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Annual General Meeting

Deutsche Börse Aktiengesellschaft

15 May 2013

Reto Francioni

Chief Executive Officer

Deutsche Börse Aktiengesellschaft, Frankfurt/Main

Check against delivery.

Ladies and Gentlemen,

Welcome to Deutsche Börse Aktiengesellschaft's Annual General Meeting. And of course, I'd also like to extend a warm welcome to everybody following today's proceedings online, as well as to the representatives of the media.

Like previous years, 2012 was impacted by the global financial and debt crisis. Despite this, we successfully drove forward our business with the goal of opening up new business areas and new markets outside our core business of exchange trading and post-trade processes. This strategy has proved successful.

To free up resources for investing in this growth and, at the same time, to ensure that our owners – our shareholders – share in our success, we have also launched a new efficiency programme.

Deutsche Börse AG did more than just ride out the crisis years on the financial markets. It used this phase to make headway, and it was more than successful in doing so. And it has underlined that it contributes substantially to securing stability and integrity on the financial markets. In other words: we are part of the solution, not the problem. Ladies and Gentlemen, this represents a tremendous achievement by our employees, and I would like to take this opportunity today to thank them expressly for this and for what they accomplished in 2012.

I would now like to start with an overview of the annual and consolidated financial statements for 2012.

1. Financial year 2012 and the 2012 annual financial statements

Our new *combined* corporate report, which you find on display here, contains the overview of our business, our strategy and our development over the past year.

Since the Annual General Meeting was convened in the Federal Gazette, the adopted annual financial statements and the approved consolidated financial statements, the combined management report for Deutsche Börse AG and the Group as at 31 December 2012, as well as the disclosures by management in accordance with section 289(4) and (5) and section 315(2) no. 5 and (4) of the German Commercial Code have been publicly available. I would like to confine myself here to explaining the most important aspects, and would otherwise refer you to the documents I have mentioned. What you find documented there clearly demonstrates: the trend in our industry in Europe and also worldwide mirrored the subdued development of the capital market – even if we did better than our competitors in many respects. This also means: our management has been successful.

(Slide 1) Deutsche Börse Group: solid financial performance in a challenging market environment

Securities and derivatives trading in particular, as well as our banking business, suffered the effects of the challenging environment in 2012. This was driven by three trends:

Firstly, uncertainty about future economic growth curbed participants' willingness to trade.

Secondly: Uncertainty about the future regulation of the financial markets – with keywords such as the financial transaction tax, the regulation of high-frequency trading, capital requirements etc. – also has had adverse effects. A factor that is exacerbating this problem in Europe is that we have now seen the creation of regulatory imbalance compared with the USA – also for example because of differences in the way that competition law is handled, or because of delays in implementing the EMIR market infrastructure regulation.

The third factor is the unprecedented monetary policy being pursued by the central banks. This is leading to record low key interest rates, and cutting into net interest income from our Clearstream segment's banking business.

As a consequence, our net revenue declined from €2,121.4 million by 9 per cent to €1,932.3 million.

(Slide 2) Net revenue and EBIT in 2012

The decline in net revenue is broken down as follows:

- Xetra was down 20 per cent, and Eurex was down 10 per cent.
- By contrast, Clearstream was down only 5 per cent despite the challenging environment, and Market Data & Analytics was almost stable at minus 2 per cent.

Net interest income from banking business dropped to €52.0 million. By contrast, adjusted operating costs rose by 5 per cent to €922.4 million, primarily as a result of our higher investments in future growth. If these investments are excluded, our adjusted costs only rose by 1 per cent.

This resulted in a 19 per cent decline in EBIT at Group level to €1,005.6 million. Net income fell by 21 per cent to €660.9 million, and adjusted earnings per share declined to €3.53.

This year, we combined our market data activities with our IT services as part of our strategic reorganisation. This segment is now called Market Data + Services.

