did not result in any regulatory measures owing to the extreme market situation and the steps that were implemented.

Regulatory capital ratios

	Own funds requirements		Regulatory equity		Solvency ratio[1]	
	31 Dec. 2008 €m	31 Dec. 2007 €m	31 Dec. 2008 €m	31 Dec. 2007 €m	31 Dec. 2008 %	31 Dec. 2007 %
Clearstream subgroup	287.1	170.6	659.3	665.9	18.4	31.2
Clearstream Banking S.A.	221.6	159.4	397.9	363.0	14.4	18.2
Clearstream Banking AG	86.7	24.3	149.7	149.6	13.8	49.3
Eurex Clearing AG[2]	16.0	17.7	110.8	50.4	55.4	22.8

1) Overall capital ratio, recalculated in accordance with the German regulations where necessary
2) Disclosures for Eurex Clearing AG for 2007 in accordance with the new regulations including capital requirements for operational risk

On 16 January 2007, Eurex Clearing AG received regulatory approval by the Financial Services Authority (FSA) in the UK as a Recognised Overseas Clearing House (ROCH). The FSA expects regulatory capital equivalent to at least half the operating expenses of the previous year to be maintained. This corresponds to €40.6 million as at 31 December 2008 (2007: €46.3 million).

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

The annual financial statements of the parent company Deutsche Börse AG, prepared as at 31 December 2008 in accordance with the provisions of the Handelsgesetzbuch (HGB, the German Commercial Code), report net profit for the year of €971.2 million (2007: €773.6 million) and shareholders' equity of €2,114.4 million (2007: €1,916.3 million). Reflecting the deferred tax assets recognized in accordance with HGB section 274 (2), an amount of €1.4 million (2007: €7.5 million) is reported in retained earnings to limit capital distribution.

The year-on-year increase in the net profit for 2008 relates mainly to significantly higher dividend payments from Clearstream International S.A. as against the previous year. These dividends received included the profit from the sale of buildings generated in 2007. Other factors were the growth in sales revenue due to higher trading volumes, the substantial reduction in total costs and the significantly lower tax expense due to the decline in the tax rate. However, the net profit for the year was impacted by the higher interest expenses required to finance the acquisition of ISE.

Proposal on the appropriation of the unappropriated surplus

	31 Dec. 2008 €m	31 Dec. 2007 €m
Net profit for the year	971.2	773.6
Appropriation to other retained earnings in the annual financial statements	–471.2	–348.6
Unappropriated surplus	**500.0**	**425.0**
Proposal by the Executive Board:		
Distribution of a dividend to the shareholders of €2.10 per share for 185,803,927 no-par value shares carrying dividend rights (in 2008 from net profit for 2007: €2.10)	390.2	403.0
Appropriation to retained earnings	109.8	22.0

The proposed dividend for 2008 corresponds to a distribution ratio of 37.8 percent of the consolidated net income (2007: 44.2 percent).

No-par value shares carrying dividend rights

	Number
Number of shares issued as at 31 December 2007	**200,000,000**
Shares acquired under the share buy-back program and retired in March 2008	–5,000,000
Number of shares issued as at 31 December 2008	**195,000,000**
Shares acquired under the share buy-back program and scheduled to be retired	–9,209,401
Number of shares outstanding as at 31 December 2008	**185,790,599**
Shares issued under the Group Share Plan prior to the preparation date of the financial statements	13,328
Total	**185,803,927**

The proposal on the appropriation of the unappropriated surplus reflects treasury shares held directly or indirectly by the Company that are not eligible to receive dividends under section 71b of the Aktiengesetz (AktG, the German Stock Corporation Act). The number of shares eligible to receive dividends can change up until the Annual General Meeting through the repurchase of further shares (irrespective of whether or not such shares are subsequently retired) or through the sale of treasury shares. In this case, without changing the dividend of €2.10 per eligible share, an amended resolution for the appropriation of surplus will be proposed to the Annual General Meeting.

25. Provisions for pensions and other employee benefits

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

Actuarial assumptions

	31 Dec. 2008 %	31 Dec. 2007 %
Discount rate	6.25	5.25
Expected return on plan assets[1)]	5.25 / 5.85	5.55 / 6.15
Salary growth	3.50	3.50
Pension growth[2)]	1.75 / 2.50	1.75 / 2.50
Staff turnover rate[3)]	2.00	2.00

1) Expected return in 2008 for 2009: Germany 5.85 percent and Luxembourg 5.25 percent. The expected return on plan assets is calculated on the basis of the assumed short-term (4.43 percent; 2007: 4.15 percent) and long-term (4.25 percent; 2007: 4.55 percent) interest rates, plus a premium for the equity component of the investment portfolio (2.00 percent; 2007: 2.00 percent). The equity component of the Luxembourg portfolio is expected to be unchanged at 50.00 percent, while the equity component of the German portfolio is expected to be 80.00 percent.
2) 2.50 percent for plans for which this percentage was contractually agreed
3) No turnover assumed for employees over the age of 50 and in respect of deferred compensation plans

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

Net liability of defined benefit obligations

	31 Dec. 2008 €m	31 Dec. 2007 €m
Unfunded defined benefit obligations	0.6	0.8
Partly or wholly funded defined benefit obligations	147.0	153.7
Defined benefit obligations	**147.6**	**154.5**
Fair value of plan assets	– 104.5	– 132.1
Net unrecognized actuarial losses	– 28.6	– 1.2
Net unrecognized past service cost	– 0.8	– 2.9
Net liability	**13.7**	**18.3**
Amount recognized in the balance sheet		
Other noncurrent assets	– 5.1	– 2.3
Provisions for pensions and other employee benefits	18.8	20.6
Net liability	**13.7**	**18.3**

Changes in defined benefit obligations

	2008 €m	2007 €m
As at 1 January	154.5	149.0
Current service cost	12.1	16.4
Past service cost	0	4.0
Interest cost	8.0	6.5
Changes in actuarial losses	– 22.5	– 17.0
Benefits paid	– 4.5	– 4.4
As at 31 December	**147.6**	**154.5**

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

Composition of expenses recognized

	2008 €m	2007 €m
Current service cost	12.1	16.4
Past service cost	3.0	5.4
Interest cost	8.0	6.5
Expected return on plan assets	– 7.7	– 6.4
Net actuarial loss recognized	0.3	0.2
Total	**15.7**	**22.1**

The expected costs of defined benefit plans will amount to approximately €13.6 million for the 2009 financial year.

Changes in fair value of plan assets

	2008 €m	2007 €m
As at 1 January	132.1	115.2
Expected return on plan assets	7.7	6.4
Actuarial (loss)/return on plan assets	– 51.1	1.5
Employer contributions	20.3	13.4
Benefits paid	– 4.5	– 4.4
As at 31 December	**104.5**	**132.1**

The actual losses on plan assets amounted to €38.5 million in the year under review (2007: return of €0.2 million). The calculation of the expected return on plan assets had been based on return rates of 5.55 to 6.15 percent (2007: 5.05 to 5.80 percent).

Composition of plan assets

	31 Dec. 2008 %	31 Dec. 2007 %
Bonds	26.1	25.2
Investment funds	56.1	64.4
Cash deposits and bank balances	17.8	10.4
Total	**100.0**	**100.0**

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

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

Adjustments to pension obligations and plan assets

	2008 €m	2007 €m	2006 €m
Actuarial present value of pension obligations	147.6	154.5	149.0
Fair value of plan assets	–104.5	–132.1	–115.2
Underfunding	**43.1**	**22.4**	**33.8**
Experience adjustments	47.7	–0.8	–2.4
thereof attributable to plan liabilities	–3.4	–2.3	–1.9
thereof attributable to plan assets	51.1	1.5	–0.5

26. Changes in other provisions

Changes in other provisions

	Other noncurrent provisions €m	Tax provisions €m	Other current provisions €m	Total €m
Balance as at 1 Jan. 2008	**118.4**	**273.3**	**205.0**	**596.7**
Reclassification	–59.4	0	59.4	0
Utilization	–2.7	–87.9	–176.7	–267.3
Reversal	–14.7	–2.6	–32.2	–49.5
Additions	31.3	56.5	28.0	115.8
Balance as at 31 Dec. 2008	**72.9**	**239.3**	**83.5**	**395.7**

27. Other noncurrent provisions

Other noncurrent provisions have more than one year to maturity.

Composition of other noncurrent provisions

	31 Dec. 2008 €m	31 Dec. 2007 €m
Provisions for anticipated losses	12.0	19.2
Other provisions:		
Restructuring program	38.5	33.4
Pension obligations to IHK[1]	8.2	8.9
Early retirement benefits	5.6	6.2
Phantom stock options	0	43.2
Miscellaneous	8.6	7.5
Total	**72.9**	**118.4**
thereof with remaining maturity between 1 and 5 years	65.5	101.6
thereof with remaining maturity of more than 5 years	7.4	16.8

1) Industrie- und Handelskammer (Chamber of Commerce)

As at 31 December 2008, the provisions for anticipated losses contained provisions for anticipated losses from rental expenses amounting to €15.8 million (2007: €24.7 million), of which €4.4 million (2007: €6.4 million) were allocated to current provisions. The provisions classified as noncurrent are not expected to be utilized before 2010. They were calculated on the basis of existing rental agreements for each building. A discount rate of 2.70 percent was applied (2007: 3.75 percent). Additions include interest rate effects amounting to €0.4 million (2007: €1.0 million), of which €0.2 million (2007: no effects) result from the discount rate change.

Provisions for restructuring include provisions for one-time expenses amounting to €27.4 million for the restructuring and efficiency program resolved in September 2007. For details see the Group management report.

Provisions for pension obligations to the IHK (Industrie- und Handelskammer, the Chamber of Commerce) are recognized on the basis of the number of eligible employees. Provisions for early retirement benefits are calculated on the basis of the active and former employees involved.

For details on the phantom stock options, see note 46.

28. Liabilities

In the previous year, other bank loans and overdrafts included current liabilities to banks amounting to €1,360.2 million from the financing of the ISE acquisition (see notes 17 and 43). These were replaced entirely by long-term debt in the year under review.

The euro and US dollar bonds reported in this context under "interest-bearing liabilities" and a hybrid bond denominated in euros have a carrying amount of €1,512.4 million and a fair value of €1,488.1 million. For further details, see the Group management report.

Interest-bearing liabilities include finance lease obligations. For further details, see note 45.

The liabilities recognized in the balance sheet were not secured by liens or similar rights, either as at 31 December 2008 or as at 31 December 2007.

29. Tax provisions

Composition of tax provisions

	31 Dec. 2008 €m	31 Dec. 2007 €m
Income tax expense: current year	53.6	144.2
Income tax expense: previous years	177.3	122.5
Capital tax and value added tax	8.4	6.6
Total	**239.3**	**273.3**

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

30. Other current provisions

Composition of other current provisions

	31 Dec. 2008 €m	31 Dec. 2007 €m
Phantom stock options	33.6	144.9
Restructuring costs[1)]	17.1	20.0
Recourse, litigation and interest rate risks	15.1	12.8
Provisions for anticipated losses	4.4	6.5
Rent and incidental rental costs	2.7	3.9
Stock options from Group Share Plan	0.5	2.9
Miscellaneous	10.1	14.0
Total	**83.5**	**205.0**

1) Thereof provisions amounting to €10.5 million for the restructuring and efficiency program resolved in 2007.

For details on phantom stock options and stock options from the Group Share Plan, see note 46.

31. Liabilities from banking business

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

Composition of liabilities from banking business

	31 Dec. 2008 €m	31 Dec. 2007 €m
Customer deposits from securities settlement business	6,896.5	7,969.1
Money market placements	712.8	836.5
Issued commercial paper	35.0	242.2
Overdrafts on nostro accounts	165.5	25.5
Interest liabilities	13.5	52.6
Forward foreign exchange transactions	92.9	0
Fair Value Hedges – interest rate swaps	0.1	0
Total[1)]	**7,916.3**	**9,125.9**

1) Thereof €278.0 million (2007: €95.1 million) are attributable to associates, see note 49.

Remaining maturity of liabilities from banking business

	31 Dec. 2008 €m	31 Dec. 2007 €m
Not more than 3 months	7,916.3	9,085.9
More than 3 months but not more than 12 months	0	40.0
Total	**7,916.3**	**9,125.9**

32. Cash deposits by market participants

Composition of cash deposits by market participants

	31 Dec. 2008 €m	31 Dec. 2007 €m
Liabilities from margin payments to Eurex Clearing AG by members	10,216.2	4,011.3
Liabilities from cash deposits by participants in equity trading	4.5	4.9
Total	**10,220.7**	**4,016.2**

33. Other current liabilities

Composition of other current liabilities

	31 Dec. 2008 €m	31 Dec. 2007 €m
Issued commercial paper	201.2	0
Special payments and bonuses	56.7	44.0
Interest payable	45.7	12.9
Tax liabilities (excluding income taxes)	25.7	35.5
Payables to Eurex participants	23.6	26.0
Vacation entitlements, flexitime and overtime credits	14.7	13.8
Derivatives	0.6	3.4
Corporate bond	0	499.8
Miscellaneous	43.9	47.0
Total	**412.1**	**682.4**

The “Miscellaneous” item includes liabilities resulting from reimbursement claims and collection business, liabilities resulting from finance lease transactions (see note 45), as well as the remuneration to be paid to the members of the Supervisory Board for financial year 2008, but which will only be paid in the following year.

The corporate bond reported under this item in the previous year was due on 23 May 2008 and was repaid in full.

34. Maturity analysis of financial assets and liabilities

Underlying contractual maturities of the financial assets and liabilities at the balance sheet date

	Contractual maturity	
		Sight
	2008	2007
	€m	€m
Non-derivative financial liabilities		
Interest-bearing liabilities[1]	0	0
Other non-derivative noncurrent financial liabilities	0	0
Non-derivative liabilities from banking business	7,814.0	8,776.9
Other bank loans and overdrafts	0	0
Trade payables, payables to associates, payables to other investors and other current liabilities	0	0
Cash deposits by market participants	10,220.7	4,016.2
Total non-derivative financial liabilities, gross	**18,034.7**	**12,793.1**
less non-derivative financial assets:		
Noncurrent receivables and securities from banking business	0	0
Other noncurrent financial instruments and loans	0	0
Other non-derivative noncurrent financial assets	0	0
Current receivables and securities from banking business	–4,888.6	–5,939.6
Trade receivables, receivables to associates, receivables to other investors and other current assets	0	0
Restricted bank balances	–10,364.7	–4,221.7
Other cash and bank balances	–370.5	–547.6
Total non-derivative financial assets	**–15,623.8**	**–10,708.9**
Total non-derivative financial liabilities, net	**2,410.9**	**2,084.2**
Derivatives and financial instruments of Eurex Clearing AG		
Financial liabilities and derivatives of Eurex Clearing AG	14,075.2	1,960.6
less financial assets and derivatives of Eurex Clearing AG	–14,075.2	–1,960.6
Cash inflow – derivatives and hedges		
Cash flow hedges	0	0
Fair value hedges	0	0
Derivatives held for trading	70.1	271.0
Cash outflow – derivatives and hedges		
Cash flow hedges	0	0
Fair value hedges	0	0
Derivatives held for trading	–60.1	–271.1
Total derivatives and hedges	**10.0**	**–0.1**

1) Included in noncurrent interest-bearing liabilities and other current liabilities

2) Includes the traditional options and option premiums of future-style options in the amount of €37,840.8 million (2007: €18,595.4 million). The various series have different maximum durations: 36 months for single-stock futures, 60 months for equity options, 9 months for index futures and 119 months for index options. As the respective asset and liability sides of the options are always of the same duration, no analysis of the individual durations is presented for reasons of materiality, and the total outstanding is presented as having a contractual maturity of not more than 3 months.

Contractual maturity								Reconciliation to carrying amount		Carrying amount	
Not more than 3 months		More than 3 months but not more than 12 months		More than 1 year but not more than 5 years		Over 5 years					
2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
0	0.1	92.6	500.1	1,571.5	1.3	427.1	0	−578.3	−0.1	1,512.9	501.4
0	0	0	0	2.6	0	0	0	0	3.5	2.6	3.5
9.3	309.0	0	40.0	0	0	0	0	0	0	7,823.3	9,125.9
0	1,360.2	0	0	0	0	0	0	0	0	0	1,360.2
201.2	0	45.7	12.9	0	0	0	0	295.0	275.3	541.9	288.2
0	0	0	0	0	0	0	0	0	0	10,220.7	4,016.2
210.5	**1,669.3**	**138.3**	**553.0**	**1,574.1**	**1.3**	**427.1**	**0**	**−283.3**	**278.7**	**20,101.4**	**15,295.4**
0	0	0	−20.5	−327.8	−138.1	−428.5	−356.3	0	0	−756.3	−514.9
0	0	0	−0.1	0	0	0	0	−216.2	−115.2	−216.2	−115.3
0	0	0	0	0	0	0	0	−13.1	10.2	−13.1	10.2
−3,144.0	−3,473.4	−386.0	−206.7	0	0	0	0	0	0	−8,418.6	−9,619.7
0	0	0	0	0	0	0	0	−276.1	−535.0	−276.1	−535.0
0	0	0	0	0	0	0	0	0	0	−10,364.7	−4,221.7
−112.3	0	0	0	0	0	0	0	0	0	−482.8	−547.6
−3,256.3	**−3,473.4**	**−386.0**	**−227.3**	**−327.8**	**−138.1**	**−428.5**	**−356.3**	**−505.4**	**−640.0**	**−20,527.8**	**−15,544.0**
−3,045.8	**−1,804.1**	**−247.7**	**325.7**	**1,246.3**	**−136.8**	**−1.4**	**−356.3**	**−788.7**	**−361.3**	**−426.4**	**−248.6**

95,813.9[2)]	54,441.1[2)]	11,795.2	4,022.3	0	0	0	0	0	0	121,684.3	60,424.0
−95,813.9[2)]	−54,441.1[2)]	−11,795.2	−4,022.3	0	0	0	0	0	0	−121,684.3	−60,424.0

6.4	15.0	32.1	26.8	−4.1	2.6	0	0
1.3	1.3	5.3	5.9	15.2	20.4	0	1.3
2,031.5	86.4	59.5	0	0	0.8	0	0
−6.7	−40.1	−37.0	−5.0	5.7	−34.6	0	0
−2.2	−2.2	−5.4	−6.2	−17.2	−22.2	0	−0.4
−1,980.1	−86.5	−57.4	0	0	−0.8	0	0
50.2	**−26.1**	**−2.9**	**21.5**	**−0.4**	**−33.8**	**0**	**0.9**

35. Reconciliation of the classification of financial instruments

The following table shows the reconciliation of the balance sheet items to classification in accordance with IAS 39 as well as the corresponding carrying amounts of the financial instruments:

Classification of financial instruments

Consolidated balance sheet item (classification)	Note	Category	Measured at	Carrying amount 31 Dec. 2008 €m	Carrying amount 31 Dec. 2007 €m
Other equity investments	15	AFS[1]	Amortized cost	32.5	36.3
		AFS[1]	Fair value	20.3	30.5
Noncurrent receivables and securities from banking business	15	AFS[1]	Fair value	556.3	314.9
		Loans and receivables	Amortized cost	200.0	200.0
Other financial instruments	15	AFS[1]	Fair value	6.8	12.5
Other loans	15	Loans and receivables	Amortized cost	0	0.1
Other noncurrent assets	16, 17	Fair value hedges	Fair value	0	2.9
		Cash flow hedges	Fair value	0	4.5
		Held for trading	Fair value	0.4	0.7
Financial instruments of Eurex Clearing AG	18	Held for trading	Fair value	121,684.3	60,424.0
Current receivables and securities from banking business	19	AFS[1]	Fair value	479.1	135.2
		Cash flow hedges	Fair value	9.1	0
		Loans and receivables	Amortized cost	7,939.5	9,484.2
		Held for trading	Fair value	0.3	0.3
Trade receivables		Loans and receivables	Amortized cost	210.7	235.5
Associate receivables		Loans and receivables	Amortized cost	5.7	4.4
Receivables from other investors		Loans and receivables	Amortized cost	1.0	1.4
Other current assets	17, 21	Cash flow hedges	Fair value	0	8.2
		Held for trading	Fair value	1.8	0.5
		Loans and receivables	Amortized cost	19.2	7.1
Restricted bank balances	22	Loans and receivables	Amortized cost	10,364.7	4,221.7
Other cash and bank balances		Loans and receivables	Amortized cost	482.8	547.6
Interest-bearing liabilities (excluding finance leases)	28	Liabilities at amortized cost	Amortized cost	1,186.8	0
		Net investment hedge[2]	Amortized cost	325.6	0

Consolidated balance sheet item (classification)	Note	Category	Measured at	Carrying amount	
				31 Dec. 2008 €m	31 Dec. 2007 €m
Other noncurrent liabilities	17	Cash flow hedges	Fair value	1.2	1.0
		Fair value hedges	Fair value	4.2	0
		Held for trading	Fair value	0.4	0.7
		Puttable instruments[3]	Fair value	1.4	2.5
Liabilities from banking business	31	Liabilities at amortized cost	Amortized cost	7,823.3	9,125.9
		Fair value hedges	Fair value	0.1	0
		Held for trading	Fair value	92.9	0
Other bank loans and overdrafts	40	Liabilities at amortized cost	Amortized cost	0	1,360.2
Trade payables		Liabilities at amortized cost	Amortized cost	112.3	97.7
Payables to associates		Liabilities at amortized cost	Amortized cost	8.7	6.1
Payables to other investors		Liabilities at amortized cost	Amortized cost	9.4	5.2
Cash deposits by market participants		Liabilities at amortized cost	Amortized cost	10,220.7	4,016.2
Other current liabilities	17, 33	Cash flow hedges	Fair value	0.6	3.4
	33	Liabilities at amortized cost	Amortized cost	246.9	499.8

1) Available-for-sale (AFS) financial assets
2) This relates to the private placements designated as hedging instruments of a net investment hedge (see note 17).
3) These are puttable equity instruments in accordance with IAS 32.18b which are attributable to the minority shareholder and are required to be measured at fair value at the respective balance sheet date.

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

The “other equity investments” item, which is carried at historical cost less any impairment losses, comprises unlisted equity instruments whose fair value cannot generally be reliably determined on a continuous basis. For the year under review, their fair value is estimated to be close to their carrying amount. See note 15 for details of the impairment losses recognized.

The bonds reported under interest-bearing liabilities have a fair value of €1,128.8 million. The fair values are the quoted prices of the bonds as at 31 December 2008. The fair value of the private placements is €359.3 million. This figure was calculated as the present value of the cash flows relating to the private placements on the basis of market parameters.

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

Consolidated Cash Flow Statement Disclosures

36. Consolidated cash flow statement

The cash flow statement presents the balance of and changes in Deutsche Börse Group's cash and cash equivalents. In compliance with IAS 7, cash flows are classified by operating, investing and financing activities. Cash and cash equivalents comprise cash, bank balances and current receivables from banking business, net of current liabilities from banking business, each with an original term of less than three months, and cash deposits by market participants.

37. Cash flows from operating activities

After adjustments to net profit for the year for non-cash items, cash flows from operating activities amounted to €1,278.9 million (2007: €839.6 million). Basic operating cash flow per share was €6.71 and diluted operating cash flow per share amounted to €6.70 (2007: basic and diluted operating cash flow €4.33). The entire cash flow from the net financial result (net interest and investment income) has been allocated to operating activities.

Noncurrent provisions decreased by €47.5 million in the year under review (2007: increase by €16.0 million). This is primarily due to the decline of €43.2 million in provisions for phantom stock options (see note 27).

Composition of other non-cash income

	2008 €m	2007 €m
Gains on the disposal of other equity investments	–9.4	–135.6
Equity method measurement	–5.0	–4.8
Exchange rate differences relating to the short-term financing of the acquisition of ISE	–18.5	–8.4
Miscellaneous	36.2	31.1
Total	**3.3**	**–117.7**

Exchange rate differences relating to the short-term financing of the acquisition ISE acquisition result from realized exchange rate gains from the repayment of the interim financing in US dollars.

Gains on the disposal of (shares in) subsidiaries and equity investments include income from the termination of a joint venture. In the previous year, this item included income from the sale of buildings and investment property amounting to €120.6 million.

The decrease in receivables and other assets of €265.3 million (2007: increase of €266.5 million) is due to a significant rise in receivables from the CCP business for technical closing date reasons as at 31 December 2007.

The decrease in current liabilities of €100.3 million (2007: increase of €192.3 million) is mainly due to the decrease in provisions for phantom stock options by €111.3 million. This contrasted with an increase in other current liabilities relating to interest expenses (€32.8 million) for the refinancing of the ISE acquisition.

38. Cash flows from investing activities

Composition of payments to acquire noncurrent assets (excluding other noncurrent assets)

	2008 €m	2007 €m
Payments to acquire intangible assets and property, plant and equipment		
Payments to acquire intangible assets	40.1	35.2
Payments to acquire property, plant and equipment	54.4	44.5
Total payments to acquire intangible assets, property, plant and equipment	**94.5**	**79.7**
Payments to acquire noncurrent financial instruments	344.0	124.8
Payments to acquire investments in associates	122.3	0.3
Total	**560.8**	**204.8**

No shares in subsidiaries were acquired in 2008. In the prior year, the acquisition of (shares in) subsidiaries had led to a cash outflow of €1,826.6 million.

Cash amounting to €24.6 million was surrendered in connection with the merger of ISE Stock Exchange, LLC and Direct Edge Holdings, LLC. In 2007, the disposal of (shares in) subsidiaries and other equity investments had led to a cash inflow of €358.9 million in the previous year.

Effects of the disposal of subsidiaries, net of cash disposed

	2008 €m	2007 €m
Disposal proceeds	0	360.4
less cash disposed	–24.6	–1.5
Proceeds from the disposal of (shares in) subsidiaries and other equity investments, net of cash disposed	**–24.6**	**358.9**
less assets and liabilities disposed:		
Property, plant and equipment	–0.3	–141.9
Investment property	0	–89.6
Other noncurrent assets	0	–1.6
Receivables and other current assets	–2.9	–0.2
Minority interests	22.7	0
Merger of shareholders' equity into Direct Edge Holdings, LLC	2.5	0
Current liabilities	2.6	10.0
Gains on the disposal of equity investments	**0**	**135.6**

The net cash proceeds from the sale of available-for-sale noncurrent financial instruments amounted to €19.9 million (2007: €50.9 million). As in the previous year, the proceeds for 2008 correspond to the repayment at maturity of fixed-income securities.

39. Cash flows from financing activities

In 2008, a dividend of €403.0 million was distributed for financial year 2007 (in 2007 for 2006: €329.8 million). For details on the acquisition of treasury shares, see the Group management report.

Net cash received from long-term financing and cash outflow from short-term financing in the amount of €1,341.7 million are related to the financing of the ISE acquisition in financial year 2007. In 2008, the bridge loan was replaced by long-term debt amounting to €1,481.6 million.

Deutsche Börse AG also uses its commercial paper program to ensure that it has adequate liquidity. Commercial paper in the amount of €202.0 million was outstanding as at 31 December 2008.

40. Reconciliation to cash and cash equivalents

To prevent receivables and liabilities from banking business from distorting the operating cash flow, such items with an original maturity of more than three months have been reported within cash flows from investing activities. Items with an original maturity of not more than three months are classified as cash and cash equivalents.

Commercial Paper issued by Deutsche Börse AG in 2008 was attributed to cash flow from financing activities.

In order to avoid distorting the cash flow in 2007, other current bank loans and overdrafts in the amount of €1,368.6 million were attributed to cash flows from financing activities. In this connection, cash flow from operating activities was adjusted for the currency losses recognized in profit or loss in the amount of €8.4 million that had not been realized in 2007.

