DEUTSCHE BÖRSE GROUP

Interim Report

Quarter 1/2005

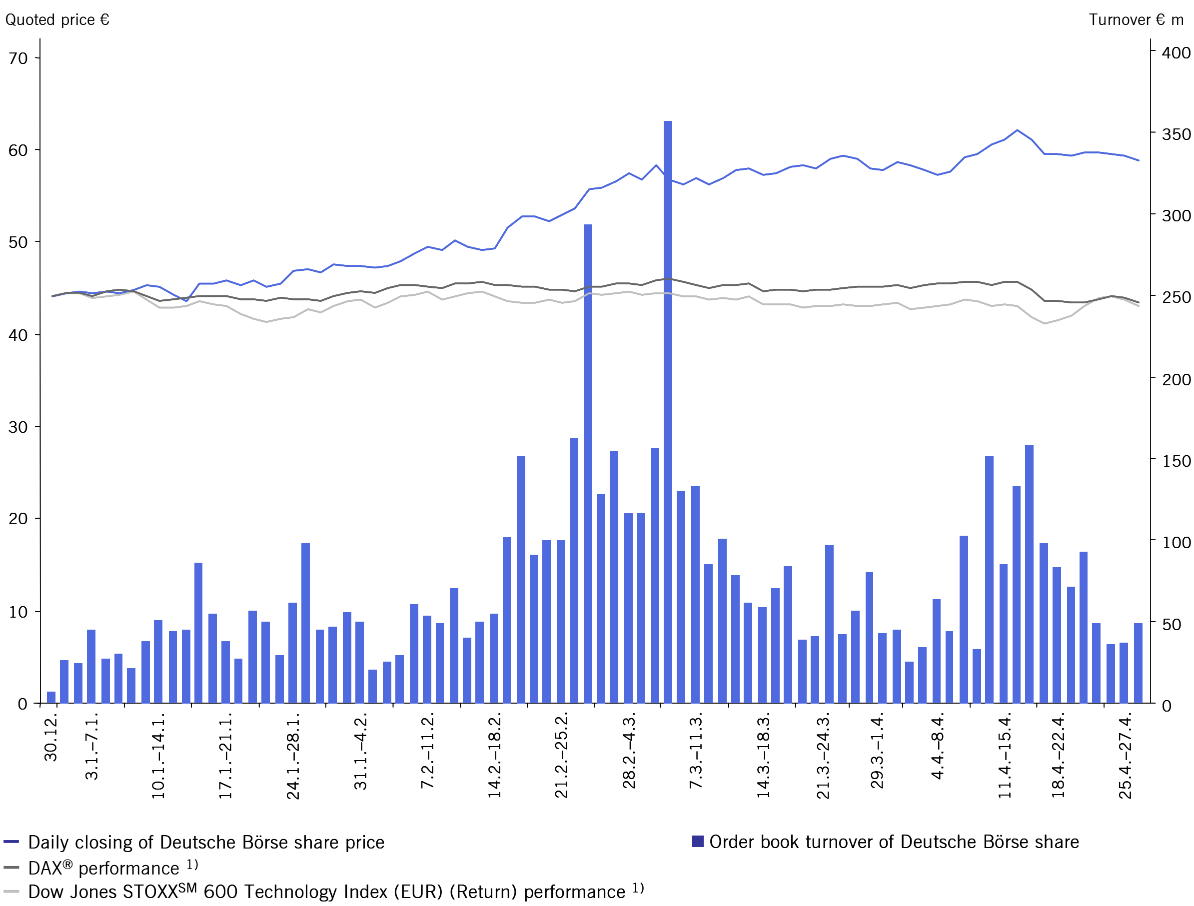
Deutsche Börse Group: Financial Highlights			31 March 2005	Quarter ended 31 March 2004
Consolidated income statement				
Sales revenue		€m	399.4	379.1
Net interest income from banking business		€m	26.0	18.6
Earnings before interest, taxes and goodwill amortization (EBITA)		€m	177.7	150.4
Net income for the period		€m	109.0	76.9
Consolidated cash flow statement				
Cash flows from operating activities		€m	132.7	100.9
Cash flows from investing activities		€m	353.6	–70.8
Consolidated balance sheet (as at 31 March)				
Shareholders' equity		€m	2,656.5	2,416.8
Total assets		€m	11,408.4	9,209.3
Performance indicators				
Earnings per share (basic and diluted)		€	0.97	0.69
Operating cash flow per share		€	1.19	0.90
Market indicators				
Xetra				
Number of transactions		thousands	19,570	20,152
Order book turnover		€m	254,896	266,637
Participants (as at 31 March)			284	302
Floor trading				
Number of transactions		thousands	19,789	23,163
Order book turnover		€m	30,542	37,450
Eurex				
Number of contracts		thousands	312,024	289,641
Participants (as at 31 March)			407	409
Clearstream				
Number of transactions	domestic	m	8.5	10.0
	international	m	5.0	5.0
Securities deposits (as at 31 March)	domestic	€bn	4,346	4,509
	international	€bn	3,467	3,132
Deutsche Börse share price				
Opening price[1)] (as at 1 January)		€	44.28	43.35
High[2)]		€	60.21	51.35
Low[2)]		€	43.29	43.10
Closing price (as at 31 March)		€	58.00	46.00