(Slide 3) Dividend proposal of €2.10 reflects weaker business activity in 2012

Despite the challenging environment, Deutsche Börse generated solid earnings considering the situation on the markets. This justifies a continued high dividend payment to you, our shareholders. We are asking you to approve the distribution of a regular dividend of €2.10 per share. This would correspond to the dividends we paid between 2006 and 2010, and it shows you once again how sustainable and stable our position is, despite the financial crisis.

Our capital management principles aim for a distribution ratio of 40 to 60 per cent of net income for the year for our regular dividend. The ratio this year would be 58 per cent if you approve the resolution being proposed by the Executive and Supervisory Boards. This proposal also expresses the fact that an appropriate distribution is a permanent feature of our dividend policy.

We again implemented a share buy-back programme in financial year 2012. Based on the authorisation by the 2011 Annual General Meeting, we repurchased a total of 4,751,166 no-par value shares with a notional interest in the share capital of €4,751,166 for a total purchase price of €199.4 million. Based on a notional share capital of €193 million, composed of 193 million no-par value shares, we thus purchased 2.31 per cent of our share capital.

All the shares were purchased on the stock exchange. The requirements stipulated in the authorisation by the 2011 Annual General Meeting were complied with. In particular, the price paid for all of the shares purchased on the stock exchange was the current quoted market price in each case; in no case was the purchase price paid more than 10 per cent higher or lower than the mean value of the quoted market prices (closing auction price of Deutsche Börse shares in electronic trading on the Frankfurt Stock Exchange) on the five trading days prior to the date on which the purchase commitment was entered into.

We repurchased the shares in order to optimise our capital structure. At the same time, this offered us an opportunity to achieve a positive effect for our shareholders. We were also able to purchase the shares at a price that was attractive for the company.

Together with other treasury shares we held, treasury shares accounted for a total of 4.6 per cent of the share capital at the end of 2012.

Based on the Executive Board’s resolution, which was implemented in February 2012, two million no-par value shares were retired in line with the authorisation by the Annual General Meeting. This reduced the company’s share capital from €195 million to a notional €193 million, which is now composed of 193 million no-par value shares.

We have repurchased a total of 46,103,748 no-par value shares with a total value of around €2.2 billion since the share buy-back programme started in 2005, and retired a total of 30,605,760 no-par value shares for capital reduction purposes. In 2012, we used 5,286,738 treasury shares to pay part of the purchase price when we acquired the SIX Group's interest in Eurex in 2012. At present, we still hold 8,948,487 treasury shares.

We are continuing our attractive dividend policy with the help of our capital management programme and create flexibility for us, as you can see from the example of the Eurex acquisition. At the same time, though, we make sure that we keep our strong ratings.

We will take a decision on possible share buy-backs in the current financial year in the second half of the year.

And now to our performance in the first quarter of 2013.

2. Q1/2013

(Slide 4) Sequential improvement of net revenue and earnings in Q1/2013

The picture for the first quarter of 2013 is mixed. Some areas are again recording growth over the weak levels seen in the second half of 2012, and the post-trade services, market data and IT businesses remain stable. This gives rise to the reasonable prospect that further diversifying our business in these areas could make us less sensitive to market cycles in the future. Overall, net revenue was 4 per cent lower year-on-year, at €484.3 million, but up 8 per cent on the fourth quarter of 2012. Adjusted EBIT reached €257.8 million.

The trading volume in the open electronic order book for Xetra trading fell by 15 per cent to €260.3 billion.

By contrast, Eurex trading volumes suffered only slight losses. Our ISE subsidiary in the United States even increased its market share and – adjusted for dividend transactions – was the largest US options exchange in the first quarter of 2013. Overall, 558.4 million contracts were traded on Deutsche Börse's European and US derivatives exchanges, a year-on-year decline of 3 per cent.