Reconciliation to cash and cash equivalents

	31 Dec. 2008 €m	31 Dec. 2007 €m
Cash and bank balances	10,847.5	4,769.3
Other bank loans and overdrafts	0	–1,360.2
Reconciliation to cash and cash equivalents		
Current receivables from banking business	8,428.0	9,619.7
less loans to banks and customers with an original maturity of more than 3 months	–202.1	–206.7
less available-for-sale debt instruments	–331.9	0
less available-for-sale fixed-income securities – money market instruments with an original maturity of more than 3 months	–147.2	0
less derivative assets	–9.1	0
Current liabilities from banking business	–7,916.3	–9,125.9
plus short-term financing ISE	0	1,360.2
Current liabilities from cash deposits by market participants	–10,220.7	–4,016.2
	–10,399.3	**–2,368.9**
Cash and cash equivalents	**448.2**	**1,040.2**

In accordance with IAS 7 “Cash Flow Statements”, cash flows arising from transactions in a foreign currency are recorded in the entity’s functional currency. To this end, the foreign currency amount is translated into the functional currency at the exchange rate between the entity’s functional currency and the foreign currency at the date of the cash flow. The cash flows of a foreign subsidiary with a different functional currency than the parent company are translated into the parent company’s functional currency at the exchange rates at the dates of the cash flows. Deutsche Börse Group uses for this translation an average rate based on the closing rates of each quarter. The effect of exchange rate changes on cash and cash equivalents held in a foreign currency is reported in the cash flow statement in order to reconcile cash and cash equivalents at the beginning and the end of the period. The effect of exchange rate changes on cash and cash equivalents in financial year 2008 amounted to €11.7 million. Unrealized exchange rate effects relating to receivables and liabilities denominated in foreign currency are recognized as non-cash for the purposes of the cash flow statement.

Cash and bank balances as at 31 December 2008 included restricted bank balances amounting to €10,364.7 million (2007: €4,221.7 million); for details see note 22.

Other Disclosures

41. Earnings per share

In accordance with IAS 33, earnings per share are calculated by dividing the net income by the weighted average number of shares outstanding.

In order to determine the average number of shares, the shares repurchased and reissued under the Group Share Plan (GSP) were included rateably in the calculation. The shares bought back under the share buy-back program were removed from the calculation of the number of shares at the date of repurchase. In order to determine diluted earnings per share, the number of potentially dilutive ordinary shares that may be acquired under the GSP, the Stock Bonus Plan (SBP) and the ISE Group Share Plan (see also note 46) was added to the average number of shares. In order to calculate the number of potentially dilutive ordinary shares, the exercise prices were adjusted to reflect the fair value of the services still to be provided.

There were the following potentially dilutive rights to purchase shares as at 31 December 2008:

Calculation of the number of potentially dilutive ordinary shares

Tranche	Exercise price	Adjusted exercise price in accordance with IAS 33	Average number of outstanding options	Average price for the period[1]	Number of potentially dilutive ordinary shares
	€	€	31 Dec. 2008	€	31 Dec. 2008
2004[2]	26.88	26.88	18,286	81.02	24,434
2005[2]	40.20	40.20	37,910	81.02	38,201
2006[2]	64.78	64.78	54,048	81.02	21,668
2007[3]	0	36.61	140,353	81.02	76,935
2008[3]	0	32.98	264,009	81.02	156,541
Total					**317,779**

1) Volume-weighted average price of Deutsche Börse AG shares on Xetra for the period 1 January to 31 December 2008
2) The 2004 to 2006 tranches comprise options under the Group Share Plan (GSP).
3) This relates to rights to shares under the Stock Bonus Program (SBP) for Executive Board members and senior executives as well as to rights to GSP shares under the ISE Group Share Plan.

As the volume-weighted average share price was higher than the adjusted exercise prices for the 2004 to 2008 tranches, these stock options are considered dilutive under IAS 33. There were no further rights to subscribe for shares that could have potentially diluted earnings per share either as at 31 December 2008 or as at 31 December 2007.

Calculation of earnings per share (basic and diluted)

	2008	2007
Number of shares outstanding as at beginning of period	191,888,548	195,597,922
Number of shares outstanding as at end of period	185,790,599	191,888,548
Weighted average number of shares outstanding	190,529,299	193,990,686
Number of potentially dilutive ordinary shares	317,779	136,840
Weighted average number of shares used to compute diluted earnings per share	190,847,078	194,127,526
Net income (€m)	1,033.3	911.7
Earnings per share (basic) (€)	5.42	4.70
Earnings per share (diluted) (€)	5.41	4.70

42. Segment reporting

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

Internal organizational and reporting structure

Segment	Business areas
Xetra	■ Cash market using the Xetra electronic trading system and floor trading ■ Central counterparty for equities ■ Trading platform for structured products (Scoach) ■ Admission of securities to listing
Eurex	■ Electronic derivatives market trading platform Eurex ■ Electronic option trading platform ISE ■ Over-the-counter (OTC) trading platforms Eurex Bonds and Eurex Repo ■ Central counterparty for bonds, derivatives and repo transactions (Eurex Clearing)
Clearstream	■ Custody, administration and settlement services for domestic and foreign securities ■ Global securities financing services ■ Investment funds services
Market Data & Analytics	■ Sales of price information and information distribution ■ Index development and sales
Information Technology	■ Development and operation of technical infrastructures ■ Provision of IT solutions
Corporate Services	■ Group strategy ■ Central functions

Deutsche Börse Group acquired 100 percent of the shares of International Securities Exchange Holdings, Inc. (ISE) with effect from 19 December 2007 (see note 2). The inclusion of the ISE subgroup in the consolidated financial statements as at 31 December 2007 only affected segment assets and staff per segment in the prior year. The results of the ISE subgroup for 2008 have been allocated to the Eurex, Information Technology and Corporate Services segments as appropriate.

Sales revenue is presented separately by external sales revenue and internal (intersegment) revenue. Inter-segment services are charged on the basis of measured quantities or at fixed prices (e. g. the provision of data by Eurex to Market Data & Analytics). Services are measured at a market price and are charged on an arm's length or a cost-plus basis; these include services of the Information Technology segment, such as application development hours or data center services.

Further services are billed to users on the basis of fully absorbed costs using an allocation key, for example the billing of building usage at absorbed costs (excluding rental expense provisions, which remain in the Corporate Services segment), on the basis of used space.

The calculation of the underlying quantities is based on the relevant usage; price changes are driven by changes in costs. Overall, there were no material changes required to be reported under IAS 14.

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

As financial control within Deutsche Börse Group is performed centrally by Deutsche Börse AG, cash and other bank balances as well as financial liabilities are usually not allocated directly to the segments. Exceptions to this are restricted bank balances and financial instruments, which were allocated to the segments as they relate to operational business.

Segment reporting

	Xetra		Eurex		Clearstream	
	2008 €m	2007 €m	2008 €m	2007 €m	2008 €m	2007 €m
External sales revenue	399.4	435.0	1,010.1	713.9	769.3	768.2
Internal sales revenue	0	0	0	0	8.7	9.3
Total sales revenue	**399.4**	**435.0**	**1,010.1**	**713.9**	**778.0**	**777.5**
Net interest income from banking business	0	0	0	0	236.6	230.6
Own expenses capitalized	8.3	12.0	20.6	14.4	9.2	8.8
Other operating income	14.7	16.7	78.3	59.2	0.5	4.3
Fee and commission expenses from banking business	0	0	0	0	–177.8	–161.6
Staff costs	–25.6	–40.9	–62.3	–44.9	–102.2	–155.0
Depreciation, amortization and impairment losses (other than goodwill)	–7.2	–10.4	–61.9	–16.6	–24.3	–50.6
Other operating expenses	–165.3	–164.3	–385.1	–277.1	–230.4	–274.6
Total result from equity investments	–4.9	2.0	–2.2	–5.7	0	0
Earnings before interest, tax and goodwill impairment (EBITA)	**219.4**	**250.1**	**597.5**	**443.2**	**489.6**	**379.4**
Goodwill impairment	0	0	0	0	0	0
Earnings before interest and tax (EBIT)	**219.4**	**250.1**	**597.5**	**443.2**	**489.6**	**379.4**
Net financial result	0.3	0.1	24.5	12.0	0	0
Earnings before tax (EBT)	**219.7**	**250.2**	**622.0**	**455.2**	**489.6**	**379.4**
Assets						
Intangible assets	30.5	29.7	2,323.9	2,264.6[1]	1,097.7	1,109.8
Property, plant and equipment	0.6	0	0.3	0.2	0.1	0.3
Investments in associates	1.4	1.6	140.1	23.8	1.4	0
Other assets	72.1	41.5	132,009.3	64,770.1[1]	9,055.4	10,379.3
Total assets	**104.6**	**72.8**	**134,473.6**	**67,058.7**	**10,154.6**	**11,489.4**
Provisions and liabilities	25.4	49.0	132,601.2	65,109.6[1]	8,047.3	9,540.3
Net assets	79.2	23.8	1,872.4	1,949.1	2,107.3	1,949.1
Investments in intangible assets, property, plant and equipment	8.5	12.6	20.9	14.4	12.1	9.1
Employees (as at 31 December)	177	167	355	282	964	925
EBITA margin (%)[2]	**54.9**	**57.5**	**59.2**	**62.1**	**63.6**	**49.4**

The reconciliation column shows:
– Elimination of intragroup sales revenue and profits
– Assets not attributable to the segments (noncurrent financial assets less equity method-accounted investments) and tax items
1) Adjustments due to the retrospective reduction of the tax rate applied in the course of the acquisition of ISE (see also note 2)
2) Including result from equity investments
3) Based on the total of internal and external sales revenue

Market Data & Analytics		Information Technology		Corporate Services		Total of all segments		Reconciliation		Group	
2008 €m	2007 €m	2008 €m	2007 €m	2008 €m	2007 €m	2008 €m	2007 €m	2008 €m	2007 €m	2008 €m	2007 €m
180.6	168.3	95.7	99.8	0	0	2,455.1	2,185.2	0	0	2,455.1	2,185.2
11.3	11.3	393.1	397.9	0	0	413.1	418.5	–413.1	–418.5	0	0
191.9	**179.6**	**488.8**	**497.7**	**0**	**0**	**2,868.2**	**2,603.7**	**–413.1**	**–418.5**	**2,455.1**	**2,185.2**
0	0	0	0	0	0	236.6	230.6	0.2	0.2	236.8	230.8
0.3	1.7	0	0	0	0	38.4	36.9	–10.4	–11.8	28.0	25.1
2.5	16.2	17.2	17.7	230.7	383.5	343.9	497.6	–277.2	–274.2	66.7	223.4
0	0	0	0	0	0	–177.8	–161.6	0	0	–177.8	–161.6
–16.7	–28.0	–143.0	–180.0	–71.6	–117.4	–421.4	–566.2	0	0	–421.4	–566.2
–2.0	–2.8	–37.6	–32.7	–13.5	–22.1	–146.5	–135.2	9.4	9.2	–137.1	–126.0
–82.0	–87.0	–206.2	–202.5	–169.9	–156.4	–1,238.9	–1,161.9	691.2	692.2	–547.7	–469.7
12.9	8.6	0	0	0	0	5.8	4.9	0	0	5.8	4.9
106.9	**88.3**	**119.2**	**100.2**	**–24.3**	**87.6**	**1,508.3**	**1,348.8**	**0.1**	**–2.9**	**1,508.4**	**1,345.9**
0	0	0	0	0	0	0	0	0	0	0	0
106.9	**88.3**	**119.2**	**100.2**	**–24.3**	**87.6**	**1,508.3**	**1,348.8**	**0.1**	**–2.9**	**1,508.4**	**1,345.9**
0.4	0.5	0	0	–64.7	–5.3	–39.5	7.3	0	1.6	–39.5	8.9
107.3	**88.8**	**119.2**	**100.2**	**–89.0**	**82.3**	**1,468.8**	**1,356.1**	**0.1**	**–1.3**	**1,468.9**	**1,354.8**
8.7	11.1	12.9	12.9	1.6	1.0	3,475.3	3,429.1	–28.8	–29.1	3,446.5	3,400.0
0.6	1.0	57.2	57.7	50.1	39.1	108.9	98.3	0	0	108.9	98.3
13.7	10.5	0	0	0	0	156.6	35.9	0	0	156.6	35.9
36.1	31.3	33.2	30.0	907.7	770.9	142,113.8	76,023.1	52.8	69.4	142,166.6	76,092.5
59.1	**53.9**	**103.3**	**100.6**	**959.4**	**811.0**	**145,854.6**	**79,586.4**	**24.0**	**40.3**	**145,878.6**	**79,626.7**
25.3	29.7	81.7	96.9	1,845.2	1,808.9	142,626.1	76,634.4	274.2	302.1	142,900.3	76,936.5
33.8	24.2	21.6	3.7	–885.8	–997.9	3,228.5	2,952.0	–250.2	–261.8	2,978.3	2,690.2
0.4	2.8	39.1	43.2	23.9	9.4	104.9	91.5	–10.4	–11.8	94.5	79.7
160	199	1,258	1,216	481	492	3,395	3,281	0	0	3,395	3,281
59.2	52.5	24.4[3]	20.1[3]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	61.4	61.6

In gross terms (i.e. including intercompany profits and losses and costs that cannot be capitalized at the Group level, which are all eliminated), impairment losses (excluding goodwill) of €2.1 million were attributable to the reference data factory and self-collaterali-sation systems in the Clearstream segment (2007: €4.1 million for inter-dealer broker system), as well as to the ISE software amounting to €5.0 million (2007: €0 million).

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

Breakdown of non-cash valuation allowances and bad debt losses

	2008 €m	2007 €m
Xetra	2.0	0.6
Eurex	0.4	0.1
Clearstream	0	0
Market Data & Analytics	0.7	0.4
Information Technology	2.6	0.1
Corporate Services	0.2	0.1
Total	**5.9**	**1.3**

The decrease in other operating income in the Corporate Services segment is a result of the allocation of income from the sale of a property in Luxembourg held for sale and income from the sale of buildings and investment property (see note 7) to this segment in 2007.

Assets and liabilities are allocated to the individual segments on the basis of objective criteria. Assets that cannot be allocated to the segments, as well as minority interests, are disclosed in the reconciliation column.

Deutsche Börse Group’s business model – and in particular that of its Xetra, Eurex, Clearstream and Market Data & Analytics segments – is focused on an internationally operating participant base and pricing does not differ depending on the customer’s location. From a price, margin and risk perspective, this means that it is unimportant whether revenues are generated from German or non-German participants.

The risks and returns from the activities of the subsidiaries operating within the economic environment of the European Monetary Union (EMU) do not differ significantly from each other on the basis of the factors to be considered in identifying the geographical segments under IAS 14. As a result, Deutsche Börse Group has identified the following geographical segments: the euro zone, rest of Europe, the Americas and Asia/Pacific.

Sales revenue is allocated to the individual segments according to the customers' domicile, while net assets and investments are allocated according to the company's domicile and employees according to their location.

Secondary segments

	Euro zone		Rest of Europe		Americas		Asia/Pacific		Total of all segments		Reconciliation		Group	
	2008 €m	2007 €m	2008 €m	2007 €m	2008 €m	2007 €m	2008 €m	2007 €m	2008 €m	2007 €m	2008 €m	2007 €m	2008 €m	2007 €m
Sales revenue	1,642.5	1,647.7	851.3	835.5	331.4	72.0	43.0[1]	48.5[1]	2,868.2	2,603.7	–413.1	–418.5	2,455.1	2,185.2
Net assets	1,265.1	1,079.5	112.2	103.6	1,851.2	1,768.9	–	–	3,228.5	2,952.0	–250.2	–261.8	2,978.3	2,690.2
Investments	99.8	91.4	0.1	0.1	5.0	0	–	–	104.9	91.5	–10.4	–11.8	94.5	79.7
Number of employees	2,867	2,829	238	150	260	274	30	28	3,395	3,281	–	–	3,395	3,281

1) Includes sales revenue amounting to €1.2 million (2007: €4.4 million) from customers in Africa

43. Financial risk management

Deutsche Börse Group presents the qualitative disclosures required by IFRS 7 in detail in the Group management report (see explanations in the risk report on pages 23 to 31), such as the nature and extent of risks arising from financial instruments, as well as the objectives, strategies and methods used to manage risk.

Financial risks arise at Deutsche Börse Group mainly in the form of credit risk, market price risk and liquidity risk and are quantified using the "value at risk" (VaR) concept (please refer to the risk report for detailed disclosures). The VaR calculated in this way is compared with the current forecasted EBITA so as to test the Group's ability to absorb losses. The VaR from financial risks is calculated at the end of each month and, as in the previous year, it amounted to less than €100 million throughout the financial year and at 31 December 2008. The market price risk and liquidity risk are not material risk categories for the Group; consequently, the VaR is largely determined by credit risk.

Based on the market environment and Deutsche Börse Group's business model, the Executive Board considers the risks for the Group to be limited and manageable. The Group has taken suitable measures to prevent potential losses arising from the financial market crisis (see the disclosures in the risk report on page 23 to 31).

Credit risk

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

Classification of financial instruments

	Segment	Note	Carrying amounts – maximum risk position: Amount as at 31 Dec. 2008 €m	Carrying amounts – maximum risk position: Amount as at 31 Dec. 2007 €m	Collateral: Amount as at 31 Dec. 2008 €m	Collateral: Amount as at 31 Dec. 2007 €m
Collateralized cash investments						
Overnight money invested under securities repurchase agreements	Eurex[1]		1,500.2	60.9	1,584.3	74.0
Interest-bearing receivables	Clearstream	15	200.0	200.0	194.1	189.4
Reverse repurchase agreements	Eurex[1]		8,381.4	3,789.0	8,456.4	3,842.0
	Clearstream	19	2,910.9	2,278.4	2,937.0	2,575.9
	Corporate Services[1]		100.5	0	100.5	0
			13,093.0	**6,328.3**	**13,272.3**	**6,681.3**
Uncollateralized cash investments						
Money market placements	Eurex[1]		76.5	87.0	0	0
	Clearstream	19	2,876.7	5,629.5	0	0
	Corporate Services[1]		141.0	354.7	0	0
Balances on nostro accounts	Clearstream	19	1,349.2	711.2	0	0
	Group[1]		75.6	53.9	0	0
Fixed-income securities – money market instruments	Clearstream	19	147.2	135.2	0	0
Other fixed-income securities	Clearstream	15, 19	739.8	314.9	0	0
Floating rates notes	Clearstream		148.4	0		
			5,554.4	**7,286.4**	**0**	**0**
Loans for settling securities transactions						
Technical overdraft facilities	Clearstream		722.3	799.8	n.a.[2]	n.a.[2]
Automated Securities Fails Financing[3]	Clearstream		538.4	638.3	738.0	804.8
ASLplus securities lending[3]	Clearstream		6,179.1	28,119.3	6,908.7	29,381.5
Committed credit facilities for customers without own TARGET2 accounts[3]	Clearstream		9.9	51.8	10.0	52.2
			7,449.7	**29,609.2**	**7,656.7**	**30,238.5**
Total			**26,097.1**	**43,223.9**	**20,929.0**	**36,919.8**

	Segment	Note	Carrying amounts – maximum risk position: Amount as at 31 Dec. 2008 €m	Amount as at 31 Dec. 2007 €m	Collateral: Amount as at 31 Dec. 2008 €m	Amount as at 31 Dec. 2007 €m
Balance (brought forward)			26,097.1	43,223.9	20,929.0	36,919.8
Other receivables						
Trade receivables	Group		210.7	235.5	0	0
Associate receivables	Group		5.7	4.4	0	0
Receivables from other investors	Group		1.0	1.4	0	0
Interest receivables	Clearstream	19	80.4	65.3	0	0
			297.8	306.6	0	0
Financial instruments of Eurex Clearing AG (central counterparty)		18	121,684.3	60,424.0	148,773.1 4)	89,951.5 4)
Derivatives		16, 17, 19, 21	11.6	17.1	0	0
Total			148,090.8	103,971.6	169,702.1	126,871.3

1) Presented in the items “restricted bank balances” and “other cash and bank balances”
2) The portfolio of deposited collateral is not directly attributed to any utilization, but is determined by the scope of the entire business relationship and the limits granted.
3) Off-balance-sheet items
4) Total of fair value of cash and securities collateral deposited for margins (€64,794.4 million; 2007: €48,139.5 million) plus securities underlying repurchase agreements (CCP)

Cash investments

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

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

The fair value of securities received under reverse repurchase agreements (Clearstream subgroup, Eurex Clearing AG and Deutsche Börse AG) was €11,493.9 million (2007: €6,417.9 million). The Clearstream subgroup is allowed to repledge the securities received to central banks.

The fair value of securities repledged to central banks amounted to €2,937.0 million at 31 December 2008 (2007: €2,305.9 million). The contract terms are based on recognized international or national bilateral master agreements.

Uncollateralized cash investments are permitted only for counterparties with impeccable creditworthiness within the framework of defined counterparty limits or in the form of investments in money market funds. The Clearstream subgroup assesses creditworthiness on the basis of an internal rating system. The remaining Group companies use external ratings available to them. Within the framework of previously defined counterparty limits, Group companies that do not have bank status can also invest cash with counterparties that are not externally rated, but instead are members of a deposit protection scheme. The corresponding counterparty limits are always well below the liability limits of the relevant protection scheme.

Part of available-for-sale fixed income securities held by Clearstream are pledged with central banks to collateralize the settlement facility obtained. The fair value of pledged securities was €754.1 million as at 31 December 2008 (2007: €270.3 million).

Loans for settling securities transactions

Clearstream grants customers technical overdraft facilities to maximize settlement efficiency. These settlement facilities are subject to internal credit review procedures. They are revocable at the option of the Clearstream subgroup and are largely collateralized. Technical overdraft facilities amounted to €83.6 billion at 31 December 2008 (2007: €64.9 billion). Of this amount, €3.0 billion (2007: €3.6 billion) is unsecured, whereby a large proportion relates to credit lines granted to central banks and other state-guaranteed institutions. Actual outstandings at the end of each business day generally represent a fraction of the facilities and amounted to €722.3 million as at 31 December 2008 (2007: €799.8 million); see note 19.

Clearstream also guarantees the risk resulting from the Automated Securities Fails Financing program it offers to its customers. However, this only applies when the risk is collateralized. In the absence of collateral, this risk is covered by third parties. Guarantees furnished under this program amounted to €538.4 million as at 31 December 2008 (2007: €638.3 million).

Under the ASLplus securities lending program, Clearstream Banking S.A. had securities borrowings from various counterparties totalling €6,179.1 million as at 31 December 2008 (2007: €28,119.3 million). These securities were fully lent to other counterparties. Collateral received by Clearstream Banking S.A. in connection with these loans amounted to €6,908.7 million (2007: €29,381.5 million).

As part of the national securities settlement process, Clearstream Banking AG provided credit facilities amounting to a maximum of €53.0 million (2007: €85.0 million) to customers without their own TARGET2 account against collateral security. Of this amount, €9.9 million was committed as at 31 December 2008 (2007: €51.8 million). The fair value of collateral received under these credit commitments was €10.0 million (2007: €52.2 million).

In 2008, no losses from the credit business occurred on any of the types of transaction described.

Other receivables

Trading, settlement and custody fees are generally collected without delay by direct debit. Fees for other services, such as the provision of data and information, are mainly settled by transfer. As a result of default by customers, receivables of €7.6 million relating to fees for trading and provision of data and IT services are not expected to be collectable.

Financial instruments of Eurex Clearing AG (central counterparty)

To safeguard Eurex Clearing AG against the risk of default by a clearing member, the clearing conditions in the version dated 1 December 2008 require the clearing members to deposit margins in the form of cash or securities on a daily basis or an intraday basis in the amount stipulated by Eurex Clearing AG. Additional security mechanisms of Eurex Clearing AG are described in detail in the risk report.

The aggregate margin calls based on the executed transactions was €54,054.5 million at the reporting date (2007: €29,825.0 million). In fact, collateral totalling €64,794.4 million (2007: €48,139.5 million) was deposited.

Composition of Eurex Clearing AG's collateral

	Carrying amount as at 31 Dec. 2008 €m	Carrying amount as at 31 Dec. 2007 €m	Fair value as at 31 Dec. 2008 €m	Fair value as at 31 Dec. 2007 €m
Cash collateral (cash deposits)	10,216.2	4,011.3	10,216.2	4,011.3
Securities and book-entry securities collateral	54,578.2	44,128.2	62,974.5	48,800.0
Total	**64,794.4**	**48,139.5**	**73,190.7**	**52,811.3**

There were also third-party bank guarantees for clearing members of Eurex Clearing AG amounting to €182.4 million and CHF15.3 million as at the year-end (2007: €194.0 million).

In 2008, one counterparty defaulted on the types of transaction described. However, the participant's outstanding positions were covered at all times by the deposited collateral.

In contrast to the risk-oriented net analysis of the transactions via the central counterparty, the underlying gross amounts for repurchase agreements, for example, are reported in the balance sheet because of the prohibition on netting receivables and liabilities. For a detailed explanation of this balance sheet item, see section "Financial instruments of Eurex Clearing AG (central counterparty)" in note 3 while note 18 shows an analysis of the carrying amount of €121,684.3 million at 31 December 2008 (2007: 60,424.0 million). The fair value of the securities underlying repurchase agreements was €83,978.7 million (2007: €41,812.0 million).

Credit risk concentrations

Deutsche Börse Group's business model and the resulting business relationships with a large part of the financial sector mean that, as a rule, concentrations of risk on individual counterparties are avoided. Potential concentrations of credit risk are monitored against counterparty credit limits. The regulatory requirements, such as those arising under the GroMiKV (Großkredit- und Millionenkreditverordnung, the Regulation Governing Large Exposures and Exposures in Excess of €1 million) in Germany, are complied with. The internally defined limits are below those stipulated by the GroMiKV or similar national rules. See note 23 for an explanation of regulatory capital requirements.

The VaR from credit risks is calculated at the end of each month. As in the previous year, over the course of the financial year as well as on 31 December 2008, it was always less than €100 million.

Market price risk

As part of the annual planning, the treasury policy of Deutsche Börse Group is implemented in such a way that any net earnings exposure from currencies is hedged through foreign exchange transactions, if the unhedged exposure exceeds 10 percent of consolidated EBIT.

In addition, the policy stipulates that intraperiod open foreign exchange positions are closed when they exceed €15.0 million. This policy was complied with as in the previous year; as at 31 December 2008 and 2007, there were no significant net foreign exchange positions (see note 17).

Currency risks in the Group arise mainly from the operating results and balance sheet of ISE, which are denominated in US dollars, plus that part of Clearstream's sales revenue and interest income less expenses which is directly or indirectly generated in US dollars. As at 31 December 2008, ISE accounted for 24 percent of the Eurex segment's sales revenue. In addition, the Clearstream segment generated sales revenue and interest income (12 percent; 2007: 14 percent) directly or indirectly in US dollars.

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

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

The Group hedged its investment in ISE partially against foreign currency risks using fixed-income US dollar debt securities. The investment in ISE (hedged item) constitutes a net investment in a foreign operation. The US dollar securities designated as hedging instruments for the net investment hedge were issued in a nominal amount of US$460 million.

Interest rate risks in the operating business arise largely in the Clearstream segment. As forecasts of future cash balances are inherently uncertain, derivatives (see note 17) may be used to lock in fixed rates on part of the expected cash balances. Interest rate swaps are primarily used when forward interest rates are judged to be attractive. Transactions entered into during 2008 to hedge the interest rate risk resulting from the reinvestment of customer cash balances during the remainder of 2008 and in 2009 fulfill the criteria to be recognized as cash flow hedges under IAS 39 "Financial instruments: Recognition and Measurement". Transactions entered into during 2007 to hedge the interest rate risk resulting from the reinvestment of customer cash balances in 2008 fulfilled those criteria until October 2008, when hedge effectiveness fell outside the ineffectiveness limits stipulated by IAS 39 (80 percent to 125 percent). Hedge accounting was therefore discontinued and related interest rate swaps have been reclassified as trading derivatives.