1) Closing price on preceding trading day
2) Intra-day price

Record start into the new financial year

- Sales revenue up 5 percent year-on-year to €399.4 million (Q1/2004: €379.1 million). The Eurex segment reported the strongest growth.
- Net interest income from banking business rose by 40 percent to €26.0 million (Q1/2004: €18.6 million) due to positive interest developments.
- Deutsche Börse uses earnings before interest, taxes and goodwill amortization (including charges for impairment) (EBITA) as its earnings measure from the beginning of Q1/2005. EBITA totalled €177.7 million, up by 18 percent (Q1/2004: €150.4 million).
- Earnings per share (basic and diluted) amounted to €0.97 for an average of 111.8 million shares (Q1/2004: €0.69 for 111.8 million shares).
- Operating cash flow per share rose 31 percent year-on-year to €1.19 (Q1/2004: €0.90).
- On 6 March, Deutsche Börse AG withdrew its proposal for a conditional cash offer of at least 530 pence per ordinary share of the London Stock Exchange plc, which it had made on 27 January 2005.
- Instead, Deutsche Börse launched an ongoing program to optimize the Group's capital structure and to distribute funds surplus to business requirements to shareholders. Deutsche Börse began a buy-back of own shares on 13 April, of up to 10 percent of the share capital. For legal reasons, however, the buy-back is currently limited to the retained earnings of the parent company Deutsche Börse AG, which amounted to some €448.4 million as at 31 December 2004.

Development of Deutsche Börse AG's share price in Q1/2005



1) Index-linked, closing price on 30 December 2004

Sales revenue and EBITA by quarter

Sales revenue: Deutsche Börse Group's sales revenue increased by 5 percent to €399.4 million, thanks to positive developments in the Eurex, Market Data & Analytics and Clearstream segments (Q1/2004: €379.1 million).

EBITA: The EBITA recorded by Deutsche Börse Group amounted to €177.7 million, up 18 percent on the previous year's first quarter (Q1/2004: €150.4 million).

Sales revenue by segment

Xetra: Sales revenue in the cash market declined by 9 percent to €59.1 million (Q1/2004: €65.2 million) due to weaker trading activity.

Eurex: As a result of strong trading activity and the increase in the Group share of Eurex's earnings to 85 percent as from 1 January 2005, sales revenue in the derivatives market grew by 17 percent to €125.5 million (Q1/2004: €106.9 million).

Market Data & Analytics: The Market Data & Analytics segment increased its sales revenue by 9 percent to €31.8 million (Q1/2004: €29.2 million).

Clearstream: Gross sales revenue from commission business increased by 4 percent to €152.0 million (Q1/2004: €146.0 million).

Information Technology: entory showed positive order development, although external sales revenue in the IT segment as a whole declined by 3 percent to €31.0 million (Q1/2004: €31.8 million) due to a decrease in floor trading activity.

EBITA by segment

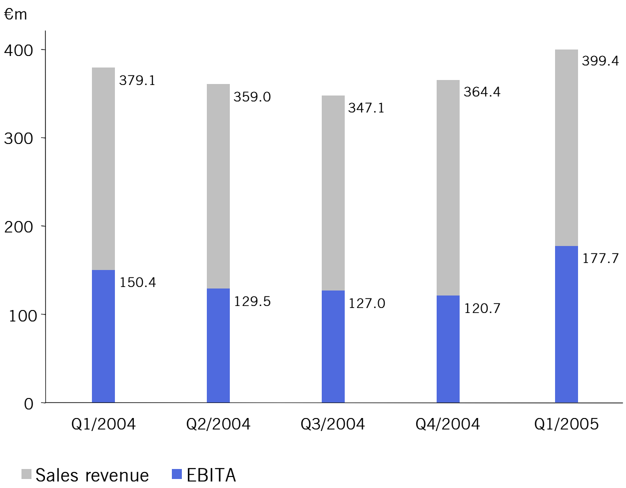
Xetra: EBITA in the cash market declined to €27.0 million (Q1/2004: €33.8 million), primarily due to weaker trading activity.

Eurex: EBITA in the derivatives market rose by 28 percent to €68.9 million (Q1/2004: €53.9 million). This was caused both by record contract volumes in Q1/2005 and by the increase in the Group's share of Eurex's earnings.