Trends in Clearstream's post-trade business were also mixed. On the one hand, we increased the average value of assets under custody in the first quarter of 2013 compared with the prior-year quarter. This has now reached a new record volume of €11.4 trillion. On the other, net interest income from banking business and revenue from global securities financing declined year-on-year in the wake of the European Central Bank's policy of low interest rates.

The new Market Data + Services reporting segment comprises the former Market Data & Analytics segment as well as selected IT services provided by Deutsche Börse Group that were reported previously in the Xetra, Eurex and Clearstream segments. Net revenue amounted to €91.5 million in the first quarter of 2013, 4 per cent less than they would have been in the first quarter 2012. The majority of this – €36.0 million – was generated by the trading signals business, i.e. revenue from the distribution of licences for real-time trading and market signals.

3. Strategy for 2013 and beyond

(Slide 5) Overview of management priorities for 2013

Ladies and Gentlemen, after the European Commission had prohibited our planned merger with NYSE Euronext in New York, we developed an updated corporate strategy for the coming years that is based primarily on organic growth, as we announced last year. This is driven by one clear idea: in light of the situation on the financial markets, we could creep into a corner and wait and see what direction everything is moving in. We could batten down the hatches, and just float along with the current.

Ladies and Gentlemen, that is exactly what we are *not* doing. We didn't do it in the past, and we're not going to do it in the future, either. We're used to taking charge of our own future. We are concentrating on three main strategic directions:

- First, the rapid deployment of new products for uncollateralised and unregulated markets
- Second, the combination of our market data and IT business
- And third, increasing the contribution to our business made by growth regions, especially in Asia

(Slide 6) Some major milestones of the growth strategy have already been achieved

I'd now like to give you some examples of the milestones we achieved last year. I'll start with the expansion of our offering to unregulated and uncollateralised markets:

First: In May 2012, we signed an agreement with the largest international trading houses to develop a clearing offering for off-exchange (or: over-the-counter, OTC) interest rate swap trades. We completed the first phase of this offering in November 2012, when the production environment went live. We have now acquired twelve clearing participants for this service.

Second: Cetip, the Brazilian central securities depository, was the first Global Liquidity Hub customer we connected to Clearstream in 2011. In addition to Brazil, last year we entered into agreements with the corresponding organisations in Hong Kong, Australia, South Africa, Canada and Spain to join this Clearstream initiative. We also acquired custodian banks BNP Paribas and Citibank as partners.

The Global Liquidity Hub is an offering that allows banks to use the assets that Clearstream holds in custody on their behalf more efficiently across different platforms and countries. This enables the banks to mobilise reserves of capital.

I think another project also deserves to be mentioned in the context of Clearstream's innovative offerings: Investment Funds Services. These are our services for automating the settlement of investment funds and the related post-trade processes. I am confident that this area will play an increasingly important role going forward as part of the further diversification of our business model.

At the end of 2012, Clearstream opened a branch office in Ireland so that it can extend its post-trade services offering for funds to alternative funds. By expanding its offering, Clearstream is responding to the sharp increase in demand by customers for these alternative investment instruments. The area is growing very rapidly: the number of transactions processed rose by 20 per cent in 2012 and by 25 per cent in the first quarter of 2013.

I'd now like to turn to the fourth example of the milestones shown on the chart: by linking the central counterparty of our Eurex derivatives subsidiary to Clearstream, our international central securities depository, Deutsche Börse Group is able to offer products and services that combine the strengths of both areas. GC Pooling Select is one example of this. This is a product that allows us to extend collateralised money market transactions to new customer groups – especially companies in the real economy as well as fund managers and insurers.

The fifth example relates to our second strategic direction: the combination of the market data and IT areas. Since 1 January 2013, we have bundled all of the Group's IT services together with the market data business to form a new segment named Market Data + Services. It is led by Hauke Stars, who was appointed to our Executive Board at the end of last year. The new segment would have generated sales revenue of €370 million and an adjusted EBIT of €189 million in financial year 2012.