During 2008, Clearstream further limited its exposure to interest rate risk resulting from the reinvestment of future cash balances by acquiring nominal €300 million fixed-income securities with maturity dates varying from 16 October 2009 to 29 October 2009. Such securities though are not part of a hedging relationship as defined by IAS 39. They are recognized as available-for-sale financial assets.

Interest rate risks arise further from debt financing of acquisitions. The acquisition of ISE was initially financed through short-term loans amounting to around €1.5 billion. These were replaced in 2008 by senior and hybrid debt. Senior debt was issued in euros and US dollars with tenors of five to twelve years and fixed coupons for the life of the instruments. The hybrid debt issue has a fixed coupon for the first five years to be refixed in case the instrument is not called.

Equity price risks arise to a limited extent from contractual trust arrangements (CTAs), as well as from investments in an equity index-based, exchange-traded fund. In addition, there are equity price risks arising from strategic equity investments in other exchange operators.

For market price risks that can arise in connection with cash investments or borrowing as a result of fluctuations in interest rates and foreign exchange rates as well as through hedging corporate transactions, a VaR is calculated at the end of each month. Over the course of the financial year and on 31 December 2008, it was always less than €2 million.

In financial year 2008, impairment losses amounting to €10.0 million were recognized in income for strategic investments that are not included in the VaR for market price risk.

Liquidity risk

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

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

Eurex Clearing AG remains perfectly matched with respect to the durations of received customer cash margins and investments while the Clearstream subgroup may invest customer balances up to a maximum of six months (see note 34 for an overview of the maturity structure).

Contractually agreed credit lines

Company	Purpose of credit line		Currency	Amount as at 31 Dec. 2008 million	Amount as at 31 Dec. 2007 million
Deutsche Börse AG	working capital[1]	– interday	€	405.0	435.0
Eurex Clearing AG	settlement	– interday	€	370.0	370.0
	settlement	– intraday	€	700.0	700.0
	settlement	– interday	CHF	200.0	200.0
Clearstream Banking S.A.	working capital[1]	– interday	US$	1,000.0	1,000.0
	settlement in Germany (uncommitted)	– interday	€	3,500.0	4,375.0
Clearstream Banking AG	domestic settlement in Germany (committed)	– interday	€	9.9	51.8

1) €400.0 million of Deutsche Börse AG's working capital credit line is a sub-credit line of Clearstream Banking S.A.'s US$1,000.0 million working capital credit line.

Clearstream Banking S.A. has a bank guarantee (letter of credit) in Euroclear's favour issued by an international consortium to secure daily deliveries of securities between Euroclear and Clearstream. This guarantee amounted to US$5,600 million as at 31 December 2008 (31 December 2007: US$5,600 million). Euroclear has also issued a corresponding guarantee in Clearstream's favour.

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

A commercial paper program offers Deutsche Börse AG an opportunity for flexible, short-term financing, involving a total facility of €2.5 billion in various currencies. As at year-end, outstanding Commercial Paper amounted to €202.0 million (31 December 2007: €0 million).

Clearstream Banking S.A., Luxembourg, also has a commercial paper program with a program limit of €1.0 billion, which is used to provide additional short-term liquidity. As at 31 December 2008, commercial paper with a nominal value of €35.0 million had been issued (31 December 2007: €242.2 million).

As in the previous year, Standard & Poor's assessed Deutsche Börse AG's long-term credit rating at AA as at 31 December 2008. Deutsche Börse AG's commercial paper program was again awarded the best possible short-term rating of A–1+.

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

Over the course of the year, the VaR from liquidity risks was always less than €2 million at the end of each month, as well as at 31 December 2008, as in the previous year.

44. Other financial obligations

Group expenses in connection with long-term contracts relating to maintenance contracts and other contracts in the coming years amount to €175.9 million (2007: €157.1 million).

Breakdown of future financial obligations

	31 Dec. 2008 €m	31.12.2007 €m
Up to 1 year	112.2	94.4
1 to 5 years	53.6	51.1
More than 5 years	10.1	11.6
Total	**175.9**	**157.1**

Obligations resulting from insurance policies amount to €5.6 million in 2009 (2008: €5.9 million).

Deutsche Börse AG completed an investment protection agreement with SIX Group AG. If SIX Group AG reduces its indirect share in the profit of Eurex companies, the agreement obligates Deutsche Börse AG to make a compensatory payment to SIX Group AG for the reduction of the indirect share in International Securities Exchange Holdings, Inc.

In connection with the cooperation agreement between SIX Group AG and Deutsche Börse AG with regard to both parties' participation in Scoach Holding S.A., Deutsche Börse AG has the right, at the end of the cooperation after expiration of the term or termination of the agreement, to maintain the holding as sole shareholder under certain circumstances. This right results in a potential obligation on Deutsche Börse AG to make a compensatory payment to SIX Group AG if the fair value of Scoach Europa AG develops better than that of Scoach Schweiz AG.

45. Leases

Finance leases
Finance leases relate to IT hardware components that are used operationally in Deutsche Börse Group and are not subleased.

Minimum lease payments from finance leases

	31 Dec. 2008 €m	31 Dec. 2007 €m
Up to 1 year	0.2	0.4
1 to 5 years	0.6	1.3
Total	**0.8**	**1.7**
Discount	–0.1	–0.1
Present value of minimum lease payments	**0.7**	**1.6**

No contingent rent is provided for under the terms of the leases. The corresponding agreements do not contain any escalation clauses.

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

Minimum lease payments from operating leases

	31 Dec. 2008 €m	31 Dec. 2007 €m
Up to 1 year	73.3	72.6
1 to 5 years	146.6	160.2
More than 5 years	118.6	108.6
Total	**338.5**	**341.4**

In the year under review, €72.2 million (2007: €57.2 million) in minimum lease payments was recognized as an expense.

Operating leases for buildings, some of which are sublet, have terms of between one and 16 years. They usually terminate automatically when the lease expires. The Group has options to extend some leases.

Part of the Group's rented offices are sublet to third parties.

Rental income expected from sublease contracts

	31 Dec. 2008 €m	31 Dec. 2007 €m
Up to 1 year	4.9	6.7
1 to 5 years	2.8	5.8
More than 5 years	0	0
Total	**7.7**	**12.5**

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

Phantom Stock Option Plan
Following its IPO on 5 February 2001, Deutsche Börse AG established a phantom stock option program for Executive Board members and senior executives of Deutsche Börse AG and its subsidiaries. The program was extended to members of the Supervisory Board effective from 28 May 2003; however, this extension was revoked under an amendment to the Articles of Association dated 25 May 2005. The options were granted under the phantom stock option plan for Executive Board members and senior executives for the last time in 2006 and the plan was replaced by a new stock bonus plan in 2007 (see below).

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

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

Valuation parameters for stock options

		as at 31 Dec. 2008	as at 31 Dec. 2007
60-day average of Deutsche Börse AG shares	€	56.15	116.65
60-day average of DJ STOXX 600 Technology (EUR) (Return)	Points	206.24	406.02
Volatility of Deutsche Börse AG shares[1]	%	52.6–66.2	26.7–38.0
Volatility of DJ STOXX 600 Technology (EUR) (Return)[2]	%	33.5–48.4	18.5–28.2
Correlation[3]	%	60.1–64.9	17.8–44.0

1) The underlying volatility of the individual tranches was: Tranche 2004: 56.2 percent (2007: 30.0 percent); Tranche 2005: 66.2 percent (2007: 28.1 percent); and Tranche 2006: 52.6 percent (2007: 26.7 percent).
2) The volatility of the index was: Tranche 2004: 48.4 percent (2007: 19.8 percent); Tranche 2005: 42.0 percent (2007: 18.5 percent); and Tranche 2006: 33.5 percent (2007: 21.2 percent).
3) The correlation was: Tranche 2004: 60.1 percent (2007: 44.0 percent); Tranche 2005: 64.9 percent (2007: 40.7 percent); and Tranche 2006: 61.3 percent (2007: 36.5 percent).

The option pricing model does not include any exercise hurdles and assumes that options will be held for the maximum holding period. The volatilities applied correspond to the market volatilities of comparable options with matching maturities.

Valuation of stock options

	Balance as at 31 Dec. 2008 Number	Opening share price[1] €	Opening index price Points	Intrinsic value/ option €	Option value/ option €	Payment obligation €m	Provision as at 31 Dec. 2008 €m
Tranche 2004[2]	3,182	20.43	320.21	210.43	210.43	0.7	0.7
Tranche 2005[2]	15,727	20.96	302.64	199.74	199.74	3.1	3.1
Tranche 2006	389,759	41.55	365.27	78.68	76.50	30.7	29.8
Total	**408,668**					**34.5**	**33.6**

1) Adjusted on account of corporate actions
2) The 2004 and 2005 tranches, i. e. a total of 18,909 options, were exercisable as at 31 December 2008.

In accordance with IFRS 2, the full value of the stock options in the 2006 tranche is added to provisions proportionately over the vesting period of the options. Provisions amounting to €33.6 million (2007: €188.1 million) were recognized as at the closing date of 31 December 2008. They do not comprise any long-term provisions (2007: €43.2 million). Members of the Executive Board accounted for €6.3 million of the total provisions (2007: €21.8 million) and members of the Supervisory Board for €0.4 million (2007: €2.0 million). In the year under review, the decline in outperformance resulted in income amounting to €6.0 million (2007: expense of €142.0 million). Thereof, €1.1 million (2007: expense of €17.1 million) was attributable to members of the Executive Board and €0.4 million (2007: expense of €1.4 million) was attributable to members of the Supervisory Board. For details on the stock options granted to members of the Executive Board, please also refer to the remuneration report in the Group management report.

Change in number of stock options allocated

	Balance as at 31 Dec. 2007	Options exercised	Options forfeited	Balance as at 31 Dec. 2008
To the Supervisory Board	4,480	2,660	0	1,820
To the Executive Board	115,407	32,558	0	82,849
To other senior executives	646,742	310,781	11,962	323,999
Total stock options allocated	**766,629**	**345,999**	**11,962**	**408,668**

The average exercise price of the 345,999 (2007: 157,159) stock options paid out during the year under review amounted to €428.40 (2007: €240.53).

Stock Bonus Plan

The Company had introduced a Stock Bonus Plan (SBP) for the members of the Executive Board and senior executives in 2007 as a long-term incentive component. It replaced the phantom stock option plan of previous years. In the year under review, the Company established an additional tranche of the SBP program.

In addition, the 2007 and 2008 tranches of the Stock Bonus Plan were also introduced for the US subsidiary International Securities Exchange Holdings, Inc. in accordance with the resolution of ISE's Compensation Committee.

In order to participate in the SBP, a beneficiary must have earned a bonus. The number of SBP shares granted is determined by the amount of the individual and performance-based SBP bonus, divided by the Company's market share price (closing auction price of Deutsche Börse shares in electronic trading on the Frankfurt Stock Exchange) on the date the bonus is determined. Neither the converted SBP bonus nor the number of SBP shares is paid at the time the bonus is determined. Rather, the entitlements for Executive Board members are received two years after being granted and for other senior executives in each case on 31 January of the calendar year after next (i.e. after the waiting period). Within this period, beneficiaries cannot assert shareholder rights (in particular, the right to receive dividends and attend the Annual General Meeting). The beneficiaries' claims resulting from the SBP are calculated on the first trading day following the last day of the waiting period. The current market price on that day (closing auction price of Deutsche Börse shares in electronic trading on the Frankfurt Stock Exchange) is multiplied by the number of SBP shares. The Company has the option to settle a beneficiary's claim in cash or shares.

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

Valuation parameters for SBP shares

		Tranche 2008	Tranche 2007	Tranche 2007 ISE
Term until[1]		2 years	2 years	1 year
Risk-free interest rate	%	1.83	3.21	3.21
Volatility	%	52.62	35.95	35.95
Dividend yield	%	4.55	2.20	2.20
Exercise price	€	0	0	0

1) The term or waiting period for Executive Board members is two years from the grant date. For other senior executives, the term or waiting period ends in each case on 31 January of the year after next.

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

Valuation of SBP shares

	Balance as at 31 Dec. 2008[1] Number	Deutsche Börse AG share price as at 31 Dec. 2008 €	Intrinsic value/ option[2] €	Fair value/ option[2] €	Settlement obligation[3] €m	Reserves as at 31 Dec. 2008 €m
Tranche 2007	103,395	50.80	104.89	100.59	10.8	6.6
Tranche 2007 ISE	33,326	50.80	65.04	62.62	2.2	1.0
Tranche 2008	397,169[4]	50.80	50.80	46.30	20.2	5.6
Total	**533,890[4]**				**33.2**	**13.2**

1) There was no portfolio of exercisable SBP shares as at 31 December 2008.
2) As at the grant date
3) As at the maturity date
4) As the grant date for the 2008 tranche is not until the 2009 financial year, the number indicated for the balance sheet date may change subsequently.

In accordance with IFRS 2, the total amount for the number of SBP shares is measured at the fair value on the grant date or the reporting date, and recognized in the income statement over the three year vesting period. Shareholders' equity is increased accordingly.

At the 31 December 2008 balance sheet date, reserves in the amount of €13.2 million (31 December 2007: €4.2 million) were reported. €13.2 million of these reserves is long-term (2007: €4.2 million), and €3.3 million (2007: €0.9 million) was attributable to members of the Executive Board. The total expense for the number of SBP shares was €9.0 million (2007: €4.2 million). Of this, €2.3 million was attributable to members of the Executive Board (2007: €0.9 million). For details on the projected number of SBP shares that are could be granted to members of the Executive Board, please also refer to the remuneration report in the Group management report.

Change in number of SBP shares allocated

	Balance as at 31 Dec. 2007	Additions Tranche 2007[1]	Additions Tranche 2008	Options exercised	Options forfeited	Balance as at 31 Dec. 2008
To the Executive Board	23,422	7,665	90,223[2]	0	0	121,310[2]
To other senior executives	82,405	33,326	306,946[2]	0	10,097	412,580[2]
Total	**105,827**	**40,991**	**397,169**[2]	**0**	**10,097**	**533,890**[2]

1) The additions also include ISE's employees' claims or rights to SBP shares.
2) As the grant date for the 2008 tranche is not until the 2009 financial year, the number indicated for the balance sheet date may change subsequently.

Group Share Plan (GSP)
Following the Annual General Meeting on 21 May 2008, the Company established an additional tranche for the Group Share Plan. In addition, the employees of the US subsidiary International Securities Exchange Holdings, Inc. (ISE) were permitted to participate in the Group Share Plan established specifically for ISE, for more information see the corresponding section below.

Employees of the Deutsche Börse Group who are not members of the Executive Board or senior executives have the opportunity to subscribe for shares of Deutsche Börse AG at a discount of 30 or 40 percent (2007: between 20 and 40 percent) of the issue price, respectively. This discount is based on the employee's performance assessment and length of service. Under the GSP 2008 tranche, and depending on their basic salary, eligible employees were able to buy up to 300 shares of the Company (2007: 400 shares). For the first time, eligible employees received two (2007: one) additional Deutsche Börse shares ("bonus shares") for every ten Deutsche Börse shares purchased. Both purchased and bonus shares must be held for at least two years.

From 2003 to 2006, employees participating in the GSP received an additional stock option for each share acquired through the GSP, which they can exercise after two years at a fixed premium to the issue price. The issue price of these additional options consists of the exercise price, which corresponds to the volume-weighted average price of the shares in the closing auctions in Xetra trading on the ten trading days prior to the stock options' grant date, but at a minimum to the closing price on the grant date of the stock options, plus a premium of 20 percent of the exercise price. Options could not be exercised in the first two years, and expire without compensation if not exercised within six years. Following the capital increase from retained earnings in 2007, each individual option entitles the holder to subscribe for two Deutsche Börse shares unless Deutsche Börse AG exercises its right to settle in cash.

In accordance with IFRS 2, the stock options allocated under the 2004 to 2006 tranches were measured at their fair value at the grant date, and the options allocated under the 2003 tranche were measured at their fair value at the balance sheet date. The fair value of the options was calculated using a Merton model and applying the following assumptions:

Valuation parameters for GSP options

		Tranche 2003[1]	Tranche 2004[2]	Tranche 2005[2]	Tranche 2006[2]
Term until		30 June 2009	30 June 2010	30 June 2011	30 June 2012
Risk-free interest rate	%	1.61	3.86	2.79	3.93
Volatility of Deutsche Börse AG shares	%	79.18	19.15	21.37	37.68
Deutsche Börse AG share price	€	50.80	20.95	33.45	54.55
Dividend yield	%	1.61	1.46	2.50	2.63
Exercise price	€	28.41[3]	25.92	38.85	63.90
Fair value	**€**	**44.78**	**5.59**	**8.78**	**28.90**

1) Valuation parameters and fair value at the balance sheet date 31 December 2008
2) Valuation parameters and fair value at the grant date
3) As a consequence of the corporate actions implemented, the exercise price of €55.33 was adjusted.

Apart from the vesting period, the valuation model does not include any exercise hurdles and assumes that options will be held for the maximum holding period. The volatilities applied correspond to the market volatilities of comparable options with matching maturities.

In total, eligible employees subscribed for a total of 112,883 (2007: 240,808) shares under the GSP. These shares were all purchased in the market. The difference between the average purchase price and the average subscription price paid by employees, amounting to €5.7 million (2007: €8.8 million), was charged to staff costs.

In the year under review, net income totalling €1.5 million (2007: expense of €3.2 million) was recognized in staff costs for all GSP-related stock options. Of this amount, an expense of €0.9 million (2007: €0.9 million) related to equity-settled share-based payments, and income of €2.4 million to cash-settled share-based payments.

The 2003 tranche stock options recognized as a provision (for full details, please refer to note 3) are measured at current market prices at the closing date concerned. At the balance sheet date, this provision amounted to €0.5 million (2007: €2.9 million); this amount reflects the intrinsic value of the options that were exercisable at the balance sheet date.

Change in number of GSP options allocated

	Balance as at 31 Dec. 2007	Options exercised	Options forfeited	Balance as at 31 Dec. 2008
Tranche 2003[1]	13,552	1,125	150	12,277
Tranche 2004[1]	20,940	4,045	250	16,645
Tranche 2005[1]	43,682	8,750	150	34,782
Tranche 2006[1]	55,892	2,178	1,692	52,022
Total	**134,066**	**16,098**	**2,242**	**115,726**

1) Exercisable at 31 December 2008: a total of 115,726 options from the 2003 to 2006 tranches (2007: 78,174 from the 2003 to 2005 tranches)

The weighted average share price for the options exercised in the year under review amounted to €88.33 (2007: €95.22).

ISE Group Share Plan

The Group also established a Group Share Plan for the 2008 tranche for employees of the US subgroup ISE in the year under review and enabled subsequent participation in the 2007 tranche as a salary component with a long-term incentive. Eligible employees have the opportunity to acquire a number of shares in Deutsche Börse AG based on their earned bonus plus an additional personal contribution. The purchase price for the shares, which is reduced by 90 percent, is paid from the granted GSP bonus and an additional contribution by the employee. One third of the shares of the 2007 tranche are subject to a vesting period of one year and two thirds to a vesting period of two years. For the 2008 tranche, a three year waiting period beginning at the grant date has been agreed. Neither the GSP bonus nor the number of GSP shares is paid at the time the bonus is determined, but instead after one or two years have expired for the subsequently granted 2007 tranche, and after three years have expired for the 2008 tranche, beginning at their grant date (waiting period). Within this period, beneficiaries cannot assert shareholder rights (in particular, the right to receive dividends and attend the Annual General Meeting).

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

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

Valuation parameters for ISE GSP shares

		Tranche 2007	Tranche 2007	Tranche 2008
Term until		31 Jan. 2009	31 Jan. 2010	31 Jan. 2011
Risk-free interest rate	%	3.21	3.21	1.83
Volatility	%	35.95	35.95	55.62
Deutsche Börse AG share price	€	50.80	50.80	50.80
Dividend yield	%	2.93	2.93	4.55
Exercise price	€	0	0	0
Fair value	**€**	**78.57**	**76.33**	**46.30**

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

Valuation of ISE GSP shares

	Projected balance as at 31 Dec. 2008[1)]	Deutsche Börse AG share price as at 31 Dec. 2008	Intrinsic value/ option[2)]	Fair value/ option[2)]	Settlement obligation[3)]	Reserves as at 31 Dec. 2008
	Number	€	€	€	€m	€m
Tranche 2007[4)]	10,216	50.80	78.77	78.57	0.8	0.6
Tranche 2007[5)]	20,432	50.80	78.77	76.33	1.6	0.5
Tranche 2008	92,294[6)]	50.80	50.80	46.30	4.3	0.8
Total	**122,942**				**6.7**	**1.9**

1) No ISE GSP shares were exercisable as at 31 December 2008.
2) As at the grant date
3) As at the maturity date
4) ISE GSP shares from the 2007 tranche expiring on 31 January 2009
5) ISE GSP shares from the 2007 tranche expiring on 31 January 2010
6) As the grant date for the 2008 tranche is not until the 2009 financial year, the number indicated for the balance sheet date may change subsequently.

In accordance with IFRS 2, the total amount for the number of ISE GSP shares is measured at the fair value on the grant date or the reporting date, and recognized in the income statement over the one or two year vesting period for the 2007 tranche and otherwise over the three year vesting period for the 2008 tranche. Group equity is increased accordingly.

At the 31 December 2008 balance sheet date, reserves in the amount of €1.9 million were reported for the first time, of which €1.3 million is noncurrent. The total expense for the number of ISE GSP shares was €1.9 million in the year under review.

Change in number of ISE GSP shares allocated

	Balance as at 31 Dec. 2007	Additions	Options exercised	Options forfeited	Balance as at 31 Dec. 2008
Tranche 2007	0	36,370	0	5,722	30,648
Tranche 2008[1)]	0	92,294[1)]	0	0	92,294[1)]
Total	**0**	**128,664**[1)]	**0**	**5,722**	**122,942**[1)]

1) As the grant date for the 2008 tranche is not until the 2009 financial year, the number indicated for the balance sheet date may change subsequently.

47. Executive bodies

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

48. Corporate governance

On 8 December 2008, the Executive and Supervisory Boards issued the latest version of the declaration of conformity in accordance with section 161 of the Aktiengesetz (AktG, the German Stock Corporation Act) and made it permanently available to shareholders on the Company's website.

49. Related party disclosures

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

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

Executive Board
In 2008, the fixed and variable remuneration of the members of the Executive Board, including non-cash benefits, amounted to a total of €13.0 million (2007: €15.8 million).

In 2008, no expenses for non-recurring termination benefits for Executive Board members were recognized in the consolidated income statement (2007: €16.6 million).

The actuarial present value of the pension obligations to Executive Board members was €15.6 million at 31 December 2008 (31 December 2007: €16.2 million). Expenses of €3.5 million (2007: €3.6 million) were recognized as additions to pension provisions.

Former members of the Executive Board or their surviving dependents
The remuneration paid to former members of the Executive Board or their surviving dependents amounted to €1.2 million in 2008 (2007: €0.9 million). The actuarial present value of the pension obligations was €27.2 million at 31 December 2008 (2007: €30.3 million).

Supervisory Board
The aggregate remuneration paid to members of the Supervisory Board in financial year 2008 was €2.3 million (2007: €2.2 million). A total income of €0.2 million was recognized for the phantom stock options granted under the phantom stock option plan until financial year 2004 (2007: total expense of €0.9 million); see also note 46.

Supervisory Board member Friedrich von Metzler is the personally liable partner of B. Metzler seel. Sohn & Co. KGaA, Frankfurt/Main. Deutsche Börse AG and some of its subsidiaries have established a contractual trust arrangement (CTA) with this company. Expenses totalling €197,900 are recognized in respect of these services during 2008 (2007: €212,000).

Other material transactions with related companies

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

Breakdown of other transactions with related parties

	Amount of the transactions		Outstanding balances	
	2008 €m	2007 €m	2008 €m	2007 €m
Associates:				
License fees paid by Eurex Frankfurt AG to STOXX Ltd.	–26.5	–18.8	–7.4	–4.7
Operation of Eurex software for European Energy Exchange AG by Deutsche Börse Systems AG	7.0	11.3	1.9	1.1
Provision of price data by STOXX Ltd. to Deutsche Börse AG	–4.1	–3.9	0	0
Operation of the trading system for U.S. Futures Exchange LLC by Deutsche Börse Systems AG	5.7	5.6	0[1]	0.6
Administrative services and index calculation services by Deutsche Börse AG for STOXX Ltd.	0.6	0.4	0	0
Operation and development of Xontro by Deutsche Börse Systems AG for BrainTrade Gesellschaft für Börsensysteme mbH	20.7	24.7	1.9	2.0
Operation of the floor trading system by BrainTrade Gesellschaft für Börsensysteme mbH for Deutsche Börse AG	–8.8	–10.8	–1.0	–1.0
Operation of the floor trading system by BrainTrade Gesellschaft für Börsensysteme mbH for Scoach Europa AG	–2.6	–4.7	0	–0.4
Money market transactions of Clearstream Banking S.A. with European Commodity Clearing AG[2]	–3.5	–1.0	–278.0[3]	–95.1[3]
Other transactions with associates	–	–	1.6[1]	0.7
Total			**–281.0**	**–96.8**
Other investors:				
Office and administrative services by Eurex Zürich AG for SIX Swiss Exchange AG	32.6	35.4	3.4	6.5
Office and administrative services by SIX Swiss Exchange AG for Scoach Schweiz AG	–2.4	5.8	0	0.3
Office and administrative services by SIX Swiss Exchange AG for Eurex Zürich AG	–7.2	–9.0	–0.8	–1.1
Development of Eurex software by Deutsche Börse Systems AG for SIX Swiss Exchange AG	6.1	6.5	0.9	1.0
Office and administrative services by SIX Swiss Exchange AG for Eurex Frankfurt AG	–7.4	–6.2	–0.8	–1.6
Transfer of revenue from Eurex fees by Eurex Zürich AG to SIX Swiss Exchange AG	n.a.[4]	n.a.[4]	–8.7	–9.2
Other transactions with other investors	–	–	–2.4	0.3
Total			**–8.4**	**–3.8**

1) At Deutsche Börse Group, valuation allowances were made for receivables amounting to €2.2 million in the reporting year.
2) European Commodity Clearing AG is a subsidiary of European Energy Exchange AG, in which Deutsche Börse AG has an indirect equity interest of 17.37 percent.
3) Contained in "liabilities from banking business"
4) Forwarded directly; not included in the consolidated income statement

50. Shareholders

On 30 September 2008, Deutsche Börse AG, Frankfurt am Main, Germany, published a statement in accordance with section 26 (1) sentence 2 of the WpHG (Wertpapierhandelsgesetz – German Securities Trading Act) according to which its portfolio of own shares of Deutsche Börse AG exceeded the threshold of three percent of the voting rights on 26 September 2008 and amounted to 3.05 percent at that date (5,950,653 voting rights).

The Children's Investment Master Fund, Grand Cayman, Cayman Islands, notified Deutsche Börse AG in accordance with section 21(1) of the WpHG that its share of Deutsche Börse AG's voting rights exceeded the threshold of 10 percent on 10 April 2006 and amounted to 10.06 percent (10,264,953 voting rights) on that date. In 2008, The Children's Investment Master Fund also informed Deutsche Börse AG by means of a correction notice that this 10.06 percent (10,264,953 voting rights) were attributable to it on 10 April 2006 in accordance with section 22(1) sentence 1 no. 2 of the WpHG.