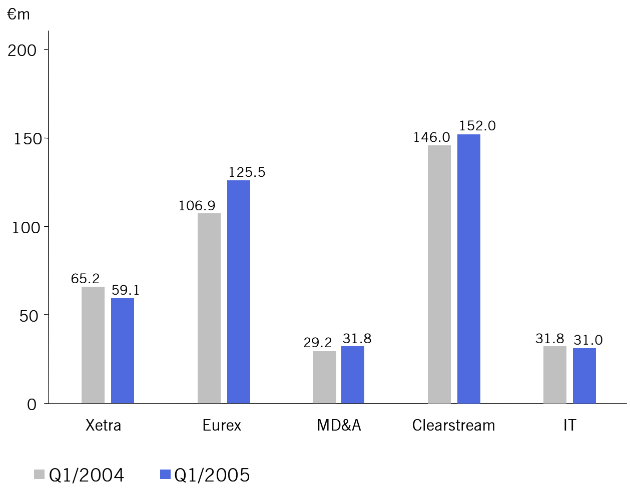
Market Data & Analytics: The segment increased its EBITA by 6 percent to €11.0 million (Q1/2004: €10.4 million) as a result of higher sales revenue.

Clearstream: EBITA grew by 33 percent to €61.7 million (Q1/2004: €46.4 million) due to an increase in sales revenue, while costs fell.

Sales revenue and EBITA by quarter



Sales revenue by segment



Information Technology: EBITA dropped by 6 percent to €17.4 million (Q1/2004: €18.6 million).

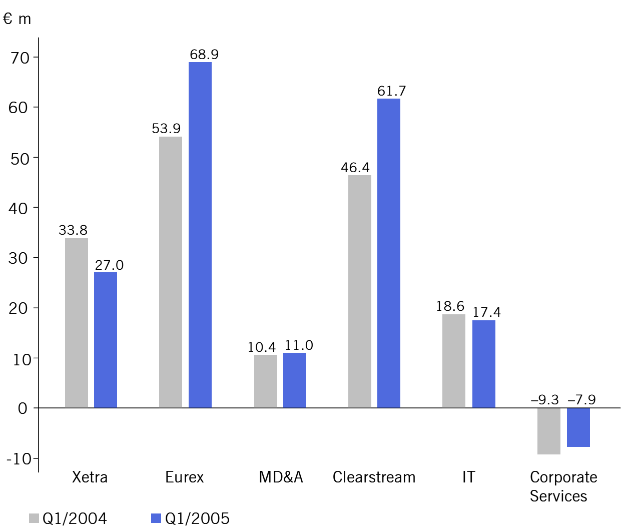
Corporate Services: Net costs totalled €7.9 million (Q1/2004: €9.3 million).

Xetra: Successful start into the new financial year

- Sales revenue declined by 9 percent to €59.1 million (Q1/2004: €65.2 million).
- Costs were up slightly at €38.2 million (Q1/2004: €36.9 million), a rise of 4 percent year-on-year.
- EBITA fell by €6.8 million to €27.0 million (Q1/2004: €33.8 million).

The start into the new financial year was a success, despite lower trading activity and the consequent decline in sales revenue compared with the same quarter of the previous year (which was marked by very high trading volumes, especially in March). The 19.6 million transactions recorded in the Xetra order book represent a fall of 3 percent year-on-year (Q1/2004: 20.2 million transactions). The number of contract notes in floor trading on the FWB® Frankfurter Wertpapierbörse (the Frankfurt Stock Exchange) decreased by 18 percent to 6.8 million (Q1/2004: 8.4 million). The pricing model, revised as at 1 January to charge per executed order on the clearing side rather than per transaction is more transparent for customers and makes it easier for them to calculate applicable fees in advance. The changes in the new pricing system have no sales impact for the Xetra segment. The segment's costs for the first quarter were higher than in the previous year due to the higher valuation of virtual stock options.

EBITA by segment



	Xetra transactions		Xontro contract notes in Frankfurt floor trading	
	2005 thous.	2004 thous.	2005 thous.	2004 thous.
Q1	19,570	20,152	6,808	8,353

Five years after it was established, the XTF® segment for exchange-traded index funds (ETFs) has extended its European market leadership with a market share of over 55 percent. The volume of funds in the XTF segment reached a new record of €18.4 billion at the end of Q1/2005 – a year-on-year increase of 35 percent. Trading volumes in the segment also increased continuously. As a result, the XTF segment generated €11.0 billion in turnover in Q1/2005, the highest in its history. The constant launching of new products means that the XTF segment offers more ETFs than any other European exchange, with a current total of 68 index funds.

Four companies successfully went public on the Frankfurt Stock Exchange in the first quarter of 2005: Lanxess, Paion, Premiere and Conergy. In the course of the three new issues and one admission to listing (Lanxess), investors bought shares with a total value of €2.6 billion (free float market cap).

Since the beginning of April, Deutsche Börse has been offering more attractive terms to private investors as part of the Frankfurt Stock Exchange's "Smart Trading" initiative: the introduction of an upper limit for brokerage fees for investment products (€12) and leverage products (€3) creates incentives in particular for price-sensitive traders.

Eurex: First quarter at record trading level

- Eurex sales rose by 17 percent to €125.5 million (Q1/2004: €106.9 million).
- Costs increased by 7 percent year-on-year.
- EBITA increased by 28 percent to €68.9 million (Q1/2004: €53.9 million).