Ms Stars is now working on defining the new segment's long-term strategic orientation and growth fields. However, in contrast to some of our competitors, because of the inefficiency involved, we will dispense with capital-intensive investments, such as buying data centres.

We also established the new Cash & Derivatives Markets division at the beginning of 2013 by combining the Xetra and Eurex market areas under Executive Board member Andreas Preuss.

And now to our third strategic direction, and point six in this list: our expansion into new markets, especially in Asia. There can be no doubt that the main future growth in our sector will be generated in Asia. And we are heavily involved there. Thanks to Clearstream's global network, Deutsche Börse Group already generates significant revenue contributions from the region today. As a general principle, we are currently expanding in the region through organic growth, supplemented in specific cases by suitable forms of cooperation.

In this context, Clearstream already obtained a banking licence in Singapore in 2009. Our operations there cover the entire Asian time zone.

Another opportunity is the field of product partnerships. In the derivatives market, for example, we have developed a form of cooperation with the Korea Exchange under which we can use Eurex's global network for Asian products outside the Asian time zone – in this case a derivative on one of the most widely traded indices in the world, Korea's benchmark KOSPI index. More than 32 million KOSPI contracts were traded on Eurex last year – almost twice as many as the year before.

At the beginning of February this year, Eurex entered into a similar agreement with the Taiwan Futures Exchange, TAIFEX.

Another example: the technology partnership that we agreed with the Bombay Stock Exchange in March.

Ladies and Gentlemen, you can tell how important Asia is for us by seeing how deeply involved your company's Executive Board is in the region. I myself invest a considerable – and growing – amount of my time extending our reach in Asia. At the beginning of the year, we created an Asia Task Force that has an overarching remit in the Group.

In April this year, I and several colleagues from the Executive and Supervisory Boards, as well as high-level representatives of the German and European financial sector, politicians and regulators set a signal at the "China Europe Derivatives Market Forum" we organised in Beijing. On the Chinese side, more than 220 representatives of exchanges, the China Futures Association and financial institutions attended the conference. This saw us begin a new chapter in cooperation.

(Slide 7) Deutsche Börse well prepared for current environment thanks to implementation of efficiency measures over the years

Ladies and Gentlemen, growth in the interests of customers and the company is one thing – the forward-looking and economical management of the capital of its shareholders is another. Of the large exchange organisations, we are the only one worldwide to have cut costs since 2007.

As well as its direct effect on the efficient use of capital, effective cost management is important to us for another reason: we can use it to bolster our top credit rating, which has again been confirmed by the rating agencies.

(Slide 8) Measures to increase the operating efficiency create flexibility to increase investments in growth

We will continue to adhere to our policy of strict cost discipline in the future. This also gives us the opportunity to create the necessary flexibility for investments. For this reason, we are planning to cut personnel and non-personnel costs by €70 million a year. We aim to achieve this target by 2016.

Non-personnel costs, where we will mainly reduce expenditures for external consulting as well as IT operating costs, will account for the bulk of this programme.

Overall, we will make between €90 and €120 million available to implement this programme. This is an investment that will pay for itself in less than two years on the basis of the total costs saved.

Because we will increase our capital spending at the same time in order to safeguard our future, and must also expect inflation to have some effect, the savings will not fully offset the increase in our costs. But we will keep the increase in costs under control and finance a considerable portion of our investments by further enhancing our efficiency.

Ladies and Gentlemen, allow me to sum up:

First: We have cushioned the unavoidable decline in our trading activities attributable to the challenging environment in 2012, and laid the foundations for future growth.

Second: Our strategy has clearly been successful. As before, it aims firstly at extending our business to what have up to now been off-exchange activities; secondly, to pool our expertise in the area of IT and market data; and thirdly, to expand into new markets, especially in Asia.

And finally: The picture this year is still mixed. However, in particular the post-trade activities operated by Clearstream and the market data and IT business mean that we are guardedly confident that the negative trends on the markets will reverse in the near future.

Thank you very much for your attention. We are happy to take your questions.