The Children's Investment Fund Management (UK) LLP, London, UK, notified Deutsche Börse AG in accordance with section 21 (1) of the WpHG on 3 September and 5 September 2008 in its own name and on behalf of The Children's Investment Fund Management Ltd., London, UK, The Children's Investment Fund Management (Cayman) Ltd., Grand Cayman, Grand Cayman Islands, and Christopher Hohn, UK, that the share of Deutsche Börse AG's voting rights of each of these companies or individuals exceeded the threshold of 15 percent on 2 September 2008 and amounted to 19.30 percent (37,630,334 voting rights) at that date. Of these voting rights, 10.26 percent (20,000,000 voting rights) can each be attributed to The Children's Investment Fund Management (UK) LLP in accordance with section 22 (1) sentence 1 no. 6 of the WpHG, to The Children's Investment Fund Management Ltd., to The Children's Investment Fund Management (Cayman) Ltd. and Christopher Hohn in accordance with section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG and 9.04 percent (17,630,334 voting rights) to each of the aforementioned companies and individuals in accordance with section 22 (2) of the WpHG. Shares of the voting rights of The Children's Investment Master Fund, the Atticus European Fund, Ltd., and the Atticus Global Advisors, Ltd. can be attributed to all of the companies and individuals mentioned previously, each of whom hold at least 3 percent of the voting rights. In each case, the threshold was exceeded when an agreement was entered into between The Children's Investment Fund Management (UK) LLP, Atticus Capital LP, and Atticus Management Limited regarding the coordination of equity investment activities related to Deutsche Börse AG, whose shares are held by each of the funds and managed accounts for which Atticus Capital LP, Atticus Management Limited, and The Children's Investment Fund Management (UK) LLP serve as investment advisors.

Atticus European Fund, Ltd., New York, USA, notified Deutsche Börse AG in accordance with section 21 (1) of the WpHG that its share of Deutsche Börse AG's voting rights exceeded the threshold of 5 percent on 23 July 2008 and amounted to 5.02 percent of all the voting rights of Deutsche Börse AG (9,780,188 voting rights) on that date.

Atticus Capital LP, New York, USA, Atticus Management Limited, St. Peter Port, Guernsey, Atticus LP Incorporated, St. Peter Port, Guernsey, Atticus Capital Holdings LLC, New York, USA, Atticus Holdings LP, New York, USA, Atticus Management LLC, New York, USA, and Timothy Barakett, USA, have notified Deutsche Börse AG in accordance with section 21 (1) of the WpHG that their respective share of Deutsche Börse AG's voting rights exceeded the threshold of 10 percent and 15 percent on 2 September 2008 and amounted to 19.30 percent (37,630,334 voting rights) respectively of all of Deutsche Börse AG's voting rights at that date. Of these voting rights, 9.04 percent (17,630,334 voting rights) can be attributed each to Atticus Capital LP and Atticus Management Limited in accordance with section 22 (1) no. 6 of the WpHG, as well as to Atticus LP Incorporated, Atticus Capital Holdings LLC, Atticus Holdings LP, Atticus Management LLC, and Timothy Barakett in accordance with section 22 (1) no. 6, sentences 2 and 3 of the WpHG, and 10.26 percent (20,000,000 voting rights) to each of the aforementioned companies and individuals in accordance with section 22 (2) of the WpHG. Voting rights of Atticus European Fund Ltd., Atticus Global Advisors, Ltd. and The Children's Investment Master Fund can be attributed to all of the companies and individuals mentioned previously in this paragraph, each of whom hold at least 3 percent of the voting rights. In each of these cases, the threshold was exceeded when an agreement was entered into between Atticus Capital LP, Atticus Management Limited, and The Children's Investment Fund Management (UK) LLP regarding the coordination of equity investment activities related to Deutsche Börse AG, whose shares are held by each of the funds and managed accounts for which Atticus Capital LP, Atticus Management Limited, and The Children's Investment Fund Management (UK) LLP serve as investment advisors.

The Credit Suisse Group, Zurich, Switzerland, notified Deutsche Börse AG in accordance with section 21 (1) and section 24 of the WpHG in its own name and in the name and on behalf of Credit Suisse Securities (Europe) Limited, London, England, Credit Suisse (International) Holding AG, Zug, Switzerland, Credit Suisse Investments (UK), London, England, Credit Suisse Investment Holdings (UK), London, England, and Credit Suisse, Zurich, Switzerland, of the following:

Credit Suisse Securities (Europe) Limited's share of Deutsche Börse AG's voting rights fell below the threshold of 3 percent on 9 June 2008 and amounted to 0.455 percent (887,496 voting rights) at that date. Consequently, the shares of Deutsche Börse AG's voting rights of Credit Suisse (International) Holding AG, Zug, Switzerland, Credit Suisse Investments (UK) London, England, and Credit Suisse Investment Holdings (UK), London, England, each affiliated with Credit Suisse Securities (Europe) Limited, fell below the threshold of 3 percent on 9 June 2008 and amounted to 0.455 percent (887,496 voting rights) at that date. This share of voting rights can be fully attributed to the companies named in this paragraph in accordance with section 22 (1) sentence 1 no. 1 of the WpHG.

Credit Suisse's share of Deutsche Börse AG's voting rights fell below the threshold of 3 percent on 9 June 2008 and amounted to 0.715 percent (1,394,220 voting rights) at that date. The 0.704 percent share of voting rights (1,373,260 voting rights) is attributed in accordance with section 22 (1) sentence 1 no. 1 of the WpHG and the 0.011 percent share of voting rights (20,960 voting rights) is attributed in accordance with section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG.

The Credit Suisse Group's share of Deutsche Börse AG's voting rights fell below the threshold of 3 percent on 9 June 2008 and amounted to 0.725 percent (1,413,875 voting rights) on that date. The 0.709 percent share of voting rights (1,383,265 voting rights) is attributed in accordance with section 22 (1) sentence 1 no. 1 of the WpHG, and the 0.016 percent share of voting rights (30,610 voting rights) is attributed in accordance with section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG.

UBS AG, Zurich, Switzerland, notified Deutsche Börse AG in accordance with section 21 (1) of the WpHG that its share of Deutsche Börse AG's voting rights fell below the threshold of 3 percent on 24 April 2008 and amounted to 2.41 percent (4,707,418 voting rights) on that date. Of these voting rights, 0.14 percent (275,149 voting rights) can be attributed to UBS AG in accordance with section 22 (1) sentence 1 no. 1 of the WpHG, and 2.27 percent of the voting rights (4,432,269 voting rights) were held directly at that date.

FMR LLC (Fidelity Management & Research), Boston, USA, has informed Deutsche Börse AG in accordance with section 21 (1) of the WpHG that its share of Deutsche Börse AG's voting rights fell below the threshold of 3 percent on 2 April 2008 and its share of voting rights amounted to 2.91 percent at that date. All voting rights are attributable to FMR LLC (Fidelity Management & Research) in accordance with section 22 (1) sentence 1 no. 6 and sentence 2 of the WpHG.

51. Employees

Employees

	2008	2007
Average number of employees during the year	3,339	3,052
Employed as at the balance sheet date	3,395	3,281
thereof Deutsche Börse Group without ISE	3,175	3,039
thereof ISE	220	242

Of the average number of employees during the year, 10 (2007: 9) were classified as Managing Directors (excluding Executive Board members), 451 (2007: 364) as senior executives and 2,878 (2007: 2,679) as employees.

There was an average of 3,115 full-time equivalent (FTE) employees during the year (2007: 2,854). Please refer also to the "Employees" section in the Group management report.

52. Events after the balance sheet date

Thomas Eichelmann's Executive Board mandate and service contract are to end by mutual agreement upon conclusion of 30 April 2009.

53. Date of approval for publication

Deutsche Börse AG's Executive Board approved the consolidated financial statements for submission to the Supervisory Board on 23 March 2009. The Supervisory Board is responsible for examining the consolidated financial statements and stating whether it endorses them.

Frankfurt/Main, 23 March 2009
Deutsche Börse AG

Reto Francioni	Andreas Preuß	Thomas Eichelmann
Frank Gerstenschläger	Michael Kuhn	Jeffrey Tessler

Group Management Report

2008 was the most successful year so far in the history of Deutsche Börse Group. Sales revenue increased by 12 percent to €2,455.1 million. Basic earnings per share were up by 15 percent to €5.42.

Business and operating environment

Overview of Deutsche Börse Group

Business operations and Group structure

Deutsche Börse Group, headquartered in Frankfurt/Main, Germany, employs around 3,400 people in 19 locations in 16 countries. As one of the largest marketplace organizers worldwide, Deutsche Börse Group offers its customers a broad portfolio of products and services. These cover the entire process chain, from trading and clearing of equities and derivatives, through transaction settlement, custody and management of securities and the provision of market information, down to the development and operation of electronic systems. The Group's process-oriented business model improves capital market efficiency. Issuers benefit from low cost of capital, while investors enjoy high liquidity and low transaction costs.

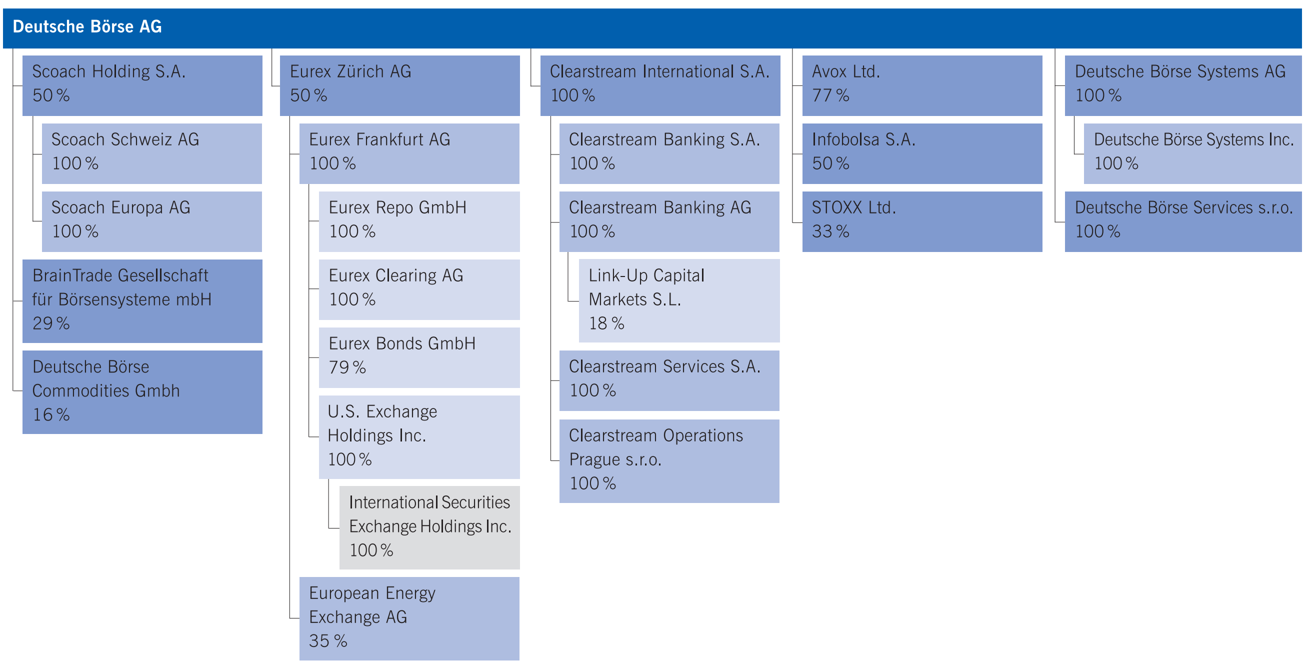
Deutsche Börse Group is composed of Deutsche Börse AG and its subsidiaries, associates and joint ventures.

Deutsche Börse AG itself operates Frankfurter Wertpapierbörse's (FWB, Frankfurt Stock Exchange) cash market via the fully electronic Xetra trading platform and floor trading. It also sells price and reference data and develops indices.

Through their cooperation Scoach Holding S.A., Deutsche Börse AG and SIX Group AG also offer trading in structured products (certificates and warrants).

Eurex Zürich AG, a cooperation between Deutsche Börse AG and SIX Swiss Exchange AG, together with its subsidiaries operates derivatives markets in Europe (Eurex) and the United States (International Securities Exchange, ISE) and offers clearing services (Eurex Clearing AG).

Simplified shareholding structure of Deutsche Börse Group as at 31 December 2008



All post-trade services, such as securities custody, administration and transaction settlement, are handled by Clearstream International S.A. and its subsidiaries.

In addition, Deutsche Börse Systems AG and Clearstream Services S.A. develop and operate the technological infrastructure of Deutsche Börse Group.

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

Company management

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

The General Meeting resolves the appropriation of the unappropriated surplus, appoints the shareholder representatives in the Supervisory Board and resolves on the retrospective approval of the acts of the Executive Board and the Supervisory Board. In addition, it resolves 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 annual financial statements together with 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 General Meeting may determine a shorter term of office. The Supervisory Board of Deutsche Börse AG had 21 members at the time of the preparation of these consolidated financial statements, 14 of whom were shareholder representatives and 7 employee representatives. In 2008, the General Meeting resolved to reduce the size of the Supervisory Board while observing the tripartite co-determination rules from 21 to 18 members (12 shareholder representatives and 6 employee representatives) from the next period of office in 2009.

The Executive Board is solely responsible for managing the Company and the Chief Executive Officer coordinates the activities of the Executive Board members. As at 31 December 2008, the Executive Board of Deutsche Börse AG had six members.

The compensation system and the compensation paid to the individual members of the Executive Board of Deutsche Börse AG are described in the remuneration report. It forms part of this Group management report and has therefore been audited by the auditors.

Reporting segments

For the purposes of corporate management and financial reporting, Deutsche Börse Group structures its business activities into the following segments: Xetra, Eurex, Clearstream, Market Data & Analytics and Information Technology. The Corporate Services segment provides internal services and provides the central functions within the Group.

Reporting segment	Business areas
Xetra	Cash market using the Xetra electronic trading system and floor trading Central counterparty for equities Trading platform for structured products (Scoach) Admission of securities to listing
Eurex	Eurex electronic derivatives market trading platform Electronic options trading platform ISE Eurex Bonds and Eurex Repo over-the-counter (OTC) trading platforms Central counterparty for bonds, derivatives and repo transactions (Eurex Clearing)
Clearstream	Custody, administration and settlement services for domestic and foreign securities Global securities financing services Investment funds services
Market Data & Analytics	Sale of price information and information distribution Index development and sales
Information Technology	Development and operation of technological infrastructures Provision of IT solutions
Corporate Services	Group strategy Central functions

Organizational structure

The organizational structure of Deutsche Börse Group (see chart on the next page) mirrors the three market areas: cash market, derivatives market and market data, as well as securities settlement and custody. The aim of this structure, which was introduced in 2007, is to offer an even higher standard of customer service and to improve the Group's own efficiency, thereby reinforcing its successful integrated business model.

Internal control system

The Executive Board of Deutsche Börse Group has implemented an internal control system designed to ensure the effectiveness and profitability of the Group's operations, to avert or uncover financial loss, and thus protect all its business assets. The internal control system is also an integral part of Deutsche Börse Group's anti-fraud management.

Deutsche Börse Group's internal control system comprises both integrated and independent controls. The managers of the individual business areas are accountable for the effectiveness of the integrated controls and ensure that risks in the business processes are identified at an early stage. They report on the effectiveness of the integrated controls at regular intervals. Implementing independent controls within the business areas is the responsibility of Internal Auditing.

In the Financial Accounting and Controlling department, the internal control system serves in particular to ensure proper bookkeeping and accounting so that the presentation of the net assets, financial position and results of operations in the single-entity and consolidated financial statements of Deutsche Börse Group and its subsidiaries is complete and correct.

Disclosures in accordance with section 315 (4) HGB

In accordance with section 315 (4) of the Handelsgesetzbuch (HGB, the German Commercial Code), Deutsche Börse AG makes the following disclosures as at 31 December 2008:

The share capital of Deutsche Börse AG amounts to €195.0 million and is composed of 195,000,000 no-par value registered shares. There are no other classes of shares besides these ordinary shares.

The Executive Board is only aware of those voting right limitations that result from the AktG. These include the voting right limitations pursuant to section 136 of the AktG, as well as the limitation 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 from 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 was additionally not permitted to exercise any rights under treasury shares held in its portfolio.

In 2006, The Children's Master Fund, Grand Cayman, Cayman Islands, notified Deutsche Börse AG that it had exceeded the threshold of 10 percent of the voting rights in the Company on 10 April 2006. It held 10.06 percent of the voting rights or 10,264,953 votes at this date. In 2008, The Children's Investment Master Fund also informed Deutsche Börse AG by means of a correction notice that this 10.06 percent (10,264,953 voting rights) was attributable to it as at 10 April 2006 in accordance with section 22 (1) sentence 1 no. 2 of the WpHG (Wertpapierhandelsgesetz, the German Securities Trading Act).

In 2008, The Children's Investment Fund Management (UK) LLP, London, Great Britain, notified Deutsche Börse AG that it had exceeded the threshold of 15 percent of the voting rights of the Company on 2 September 2008, and now held 19.30 percent (37,630,334 votes). 10.26 percent of these voting rights (20,000,000 votes) were

Organizational structure of Deutsche Börse Group as at 31 December 2008

Executive Committee

R. Francioni (CEO) | T. Eichelmann (CFO) | F. Gerstenschläger (Cash) | A. Preuß (Derivatives & Market Data) | J. Tessler (Clearstream) | M. Kuhn (IT)

Corporate Center

Cash | Derivatives & Market Data | Clearstream

Information Technology

attributable in accordance with section 22 (1) sentence 1 no. 6 of the WpHG and 9.04 percent (17,630,334 votes) in accordance with section 22 (2) of the WpHG.

In 2008, The Children's Investment Fund Management Ltd., London, Great Britain, The Children's Investment Fund Management (Cayman) Ltd., Grand Cayman, Grand Cayman Islands, and Christopher Hohn, Great Britain, notified Deutsche Börse AG that they had each exceeded the threshold of 15 percent of the voting rights of the Company on 2 September 2008 and that they now held 19.30 percent (37,630,334 votes) each. 10.26 percent of these voting rights (20,000,000 votes) were attributable in accordance with section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG and 9.04 percent (17,630,334 votes) in accordance with section 22 (2) of the WpHG in each case.

The Company has also been notified that the 15 percent threshold had been exceeded in each case on the basis of an agreement entered into by The Children's Investment Fund Management (UK) LLP, Atticus Capital LP and Atticus Management Limited, according to which they may coordinate their actions in respect of their shareholding in Deutsche Börse AG.

In 2008, Atticus Capital LP, New York, USA, and Atticus Management Limited, St. Peter Port, Guernsey, notified Deutsche Börse AG that they had each exceeded the thresholds of 10 and 15 percent of the voting rights of the Company on 2 September 2008 and now held 19.30 percent (37,630,334 votes) each. 9.04 percent of these voting rights (17,630,334 votes) were attributable in accordance with section 22 (1) sentence 1 no. 6 of the WpHG, and 10.26 percent (20,000,000 votes) were attributable in accordance with section 22 (2) of the WpHG.

Atticus LP Incorporated, St. Peter Port, Guernsey, Atticus Capital Holdings LLC, New York, USA, Atticus Holdings LP, New York, USA, Atticus Management LLC, New York, USA, and Timothy Barakett, New York, USA, notified Deutsche Börse AG in 2008 that they had each exceeded the threshold of 10 and 15 percent of the voting rights of the Company on 2 September 2008 and that they now held 19.30 percent (37,630,334 votes) each. 9.04 percent of these voting rights (17,630,334 votes) were attributable in accordance with section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentences 2 and 3 of the WpHG and 10.26 percent (20,000,000 votes) in accordance with section 22 (2) of the WpHG in each case.

The Company has also been notified that the 10 and 15 percent thresholds had been exceeded on the basis of an agreement entered into by The Children's Investment Fund Management (UK) LLP, Atticus Capital LP and Atticus Management Limited, according to which they may coordinate their actions in respect of their shareholding in Deutsche Börse AG.

None of the shareholders of Deutsche Börse AG are the holders of shares conveying special rights that give rise to controlling powers.

Employees holding shares in Deutsche Börse AG may exercise their rights directly.

Members of the Executive Board are appointed and dismissed 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 the members attain the age of 60.

Amendments to the Articles of Association are resolved by the General Meeting in accordance with section 119 (1) no. 5 of the AktG. Under Article 12 (4) of the Articles of Association, the Supervisory Board has the power to resolve changes to the Articles of Association which relate only to their wording. Resolutions of the General Meeting are passed by a simple majority of the votes cast in accordance with Article 18 (1) of the Articles of Association, unless otherwise stipulated by mandatory requirements of the AktG. Insofar as the AktG prescribes a majority of share capital to be represented at the 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 authorized to increase the share capital by issuing new no-par value registered shares against cash and/or non-cash contributions on one or more occasions by up to a total of €5.2 million until 23 May 2011 (authorized share capital I). Full authorization, particularly the conditions for disapplying the shareholders' subscription rights, derives from Article 4 (3) of the Articles of Association of Deutsche Börse AG.

The Executive Board is also authorized to increase the share capital, subject to the approval of the Supervisory Board, by issuing new no-par value registered shares against cash and/or non-cash contributions on one or more occasions by up to a total of €14.8 million until 20 May 2013 (authorized share capital II). Full authorization, particularly the conditions for disapplying the shareholders' subscription rights, derives from Article 4 (4) of the Articles of Association.

The Executive Board is further authorized to increase the share capital, subject to the approval of the Supervisory Board, by issuing new no-par value registered shares against cash and/or non-cash contributions on one or more occasions by up to a total of €6.0 million until 10 May 2012 (authorized share capital IV). In the process, shareholders must be granted subscription rights unless the Executive Board makes use of the authorization granted to it to disapply the shareholders' subscription rights with the approval of the Supervisory Board. The Executive Board is authorized, with the approval of the Supervisory Board, to eliminate fractions from the shareholders' subscription rights. The Executive Board is also authorized, subject to the approval of the Supervisory Board, to disapply shareholders' subscription rights in order to issue up to 900,000 new shares per financial year out of authorized 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 within the meaning of sections 15 et seqq. of the AktG. Full authorization 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 (5) of the Articles of Association 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 service stock options, granted up to 13 May 2008 as a result of the authorization under item 7 of the agenda of the General Meeting of 14 May 2003. The contingent capital increase will only be implemented insofar as the holders of issued stock options exercise these and the Company does not service 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 the exercise of stock options.

The Executive Board is authorized to acquire up to 10 percent of the share capital as treasury shares. However, the shares acquired, together with any shares acquired for other reasons that are held by or allocated to the Company in accordance with sections 71a et seqq. of the AktG, may at no time exceed 10 percent of the Company's share capital. The authorization to acquire treasury shares is valid until 31 October 2009 and may be exercised by the Company in full or in part on one or more occasions. However, it may also be exercised by dependent companies, by companies in which the Company holds a majority interest, or by third parties on its or their behalf. The Executive Board may elect to acquire the shares (1) on the stock exchange, (2) via a public tender offer addressed to all shareholders or via a public request for offers of sale addressed to the Company's shareholders, (3) by issuing tender rights to shareholders, or (4) through the use of derivatives (put or call options or a combination of both). The full and exact wording of the authorization to acquire treasury shares, and particularly the permissible uses to which the shares may be put, can be found in item 7 of the agenda of the General Meeting of 21 May 2008.

In the event of a change of control following a takeover bid, the following material agreements apply:

- On 31 August 1998, Deutsche Börse AG and SIX Swiss Exchange AG (former name: SWX Swiss Exchange AG) agreed, under the terms of a shareholders' agreement relating to their cooperation with regard to Eurex Zürich AG and its subsidiary companies, an extraordinary right of termination for a period of 60 days following registered notification. This applies in the event that a third exchange organization obtains a controlling influence over the other party whether by means of a takeover or a merger. Termination would have the effect of liquidating Eurex in its current structure with the stake held by SIX Swiss Exchange AG.
- On 25 October 2006, Deutsche Börse AG and SIX Group AG (former name: SWX Group AG) agreed in a cooperation agreement to combine their business operations in the area of structured products in a European exchange organization under a joint name and trademark. The cooperation agreement provides for a right

of termination for both parties with a notice period of six months to the end of the month, which has the effect of ending the cooperation if a change of control occurs at Deutsche Börse AG or SIX Group 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 has taken place if a person, corporation, or partnership directly or indirectly acquires control over a company, either alone or together with Group companies or in consultation with other persons or companies. 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, if it must fully consolidate another corporation or partnership under IFRSs, or if it is able to control a company through voting trusts or by making appointments to executive bodies.

- On 6 May 2008, 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 line with a total amount of up to US$1.0 billion. 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, who together have provided two-thirds of the amount of the facility granted at the date of the change of control. In the terms of this facility agreement, a person or group of persons have control if they coordinate their actions and/or if they have the opportunity to govern the business of the Company or to determine the composition of the majority of the 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 percent of the shares in ISE or acquire control over the voting rights attached to more than 20 percent of the shares in ISE without the prior approval of the U.S. Securities and Exchange Commission (SEC). Otherwise , the requisite number of ISE shares must be transferred to a trust so as to comply with the limits.
- Under the terms of the 2008/2013 fixed-rate bonds amounting to €650.0 million issued by Deutsche Börse AG and the terms of the subordinated fixed-rate and floating-rate bonds amounting to floating-rate bonds amounting to €550.0 million issued by the Company in 2008, there is a right to terminate in the event of a change of control. In the case of termination the bonds are repayable at par plus any accrued interest. A change of control is deemed to have taken place if one person, several persons acting together, or third parties acting on their behalf has or have acquired more than 50 percent of the shares of Deutsche Börse AG or the number of shares required to exercise more than 50 percent of the voting rights at General Meetings of Deutsche Börse AG. In addition, the relevant loan terms require that the change of control must have adversely affected the rating given to one of the preferential, unsecured debt instruments of Deutsche Börse AG by Moody's Investors Services, Inc., Standard & Poor's or Fitch Ratings Limited. Further details can be found in the applicable loan terms.
- If a change of control occurs, there is also a right 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 Moody's Investors Services, Inc., Standard & Poor's or Fitch Ratings Limited. The provisions contained in the applicable terms correspond to the conditions specified for the 2008/2013 fixed-rate bonds. The bonds issued under the private placement are as follows: US$170.0 million due on 12 June 2015, US$220.0 million due on 12 June 2018 and US$70.0 million due on 12 June 2020.
- 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 with all Executive Board members, a change of control has occurred if (1) a shareholder or third party discloses in accordance with sections 21 and 22 of the WpHG its ownership of more than 50 percent of the voting rights in Deutsche Börse AG, (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 UmwG (Umwandlungsgesetz, the German Reorganization and Transformation Act).

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

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

Strategy and internal management control

Strategy

In recent years, Deutsche Börse Group has developed into one of the largest exchange organizations in the world and achieved significant increases in its enterprise value since its initial public offering. The foundation for this growth is the Group's integrated business model, which aims to offer customers efficient and cost-effective services The business model is based on the following key principles:

- The integration of different financial market services such as trading, clearing, settlement, administration and custody of securities, as well as index and market data services
- The provision of these services for different asset classes such as equities, bonds, funds and derivatives
- The development and operation of the Group's own electronic systems for all processes along the securities trading value chain

The efficiency of the business model is reflected on the one hand by the fact that Deutsche Börse Group is one of the providers of trading, clearing and settlement services with the most attractive prices, and on the other in the profitability of the Company. Deutsche Börse Group is one of the most profitable companies in its sector, with an EBITA margin (earnings before interest, tax and goodwill impairment) of 61 percent in the year under review.