The Eurex derivatives exchange increased the volumes traded during the first quarter of 2005 in comparison to the previous year by 8 percent to 312.0 million contracts. With 116.5 million contracts, March was the second-best month in Eurex's history (March 2004: 117.2 million contracts). A new daily record of more than 8.8 million contracts was traded and cleared on 16 March. Open interest contracts amounted to 74.5 million at the end of March, up 17 percent year-on-year (end of March 2004: 63.8 million contracts). Interest rate derivatives was the strongest product segment in the first quarter of 2005, with a volume increase of approximately 19 percent year-on-year (Q1/2005: 181.2 million contracts; Q1/2004: 152.8 million contracts). The growth in sales revenue and EBITA also reflects the new split of Eurex's earnings between Deutsche Börse AG and SWX Swiss Exchange (from 80/20 to 85/15 respectively).

Trading volume	Q1/2005 Contracts in thous.	Q1/2004 Contracts in thous.	Change %
Equity derivatives (stock options)	56,628	61,900	–9
Equity index derivatives, incl. XTF (index products)	74,182	74,897	–1
Interest rate derivatives (capital market products)	181,214	152,844	+19
Gesamt Q1	**312,024**	**289,641**	**+8**

Eurex further strengthened its position as the largest and most liquid market for trading in European derivatives products. Eurex expanded its Dutch derivatives segment to include three new Dutch equity options. On average, Eurex holds a market share of around 17 percent in Dutch equity options trading, a proportion which has doubled since the beginning of 2003. Eurex has also expanded its market position in French equity options trading, almost quadrupling its market share to 23 percent since launching French equity options on 23 March 2003. In Italian equity options Eurex's market share has grown from around 1 percent in March 2004 to 9 percent in March 2005. On 21 March, options on the equity of Sampo Oyj were launched, thus bringing the total number of Scandinavian equity options listed on Eurex to seven.

Eurex US reached some milestones in its business development in Q1/2005:

- On 1 February, Eurex US expanded its product suite of benchmark USD-denominated fixed-income derivatives by introducing futures on 3-year US Treasury Notes and a Jumbo 2-year US Treasury Note. Eurex US is the only exchange worldwide to offer these products. Additionally, Eurex US expanded its product portfolio on 4 February to include US index derivatives for the first time with the introduction of futures on the US large-cap Russell 1000 index and the US small-cap Russell 2000 index.
- Average daily volume exceeded 7,200 contracts in the Russell 2000 with an average market share of 7 percent of all electronically traded contracts. The Russell 1000 average daily volume exceeded 1,775 contracts with an average market share of 41 percent of all electronically traded contracts.

- The Global Clearing Link Phase II application was submitted to the US regulator, the Commodity Futures Trading Commission, in March. In Phase II, members of Eurex Clearing will be able to clear US dollar and euro benchmark products traded at Eurex US, and use one common collateral pool for portfolio-margining European and US products.
- On 3 April, Eurex US extended Eurex's trading hours from 21 hours to 23 hours. Extending the trading hours allows Eurex US to now offer trading during the full Asia-Pacific morning.

In the Eurex repo markets, quarterly results showed significant growth. The average outstanding volume rose by 76 percent in the Eurex repo EUR market and by 24 percent in the Eurex repo CHF market year-on-year. Eurex repo sales in the repo EUR market increased by 20 percent to €0.7 million in Q1/2005.

Market Data & Analytics: Sales revenue up on prior-year level

- Segment sales revenue rose by 9 percent to €31.8 million (Q1/2004: €29.2 million).
- Costs increased by 10 percent or €2.1 million to €23.7 million (Q1/2004: €21.6 million).
- EBITA was higher compared with the previous year at €11.0 million (Q1/2004: €10.4 million).

The main contributors to the rise in sales revenue in Q1/2005 were the Front Office Data & Analytics area and Infobolsa Deutschland, the subsidiary of a joint venture between the Bolsa de Madrid und Deutsche Börse AG. In both business areas Market Data & Analytics recorded increases in sales of information products, terminals and ASP (Application Service Provider) services respectively. Customer demand for higher-quality data also had a positive effect on sales revenue. In particular, there was an increase in the demand for data on fixed-income products.

Costs were higher than in the same quarter of the previous year, partly as a result of adjusting the virtual stock options to reflect the rise in the share price, and partly as a result of higher costs for data purchase in response to demand. The 6 percent rise in EBITA was due to higher income from equity investments (STOXX Ltd, FDS Finanz-Daten-Systeme GmbH and International Index Company Ltd.), among other factors.

Clearstream: Further business growth

- Sales revenue went up by 4 percent to €152.0 million (Q1/2004: €146.0 million), mainly due to growth in the custody area.
- Net interest income from banking business increased by 40 percent to €26.0 million (Q1/2004: €18.6 million) due to both higher average interest rates and increased international OTC settlement activity.
- The total cost base was reduced by a further 3 percent to €124.3 million (Q1/2004: €128.3 million), mostly thanks to lower costs incurred for the Creation international settlement engine which more than compensated higher costs for virtual stock options.
- EBITA increased by 33 percent to €61.7 million (Q1/2004: €46.4 million).

In the custody business, the value of assets under custody rose by 2 percent year-on-year, to reach €7.8 trillion. This growth is driven by international instruments, where custody value went up by 11 percent, mostly thanks to sustained primary market activity. German domestic asset value decreased by 4 percent, mostly owing to equity and investment fund instruments. All together, custody business sales increased by 7 percent to reach €94.6 million.

Average customer deposits and value of securities deposited	Q1/2005 €bn	Q1/2004 €bn
Average customer deposits	3.564	3.181
Value of securities deposited	7,813	7,641
thereof:		
Clearstream Banking S.A., international	3,101	2,835
Clearstream Banking AG, international	366	297
Clearstream Banking AG, domestic	4,346	4,509

The total number of settlement transactions processed by Clearstream fell by 10 percent to 13.5 million year-on-year (Q1/2004:15.0 million). While settlement volumes of international OTC transactions went up by 9 percent to 4.3 million, settlement of stock exchange transactions both in German and international instruments fell by 20 percent to 6.2 million. However, sales revenue in the settlement area decreased by only 4 percent to €32.3 million, this is due to lower prices for stock exchange transactions compared to OTC transactions.

On 14 March 2005, Clearstream further expanded the New German Settlement Model by launching additional real-time processing cycles for the high volume of settlements at nighttime. The new functionality permits additional overnight exchange between participants at Clearstream Banking AG, Frankfurt, and the two International Securities Depositories (Clearstream Banking S.A., Luxembourg, and Euroclear), thus advancing interoperability between platforms.

Transactions	Q1/2005 €m	Q1/2004 €m
Clearstream Banking S.A., international	**3.7**	**3.5**
OTC transactions	3.7	3.5
Clearstream Banking AG, international	**1.3**	**1.5**
OTC transactions	0.6	0.4
Stock exchange transactions non eligible for CCP	0.7	1.1
Clearstream Banking AG, domestic	**8.5**	**10.0**
Stock exchange transactions non eligible for CCP	4.3	5.6
CCP stock exchange transactions	1.2	1.1
OTC transactions	3.0	3.3
Total	**13.5**	**15.0**

In the wake of increased OTC international settlement activity, average overnight customer deposits went up by 12 percent to €3.6 billion. Thanks to both higher short-term interest rates on USD and to interest rate hedges on customer deposits, the average blended interest rates have gone up from 1.8 percent in Q1/2004 to 2.3 percent year-on-year, thus taking net interest income a little closer to historical levels.

Within the Global Securities Financing services business, strong growth continued with the average outstandings reaching €166.2 billion at the end of Q1/2005, a rise of 43 percent year-on-year. The combined services include tripartite repo, securities lending and collateral management. In the tripartite repo business, the average outstanding amount totalled €92.9 billion at the end of Q1/2005, 51 percent above last year. Moreover, for the fourth time in the last five years, Clearstream has been rated as the leading global provider of tripartite repo services to the international securities market. The closely-watched annual survey was undertaken by the prestigious Global Custodian magazine.

Clearstream's connectivity services improved further in Q1/2005, thanks also to the rollout of a new corporate action service via CreationOnline in December 2004. This new service enables Clearstream customers to access and use integrated settlement and custody information seamlessly through a single point of entry. The average number of online queries and instruction input has risen by more than 300 percent year-on-year.

Furthermore, Clearstream successfully launched its new Vestima+ automated investment funds order routing platform on 24 January 2005. Vestima+ targets the inefficiencies of European funds distribution by providing a single solution for multiple fund markets. Achieving near-100 percent straight-through processing, two of its main features are that it enables fund distributors to select their preferred settlement mode (delivery versus payment or free of payment) and to choose their own settlement route and custody providers.

Information Technology: Solid result

- External sales revenue generated by the IT segment down 3 percent to €31.0 million (Q1/2004: €31.8 million).
- Costs also 2 percent lower.
- EBITA dropped 6 percent to €17.4 million (Q1/2004: €18.6 million).

The slight decline in external sales revenue was partly due to a lower number of contract notes in floor trading and the consequent decrease in variable revenue. The sourcing agreement with BrainTrade Gesellschaft für Börsensysteme mbH, which covers mainframe services and network infrastructure, as well as application development capabilities, was renewed in 2004 for a further five years.

entory AG recorded an increase in orders received in Q1/2005. This was partly the result of two new project contracts: for DZ BANK, entory is integrating the “e-bookbuilding” new issues platform into the bank’s systems architecture, in cooperation with Dresdner Kleinwort Wasserstein. This will save the bank more than 50 percent of the costs of developing its own solution. entory also optimized the process of new client acquisition for an investment bank at its locations in London and Frankfurt. The optimized process has achieved greater transparency and shorter throughput times, as well as a higher quality of results.