The strategy that has enabled the Company to achieve its leading position will continue to be pursued, with Deutsche Börse Group focussing primarily on organic growth. This will be achieved through the introduction of new products in existing and new asset classes, the expansion of business to new customer groups as well as moving into markets in new regions. If external development opportunities prove economic viability, the Group will also take these into consideration.

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. increase in volatility in the cash market)
- Structural changes in the financial markets (e.g. increasing use of derivatives by investment funds)
- The Company's ability to innovate (e.g. constant introduction of new products and services)

While the Company cannot affect the performance of the financial markets, it is able to exert an influence on the latter two factors in part or in full and to continue to reduce its dependence on the factors outside its control.

In order to take advantage of opportunities for external growth, Deutsche Börse Group constantly monitors and assesses the possibilities which arise. The acquisition of ISE at the end of 2007 shows that the Company is open to consolidation in the exchange sector, provided that this creates value for the Company and its shareholders.

Internal management control

Deutsche Börse Group's internal management control system is primarily based on the performance indicators EBITA, costs, return on equity and interest cover ratio (the ratio of EBITDA to interest expenses from financing activities).

Deutsche Börse Group manages its EBITA via revenue and costs. Revenue is composed of sales revenue with external customers, net interest income from banking business, own expenses capitalized and other operating income. Sales revenue with external customers is generally dependent on the three growth factors described above (performance of the financial markets, structural changes and the Company'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 on the development of short-term interest rates, particularly in the euro zone and the US, on the other. Own expenses capitalized relate to development costs for internally generated computer software. Other operating income results mainly from operating the Eurex Zürich derivatives market for SIX Swiss Exchange AG.

With regard to costs, the Company distinguishes between fee and commission expenses from banking business, staff costs, depreciation, amortization and impairment losses (excluding goodwill impairment), other operating expenses and goodwill impairment. Fee and commission expenses from banking business are a cost component dependent on volumes. The amount reflects the development of the international settlement and custody business at Clearstream. Staff costs comprise 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, since they also include changes in the provisions and payments in respect to the stock option plan that was closed in 2006 as well as the Stock Bonus Plan for members of the Executive Board and senior executives that was launched as of 2007. The depreciation, amortization and impairment losses for intangible assets, property, plant and equipment, and investment property are dependent on the amount of investments capitalized. Other operating expenses principally comprise the costs of developing and operating the Group's technological infrastructure, office infrastructure costs and marketing costs.

Since around 80 percent of Deutsche Börse Group's total costs are fixed costs, the Group can handle higher volumes of business without a significant increase in costs. Conversely, a decline in business volume would directly impact the profitability of the Group. The approximately 20 percent represented by costs dependent on volume includes fee and commission expenses from banking business, the operation of the floor trading system and various license fees.

In September 2007, Deutsche Börse Group introduced an extensive restructuring and efficiency program. The program aims to generate cost savings in financial years 2008 to 2010, with no change in the volume of investments in future growth. From 2010 onwards these savings are expected to amount to €100 million p.a. In February 2008, Deutsche Börse Group had announced a cost target of €1,315 million for financial year 2008 based on the restructuring and efficiency program and ISE's first-time consolidation in the consolidated income statement. Total costs for 2008 amounted to €1,284.0 million, 3 percent lower than those in the previous year (2007: €1,323.5 million).

The return on shareholders' equity after taxes is another key performance indicator underlying Deutsche Börse Group's strategy. It represents the ratio of after-tax earnings to the average equity available to the Company in 2008. This ratio increased to 40.8 percent (2007: 39.4 percent), due to the significant growth in earnings.

In September 2007, Deutsche Börse Group resolved a revised financing concept for the acquisition of ISE with the aim of further improving the capital structure and resuming its share buy-back program. Debt securities and hybrid instruments totalling around €1.5 billion were issued in 2008 under this financing concept. The aim in targeting an interest cover ratio (ratio of EBITDA to interest expenses from financing activities) of at least 16 for Deutsche Börse Group and at least 25 for Clearstream, and complying with specific capital adequacy measures for Clearstream, is to maintain Clearstream's current "AA" rating. Further information on the financing structure is presented in the financial assets section (see page 19).

Economic environment

Last year was dominated by a number of developments with a lasting influence on the macroeconomic environment, the main ones are to be pointed out as follows:

- The crisis on the US real estate market which triggered a global financial crisis
- The loss of confidence in global financial systems and the resulting disruptions on the money, interbank and credit markets
- First signs of a significant downturn in the global economy
- Massive cash injections from several central banks combined with government financial rescue packages for troubled banks and corporations

It is currently estimated that real growth in GDP in the OECD countries fell to 1.4 percent in 2008 (2007: 2.7 percent). According to first estimates published by the World Bank in January 2009, the global economy grew 2.5 percent in 2008. International Monetary Fund estimates show 3.4 percent growth for the same period (2007: 3.7 and 5.2 percent respectively).

In the context of macroeconomic development, Deutsche Börse Group's business is mainly influenced by cyclical trends in Germany, the rest of Europe and the United States.

Economic growth in Germany slowed considerably in 2008 as exports dropped. According to estimates published in January 2009, the International Monetary Fund expects the German economy to have grown 1.3 percent in 2008 (2007: 2.5 percent) despite declining exports, mainly due to increased private consumption in the second half of the year.

The effects of the global economic crisis were also clearly felt at a European level. The euro zone economy had already a "technical recession", as defined by the European Commission, in the third quarter of 2008 after GDP shrank in two consecutive quarters. Current estimates show that the euro zone economies grew only 1.0 percent in 2008 as a whole, and thus much slower than in the previous year (2007: 2.6 percent). After increasing the key lending rates in the euro zone to 4.25 percent mid-year, the European Central Bank lowered them over a period of only three months to 2.50 percent at the end of 2008 because of the deteriorating economic climate in Europe. The initial decreases were followed by further reductions of 0.5 percentage points in each case to 2.00 percent in January 2009 and again to 1.50 percent in March 2009.

After a 2.0 percent rise in GDP in the United States in 2007, the country's economic performance is expected to have increased by only 1.1 percent in 2008 as a result of the financial crisis. In 2008 the US government and the Federal Reserve attempted to mitigate the crisis with fiscal and monetary policy measures such as the Troubled Asset Relief Program (TARP) to buy back troubled assets related to the subprime mortgage crisis. The Federal Reserve also cut the federal funds rate from 4.25 percent in early 2008 to between zero and 0.25 percent at the end of the year.

Development of trading activity on selected European cash markets

		2008 bn	Change 2008 vs. 2007 %
London Stock Exchange[1) 2)]	£	2,951.0	–11
Deutsche Börse Group – Xetra[1)]	€	**2,149.0**	**–12**
Euronext[1) 3)]	€	2,757.0	–20
Bolsas y Mercados Españoles[1)]	€	1,246.3	–26
Nasdaq OMX Nordic[4)]	€	1,317.5	–30
Borsa Italiana[1) 2)]	€	993.7	–34

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

The turmoil in the international financial markets has resulted in extremely mixed trading behavior of participants in the cash and derivatives markets and affected the structural business drivers in both a positive and a negative sense. Caution on the part of the participants meant that the trading volume on the cash market fell in the year under review despite some very high-volume weeks and months. The situation on the derivatives market was more diverse. While high fluctuation on the derivatives exchanges caused contract volumes for equity and equity index derivatives and US options to rise sharply in 2008, uncertainty as to the effect of the financial crisis and the reduction by trading participants of risk positions resulted in a decline in trading volumes for interest rate derivatives. Overall, the leading derivatives markets recorded slight growth in traded contracts.

Development of trading activity on selected derivatives markets

Traded contracts	2008 m	Change 2008 vs. 2007 %
NYSE Liffe[1)]	1,510.7	18
Deutsche Börse Group – Eurex	**3,172.7**	**17**
CME Group	3,287.0	4

1) Part of NYSE Euronext
Source: Exchanges listed

In post-trading the loss of confidence amongst financial institutions and the resulting credit crunch caused a strong increase in the collateralized lending services offered by Clearstream (collateral management). It had already become apparent before the financial crisis that the market accepted this offering and was therefore increasingly using it.

According to the Bank for International Settlements, the face value of bonds outstanding internationally on the bond markets – a figure relevant for Deutsche Börse Group's custody business – increased by 4 percent to €15.2 trillion between June 2007 and June 2008. In the same period, the face value of securities issued domestically fell by 2 percent. The reduced growth of internationally issued bonds and the decline in the face value of domestic securities year-on-year is primarily due to disruptions on the credit markets and the lack of confidence in the banking sector. The financial crisis caused the volume of newly issued domestic bonds to fall by 48 percent and that of international bonds to fall by 35 percent in the first six months of 2008 compared to the same period in 2007.

Development of bond markets

	2008 € trillions	Change %
Bonds outstanding[1]		
International	15.2	4
Domestic	30.7	–2
Net issue volume[2]		
International	0.9	–35
Domestic	0.6	–48

1) As of 30 June 2008, growth compared with 30 June 2007
2) First six months of 2008, growth compared with first six months 2007
Source: Bank for International Settlements, as of end of June 2008

Overview of business development

In 2008, Deutsche Börse Group achieved the best results in its history. The financial market environment, which was dominated by uncertainty, high volatility and therefore increased trading activity during the year, contributed to this positive outcome. As a result of the scalability of its business model, Deutsche Börse Group was able to report most of the additional sales revenue generated as additional earnings.

Sales revenue in the year under review went up by 12 percent to €2,455.1 million (2007: €2,185.2 million). The greatest contribution to this increase was made by International Securities Exchange Holdings, Inc. (ISE), which was fully consolidated for the first time and whose sales revenue amounted to €241.2 million in 2008.

Total costs, including ISE costs of €155.9 million, fell 3 percent to €1,284.0 million in the year under review (2007: €1,323.5 million). In the year under review the consolidation of ISE generated additional costs. 2007 included exceptional costs related to share-based payment arrangements and provisions for the restructuring and efficiency program.

In 2008, consolidated earnings again improved substantially year-on-year: EBITA reached a new record figure of €1,508.4 million (2007: €1,345.9 million), an increase of 12 percent. ISE's contribution to EBITA amounted to €100.6 million.

Deutsche Börse Group achieved a 13 percent growth in net income, which rose to €1,033.3 million (2007: €911.7 million). In addition to the substantially higher EBITA, the lower tax rate of 28.5 percent also had a positive effect on net income.

Earnings per share (basic) increased at an even greater rate, based on a weighted average of 190.5 million shares, by 15 percent to €5.42 (2007: €4.70 with an average of 194.1 million shares outstanding). The fact that the average number of shares outstanding after the share buy-backs was lower had a positive effect on earnings per share. At the same time, diluted earnings per share improved by 15 percent to €5.41 (2007: €4.70).

Key figures by quarter

	Q1		Q2		Q3		Q4	
	2008 €m	2007 €m	2008 €m	2007 €m	2008 €m	2007 €m	2008 €m	2007 €m
Sales revenue	644.5	543.1	585.5	542.5	616.1	561.9	609.0	537.7
Total costs	316.1	313.3	297.0	311.9	311.2	274.5	359.7	423.8
EBITA	425.8	300.3	375.1	321.8	385.0	368.3	322.5	355.5
Net income for the period	304.2	192.3	249.4	210.7	257.3	238.2	222.4	270.5
Earnings per share (basic) (€)	1.58	0.98	1.30	1.09	1.35	1.23	1.19	1.40

Further information on this dilution is contained in note 41 to the consolidated financial statements.

Deutsche Börse Group's key performance figures

	2008 €m	2007 €m	Change %
Sales revenue	2,455.1	2,185.2	12
Total costs	1,284.0	1,323.5	–3
EBITA	1,508.4	1,345.9	12
Net income	1,033.3	911.7	13
Earnings per share (basic) (€)	5.42	4.70	15
Earnings per share (diluted) (€)	5.41	4.70	15

The first quarter in 2008 was the best in the reporting period in terms of sales revenue and earnings (see table on the page before).

Employees

As at 31 December 2008, Deutsche Börse Group had 3,395 employees (31 December 2007: 3,281). The increase resulted mainly from expanding Deutsche Börse Services s.r.o. and the build-up of Clearstream Operations Prague s.r.o. As part of its "near-shoring" initiative, the Group transferred operating activities of the Clearstream segment to the existing operations center in Prague. In addition, the restructuring and efficiency program led to minor organizational shifts between segments.

Employees by segment

	31 Dec. 2008	31 Dec. 2007
Xetra	177	167
Eurex	355	282
Clearstream	964	925
Market Data & Analytics	160	199
Information Technology	1,258	1,216
Corporate Services	481	492
Total Deutsche Börse Group	**3,395**	**3,281**

Deutsche Börse Group had an average of 3,339 salaried employees in 2008 (2007: 3,052), and an average of 3,115 full-time equivalent (FTE) employees (2007: 2,854).

301 employees left Deutsche Börse Group in the course of the year, a staff turnover rate of less than 9 percent. This is slightly higher than in previous years, mainly due to the staff measures taken under the efficiency and restructuring program. These were implemented amicably and in a socially responsible fashion.

Based on the average number of full-time equivalent employees in 2008, sales revenue per employee increased by 3 percent and amounted to €788 thousand (2007: €766 thousand). Staff costs per employee decreased by 32 percent to €135 thousand (2007: €198 thousand), largely due to lower costs related to the stock option plan for Executive Board members and senior executives of Deutsche Börse AG and its subsidiaries.

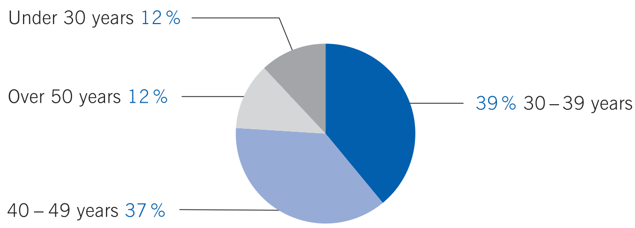
As at 31 December 2008, Deutsche Börse Group employ employed people at 16 locations worldwide. The key countries and regions are:

Employees per country/region

	31 Dec. 2008	%
Germany	1,623	47.8
Luxembourg	1,089	32.1
North America	280	8.2
Czech Republic	179	5.3
United Kingdom	108	3.2
Rest of Europe	87	2.6
Asia	25	0.7
Middle East	4	0.1
Total Deutsche Börse Group	**3,395**	

The average age of Deutsche Börse Group's employees at the end of the year under review was 39.4 years. The employee age structure as at 31 December 2008 was as follows:

Deutsche Börse Group employees' age structure



The average length of service at the end of the year under review was 9.3 years. The following table illustrates the length of service of the Group's employees as at 31 December 2008:

Employees' length of service

	31 Dec. 2008	%
Less than 5 years	1,078	31.7
5 to 15 years	1,737	51.2
More than 15 years	580	17.1
Total Deutsche Börse Group	**3,395**	

As at 31 December 2008, the percentage of graduates among Deutsche Börse Group's employees was 57.4 percent (2007: 55.4 percent). This figure is calculated on the basis of the number of employees holding a degree from a German university, university of applied technology, or professional academy, as well as employees who have completed studies abroad. In total, the Group invested an average of 3.0 days per employee in staff training.

Environmental protection

Deutsche Börse Group treats the environment with great care in all its activities as a matter of course. Deutsche Börse's normal business activities, which cover the entire value chain of a securities transaction, do not entail any direct environmental risk. The principles of sustainability are deeply rooted in the Company, which uses a wide range of measures to protect the environment as the basis of life and of commercial creativity. These measures mainly relate to the infrastructure of the office buildings in Eschborn, Frankfurt and Luxembourg, to the selection and monitoring of suppliers, and to motivating employees to act in an environmentally responsible manner in the workplace.

In Luxembourg, the Clearstream subgroup once again received a quality label for environmentally responsible waste management. The label is awarded by Luxembourg's Ministry for the Environment and the Chamber of Trades in recognition of companies that implement the waste management concept issued by the two Luxembourg's institutions in their day-to-day operations.

The Frankfurt headquarters to which Deutsche Börse AG moved in 2000, as well as the buildings for the Luxembourg subsidiary Clearstream International S.A. that opened in 2003, were all designed to take advantage of state-of-the-art energy-saving concepts. In the year under review, a further improvement in the Group's energy consumption was achieved by introducing the free-cooling system, which has already proven its worth in the Clearstream buildings, to the Frankfurt offices. Energy efficiency is improved by using outside air to cool offices and data centers in spring and autumn.

In the second half of 2008 Deutsche Börse Group presented its plans for the construction of the new Group headquarters in Eschborn. This project highlights the Group's commitment to environmental protection, and we plan to have the new building independently certified under the internationally recognized LEED system (Leadership in Energy and Environmental Design) developed by the U.S. Green Building Council, Washington D.C. It will be one of the first buildings in Germany to receive LEED certification and will meet the highest possible standards of sustainability, acting as an ecological role model. The building will also profit from the knowledge and data gained by the Company through its participation in the ÖKOPROFIT initiative (ecological project for integrated environmental technology).

Research and development activities

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

Deutsche Börse shares

Despite record results in the year under review, Deutsche Börse Group was not immune to developments on the international capital markets: to a large extent, the share price of Deutsche Börse AG fell in line with the share price of other listed exchange operators around the world and decreased by 63 percent in the course of the year. After an intraday high of €134.66 on 2 January 2008 and a twelve-month intraday low of €43.40 on 28 October 2008, the share price closed at €50.80 on the last trading day of 2008 (2007: €135.75).

The Group's continued strong business performance in the past year, together with the stable market position assured by its diversified business model, again contributed to the sustained and widespread interest in Deutsche Börse AG shares among national and, to an even greater extent, international investors. The average volume of Deutsche Börse shares traded per day increased to 2.5 million, following 1.8 million in the previous year. The proportion of shareholders from outside Germany remains high at around 82 percent. The proportion of institutional investors also remains high: they held 97 percent of the Company's shares at the end of the year under review.

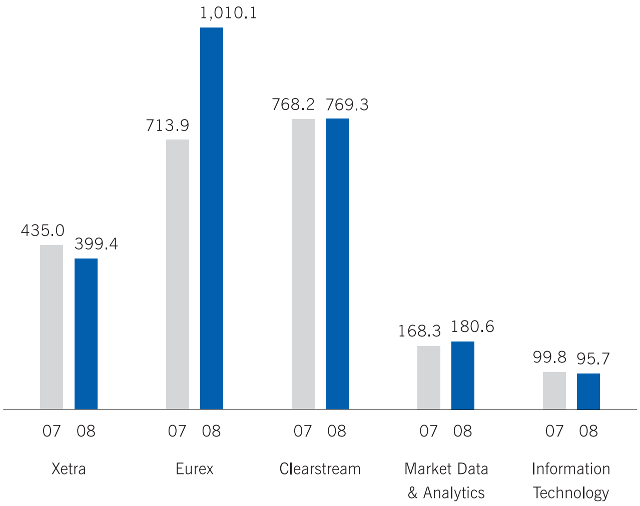
Results of operations, financial position and net assets

Results of operations

Deutsche Börse Group achieved a further improvement in its operating results in 2008. Sales revenue rose by 12 percent to €2,455.1 million (2007: €2,185.2 million). Excluding the ISE contribution, sales revenue rose to €2,213.9 million, a slight increase against the prior year. Great uncertainty prevailed on the market in the year under review because of the global financial crisis, and trading activity was therefore subject to considerable fluctuation throughout the year. Periods of extremely high trading volumes with new daily and monthly records on both the cash and the derivatives markets were followed by weeks in which the market participants exercised considerable caution. The Group's revenues from post-trade services in the Clearstream segment remained stable despite the difficult market environment, as the segment was able to acquire new business and thus offset the decline in the valuation of the equity markets and the reduced number of securities transactions.

Sales revenue by segment

€ millions



In addition to sales revenue, Deutsche Börse Group's total revenue includes net interest income from banking business, own expenses capitalized and other operating income. Net interest income increased 3 percent to €236.8 million in the period under review as a result of high average cash balances (2007: €230.8 million). Own expenses capitalized rose by 12 percent to €28.0 million in 2008 (2007: €25.1 million) due to the slight increase in development activities. Other operating income dropped from €223.4 million in 2007 to €66.7 million in the year under review. The drop is mainly due to income from the sale of land and buildings in Luxembourg in 2007. In the year under review no comparable exceptional income was generated.

The Group's strict cost management policy had a positive effect on total costs at Deutsche Börse Group, which fell 3 percent to €1,284.0 million in the year under review (2007: €1,323.5 million), including ISE costs of €155.9 million. In the reporting year, the consolidation of ISE resulted in additional costs, which in 2007 were generated by exceptional factors related to share-based payment arrangements and provisions for the restructuring and efficiency program. Volume-related costs in the Clearstream segment were higher than in the previous year, due mainly to the positive development of international business.

Cost overview

	2008 €m	2007 €m	Change %
Fee and commission expenses from banking business	177.8	161.6	10
Staff costs	421.4	566.2	–26
Depreciation, amortization and impairment losses (other than goodwill)	137.1	126.0	9
Other operating expenses	547.7	469.7	17
Total	**1,284.0**	**1,323.5**	**–3**

One of the main factors affecting costs is the cost of staff. This fell by a significant 26 percent to €421.4 million, a decline which is primarily due to the lower cost of share-based payments in 2008 and provisions in 2007 related to the restructuring and efficiency program. The increase in other operating expenses from €469.7 million to

€547.7 million is mainly due to the inclusion of ISE. The rise was mitigated by savings made under the restructuring and efficiency program.

Last year, Deutsche Börse's share price dropped 63 percent, thus underperforming the Dow Jones STOXX 600 Technology (Return) (EUR) benchmark index. As a result, the total cost of the stock option program and Stock Bonus Plan for the Executive Board and senior executives of Deutsche Börse AG and its subsidiaries declined substantially to €3.0 million (2007: €144.8 million).

Employee participation in the Group Share Plan fell to around 23 percent compared with the prior year. Expenses for the Group Share Plan amounted to €6.1 mil--lion in 2008 (2007: €12.0 million). Under this plan, employees bought around 94,100 shares at a discount of up to 40 percent on the issue price. In addition, the Company granted them two bonus shares for every ten shares subscribed.

Further details of the share-based payment arrangements are provided in note 46 to the consolidated financial statements.

EBITA and profitability by segment

	2008		2007	
	EBITA €m	EBITA margin %	EBITA €m	EBITA margin %
Xetra	219.4	55	250.1	57
Eurex	597.5	59	443.2	62
Clearstream	489.6	64	379.4	49
Market Data & Analytics	106.9	59	88.3	52
Information Technology	119.2	24[1]	100.2	20[1]
Corporate Services	–24.3	–	87.6	–
Reconciliation	0.1	–	–2.9	–
Total	**1,508.4**	**61**	**1,345.9**	**62**

1) EBITA / (internal + external sales revenue)

Deutsche Börse Group increased its EBITA (earnings before interest, taxes and goodwill impairment) by 12 percent year-on-year to €1,508.4 million (2007: €1,345.9 million). The EBITA margin was slightly lower at 61 percent (2007: 62 percent). A major contribution to this increase in earnings came from the Clearstream and Eurex segments. ISE's contribution to this increase amounted to €100.6 million. In 2007, EBITA was positively influenced by tax-exempt book gains of around €120 million on the sale of buildings in Luxembourg.

Xetra segment

The widespread uncertainty on the financial markets caused trading activity in the Xetra cash market to decrease in 2008 as compared to the previous year. Although the number of transactions increased by 28 percent year-on-year to €226.0 million, the trading volume (single-counted) fell 12 percent to €2.1 trillion.

The main reason for this divergence is the average transaction size, which dropped to €19.0 thousand in 2008 (2007: €27.7 thousand). This is primarily due to the increase in algorithmic trading and the lower market value of the securities. The development of business on Xetra is largely dependent on the trading activities of institutional investors and proprietary trading by professional market participants. Temporary uncertainty on the financial markets resulting from the deepening global financial crisis and sharp drops in the levels of the leading stock market indices over the year had an adverse effect on trading activity. Apart from these general economic factors, structural changes in trading had a positive influence on business. The increasing use of fully computerized trading strategies is particularly worthy of note here. The proportion of algorithmic trading rose again in the year under review, accounting on average for around 43 percent of the total Xetra trading volume (2007: 39 percent). The 10 largest trading participants accounted for 52 percent of the trading volume on Xetra, while the 20 largest accounted for 70 percent, showing no significant change against 2007. Measured in terms of the order book volume, the largest market participant continued to hold a market share of 7 percent.

Besides institutional investors, who trade primarily on the Xetra electronic trading system, private investors were particularly reluctant to place orders as a result of the general economic uncertainty and the strong decline in the leading stock market indices. In floor trading at the Frankfurt Stock Exchange, the trading platform mainly used by private investors, the trading volume (single-counted) fell 27 percent to €80.1 billion.

The pricing model for price-sensitive algorithmic trading on Xetra was adjusted with effect from 1 September 2008 to encourage an increase in this type of order. The minimum fee of €0.60 for orders executed in the Automated Trading Program (ATP) no longer applies, while the number of discount levels and the maximum discount rate were adjusted.

With the launch of Xetra Release 9.0 on 28 April 2008, trading in over 300,000 products offered by Scoach, the cooperation for structured products between Deutsche Börse AG and SIX Group AG, migrated from lead broker trading on the floor of the Frankfurt Stock Exchange to the fully electronic Xetra platform. The resulting improvement in accessibility for investors from across Europe allowed Scoach to up its market share by 10 percentage points to 38 percent. However, this increase was unable to offset the decrease in trading activity caused by the unfavourable market environment. Trading volumes fell by 14 percent year-on-year to €64.9 billion. Due to the structure of the cooperation, half of Scoach's profits go to SIX Group AG. This share is reported under the item "minority interests" in the consolidated income statement.

The XTF segment for exchange-traded index funds increased its trading volume by 13 percent in the year under review to €123.5 billion (2007: €108.9 billion). With the largest offering of all European exchanges, Deutsche Börse was able to maintain its position as leading market place in Europe for trading ETFs.

Cash market: Trading volume (single-counted)

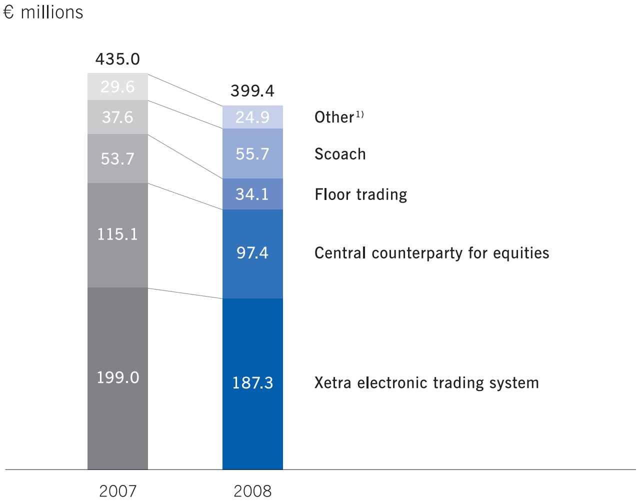
	2008 €bn	2007 €bn	Change %
Xetra	2,149.0	2,443.0	–12
Floor[1]	80.1	109.5	–27
Scoach	64.9	75.6	–14

1) Excluding certificates and warrants, which are shown in the row for Scoach

All in all, Xetra segment sales revenue fell by 8 percent to €399.4 million (2007: €435.0 million). In addition to income from trading, the central counterparty for equities (CCP) operated by Eurex Clearing AG, income from cooperation agreements and listing fees also contributed to revenue. The sales revenue generated by the central counterparty is primarily dependent on the activity level on the Xetra trading system.