The valuation of the virtual stock options was adjusted to reflect the movement in the share price and has been included under staff costs. Despite the resulting higher figure for staff costs, the IT segment managed to reduce costs further thanks to rigorous cost management.

Consolidated Income Statement

for the period 1 January to 31 March 2005

	31 March 2005 €m	Quarter ended 31 March 2004 €m
Sales revenue	399.4	379.1
Net interest income from banking business	26.0	18.6
Own expenses capitalized	9.6	10.6
Other operating income	15.8	13.7
	450.8	**422.0**
Fee and commission expenses from banking business	–31.2	–29.2
Consumables used	–8.1	–7.8
Staff costs	–91.5	–84.0
Depreciation and amortization expense (excluding goodwill)	–37.9	–46.1
Other operating expenses	–105.1	–104.7
Result from equity investments	0.7	0.2
Earnings before interest, taxes and goodwill amortization (EBITA)	**177.7**	**150.4**
Goodwill amortization	0	–17.6
Earnings before interest and taxes (EBIT)	**177.7**	**132.8**
Net financial result	–2.5	–1.3
Earnings before tax (EBT)	**175.2**	**131.5**
Income tax expense	–66.4	–55.7
Net profit for the period	**108.8**	**75.8**
Minority interests	0.2	1.1
Net income for the period[1)]	**109.0**	**76.9**
Earnings per share (basic and diluted) (€)	**0.97**	**0.69**

1) Gains attributable to shareholders of the parent company

Consolidated Balance Sheet as at 31 March 2005

	31 March 2005 €m	31 Dec. 2004 €m	31 March 2004 €m
ASSETS			
Noncurrent assets			
Intangible assets	1,367.4	1,383.6	1,500.3
Property, plant and equipment	240.1	245.6	323.8
Financial assets and investment property	516.5	514.6	535.7
Miscellaneous and deferred tax assets	17.2	18.9	18.9
	2,141.2	**2,162.7**	**2,378.7**
Current assets			
Current receivables and securities from banking business	6,706.0	4,583.4	5,174.9
Other receivables and other assets	286.0	249.1	304.9
Restricted bank balances	1,447.0	867.4	921.7
Other cash and bank balances	828.2	740.2	429.1
	9,267.2	**6,440.1**	**6,830.6**
Total assets	**11,408.4**	**8,602.8**	**9,209.3**
EQUITY AND LIABILITIES			
Equity			
Shareholders' equity	2,656.5	2,545.2	2,416.8
Minority interests	7.4	7.3	14.2
Total equity	**2,663.9**	**2,552.5**	**2,431.0**
Provisions and liabilities			
Noncurrent provisions			
Provisions for pensions and other employee benefits	81.1	79.0	69.6
Deferred tax liabilities	63.9	63.2	78.3
Other noncurrent provisions	56.2	51.7	40.4
	201.2	**193.9**	**188.3**
Current provisions			
Tax provisions	91.8	72.0	181.6
Other current provisions	40.6	39.6	40.4
	132.4	**111.6**	**222.0**
Noncurrent liabilities			
Interest-bearing liabilities	502.7	502.3	501.6
Other noncurrent liabilities	10.8	10.4	6.0
	513.5	**512.7**	**507.6**
Current liabilities			
Liabilities from banking business	6,266.9	4,186.5	4,747.6
Cash deposits by market participants	1,415.3	831.5	905.9
Other current liabilities	215.2	214.1	206.9
	7,897.4	**5,232.1**	**5,860.4**
Total provisions and liabilities	**8,744.5**	**6,050.3**	**6,778.3**
Total equity and liabilities	**11,408.4**	**8,602.8**	**9,209.3**

Consolidated Cash Flow Statement

for the period 1 January to 31 March 2005

		Quarter ended
	31 March 2005	31 March 2004
	€m	€m
Net profit for the period excluding minority interests	108.8	75.8
Depreciation and amortization expense	37.9	63.6
Increase in noncurrent provisions	6.2	1.4
Deferred tax expense/(income)	1.3	–3.3
Other non-cash expense/(income)	9.6	–5.0
Changes in working cash capital, net of non-cash items	–31.1	–31.6
Cash flows from operating activities	**132.7**	**100.9**
Payments to acquire noncurrent assets (excluding financial instruments)	–15.3	–18.1
Payments to acquire noncurrent financial instruments	0	–0.9
Net decrease/(increase) in current receivables, securities and liabilities from banking business with an original term greater than three months	368.6	–51.8
Proceeds from disposal of other noncurrent assets	0.3	0
Cash flows from investing activities	**353.6**	**–70.8**
Purchase of treasury shares	0	–4.6
Finance lease payments	–0.2	0
Repayment of long-term borrowings	0	–1.6
Cash flows from financing activities	**–0.2**	**–6.2**
Net change in cash and cash equivalents	486.1	23.9
Cash and cash equivalents as at beginning of period[1)]	703.4	362.1
Cash and cash equivalents as at end of period[1)]	**1,189.5**	**386.0**
Operating cash flow per share (€)	**1.19**	**0.90**
Interest and income received from noncurrent financial assets	8.2	22.6
Interest paid	–11.3	–32.3
Income tax paid	–47.0	–39.6

1) Excluding market participants' cash deposits

Consolidated Statement of Changes in Shareholders' Equity

for the period 1 January to 31 March 2005

	31 March 2005 €m	Quarter ended 31 March 2004 €m
Subscribed capital		
Balance as at 1 January	111.8	111.8
Balance as at 31 March	**111.8**	**111.8**
Share premium		
Balance as at 1 January	1,330.2	1,330.2
Balance as at 31 March	**1,330.2**	**1,330.2**
Treasury shares		
Balance as at 1 January	0	0
Purchase within the Group Share Plan	0	–4.6
Balance as at 31 March	**0**	**–4.6**
Retained earnings		
Balance as at 1 January	868.5	760.2
Decrease in carrying amount of equity-accounted investments taken directly to equity	–2.9	0
Exchange rate differences and other adjustments	0.1	–0.8
Balance as at 31 March	**865.7**	**759.4**
Revaluation surplus		
Balance as at 1 January	7.9	4.0
Increase in carrying amount of options related to share-based payments	0.2	0
Remeasurement of cash flow hedges	–1.6	0
Remeasurement of other financial instruments	6.1	5.7
Deferred taxes on remeasurement of financial instruments	0.4	–1.6
Balance as at 31 March	**13.0**	**8.1**
Unappropriated surplus		
Balance as at 1 January	226.8	135.0
Net income for the period	109.0	76.9
Balance as at 31 March	**335.8**	**211.9**
Minority interests		
Balance as at 1 January	7.3	12.3
Changes due to equity increases/reductions	0.3	3.0
Changes due to share in net profit for the period	–0.2	–1.1
Balance as at 31 March	**7.4**	**14.2**
Equity as at 31 March	**2,663.9**	**2,431.0**

Notes to the Interim Financial Statements

1. Accounting policies

These interim financial statements were prepared in accordance with the International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) issued by the International Accounting Standards Board (IASB), and their interpretation by the International Financial Reporting Interpretations Committee (IFRIC). The significant accounting policies applied by the Company to the consolidated financial statements for the year ended 31 December 2004 were also applied to the interim financial statements with the following exceptions, which were first applied as at 1 January 2005:

IFRS 3 “Business combinations”, IAS 36 “Impairment of assets” and IAS 38 “Intangible assets”.

On 31 March 2004, the IASB adopted the new IFRS 3 “Business combinations”, as well as the revised IAS 36 and IAS 38. Under these standards, recognized goodwill and intangible assets with indefinite useful lives must be tested for impairment at least once a year in accordance with IAS 36, and are no longer amortized. If events or a change in circumstances indicate that an asset may be impaired, the impairment test must be performed more frequently. IFRS 3 is applicable to all business combinations agreed on or after 31 March 2004. The standard must be applied to goodwill and intangible assets that are acquired before 31 March 2004 as part of a business combination in financial years beginning on or after 31 March 2004. Goodwill amortization (including impairment losses) amounted to €68.9 million in 2004 (of which goodwill impairment losses: €0.4 million).

In addition, IAS 34 (“Interim financial reporting”) was applied.

2. Group structure

On 18 March 2005, entory AG established a subsidiary, entory S.A., Luxembourg. There were no further significant changes in the Group structure in the first quarter.

3. Seasonal influences

The Group's revenues are influenced more by the volatility and the transaction volume on the capital markets than by seasonal factors. Owing to a concentration of costs for projects only coming to completion in the fourth quarter, net income in the fourth quarter tends to be lower than in the first three quarters of the business year.

4. Total assets

The consolidated total assets of the Group are strongly influenced by the level of liabilities from banking business and, to a lesser extent, cash deposits by market participants. The level of these two items, both of which reflect customer cash balances, can vary widely on a daily basis according to customers' needs and actions.

5. Dividends

No dividends were paid in the first quarter of either 2005 or 2004.

The Executive Board and Supervisory Board will propose to the AGM to be held on 25 May 2005 that a dividend of €0.70 per share (2004: €0.55 per share) be paid to shareholders registered in the Company's share register on 26 May 2005.

The proposed total dividend payout of €78.3 million corresponds to a distribution ratio of 29 percent of the net income for 2004 (previous year: 25 percent of the net income for 2003).