Income from cooperation agreements recognized in "other" sales revenue mainly stems from systems operation for the Irish Stock Exchange and the Vienna Stock Exchange. From mid 2008 Xetra also took over systems operation for the Bulgarian Stock Exchange. The listing fees also recognized in "other" sales revenue are generated from admission to trading and the listing of enterprises.

Breakdown of sales revenue in the Xetra segment



1) Including income from listing and cooperation agreements

The 8 percent decrease in costs as against 2007 to €198.1 million (2007: €215.6 million) can mainly be attributed to the reduction in staff costs, lower depreciation and a decline in operating costs for the Xontro floor trading system.

Despite lower costs, the Xetra segment was unable to compensate fully for the decline in sales revenue in the year under review, and its profitability suffered as a result. EBITA in the Xetra segment was reduced by 12 percent year-on-year to €219.4 million (2007: €250.1 million), producing an EBITA margin of 55 percent (2007: 57 percent).

Eurex segment

The cooperation between Deutsche Börse AG and SIX Swiss Exchange AG was able to increase sales revenue by 41 percent to €1,010.1 million (2007: €713.9 million) through the consolidation of ISE. As in 2007, the main revenue drivers were equity index derivatives with a 45 percent share of total sales revenue.

Trading activities in the segment increased 17 percent year-on-year to 3,172.7 million contracts (2007: 2,704.3 million). European derivatives passed the two billion mark for the first time at 2,165.0 million contracts (2007: 1,899.9 million). Equity index derivatives made the largest contribution to this growth with a 36 percent increase in contract volumes in the year under review. The 10 largest European derivatives trading participants accounted for 32 percent of the contract volumes and the 20 largest accounted for 51 percent. This is a slight increase against 2007, where their share amounted to 30 and 49 percent respectively. Measured in terms of contracts traded, the largest market participant held a market share of 4 percent.

Contract volumes in the derivatives market

	2008 m contracts	2007 m contracts	Change %
Equity index derivatives	1,026.6	753.6	36
Equity derivatives	479.5	374.5	28
Interest rate derivatives	658.3	771.7	–15
US options	1,007.7	804.4	25
Total[1)]	**3,172.7**	**2,704.3**	**17**

1) The total shown does not equal the sum of the individual figures, as it includes other traded derivatives such as ETF, dividend and emission derivatives.

Continuing uncertainty on the global capital markets and the correspondingly volatile index levels had a positive effect on trading volumes for equity and equity index derivatives as well as US options. At the same time, caution on the part of investors and the increased risk awareness of the banks resulted in lower trading activity with interest rate derivatives.

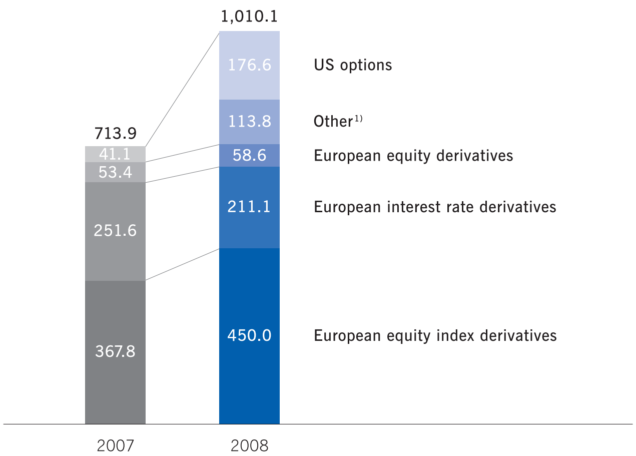
In addition to these external factors, the segment offers new trading options to market participants in the form of new products and services. A whole range of equity and equity index options, futures on individual equities and – in cooperation with the European Energy Exchange (EEX) – CO_2 futures were introduced in the year under review.

Segment costs were up 50 percent year-on-year and amounted to €509.3 million (2007: €338.6 million), mainly due to the consolidation of ISE.

All in all, the Eurex segment achieved a significant increase in EBITA of 35 percent to €597.5 million (2007: €443.2 million) as a result of the ISE consolidation. The corresponding EBITA margin amounted to 59 percent (2007: 62 percent).

Breakdown of sales revenue in the Eurex segment

€ millions



1) Including ISE sales revenue of €63.2 million (ISE stock exchange and market data business)

Clearstream segment

In 2008, the key influencing factors for Clearstream's business activities were the strong growth in the volumes outstanding in Global Securities Financing, a slight in--crease in custody volumes of international securities as well as a decrease in domestic and international settlement business. In the custody business, the overall average value of securities deposited with Clearstream, which is the parameter determining deposit fees, was up 1 percent to €10.6 trillion (2007: €10.5 trillion). Due to the lower valuations on the equity market, the average value of domestic securities deposited decreased by 4 percent to €5.5 trillion (2007: €5.7 trillion). This custody volume is mainly determined by the market value of shares, funds and structured products traded on the cash market. The average value of international securities deposited climbed by 7 percent to €5.1 trillion (2007: €4.8 trillion) due to gains in market share and the stronger US dollar in the second half of 2008.

In the settlement business, the number of settlement transactions went down by 7 percent in financial year 2008 to 114.3 million (2007: 123.1 million). Compared with 2007, settlement of OTC securities transactions in international and in domestic markets increased by 3 percent to 49.8 million transactions; for on-exchange transactions, Clearstream recorded a decrease of 14 percent to 64.5 million transactions. The negative overall development of settlement transactions is due to the market caution in trading securities in the course of the global financial crisis.

The strategically important Global Securities Financing business recorded an increase in the average volume outstanding in December 2008 of 25 percent to €434.1 billion (December 2007: €348.0 billion). Products offered include triparty repo, collateral management and securities lending.

Average daily cash balances rose year-on-year by 1 percent to €5,677 million (2007: €5,596 million). Net interest income from the banking business increased by 3 percent to €236.6 million (2007: €230.6 million) due to higher customer cash balances among other things. Thanks to interest hedges on the euro and the US dollar, the lower interest rates in 2008 had no significant impact on net interest income.

Clearstream segment: Key indicators

	2008	2007	Change
Custody	**€bn**	**€bn**	**%**
Value of securities deposited (average value during the year)	10,637	10,504	1
International	5,128	4,783	7
Domestic	5,509	5,721	–4
Settlement	**m**	**m**	**%**
Securities transactions	114.3	123.1	–7
International	30.0	33.9	–12
Domestic	84.3	89.2	–5
Global Securities Financing	**€bn**	**€bn**	**%**
Average volume outstanding in December	434.1	348.0[1]	25
Average daily cash balances	**€m**	**€m**	**%**
Total	5,677	5,596	1
Euro	2,300	2,523	–9
US dollars	1,952	1,642	19
Other currencies	1,425	1,431	0

1) Figures differ from information shown in previous periods due to a new statistical reporting method.

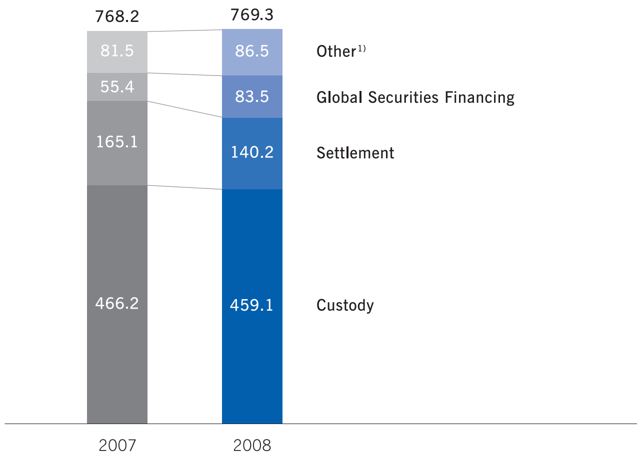
Sales revenue in the Clearstream segment remained stable in the period under review at €769.3 million (2007: €768.2 million).

Clearstream recorded the strongest decline in costs within Deutsche Börse Group, reducing total cost by 17 percent to €534.7 million (2007: €641.8 million). This is mainly due to lower staff costs, lower depreciation and amortization as well as the effects of the restructuring and efficiency program.

EBITA rose by 29 percent to €489.6 million (2007: €379.4 million), while the EBITA margin, on sales without net interest income from the banking business, went up to 64 percent (2007: 49 percent).

Breakdown of sales revenue in the Clearstream segment

€ millions



1) Including Connectivity and Reporting

Market Data & Analytics segment

Sales revenue in the Market Data & Analytics segment continued to develop positively in 2008, rising by 7 percent to €180.6 million (2007: €168.3 million).

The segment generated 79 percent (2007: 77 percent) and therefore the majority of its sales revenue from the distribution of real-time data from the cash and derivatives markets operated by Deutsche Börse Group. In addition to growth in established markets and with existing customers, the initiatives to attract customers in new markets also had an impact on the segment's revenues. The growth was supported further by increases in sales of data packages, particularly higher-value products, as well as newly launched products and services.

The decline in other operating income in the Market Data & Analytics segment to €2.5 million (2007: €16.2 million) is mainly attributable to the sale of the holding in International Index Company Ltd. in 2007.

Savings in staff costs and a restructuring measure reduced costs in the segment by 15 percent to €100.7 million (2007: €117.8 million).

As a result the segment's EBITA rose by 21 percent to €106.9 million (2007: €88.3 million). The EBITA margin was significantly higher at 59 percent (2007: 52 percent).

The announcement of the acquisition of the US-based financial news agency Market News International (MNI) in December 2008 was not reflected in the segment's results as the deal was not finalized until the end of January 2009 after approval by the antitrust authorities.

Information Technology segment

External sales revenue in the Information Technology segment fell by 4 percent in the year under review to €95.7 million (2007: €99.8 million). This fall in revenue was primarily due to weaker floor trading activities.

Sales revenue generated from business with other Deutsche Börse Group segments also decreased slightly by 1 percent to €393.1 million due to a reduction in trading activities on the cash market (2007: €397.9 million).

As part of the Group's Technology Roadmap, the Information Technology segment continuously invested in the performance of network and systems last year in order to process higher volumes of trade quickly and in a secure fashion. Despite the consolidation of ISE, total costs in the segment fell by 7 percent to €386.8 million due to lower staff costs (2007: €415.2 million).

As a result, EBITA for the Information Technology segment improved by 19 percent in the year under review to €119.2 million (2007: €100.2 million).

Development of profitability

The Group's return on shareholders' equity increased to 40.8 percent in the year under review (2007: 39.4 percent), primarily due to higher earnings. The return on shareholders' equity represents the ratio of after-tax earnings to the average equity available to the Group in 2008.

The weighted average cost of capital (WACC) after taxes amounted to 7.2 percent in the year under review (2007: 6.5 percent). Deutsche Börse's cost of equity reflects the return on a risk-free alternative investment plus a premium for general market risk, and 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 long-term debt finance.

Deutsche Börse's cost of capital

	2008 %	2007 %
Risk-free interest rate[1]	4.0	4.1
Market risk premium	6.1	4.8
Beta[2]	1.2	1.1
Cost of equity[3] (after tax)	11.2	9.3
Cost of debt[4] (before tax)	5.1	3.8
Tax shield[5]	1.5	1.4
Cost of debt (after tax)	3.6	2.5
Equity ratio[6] (annual average)	46.6	58.6
Debt ratio[7] (annual average)	53.4	41.4
WACC (before tax)	8.0	7.1
WACC (after tax)	7.2	6.5

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

Deutsche Börse Group's profitability is also demonstrated by its return on capital employed (ROCE). This pre-tax figure measures the sustainable earnings generated from operating activities in relation to the capital employed in the business.

The difference between ROCE and the cost of capital is equal to the relative value added, which fell to 31.4 percent in the reporting period (2007: 44.1 percent). The significant change in the relative value added can be attributed for the most part to the acquisition of ISE at the end of 2007 and the corresponding increase in intangible assets. Absolute value added is calculated by multiplying this figure by capital employed. It rose by 5 percent to €1,227.7 million (2007: €1,173.7 million).

Return on capital employed (ROCE)

	2008 €m	2007[1)] €m
EBITA	**1,508.4**	**1,345.9**
Intangible assets[2)]	3,449.2	1,862.0
+ Equity investments[2)]	123.1	75.1
+ Cumulative depreciation and goodwill impairment[2)]	186.4	186.4
+ Trade receivables and other non-interest-bearing current assets[2)]	1,854.2	1,549.2
– Non-interest-bearing provisions[2)]	1,085.7	640.0
– Non-interest-bearing liabilities[2)]	615.5	371.2
= Capital employed	**3,911.7**	**2,661.5**
ROCE: EBITA as % of capital employed	**38.6**	**50.6**
Relative value added (%)	**31.4**	**44.1**
Absolute value added (€m)	**1,227.7**	**1,173.7**

1) Adjustments due to the retrospective reduction of the tax rate applied in the course of the acquisition of ISE
2) Annual averages

Financial position

Cash flow

Deutsche Börse Group generated cash flow from operating activities of €1,278.9 million in 2008 (2007: €839.6 million). The basic operating cash flow per share amounted to €6.71 and the diluted operating cash flow per share to €6.70 (2007: diluted and basic operating cash flow per share €4.33).

The increase in the operating cash flow is attributable primarily to the following items:

- An increase in consolidated net income to €1,050.3 million (2007: €914.9 million)
- Cash inflow as at the balance sheet date of €265.3 million (2007: cash outflow of €266.5 million) resulting from a reduction in receivables and other assets due primarily to a significant decrease against the previous year in receivables from the CCP business as at balance sheet date
- Cash outflow of €100.3 million (2007: cash inflow of €192.3 million) due to the drop in current liabilities which mainly resulted from the decline of €111.3 million in provisions for the expiring stock option plan. This cash outflow was partially offset by an increase in the interest expense accrual under the financing of the ISE transaction, which rose to €32.8 million.
- Cash outflow of €47.5 million (2007: cash inflow of €16.0 million) on account of the decrease in noncurrent provisions for share-based payments
- Other non-cash expense of €3.3 million (2007: non-cash income of €117.7 million). Non-cash income in 2007 resulted primarily from one-time income of €120.6 million from the sale of buildings and investment property in Luxembourg, which was reported within cash flow from investing activities.

The negative cash flow from investing activities dropped to €939.6 million (2007: €1,753.2 million) mainly as a result of changes to the following items:

- The cash flow from investing activities for the 2007 financial year included cash outflow of €1,826.6 million for the purchase of ISE and cash inflow of €358.9 million from the sale of subsidiaries and the sale of buildings and investment property in Luxembourg. For the year under review, the cash flow from investing activities contains no cash outflow for the purchase of subsidiaries.
- Cash outflow of €391.2 million (2007: €149.0 million) from an increase in current receivables, securities and liabilities with an original term greater than three months within the banking business of Clearstream Banking S.A.

- Cash outflow of €344.0 million (2007: €124.8 million) to acquire noncurrent financial instruments from the banking business within Clearstream Banking S.A.
- Cash outflow of €122.3 million to acquire investments in associates, primarily investments in the US trading platform Direct Edge Holdings, LLC, European Energy Exchange AG and Link-Up Capital Markets, S.L.
- Cash outflow of €94.5 million (2007: €79.7 million) to acquire intangible assets and property, plant and equipment (CAPEX)
- Cash outflow of €24.6 million from the sale of ISE Stock Exchange to Direct Edge Holdings, LLC
- Cash inflow of €19.9 million from the sale of noncurrent financial instruments within the banking business of Clearstream Banking S.A.
- Cash inflow of €16.8 million from the termination of the joint venture between ISE and TSX and the resulting sale of ISE's shareholding
- Cash inflow of €0.3 million (2007: €17.4 million) from the disposal of other noncurrent assets. The majority of cash inflow in 2007 was generated through the sale of the shares in International Index Company Ltd.

Net cash outflows from financing activities amounted to €943.0 million (2007: inflow of €927.0 million). The negative cash flow from financing activities relates mainly to changes in the following items:

- Cash outflow of €1,941.7 million from repayment of the short-term financing of the ISE transaction and the repayment of short-term bonds of €600.0 million under Deutsche Börse AG's commercial paper program
- Cash inflow of €1,481.6 million from long-term financing to replace the short-term financing for the ISE transaction
- Cash inflow of €794.4 million from the issuance of short-term bonds under Deutsche Börse AG's commercial paper program
- Cash outflow of €403.0 million (2007: €329.8 million) due to dividend payments for the 2007 financial year and of €380.5 million (2007: €395.0 million) for the purchase of own shares
- Cash outflow of €500.0 million resulting from the repayment of the corporate bond issued in 2003
- As opposed to 2007, no cash inflow from minority shareholders was recorded during the year under review. Cash inflow from this position in 2007 amounted to €271.3 million and related to SIX Group AG's share in ISE financing.

As a result, cash and cash equivalents amounted to €448.2 million at the end of the year under review (2007: €1,040.2 million). Strong cash flows from operating activities ensure Group liquidity. Free cash flow, i.e. cash flows from operating activities less payments to acquire intangible assets and property, plant and equipment, was well above the previous year's level at €1,184.4 million (2007: €759.9 million). Due to the Group's positive cash flow, adequate credit lines and flexible management and planning systems, as in previous years the Company does not expect any liquidity bottlenecks to occur in financial year 2009.

Cash flow statement (condensed)

	2008 €m	2007 €m
Cash flows from operating activities	1,278.9	839.6
Cash flows from investing activities	–939.6	–1,753.2
Cash flows from financing activities	–943.0	927.0
Cash and cash equivalents as at 31 December	448.2	1,040.2

Operating leases

The Company uses off-balance sheet operating leases, primarily for the buildings used by Clearstream International S.A. in Luxembourg.

Dividends and share buy-backs

Under its capital management program, Deutsche Börse AG distributes funds not required for the Group's operating business and further development to its shareholders. The program takes into account capital requirements, which are derived from the Group's capital and liquidity needs from legal, regulatory, credit rating and economic capital perspectives. 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. In addition, Deutsche Börse AG needs to maintain a strong credit profile for the benefit of its subsidiary Eurex Clearing AG.

Debt instruments of Deutsche Börse AG

Type	Issue volume	ISIN	Term	Maturity	Coupon p.a.	Listing
Fixed-rate bearer bond	€650m	XS0353963225	5 years	April 2013	5.00%	Luxembourg/Frankfurt
Series A bond	US$170m	Private placement	7 years	June 2015	5.52%	Unlisted
Series B bond	US$220m	Private placement	10 years	June 2018	5.86%	Unlisted
Series C bond	US$70m	Private placement	12 years	June 2020	5.96%	Unlisted
Hybrid bond	€550m	XS0369549570	30 years[1]	June 2038	7.50%[2]	Luxembourg/Frankfurt

1) Early termination right after 5 and 10 years and in each year thereafter
2) Until June 2013: fixed-rate 7.50 percent p.a.; from June 2013 to June 2018: fixed-rate mid swap + 285 basis points; from June 2018: variable interest rate (Euro Interbank rate offered for twelve-month Euro deposits (EURIBOR), plus an annual margin of 3.85 percent)

Customers expect their service providers to maintain conservative interest coverage and debt/equity ratios and thus maintain strong credit ratings. Deutsche Börse Group pursues the objective to maintain an interest coverage ratio (ratio of EBITDA to interest expenses from financing activities) of at least 16 at the Group level.

After returning around €2.1 billion to its shareholders in the form of share buy-backs and dividends from the launch of the program in 2005 to the end of 2007, Deutsche Börse Group paid a dividend for 2007 of €403.0 million and repurchased a further 6.2 million shares at a total price of €380.5 million in 2008. As at the balance sheet date of 31 December 2008, a total of €2.9 billion had been distributed to shareholders since the launch of the capital management program.

Of the some 38.7 million shares repurchased between 2005 and 2008, the Company cancelled a total of some 28.6 million shares. A further 0.9 million shares were acquired by employees under the terms of the Group Share Plan (see note 46 of the notes to the consolidated financial statements). As at 31 December 2008, the remaining approximately 9.2 million shares were held by the Company as treasury shares.

For 2008, Deutsche Börse AG will propose to the General Meeting that a dividend of €2.10 per share be paid for the last financial year (2007: €2.10). Based on this proposal, the distribution ratio is 38 percent of consolidated net income (2007: 51 percent, adjusted for exceptional income from a sale of buildings in Luxembourg). With 185.8 million shares outstanding currently carrying dividend rights, this would result in a total distribution of €390.2 million (2007: €403.0 million).

Financing of the acquisition of ISE

The bridge loan of €1.0 billion and US$0.7 billion raised in 2007 for the acquisition of ISE was replaced in full by long-term debt during the second and third quarters of 2008. Shortly after the acquisition of ISE in December 2007, Deutsche Börse Group repaid US$170 million of the bridge loan. The bridge loan was redeemed in full by mid-July 2008 largely through the issuance of long-term debt.

In April 2008, Deutsche Börse Group issued a senior benchmark bond in the amount of €500 million. This bond was increased by €150 million in June 2008. A further US$460 million was successfully issued in June 2008 as part of a private placement in the United States. Also in June 2008, Deutsche Börse AG issued hybrid capital in the amount of €550 million, placing the only corporate public European hybrid benchmark transaction in 2008. Thus, Deutsche Börse was able to successfully refinance its ISE acquisition at attractive terms in a difficult market environment.

Credit ratings

Deutsche Börse AG regularly has its creditworthiness 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.

Ratings of Deutsche Börse AG

	Long-term	Short-term	Last published
Standard & Poor's	AA	A–1+	24 April 2008

Ratings of Clearstream Banking S.A.

	Long-term	Short-term	Last published
Fitch	AA	F1+	9 January 2009[1)]
Standard & Poor's	AA	A–1+	7 April 2008

1) In the reporting year last published on 22 February 2008

Net assets

Deutsche Börse Group's noncurrent assets amounted to €4.544.9 million as at 31 December 2008 (2007: €4,164.0 million). Goodwill of €1,977.0 million (2007: €1,937.1 million) represented the largest part of these noncurrent assets, changes in which compared with 31 December 2007 were affected by the following key factors:

- An increase in noncurrent securities from banking business held by Deutsche Börse Group as financial assets to €756.3 million (2007: €514.9 million)
- An increase in investments in associates to €156.6 million (2007: €35.9 million), mainly due to the acquisition by ISE of a 31.5 percent holding in the US trading platform Direct Edge and the increase of Eurex Zürich AG's holding in the European Energy Exchange
- A decline in Deutsche Börse Group's investments in trading and settlement systems, which are capitalized as software and amortized over the expected useful life. As at 31 December 2008, the balance sheet showed software with a net carrying amount of €101.1 million (2007: €127.3 million).
- The loss in value of several minority interests of Deutsche Börse AG due to a decline in their market capitalization. This explains the reduction in other equity investments to €52.8 million (2007: €66.8 million). Further information on this item can be found in note 15 of the consolidated financial statements.

Noncurrent assets were offset by equity in the amount of €2,978.3 million (2007: €2,690.2 million) and noncurrent liabilities in the amount of € 2,213.7 million (2007: €740.5 million). Noncurrent liabilities mainly related to interest-bearing liabilities from the long-term financing of ISE of €1,512.9 million (2007: €1.2 million) and deferred tax of €600.6 million (2007: €595.1 million).

The change in current liabilities is explained by the following items:

- A fall in bank loans and overdrafts to zero (2007: €1,360.2 million) after the replacement of the bridge loan to finance the ISE acquisition with long-term financing
- A fall in current provisions to €83.5 million (2007: €205.0 million) due to lower provisions for share-based payment arrangements
- A fall in other current liabilities to €412.1 million (2007: €682.4 million) after the repayment of a corporate bond amounting to €500 million and the issuance of commercial paper beyond the balance sheet date

Overall, Deutsche Börse Group invested €94.5 million in intangible assets and property, plant and equipment in the year under review, 19 percent more than in the previous year (2007: €79.7 million). The investments were spread throughout all segments of Deutsche Börse Group.

Working capital

Working capital is current assets less current liabilities, excluding technical closing date balance sheet items. Current assets, excluding technical closing date items, amounted to €373.9 million. As Deutsche Börse Group collects fees for most of its services immediately after the end of the month, the trade receivables of €210.7 million included in the current assets as at 31 December 2008 (2007: €235.5 million) were relatively low when compared with the sales revenue. The current liabilities of the Group, excluding technical closing date items, amounted to €865.3 million. The Group therefore had negative working capital of €–491.4 million at the end of the year (2007: €–620.0 million). This decrease in the negative working capital is mainly due to lower receivables from CCP transactions offset by the reduction in other current provisions and other current liabilities.

Technical closing date balance sheet items
The balance sheet items “current receivables and securities from banking business” and “liabilities from banking business” are technical closing date items that were strongly correlated in the year under review, and fluctuated between approximately €8 billion and €12 billion (equal to 2007). These amounts mainly represent customer balances within Clearstream’s international settlement business.

The balance sheet item “financial instruments of Eurex Clearing AG” relates to the function of 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 notes 3, 18 and 43 of the notes to the consolidated financial statements and in the risk report below. On the quarterly balance sheet dates in 2008, the total value of these financial instruments varied between €60 billion and €122 billion (2007: between €60 and €80 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 2008 quarterly balance sheet dates varied between €2 billion and €11 billion in the year under review and was thus higher than in the previous year (2007: between €1 billion and €4 billion), as Eurex Clearing members had to increase the amount of collateral to be provided in the wake of the financial crisis.

Risk report

Risk management is a fundamental component of management and control within Deutsche Börse Group. Effective and efficient risk management is vital to protecting the Group’s interests: it enables the Group to achieve its corporate goals and safeguards its continued existence. The Group has therefore established a Group-wide risk management concept comprising roles, processes and responsibilities applicable to all staff and organizational entities of Deutsche Börse Group. This concept is designed to ensure that emerging risks can be identified and dealt with appropriately at an early stage.

Risk management: Organization and methodology
The Executive Board is responsible for the management of all risks. Deutsche Börse Group’s risk management organization is decentralized. The market areas are responsible for identifying risks and reporting them promptly to Group Risk Management, a central function unit with Group-wide responsibilities. Group Risk Management assesses all new and existing risks. It also reports on a monthly and, if necessary, on an ad hoc basis to the Executive Board. In addition, Group Risk Management regularly reports to the Finance and Audit Committee of Deutsche Börse AG’s Supervisory Board. The Supervisory Board is informed in writing about the content of these reports. Risk control is performed in the market areas, i.e. in the areas where the risks occur.

In 2008, Deutsche Börse Group strengthened its risk management organization, for example by recruiting further employees to the central function unit Group Risk Management. Risk control in the Clearstream market areas was expanded by introducing “Operational Risk Representatives”, who are responsible for identifying and controlling operational risks in their area.

The risk management system of Deutsche Börse Group, as stated in the Group Risk Management Policy, has the purpose of ensuring that all threats, causes of potential loss and disruptions are properly identified in good time, centrally recorded, assessed (i.e. quantified in financial terms as far as possible), reported to the Executive Board together with suitable recommendations, and controlled.

Deutsche Börse Group has developed its own corporate risk structure and distinguishes between operational, financial, business and project risks.

Internal Auditing ensures through independent audits that the risk control and risk management functions are adequate. The results of these audits are also fed into the risk management system.

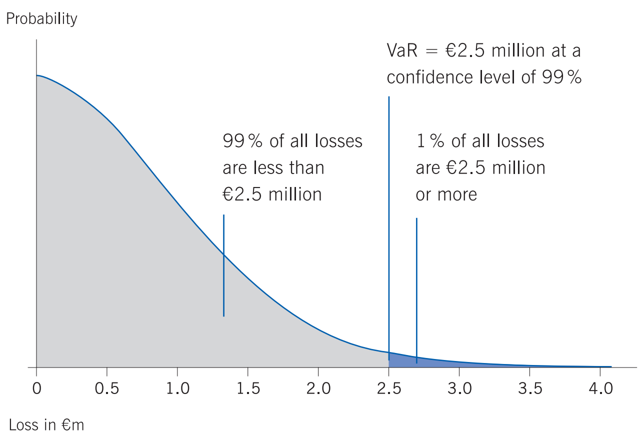
Group-wide risk management instruments
Deutsche Börse Group devotes considerable attention to risk mitigation and ensures that appropriate measures are taken to avoid, reduce and transfer, or intentionally accept, risk.

Deutsche Börse Group has installed a standardized approach for measuring and reporting all operational, financial and business risks across its organization: the concept of "value at risk" (VaR). The purpose is to show the overall risk appetite, expressed in a comprehensive and easily understood way, and to facilitate the prioritization of risk management actions.

The VaR quantifies existing and potential risks. It denotes at the denoted confidence level the maximum cumulative loss Deutsche Börse Group could face if certain independent loss events materialized over a specific time horizon. Deutsche Börse Group's management VaR assumes a one-year time horizon and 99 percent confidence level.

Based on the example in the following chart, this means that there is a 99 percent probability that the cumulative loss within the next year will be below €2.5 million. Conversely, there is consequently a 1 percent probability of a loss incurred through one or more incidents within the next year which, in total, will be equal to or greater than the VaR calculated.

Example illustrating the risk distribution relating to a confidence level of 99 percent



The calculation of the VaR is a three-step process:

1. Determination of the loss distribution for every individual risk identified: This is performed for each individual risk on the basis of historical data (such as market data, default, claim, or outage history) or risk scenarios. This distribution may be a lognormal distribution (often used for operational risk on account of processing errors) or a Bernoulli distribution (used e.g. for credit risk, where a counterparty either defaults or fulfills).

2. Simulation of losses using the Monte Carlo method: A Monte Carlo simulation is used to run multiple trials of all random loss distributions at the same time in order to achieve a stable VaR calculation. This produces a spread of possible total losses.

3. Calculation of VaR on the basis of the Monte Carlo simulation: To do this, the results of the Monte Carlo simulation are arranged in descending order by size. If there are e.g. 100 simulations and a 99 percent confidence level is required, the second biggest loss corresponds to the VaR estimate.

In order to determine whether Deutsche Börse Group can bear the risk of a possible loss, the VaR calculated is compared against the then current EBITA forecasts. As at 31 December 2008, the total VaR of the Group amounted to less than half of its 2008 EBITA. The VaR is further reduced when the risk mitigation provided by Deutsche Börse Group's customized insurance program is also considered.

Furthermore, the VaR is calculated at a confidence level of 99.9 percent to determine the Basel II regulatory capital requirements for the Clearstream subgroup companies.

In addition to the VaR calculations described above, the Group performs stress test calculations for credit risk with which it continuously reviews the risk-bearing capability of the Group and its subsidiaries.

Risk system of Deutsche Börse Group

Risk positions of the Group

Operational risks	Financial risks	Business risks	Project risks
Availability risk	Credit risk	Macroeconomic risk	Impact on operations
Service deficiency	Market price risk	Sales risk	Impact on financials
Damage to physical assets	Liquidity risk	Cost risk	Impact on the business
Legal risks and risks associated with business practices	Regulatory requirements	Risk from regulatory changes	

Risk structuring and assessment
The following sections describe the relevant individual risks in more detail.

Operational risks
Operational risk encompasses all existing and newly arising risks in the context of the ongoing provision of services by Deutsche Börse Group. In terms of content, operational risk is defined as the risk of loss resulting from inadequate or defective systems and internal processes, from human or technical failure, from inadequate or defective external processes, from damage to physical assets as well as from legal risks and risks associated with business practices. For Deutsche Börse Group, the main operational risks are related to the disruption to the delivery of its core products. In particular, these include the Xetra and Eurex cash and derivatives market trading systems, as well as the CCP, CASCADE and Creation clearing and settlement systems.

Operational risks that Deutsche Börse Group does not wish to retain and that can be insured at a reasonable price are transferred by taking out insurance policies. All insurance policies are coordinated centrally, thereby ensuring that uniform insurance cover with a favorable risk/cost benefit ratio is in place for the entire Group. The policies of the insurance program that are relevant from a risk perspective are individually reviewed and approved by the Executive Board of Deutsche Börse Group.

(a) Availability risk:
Availability risk results from the fact that resources essential to Deutsche Börse Group's services offering could fail, thereby making it impossible to deliver services on time or at all. This risk constitutes the greatest operational risk for Deutsche Börse Group. Possible triggers include hardware and software failures, operator and security errors, and physical damage to the data centers.

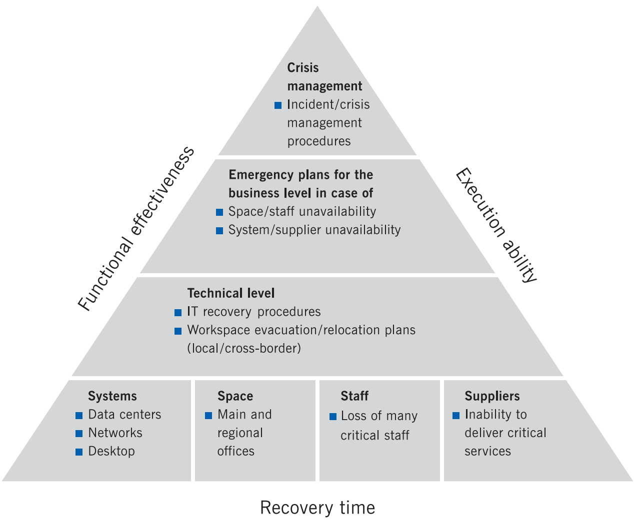
For instance, it cannot be ruled out that, in the unlikely case of a lengthy outage of the Eurex trading system while the market is in an extremely volatile state, market participants might try to make claims against Deutsche Börse Group.

In particular, Deutsche Börse Group manages availability risk through intensive activities in the field of business continuity management (BCM). BCM encompasses all the processes that ensure business continues as normal, even if a crisis occurs, and therefore substantially reduces availability risk. It relates to arrangements for all the key resources (systems, space, staff, suppliers/service providers), including the redundant design of all critical IT systems and technical infrastructure, as well as backup workspaces located in each of the main operational centers available for employees in critical functions.

These BCM arrangements are regularly tested according to the three following dimensions (see also the chart below):

- Functional effectiveness: Validate that the arrangements are technically in working order
- Execution ability: Ensure that staff are familiar with and knowledgeable in the execution of the plans and procedures
- Recovery time: Confirm that the plans and procedures can be executed within the defined recovery time

Three dimensions of business continuity management



Service availability of Deutsche Börse Group's main products was again over 99.9 percent in 2008 and thus complied with the high standards specified for their reliability. No significant losses were incurred in the year under review.

(b) Service deficiency:
In contrast to availability risk, the occurrence of processing errors does not prevent Deutsche Börse Group from providing services to its customers. However, errors or omissions may occur that relate mainly to manual input. Despite all the automated systems and efforts aimed at delivering straight-through processing (STP), manual work is also required. As a result, Deutsche Börse Group remains exposed in certain business segments, e.g. in the custody business, to the risk of inadequate handling of customer instructions. In addition, manual intervention in market and system management is necessary in special cases.

In the year under review, sustained improvements were again made to reduce the potential risk of processing errors – either through a reduction in the amount of manual intervention necessary or through better protection. Losses occurring as a result of processing errors are more frequent than losses resulting from the non-availability of resources. No significant losses occurred as a result of processing errors in 2008.

(c) Damage to physical assets:
This category includes the risks due to accidents and natural hazards, as well as terrorism and sabotage. No significant losses occurred as a result of damage to physical assets in 2008.

(d) Legal risks and risks associated with business practices:
Legal risks include losses that could arise as a result of non- or inappropriate compliance with new or existing laws, losses from inadequate contract terms or from court decisions not adequately observed in customary business practice, as well as risks from fraud. Risks associated with business practices include losses resulting from money laundering, violations of competition regulations, or a breach of banking secrecy. Deutsche Börse Group has established a Group Compliance function that has the purpose of protecting the Group against any prejudice that may result from failure to comply with applicable laws, regulations and standards of good practice, 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

No material losses occurred as a result of legal risks or risks associated with business practices in the year under review.

Financial risks

Deutsche Börse Group is exposed to financial risks mainly in the form of credit risk in the companies within the Clearstream subgroup, Eurex Clearing AG and the treasury section. In addition, Group receivables are subject to credit risk. On a very small scale, there are also market price risks from cash investments and liquidity risks.

Exposure to the above risks is mitigated through the existence of effective control measures.

(a) Credit risk:
Credit risk consists of the risk that a counterparty will default and not be able to meet its liabilities against Deutsche Börse Group in full or at all.

The companies within the Clearstream subgroup extend loans to their customers or arrange securities lending transactions in order to increase the efficiency of securities transaction settlement. However, these lending operations cannot be compared with those of other credit institutions. Firstly, the loans are extended solely on a very short-term basis. Secondly, they are extended only for the purpose of increasing the efficiency of securities transaction settlement and are largely collateralized and granted to customers with very good credit ratings. Furthermore, credit lines granted can be revoked at any time.

The Clearstream subgroup is also exposed to credit risk arising from its strategic securities lending transactions (ASLplus). Only selected banks are approved as counterparties. All lending transactions are fully collateralized. Only selected bonds are permitted as collateral. The minimum rating permitted for these issues is AA– or A–1+ for issuers of short-term bonds without an issue rating.

The creditworthiness of potential customers is assessed before entering into a business relationship. The companies in the Clearstream subgroup establish customer-specific credit lines on the basis of both regular reviews of the customer's creditworthiness and ad hoc analyses as required.

Eurex Clearing AG clears transactions with its clearing members only, in accordance with its clearing conditions. Its clearing activities cover securities, rights, derivatives and emission allowances that are traded on Eurex Deutschland and Eurex Zürich AG ("Eurex exchanges"), Eurex Bonds GmbH, Eurex Repo GmbH, the Frankfurt Stock Exchange, the Irish Stock Exchange as well as the European Energy Exchange and where Eurex Clearing AG acts as the central counterparty for initiated transactions. In addition, Eurex Clearing AG may act as the central counterparty for OTC transactions in the aforementioned financial instruments if the respective transactions correspond in substance to the transactions in the aforementioned markets and if the clearing members choose to put such OTC trades into the clearing system.

In order to protect Eurex Clearing AG against the risk of the default of a clearing member, clearing members are required under the terms of the clearing conditions in the version dated 1 December 2008 to provide daily – and in addition intraday – collateral in the form of cash or securities (margins) in an amount stipulated by Eurex Clearing AG. The intraday profit or loss arising as a result of the price movement of underlying 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, or equities transactions, the margin is collected either from the buyer or the seller (current liquidating margin) – depending on the relationship between the purchase price and the current market price of the financial instruments. In addition to settling profits and losses, these measures are intended to protect against the risk of the maximum possible cost of closing out an account on the next business day, assuming the most unfavourable price movement possible (worst-case loss) for the positions held in the account (additional margin). Margin calculations are performed separately for clearing members' own accounts and the accounts of their customers.

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 trading participant, each position account and 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 percent.

In addition to providing margins, each clearing member must contribute to a clearing fund dependent on its individual risk. The fund provides collective protection against the financial consequences of the default or loss of a clearing member. Moreover, each clearing member must prove that it has at least as much liable capital as stipulated by Eurex Clearing AG depending on the risk of the clearing member. Regular stress tests ensure that the amounts of the margins and of the clearing fund are sufficient to cover the risk exposure.

If a clearing member does not fulfill its obligations to Eurex Clearing AG, its outstanding positions and transactions can be either be settled in cash or offset and closed by back-to-back transactions of corresponding risk. Any potential shortfall that might be incurred in connection with such a closure or cash settlement as well as associated costs would be covered first by the collateral provided by the relevant clearing member and subsequently by its contribution to the clearing fund. Any subsequently remaining shortfall would initially be covered by the retained earnings of Eurex Clearing AG and then by a proportionate claim on the contributions (including potential future contributions) made by all other clearing members to the clearing fund. Finally, any remaining deficit would be covered by comfort letters issued by Deutsche Börse AG and SIX Swiss Exchange AG. With these letters, Deutsche Börse AG and SIX Swiss Exchange AG have undertaken to provide Eurex Clearing AG with the funds required to cover the deficit exceeding the aforementioned lines of defense if a clearing member defaults. Deutsche Börse AG and SIX Swiss Exchange AG bear the obligation from the undertaking in the proportions of 85 percent and 15 percent respectively, and the obligation is limited to a maximum amount of €700 million.

Additional credit risks are associated with the Treasury section's cash investments. Deutsche Börse Group reduces this risk by spreading it across a number of counterparties with exclusively good credit ratings, defining investment limits for each counterparty, and making mostly short-term investments which are collateralized if possible. The Group establishes maximum investment limits on the basis of regular assessments of creditworthiness and ad hoc analyses as required.

(b) Market price risk:
Market price risks can arise in connection with cash investments or borrowing as a result of fluctuations in interest rates and foreign exchange rates as well as through corporate transactions. In 2008, these market price risks were largely hedged using swap transactions. These involve exchanging future payment flows which are uncertain as a result of market price risks for payment flows whose amount is guaranteed. Regular reviews ensure the effectiveness of these hedges. The Group is exposed to limited share price risks resulting from investment in an index-based exchange-traded fund and also from contractual trust arrangements (insolvency-proof fund assets related to Deutsche Börse Group's existing pension plans).

(c) Liquidity risk:
Deutsche Börse Group is exposed to liquidity risk in that it may lack sufficient liquidity to meet its daily payment obligations or incur increased refinancing costs in the event of liquidity bottlenecks. Daily and intraday liquidity is monitored by the Treasury section and managed with the help of a limit system. Extensive credit lines are available – as described in note 43 in the notes to the consolidated financial statements – to provide cover in extreme situations. In the reporting year, Deutsche Börse Group had sufficient liquidity to prevent liquidity bottlenecks.

(d) Regulatory requirements:
The Clearstream subgroup, Clearstream Banking S.A., Clearstream Banking AG, as well as Eurex Clearing AG must meet the equity and liquidity requirements specified by the national supervisory authorities. More information on this is provided in note 23 in the notes to the consolidated financial statements.

Business risks
The business risk reflects the relative sensitivity of the Group to the macroeconomic developments and its vulnerability to event risk arising from external threats. It is expressed in EBITA terms, reflecting both a potential decrease in top-line earnings and a potential increase in the structural cost base.

(a) Macroeconomic risk:
Deutsche Börse Group's financial performance is directly or indirectly subject to the evolution of a number of macroeconomic factors (e.g. interest rates, GDP growth, index value, index volatility). The resulting overall downside potential is relatively limited thanks to the effective diversification of Deutsche Börse Group's business model. However, it cannot be ruled out that financial performance in parts of the Group will develop negatively as a result of the current financial crisis and the associated expected deterioration of the macroeconomic environment.

(b) Revenue and cost risk and risk from regulatory evolution:
Deutsche Börse Group's financial performance could also be adversely affected by other external threats, e.g. changes in the competitive and business environment or the evolution of the regulatory environment. For each of the three major segments of the Group (Xetra, Eurex and Clearstream), scenarios are established based on the most significant risk events and quantitatively assessed. The respective departments of Deutsche Börse Group closely monitor the developments in order to take early mitigating actions.

One of the key aspects of the Group's core business is institutional liquidity, which generates the particular advantage of low transaction costs for the institutional trading of standardized investment instruments. In addition, the price discovery process is transparent for investors: orders are placed in an open order book, meaning that they are visible to all parties, and automatically executed. Because of Deutsche Börse's crucial unique selling proposition from a market perspective, the business risk of losing substantial institutional liquidity is comparably low. Deutsche Börse Group guarantees neutrality, i.e. independence from individual intermediaries, and efficient, transparent price discovery in its trading systems.

A commonality in the industry is the dependence on key accounts. In the Xetra, Eurex and Clearstream segments, a substantial proportion of sales revenue is generated by a few key accounts. However, the fact that the key accounts in the trading systems differ from those of Clearstream, the settlement and custody organization, leads to diversification and thus partly offsets the dependencies on specific key accounts at Group level.

ISE risk profile
Since the first quarter of 2008, ISE has been fully integrated into the risk management framework of Deutsche Börse Group. Compared with Deutsche Börse Group and its main businesses, ISE has a very low risk profile. This is due to its primarily transaction-based nature of business.

Project risks
Project risks can arise as a result of project implementation (launch of new products, processes or systems), which may have a significant impact on one of the three other risk categories (operational, financial and business risk). These risks are assessed by Group Risk Management as described in the above sections and are addressed in the early stages of major projects. None of the projects planned and implemented in 2008 triggered a change in the overall risk profile of Deutsche Börse Group. Risks connected with the delivery of projects, such as budget risk, quality/scope risk or deadline risk, are monitored locally in the subgroups and reported to the corresponding supervisory body.

Effects of the financial crisis
Despite the global financial crisis, Deutsche Börse Group's risk situation has not changed significantly.

Deutsche Börse AG had to write down fee receivables from Lehman Brothers International (Europe) for outstanding transaction charges in the amount of €2.4 million. Apart from this, no companies in Deutsche Börse Group are directly affected by the financial crisis, e.g. as a result of losses from investments in subprime securities. As a consequence of the bankruptcy of Lehman Brothers Holdings Inc., the clearing member Lehman Brothers

International (Europe) was placed under administration on 15 September 2008 in accordance with British law. Eurex Clearing AG successfully settled all positions involving Lehman Brothers International (Europe) in an orderly and timely manner. During this process, all risks were covered by sufficient collateral at all times.

As an additional measure, Eurex Clearing AG increased its equity by €60 million to €110 million primarily as a result of the exceptionally high volume of customer cash margin calls. The sufficiently high levels of equity at Clearstream Banking S.A., Luxembourg, and Clearstream Banking AG, Frankfurt, did not require any such measure.

The potential future effects to which the Group or one of its subsidiaries might be exposed are mitigated by preventive measures such as those described below:

(a) Counterparties of Deutsche Börse Group might default on their payments:
The Group may only invest cash with prime-rated counterparties with an excellent credit standing. In the second half of 2008, it was increasingly taking advantage of the opportunity to deposit financial means at central banks. The Clearstream subgroup has identified customers that could possibly be affected by the crisis and monitors them continuously. The companies in the Clearstream subgroup have cancelled unsecured credit lines for such customers. Credit limits were reduced considerably in connection with ASLplus transactions over the course of the year. As the central counterparty, Eurex Clearing AG is exposed to the credit risk of its clearing participants. High-risk clearing participants are monitored on an ongoing basis.

(b) Securities pledged in favour of Deutsche Börse Group could suffer a fall in price that surpasses the safety margins:
This could result in a loan being (partially) unsecured. The Group's cash investments are collateralized in a large majority of cases by papers issued by state issuers or agencies. The remaining repo transactions are collateralized with German mortgage bonds with a volume of over €500 million (so called "Jumbo-Pfandbriefe"). In the Clearstream subgroup, structured securities that are estimated to be too risky are excluded from use as collateral in the settlement business and securities lending transactions. In both areas, safety margins for bonds were increased and the security profile tightened.

Eurex Clearing AG's collateralization regulations only allow selected industry bonds denominated in euros or Swiss francs in addition to government bonds and issues from agencies. The safety margins of bonds were continuously adjusted to the market situation. Securities from issuers who were estimated to be too risky were excluded from collateral.

(c) The liquidity of Deutsche Börse Group or its subsidiaries could decline if certain forms of financing are not available or only available to a limited extent:
In contrast to conventional commercial banks, the Clearstream subgroup and Eurex Clearing AG have no significant need for financing in the normal course of business; instead, they have to invest their customers' cash deposits. Daily and intraday liquidity is monitored continually by the Treasury and Credit sections. Deutsche Börse Group has secured its need for financing in the medium and long term via capital market transactions and has only a limited need for money market financing.

The liquidity of Deutsche Börse Group and its subsidiaries was sufficient at all times throughout the year under review.

Regulatory environment
The Clearstream subgroup companies and Eurex Clearing AG fulfill the Basel II regulatory equity requirements. Having received regulatory approval from the Luxemburg regulating authority CSSF (Commission de Surveillance du Secteur Financier), the Clearstream subgroup companies have been using the Advanced Measurement Approach (AMA) since 1 January 2008 to calculate their capital requirements with regard to operational risks. Eurex Clearing AG uses the Basic Indicator Approach to calculate its capital requirements in relation to operational risks.

Currently, the regulatory environment is characterized to a great extent by the reform of legal framework conditions for the banking business in general and equity requirements, liquidity risk management and measures to create more efficient and more effective supervision in particular. This is, among other things, a consequence of the global financial market crisis but also in part a component of a routine examination of current regulations that had been previously set in motion.

Since the beginning of 2008, the EU has been working on an amendment to the bank and capital adequacy directive revised in 2006 at the implementation of the Basel II Accord. It focuses on aspects including the treatment of securitization transactions in equity mobilization, supervisory cooperation among banks active across national borders, large-loan regulations as well as a specification of liquidity risk management. The first two aspects have no or no significant impact on the Group while the proposed changes to large-loan regulations could have a considerable impact on business. The Group is intensively involved in the legislative process and was able to put forward into the current draft law recommendations for a treatment that appropriately considers its business model and securities processing in Europe in general.

In addition to the EU's current draft law, the Basel Committee has announced for 2009 the selective examination and adjustment of the Basel II Accord and has already published initial consultation papers. At present, these focus on the treatment of securitizations, of market price risks as well as certain trading book risks (incremental risk) in the context of equity capital requirements. The EU will implement the results of the Basel II Committee's final resolutions together with their own optimized regulation of the financial markets and the banking sector. This process is also being intensively followed by the Group. Unreasonable impact on the Group or its subsidiaries will be countered through active participation in the consultations as well as through presentations to policy makers on the potential negative consequences for the market as a whole and for the respective company in particular.

Finally, as a consequence of banks collapsing in the wake of the global financial market crisis, deposit insurance is now being modified. Compensation payments to investors affected are planned to be increased. The effect of these changes as well as the impact of current and potential future compensation cases on the relevant subsidiaries cannot be estimated at this time.

Summary

In 2008, Deutsche Börse Group identified all new risks that arose at an early stage and took appropriate measures to counter these risks. As a result of these measures, the risk profile of Deutsche Börse Group and its subsidiaries did not change significantly.

Outlook

Despite the ongoing financial crisis the Executive Board considers the risks for the Group to be limited and manageable. There is no reason to expect the Group's risk situation to change significantly.

Further enhancements to the risk management organization and systems are scheduled for 2009. For example, the Company plans to further develop the Group-wide stress tests in the area of credit risk.

Report on post-balance sheet date events

Thomas Eichelmann's Executive Board mandate and service contract are to end by mutual agreement upon conclusion of 30 April 2009.

Report on expected developments

The report on expected developments describes the expected development of Deutsche Börse Group in 2009 and 2010. It contains statements and information on events in the future based on the Company's expectations and assumptions at the time of publication of this report on expected developments. These expectations and assumptions are in turn subject to known and unknown risks and uncertainties. Numerous factors influence the success, the business strategy and the financial results of the Group. Many of these factors are outside the Company's control. Should one of the risks or uncertainties materialize or one of the assumptions made turn out to be incorrect, the actual development of the Group could deviate in either a positive or a negative way from the expectations and assumptions contained in the forward-looking statements and information in this report on expected developments.

Development of operating environment

After several years of continuous growth, the global economy is currently in a state of great uncertainty as a result of the global financial crisis. In the fourth quarter of 2008 the economic environment deteriorated yet further after the collapse or near-collapse of US and European financial institutions. Extensive measures on the part of central banks and governments throughout the world to support troubled companies at the end of 2008 were followed by further steps in the first weeks of 2009 to stabilize both the economy in general and specific banks and companies and to restore confidence in the financial markets. At the time the consolidated financial statements were prepared, discussions were being held in several countries regarding the establishment of institutions to take over and manage distressed banks ("bad banks"). The reason for this is an attempt to improve the financial institutions' risk situation, which continues to be difficult, and in so doing to stabilize the financial system.

In view of the last months' dramatic events, Deutsche Börse Group cannot predict just how far-reaching the global economic downturn will be and how long it will last. In their first forecasts for 2009, leading economic research institutes are predicting negative economic growth of around 2.0 percent in the euro zone and 2.5 percent in Germany. If the predicted contraction in the economy is worse than anticipated, Deutsche Börse Group believes that the financial markets may continue to be dominated by uncertainty and caution, and the prices for certain securities remain low. If additional financial institutions should collapse in the near future, Deutsche Börse Group is of the opinion that this could have a considerable effect on the stability of the global financial system and lead to a further deterioration in economic growth. The events of the preceding weeks and months have shown that if this should occur, the expectations and assumptions referred to in this report should be reviewed carefully.

Despite the change in the operating environment, Deutsche Börse Group has no plans in the forecast period for any material changes to its integrated business model with an emphasis on trading, clearing, processing and custody of securities and derivatives. Based on its successful business model, which covers the entire process chain for securities transactions and the most prominent investment classes, Deutsche Börse will continue to observe trends in the financial markets worldwide and leverage them for the development of its products and services. The Company's key strategic goal is to provide all customers with outstanding services. With its scalable electronic trading platforms, Deutsche Börse believes it is very well positioned to compete with other providers of trading and settlement services.

Development of results of operations

Based on the assumptions regarding the development of the operating environment and on flexible planning and control systems, Deutsche Börse considers itself well prepared to react to a changing market environment:

- After achieving savings of over €50 million in the year under review under the restructuring and efficiency program announced in September 2007, the Company plans to make additional cost savings of €25 million each year in 2009 and 2010 and annual savings of €100 million thereafter.
- Already in February 2009, the cost guidance for the current year was reduced to a maximum of last year's (2008) level, without factoring in any changes in volume-related costs and while retaining key growth initiatives.
- In June 2008, around half of the employees located in Frankfurt-Hausen moved to neighbouring Eschborn. This will reduce the tax rate for 2009 still further and thus improve after-tax earnings. The Company expects a group tax rate of around 27 percent for 2009. The plan is for the main part of the remaining staff in Frankfurt-Hausen to move to Eschborn in mid-2010. The Company therefore expects a group tax rate of between 25 and 27 percent from 2010. The concrete tax rate for 2010 will in particular depend on the exact time of the move.

Xetra segment

Sales revenue in the Xetra cash market segment will continue to depend on equity market trends, equity market volatility, and structural and cyclical changes relating to trading activity.

Structural changes in the equity market stem primarily from the increasing use of fully computerized trading strategies, known as algorithmic trading. The Company continues to expect a high proportion of algorithmic trading in Xetra trading volumes.

Volatility was at a very high level over a longer period from the third quarter of 2008. Continued high volatility could provide the Xetra segment with additional momentum for growth, as trading is particularly brisk during such market phases. However, the continued uncertainty and caution of market participants in the first two months of 2009 have overshadowed the positive effects of volatility, which is still high, and as a result the overall number of traded transactions has fallen sharply compared to last year. In addition, the lower index levels resulted in a strong decline in volumes traded in euro.

Despite the intact structural drivers, which in principle influence business development in a positive way, the Company does not expect a noticeable recovery on the cash market until stability and confidence have returned to the global financial markets.

The Company is not only developing its own cash markets but is also closely monitoring events as they occur in the competitive environment of the European cash markets. It considers itself well positioned to retain its status as market leader in the trade of German blue-chip shares and to offer its customers across the globe an attractive range of products and services for cash trading and equities clearing.

Eurex segment

Volume trends last year revealed that the general development of the financial markets has a less significant impact on the Eurex derivatives segment than it does on the cash market. The Company therefore continues to expect structural growth factors to have a strong influence on all product segments. The 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 (UCITS III).
- Due to the high significance of risk management, more and more OTC transactions are shifted to Eurex Clearing for settlement so that the counterparty risk can be eliminated through centralized clearing.
- Banks and investors are increasingly applying fully automated trading strategies (comparable to algorithmic trading on Xetra).

In addition, the US equity options exchange ISE, which belongs to Eurex, offers potential for growth through the cross-selling of existing products and the joint development of new products. Deutsche Börse and ISE are currently developing a new global electronic trading system which is scheduled to start operations at the beginning of 2011.

In the context of the ISE acquisition, intangible assets (net of related deferred tax liabilities) in the amount of €1,623.1 million, including goodwill in the amount of €862.2 million, were included in the consolidated balance sheet for 2007. In the event of a clearly negative business development at ISE – and an impairment test held in that connection – a need to write down the intangible assets and/or goodwill either fully or partially could arise. Despite the positive competitive position and growth perspectives of ISE, there is a higher risk of this being necessary in the forecast period due to great uncertainty as to further developments on the financial markets.

Clearstream segment

The Clearstream segment will continue to generate the majority of its sales revenue through the settlement and custody of international bonds. Deutsche Börse predicts that the volume of bonds issued internationally will continue to grow faster than that of fixed-income securities issued nationally.

The Company also expects the number of new issues to increase compared with last year, which would have a positive effect on Clearstream's business. In the wake of the financial crisis, a number of governments, including those of the United States and many European countries, put together financial rescue packages and will now issue bonds to finance the increase in government debt.

With regard to its customer structure, the Company continues to expect consolidation in the financial sector to persist and customers in Clearstream's domestic and international business to merge. These larger customers would receive larger rebates, which could lead to a decline in average fees. As Deutsche Börse faces especially intense competition in the areas of settlement and custody of international bonds, loss of market share and a consequent reduction in Clearstream's sales revenue could occur. For the forecast period, however, the Company does not expect any loss of market share.

As part of the Clearstream segment's upgraded product and service offering, the Company's plan for the forecast period is not only to implement the pan-European Link Up Markets initiative but also to extend its collateral management, liquidity and risk management services, while taking advantage of the synergies offered by Deutsche Börse Group, such as the clearing house operated by Eurex.

Deutsche Börse also expects net interest income from banking business to be significantly lower in the current financial year than in the year under review. The Company does not expect a sustained increase in income until short-term interest rates rise in the relevant markets. This assumption is based on the expectation that the relevant short-term interest rates in the main currencies, the euro and US dollar, will generally be at a historic low in 2009. In an effort to counter negative interest rate trends, part of the expected customer cash balances were hedged at higher interest rates than those valid at the time the consolidated financial statements were prepared.

Market Data & Analytics segment

Sales revenue in the Market Data & Analytics segment is largely dependent on the demand for market data in the financial sector. If this demand should fall off as a result of the financial crisis, there will be a delayed effect on the segment's sales revenue. Momentum for growth may, however, result throughout the segment from the intended extension of the product portfolio.

Development of pricing models

Deutsche Börse continues to anticipate sustained price pressure in some of its business areas, such as Xetra's electronic trading activities and the clearing business, 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. Despite reducing costs, Xetra and Eurex for example increased their system capacity significantly in the year under review. In addition, both segments offered price incentives for algorithmic trading and special clearing products in the cash market as well as for over-the-counter transactions in the derivatives market. When volumes are low, particularly in the cash market, the phased pricing model may cause a short-term increase in the average sales revenue per chargeable unit. In spite of this, it is to be expected that average sales revenue per chargeable unit will decline slightly over the long term in some areas.

Regulatory framework

Large parts of the existing regulatory framework are subject to political review as a result of the current financial market crisis at a national, a European and at a global level. It is to be expected that the regulatory reform of the financial markets will include alterations in the years to come that will also affect Deutsche Börse Group. The result cannot be predicted with any certainty at this time. On the whole, however, Deutsche Börse, with its regulated markets and its central counterparty, could be strengthened in its endeavour to ensure market transparency and integrity.

At the end of last year, a voluntary industry commitment to establish a central counterparty (CCP) for credit default swap (CDS) clearing came to nothing. At the time the consolidated financial statements were prepared the European Commission therefore sought to regulate the market for credit default swaps via legislation to extend the capital requirement rules for banks. Deutsche Börse considers the clearing of credit default swaps through a central European clearing house required by the regulatory activities as a means of extending its service portfolio and at the same time of stabilizing the market for credit derivatives previously traded over the counter. The aim of a central clearing service is to improve risk management and the capital efficiency of the parties involved and to minimize the existing counterparty risk. The targeted range of clearing services can only then positively affect Deutsche Börse's business when the relevant market participants actively use these services. At the time of the preparation of these consolidated financial statements, there have not yet been any clear commitments from key market participants on the use of clearing services for business transactions previously executed off-exchange.

Deutsche Börse does not expect TARGET2 Securities, the European Central Bank's securities settlement platform planned for the year 2013, to have an adverse effect on the result of operations in the forecast period.

Development of the Group's financial position

The Company expects operating cash flow to remain positive. As a result of the consolidation of ISE, Deutsche Börse now plans to invest slightly more than €100 mil--lion per year in intangible assets and property, plant and equipment in the forecast period as part of its cash flow from investing activities (2008: €94.5 million). These investments will serve primarily to develop new and enhance existing products and services in the Xetra, Eurex and Clearstream segments. This increase compared with previous years is mainly the result of the development of the Global Trading System together with ISE. In the long term, annual investment activities are planned to fall below the €100 million mark.

Under the capital management program, Deutsche Börse will react flexibly to a changing market environment in the forecast period. Deutsche Börse Group continues to pursue the objective to maintain an interest cover ratio (ratio of EBITDA to interest expenses on financing activities) of at least 16 at Group level. Both the planned dividend distribution ratio of 40 to 60 percent of consolidated net income for the year and any share buy-backs are subject to capital requirements, investment needs and general liquidity considerations.

REMUNERATION REPORT

Since the German Corporate Governance Code was introduced in 2002, Deutsche Börse Group has disclosed the remuneration of the members of its Executive Board on an individualized basis. Deutsche Börse Group currently reports this remuneration in accordance with German Accounting Standard (GAS) 17 "Reporting on Executive Body Remuneration", as published in the Bundesanzeiger (federal gazette) on 5 June 2008. Deutsche Börse Group has applied this Standard voluntarily since 2007. This report also includes the information required by the Handelsgesetzbuch (HGB, the German Commercial Code) and the International Financial Reporting Standards (IFRSs).

Performance-related remuneration for the Executive Board

Members of the Executive Board of Deutsche Börse AG are paid annual remuneration comprising a fixed and a variable component. The criteria governing the appropriateness of the Executive Board's remuneration are the tasks of each Executive Board member and his or her individual performance on the one hand, and the performance of the entire Executive Board and of the Company, as well as Deutsche Börse AG's economic position and prospects on the other. The fixed, non-performance-related component consists of a fixed monthly salary and other salary components, such as taxable contributions towards private pensions, taxable lump-sum telephone allowances and/or the use of company cars, while the variable component consists of performance-related remuneration and long-term incentive elements (Stock Bonus Plan, SBP). In 2007, the SBP replaced the previous phantom stock option plan. Members of the Executive Board have also received pension commitments. The fixed component is a monthly salary paid as non-performance-related basic remuneration. It is reviewed by the Supervisory Board's Personnel Committee on a regular basis, or every two years at the latest. This review takes into account the current business area of each Executive Board member as well as the market situation. The performance-related variable remuneration component is determined annually. Its amount depends, among other things, on company-specific goals being achieved such as the implementation of company-wide projects or certain cost or revenue targets being met, as well as on the Executive Board members achieving their individual goals. In addition, further factors such as analytical skills, social skills, productivity, or leadership quality are taken into account. Two thirds of the performance-related remuneration is paid in cash after the end of the financial year and one third is transferred to the SBP.

The table presented below shows the expenses for the fixed and variable remuneration, and entitlements under share-based payment arrangements granted in the year under review. Prior-year figures are given in brackets.

As in the previous year, the figures relating to long-term incentive components in 2008 relate to shares from the SBP:

Total Executive Board remuneration for 2008 (prior-year figures in brackets)

	Non-performance-related remuneration[1]	Performance-related remuneration[2]	Long-term incentive components[3]		Total
			Number of SBP shares	Value on grant date	
	€ thousands	€ thousands	Number	€ thousands	€ thousands
Reto Francioni	1,092.3 (717.1)	1,700.0 (1,933.3)	20,988 (8,298)	767.5 (834.7)	3,559.8 (3,485.1)
Andreas Preuß	625.9 (571.9)	1,466.7 (1,700.0)	18,107 (7,907)	662.2 (795.4)	2,754.8 (3,067.3)
Thomas Eichelmann[4) 5)]	642.6 (3,043.5[6)])	– –	– –	– –	642.6 (3,043.5)
Frank Gerstenschläger[7)]	525.3 (389.5)	766.7 (625.0)	9,465 (2,683)	346.1 (269.9)	1,638.1 (1,284.4)
Michael Kuhn	520.2 (520.2)	1,133.3 (1,300.0)	13,992 (6,082)	511.7 (611.8)	2,165.2 (2,432.0)
Jeffrey Tessler	607.0 (568.7)	1,133.3 (1,283.1)	13,992 (6,117)	511.7 (615.3)	2,252.0 (2,467.1)
Total	**4,013.3** **(5,810.9)**	**6,200.0** **(6,841.4)**	**76,544** **(31,087)**	**2,799.2** **(3,127.1)**	**13,012.5** **(15,779.4)**

1) The non-performance-related remuneration comprises the fixed salary and other salary components such as taxable contributions towards private pensions, taxable lump-sum telephone allowances/living expenses, and company car arrangements.
2) In the previous year's report, the performance-related remuneration was presented on the basis of the target bonus. In the reporting year, the comparative figures were adjusted to show the actual amounts granted in respect of 2007.
3) The number of SBP shares and the value on the grant date for 2008 were calculated on the basis of the opening price on the preparation date of this report. The final calculation of both the number of shares and the fair value depends on the closing auction price of Deutsche Börse shares in electronic trading on the Frankfurt Stock Exchange on the date the bonus is calculated.
4) Appointed to the Executive Board on 1 July 2007
5) Thomas Eichelmann's Executive Board mandate and service contract are to end by mutual agreement upon conclusion of 30 April 2009. Mr Eichelmann is to receive a severance payment of €5,800.0 thousand, which includes a compensation for the performance-related renumeration, which will no longer be granted, for the financial year 2008 as well as for the period to 30 April 2009. Originally, Thomas Eichelmann had been appointed until 30 June 2010.
6) This includes a one-time non-performance-related special remuneration of €2,725.0 thousand as compensation for lost bonus payments, among others.
7) Appointed to the Executive Board on 1 April 2007

Deutsche Börse AG has also taken out a D&O (directors' and officers' liability insurance) policy for its Executive and Supervisory Board members.

A temporary severance commitment was agreed for the Chief Executive Officer until the end of his first term of office (31 October 2008); this commitment expired on his reappointment.

Retirement benefit agreements ("direct commitments") have been entered into individually with all members of the Executive Board of Deutsche Börse AG. These commitments are primarily based on the following arrangements:

Feature	Arrangement
Pension	Executive Board members receive a pension if they leave Deutsche Börse AG after reaching the age of 60[1] or 63, if they are retired due to permanent occupational incapacity, or if their contract of service including other income is terminated prematurely or not extended and there are no reasons for this that are caused by the Executive Board member. If an Executive Board member's contract of service is terminated prematurely or not extended, a pension is only granted if the member has served at least three years on the Executive Board of Deutsche Börse AG and his or her contract of service has been extended at least once. Payment of the pension commences on the day following the date of their last salary payment or at the earliest at the age of 55[2].
Occupational incapacity or total disability pension	In the event of temporary occupational incapacity, Executive Board members are entitled to continued payment of their remuneration, but in any event for no longer than the date of termination of their contract of service. In the event of permanent occupational incapacity, Deutsche Börse AG is entitled to compulsorily retire the Executive Board member after six months.
Invalidity pension	Deutsche Börse AG has taken out accident insurance that pays out three times the annual fixed salary in a single sum in the event of death and four times the annual fixed salary in a single sum in the event of total invalidity.
Upper limit	In the event that the Executive Board member leaves the Company prior to the regular retirement date, the pension is reduced by the amount of the excess of the new employment income plus pension over the current remuneration of the old contract of service, or all income as defined by the Einkommensteuergesetz (German Income Tax Act) resulting from regular commercial, advisory, or professional activity relating to non-independent employment is offset in the full amount against the pension to be granted. Remuneration is not offset if the Executive Board member is over 60 or 63.
Pension measurement basis	The pension amounts to 30 percent of the most recent fixed salary paid and rises by five percentage points per reappointment period to a maximum of 50 percent.
Form of payment	As a rule, the benefit is granted in the form of a pension. The Executive Board member in question may notify Deutsche Börse AG in writing no later than six months before commencement of the insured event whether he or she wishes to draw the benefits under the retirement benefit agreement in the form of a monthly pension, a one-off capital payment, or five part-payments. In such cases, Deutsche Börse AG decides on the form of payment to the Executive Board member, taking the Board member's notification into account.
Surviving dependents' pensions	In the event of death during the period of active service or following entitlement to receive a pension (see above), the spouse is entitled to a life-long pension of 60 percent of the retirement pension; dependent children receive a (half-) orphan's pension of 10 and 25 percent respectively of the retirement pension.
Transitional payment	Executive Board members who leave the Company after reaching pensionable age or being compulsorily retired receive a transitional payment in the first twelve months after retirement amounting to a total of two thirds of the most recent performance-related remuneration and, in the twelve months thereafter, of a total of one third of the most recent performance-related remuneration. In the event that the beneficiary dies within 24 months of retirement, the surviving spouse is entitled to the full amount of the transitional payments described above for three months, and 60 percent of such payments for the remaining period.

1) This rule applies to Executive Board members Reto Francioni and Jeffrey Tessler.
2) This rule applies to Executive Board members Andreas Preuß and Thomas Eichelmann (see page 37, footnote 5).

The pension expense comprises the current service cost and the past service cost. The table below shows the amounts that were added to provisions and recognized as pension expense in the year under review:

Pension expense

	2008 € thousands	2007 € thousands
Reto Francioni	1,213.6	1,213.6
Andreas Preuß	386.8	518.8
Thomas Eichelmann[1]	186.3	44.4
Frank Gerstenschläger[2]	461.8	393.1
Michael Kuhn	141.3	185.6
Jeffrey Tessler	1,148.9	1,196.3
Total	**3,538.7**	**3,551.8**

1) Appointed to the Executive Board on 1 July 2007 (see page 37, footnote 5)
2) Appointed to the Executive Board on 1 April 2007

Change-of-control arrangements
On the basis of their contracts of service, the members of the Executive Board are entitled to severance payments if, in the event of a change of control, the contract of service is terminated within six months or if the member of the Executive Board, provided that no incident has been caused by his fault justifying the termination of his service agreement for cause, resigns his position because, as a result of the change of control, his position as a member of the Executive Board is subject to significant limitations.

The payments in the event of a change of control are calculated on the basis of the capitalized remuneration (fixed salary and performance-related remuneration) for the remainder of the agreed contract term and of a severance payment of up to twice the annual remuneration in the amount of the remuneration for the most recent calendar year (fixed salary and performance-related remuneration). The resulting total may not exceed five times the annual remuneration. Any phantom stock options are settled on the date the member leaves the Executive

Board. If a member of the Executive Board resigns, only 50 percent of the phantom stock options are paid out. The entitlement to shares from the Stock Bonus Plan remains in force and is settled in accordance with the provisions of the Stock Bonus Plan after the end of the waiting period.

Phantom stock option plan

Deutsche Börse AG established a phantom stock option plan following its IPO on 5 February 2001 that ran until the end of 2006 and also applied to Executive Board members. The options issued have a maximum term of five years and a vesting period of three years. After the end of the vesting period, the options can be exercised in 14-day exercise windows until the end of each quarter in each case. The options are designed to be notional. They do not confer the right to purchase Deutsche Börse AG shares at a set price, but rather confer the right to a cash payout. The amount of the cash payout depends on the relative performance of Deutsche Börse AG shares (adjusted for dividend payments) against the Dow Jones STOXX® 600 Technology Index (EUR) (Return) as the benchmark index (€1.00 per 1 percent outperformance). Outperformance is calculated by determining the opening and closing prices of Deutsche Börse's shares and of the benchmark index on the basis of the mean closing prices in Xetra® trading on Frankfurter Wertpapierbörse (FWB®, the Frankfurt Stock Exchange) and the mean closing prices of the index: the opening price for the 60 trading days prior to the grant of the stock options and the closing price for the 60 trading days prior to the cut-off dates on which the exercise windows begin (1 February, 1 May, 1 August and 1 November).

Phantom stock options were issued annually on 1 February. The Supervisory Board's Personnel Committee determined the number of options to be granted to each Executive Board member based on the individual performance of the respective Board member. See note 46 in the notes to the consolidated financial statements for details of the measurement of the stock option plan for the Executive Board.

The total expense/income for the options recognized in the year under review and the carrying amount of the provisions recognized for the options at the balance sheet date are shown in the following table. As in the previous year, there were no exercisable options on the balance sheet date.

Phantom stock option plan
(prior-year figures in brackets)

	Expense/income recognized € thousands	Carrying amount at balance sheet date € thousands
Reto Francioni	–854.2 (2,488.9)	2,223.7 (3,077.9)
Andreas Preuß	–486.9 (1,418.7)	1,267.5 (1,754.4)
Thomas Eichelmann[1]	(–) (–)	(–) (–)
Frank Gerstenschläger[2]	(–) (–)	(–) (–)
Michael Kuhn	245.6 (8,505.6)	1,601.0 (10,620.9)
Jeffrey Tessler	–0.2 (4,736.5)	1,245.3 (6,393.1)
Total	**–1,095.7** **(17,149.7)**	**6,337.5** **(21,846.3)**

1) Appointed to the Executive Board on 1 July 2007 (see page 37, footnote 5)
2) Appointed to the Executive Board on 1 April 2007

Stock Bonus Plan

In 2007, the Stock Bonus Plan (SBP) replaced the phantom stock option plan of recent years. The SBP makes it possible to grant not just cash but also shares of Deutsche Börse AG as a variable remuneration component, thus giving beneficiaries a greater share in the Company's success and strengthening their ties with the Company. For the year under review, the members of the Executive Board will receive one third of their variable remuneration converted into shares of Deutsche Börse AG as a long-term incentive component ("number of SBP shares"). The number of SBP shares is calculated by dividing the amount of the individual and performance-based bonus (one third of the variable remuneration) of each Executive Board member by the market price of the Company (closing auction price of Deutsche Börse shares in electronic trading on the Frankfurt Stock Exchange) on the date the bonus is determined. Neither the converted bonus nor the number of shares will be paid at the time the bonus is determined; they are paid two years after the grant date (waiting period). On expiry of the waiting period, the original number of SBP shares is first converted into a payment claim. This is done by multiplying the current market price on that day (closing auction price of Deutsche Börse shares in electronic trading on the Frankfurt Stock Exchange) by the number of SBP shares. The Company then has the option to settle the payment claim for the Executive Board member in cash or shares.

In accordance with IFRS 2, the total number of SBP shares is measured at fair value on the grant date. For the year under review, the fair value was calculated on the basis of the opening price on the preparation date of this report. A modified Black-Scholes option pricing model (Merton model) was used to measure the number of SBP shares from the 2008 tranche (previous year: 2007 tranche). The model does not take exercise hurdles into account. It is based on the following valuation parameters:

Valuation parameters

		Tranche 2008[1)]	Tranche 2007[2)]
Term[3)]		2 years	2 years
Risk-free interest rate	%	1.37	3.21
Volatility	%	59.25	35.95
Deutsche Börse AG share price	€	40.50	104.89
Dividend yield	%	5.70	2.20
Exercise price	€	0	0
Fair value	€	36.57	100.59

1) Valuation parameters and fair value on the preparation date of this report
2) Valuation parameters and fair value on the grant date
3) Term begins on the grant date.

The expense from the Stock Bonus Plan incurred in the year under review is presented together with the carrying amount at the balance sheet date in the bottom table to the left. See also note 46.

Stock Bonus Plan (prior-year figures in brackets)

	Expense recognized € thousands	Carrying amount at balance sheet date € thousands
Reto Francioni	541.8 (270.0)	811.8 (270.0)
Andreas Preuß	533.3 (220.9)	754.1 (220.9)
Thomas Eichelmann[1)]	227.4 (–)	227.4 (–)
Frank Gerstenschläger[2)]	219.6 (92.1)	311.7 (92.1)
Michael Kuhn	399.3 (186.5)	585.8 (186.5)
Jeffrey Tessler	416.5 (166.9)	583.4 (166.9)
Total	**2,337.9** **(936.4)**	**3,274.2** **(936.4)**

1) Appointed to the Executive Board on 1 July 2007 (see page 37, footnote 5)
2) Appointed to the Executive Board on 1 April 2007

The table below shows the changes in the number of SBP shares received for the year under review.

Shares from the 2007 and 2008 tranche of the Stock Bonus Plan

	Balance as at 31 Dec. 2007	Adjustment of number of 2007 SBP shares in 2008	Number of SBP shares for 2008[3)]	Settlement in SBP shares	Number of expired SBP shares	Total
Reto Francioni	6,753	1,545	20,988	0	0	**29,286**
Andreas Preuß	5,525	2,382	18,107	0	0	**26,014**
Thomas Eichelmann[1)]	0	0	0	0	0	**0**
Frank Gerstenschläger[2)]	2,303	380	9,465	0	0	**12,148**
Michael Kuhn	4,666	1,416	13,992	0	0	**20,074**
Jeffrey Tessler	4,175	1,942	13,992	0	0	**20,109**
Total	**23,422**	**7,665**	**76,544**	**0**	**0**	**107,631**

1) Appointed to the Executive Board on 1 July 2007 (see page 37, footnote 5)
2) Appointed to the Executive Board on 1 April 2007
3) The calculation of the number of shares was based on the opening price at the preparation date of this report.

Former members of the Executive Board or their surviving dependents
Former members of the Executive Board or their surviving dependents received remuneration of €1,151 thousand in 2008 (2007: €922 thousand). The actuarial present value of the pension obligations (DBO) at the balance sheet date was €27,182 thousand in the year under review (2007: €30,251 thousand).

Remuneration of the Supervisory Board
Supervisory Board members received a ratable fixed remuneration for their services in 2008, depending on their length of service in the year under review. The fixed remuneration for membership was €96 thousand per annum for the Chairman, €72 thousand for a Deputy Chairman and €48 thousand for each other member. In addition, membership of the Supervisory Board's Strategy, Technology, Personnel, Nomination, Clearing and Settlement, and Audit and Finance Committees is remunerated: the additional remuneration is €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 member of each Committee.

Members of the Supervisory Board also receive annual variable remuneration on the basis of two different, clearly defined targets relating to the Company's performance. Target 1: In the year in which remuneration is paid, the consolidated return on equity after taxes of Deutsche Börse Group must exceed by at least five percentage points the average of the monthly average current yields to maturity of domestic bearer bonds and public-sector bonds with a remaining maturity of more than nine to ten years as calculated by the Deutsche Bundesbank (Germany's central bank). Target 2: Consolidated earnings per share for the previous two full financial years must exceed consolidated earnings per share for the previous year in each case by 8 percent or more. For each target met, the members of the Supervisory Board each receive annual variable remuneration in the amount of €16 thousand.

This concept has been in place since 1 January 2005. It superseded the variable remuneration concept which had been effective since 2003, under which the members of the Supervisory Board had received stock options from the phantom stock option plan with a term of five years and a target value of €40 thousand, free of charge, on 1 February each year. The phantom stock options granted under the phantom stock option plan up to financial year 2004 could be exercised for the first time in 2006.

Supervisory Board remuneration[1) 2)]

	Membership		Non-performance-related remuneration		Performance-related remuneration	
	2008	2007	2008 € thousands	2007 € thousands	2008 € thousands	2007 € thousands
Dr Manfred Gentz	full year	full year	99.5	88.0	32.0	32.0
Kurt F. Viermetz[3)]	1 Jan. – 8 Dec.	full year	186.0	161.0	32.0	32.0
Gerhard Roggemann[4)]	full year	full year	90.0	79.7	32.0	32.0
David Andrews	–	1 Jan. – 3 June	–	49.0	–	16.0
Herbert Bayer	full year	full year	68.0	68.0	32.0	32.0
Udo Behrenwaldt	full year	full year	68.0	68.0	32.0	32.0
Richard Berliand	full year	full year	68.0	68.0	32.0	32.0
Birgit Bokel	full year	full year	68.0	68.0	32.0	32.0
Hans-Peter Gabe	full year	full year	68.0	68.0	32.0	32.0
Richard M. Hayden	full year	full year	108.0	91.3	32.0	32.0
Craig Heimark	full year	full year	78.0	73.8	32.0	32.0
Dr Konrad Hummler	full year	11 Sep. – 31 Dec.	68.0	22.7	32.0	10.7
David Krell	full year	–	48.0	–	32.0	–
Hermann-Josef Lamberti	full year	full year	78.0	78.0	32.0	32.0
Friedrich Merz	full year	full year	68.0	68.0	32.0	32.0
Friedrich von Metzler	full year	full year	88.0	71.3	32.0	32.0
Thomas Neiße[5)]	–	–	–	–	–	–
Roland Prantl	full year	full year	48.0	48.0	32.0	32.0
Alessandro Profumo	–	1 Jan. – 17 Oct.	–	40.0	–	26.7
Sadegh Rismanchi	full year	full year	68.0	68.0	32.0	32.0
Dr Erhard Schipporeit	full year	full year	69.7	68.0	32.0	32.0
Dr Herbert Walter	full year	full year	68.0	68.0	32.0	32.0
Otto Wierczimok	full year	full year	68.0	68.0	32.0	32.0
Johannes Witt	full year	full year	68.0	68.0	32.0	32.0
Total			**1,641.2**	**1,550.8**	**672.0**	**661.4**

1) See note 46 in the notes to the consolidated financial statements for details of the long-term incentive components.

2) The recipient of the remuneration will be determined individually by the members of the Supervisory Board.

3) Kurt F. Viermetz resigned from his position with effect from 8 December 2008.

4) Appointed Deputy Chairman of the Supervisory Board on 9 December 2008

5) Appointed to the Supervisory Board on 21 January 2009

Audit opinion

We have audited the consolidated financial statements prepared by Deutsche Börse AG, Frankfurt/Main, comprising the balance sheet, the income statement, statement of changes in equity, cash flow statement and the notes to the consolidated financial statements, together with the group management report for the business year from 1 January to 31 December 2008. The preparation of the consolidated financial statements and the group management report in accordance with IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a (1) HGB are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated 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 (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a random test basis within the scope of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRS, as adopted by the EU, the additional requirements of German commercial law pursuant to § 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Frankfurt/Main, 23 March 2009

KPMG AG
Wirtschaftsprüfungsgesellschaft

(formerly
KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft)

Becker	Bors
German Public Auditor	German Public Auditor

Responsibility Statement by the Executive Board

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

Frankfurt/Main, 23 March 2009
Deutsche Börse AG

Reto Francioni	Andreas Preuß	Thomas Eichelmann
Frank Gerstenschläger	Michael Kuhn	Jeffrey Tessler