6. Segment reporting

Sales revenue	Quarter ended 31 March 2005 €m	31 March 2004 €m
Xetra	59.1	65.2
Eurex	125.5	106.9
Market Data & Analytics	31.8	29.2
Clearstream	152.0	146.0
Information Technology	31.0	31.8
Total sales revenue	**399.4**	**379.1**
Internal sales revenue Information Technology	**84.7**	**86.6**[1]
Analysis of Clearstream sales revenue (gross commission income)		
Custody	94.6	88.7
Settlement	32.3	33.7
Other	25.1	23.6
Total	**152.0**	**146.0**

[1] Q1/2004 comparative figures adjusted for a reclassification of Clearstream TEC revenue formerly recognized as "other operating income"

Net interest income from banking business	Quarter ended 31 March 2005 €m	31 March 2004 €m
Gross interest income	44.2	32.3
Interest expense	–18.2	–13.7
Net interest income from banking business	**26.0**	**18.6**

Earnings before interest, taxes and goodwill amortization (EBITA)	31 March 2005 €m	Quarter ended 31 March 2004 €m
Xetra	27.0	33.8
Eurex	68.9	53.9
Market Data & Analytics	11.0	10.4
Clearstream	61.7	46.4
Information Technology	17.4	18.6
Corporate Services	–7.9	–9.3
Reconciliation	–0.4	–3.4
Total EBITA	**177.7**	**150.4**

Earnings before tax (EBT)	31 March 2005 €m	Quarter ended 31 March 2004 €m
Xetra	27.0	33.8
Eurex	69.8	54.3
Market Data & Analytics	11.1	10.2
Clearstream	61.7	31.1
Information Technology	17.5	16.9
Corporate Services	–11.4	–11.4
Reconciliation	–0.5	–3.4
Total EBT	**175.2**	**131.5**

Investments (excluding financial instruments)	31 March 2005 €m	Quarter ended 31 March 2004 €m
Xetra	1.2	2.3
Eurex	5.7	6.5
Market Data & Analytics	0.4	0.2
Clearstream	5.9	6.7
Information Technology	4.0	2.0
Corporate Services	1.3	5.4
Reconciliation	–3.2	–4.9
Total investments (excluding financial instruments)	**15.3**	**18.2**

Depreciation and amortization expense (excluding goodwill amortization)	31 March 2005 €m	Quarter ended 31 March 2004 €m
Xetra	6.2	5.9
Eurex	6.2	6.1
Market Data & Analytics	2.9	2.9
Clearstream	12.8	18.6
Information Technology	6.1	8.3
Corporate Services	6.4	5.8
Reconciliation	–2.7	–1.5
Total depreciation and amortization expense (excluding goodwill amortization)	**37.9**	**46.1**

Goodwill amortization (including impairment losses)	31 March 2005 €m	Quarter ended 31 March 2004 €m
Eurex	0	0.4
Market Data & Analytics	0	0.2
Clearstream	0	15.3
Information Technology	0	1.7
Total goodwill amortization (including impairment losses)	**0**	**17.6**

7. Earnings per share

In accordance with IAS 33, earnings per share are calculated by dividing the result for the period by the weighted average number of shares outstanding. There were the following potentially dilutive outstanding options or rights to purchase shares as at 31 March 2005:

Tranche	Exercise price	Adjusted exercise price	Numbers of options outstanding	Average price for the period[1]	Number of potentially dilutive ordinary shares
	€	€	31 March 2005	31 March 2005	31 March 2005
2003	54.79	55.43	138,059	52.86	0
2004	51.84	55.32	79,339	52.86	0

[1] Average volume-weighted price of Deutsche Börse shares on Xetra

As the average share price was still lower than the employees' option adjusted exercise prices, these options are not considered dilutive under IAS 33. There were no further rights to subscribe for shares that could have potentially diluted earnings per share as at either 31 March 2005 or 2004.

Earnings per share	31 March 2005	Quarter ended 31 March 2004
Number of shares outstanding as at beginning of period	111,802,880	111,802,880
Number of shares outstanding as at 31 March	111,802,880	111,802,880
Weighted average number of shares outstanding	111,802,880	111,802,880
Net income for the period (€m)	109.0	76.9
Earnings per share (basic and diluted) (€)	0.97	0.69

8. Shareholdings of members of the Executive and Supervisory Boards

The Company has been notified of the following holdings of Deutsche Börse AG shares as at 31 March 2005:

	Shareholding as at 31 March 2005	Shareholding as at 31 Dec. 2004
Executive Board		
Werner G. Seifert	0	0
Rudolf Ferscha	18,290	18,290
Matthias Ganz	0	0
Mathias Hlubek	5,000	5,000
Michael Kuhn	0	0
Jeffrey Tessler	0	0
Supervisory Board		
Dr. Rolf-E. Breuer	0	0
Manfred Zaß	0	0
David Andrews	0	0
Herbert Bayer	0	0
Udo Behrenwaldt	0	0
Birgit Bokel	0	0
Mehmet Dalman	0	0
Uwe E. Flach	0	0
Hans-Peter Gabe	410	410
Dr. Manfred Gentz	0	0
Prof. Dr. Dr. Dr. h.c. mult. Klaus J. Hopt	0	0
Dr. Stefan Jentzsch	5,400	5,400
Lord Peter Levene of Portsoken KBE[1)]	0	0
Hessel Lindenbergh	0	0
Silke Martinez Maldonado	0	0
Friedrich von Metzler	0	0
Alessandro Profumo	0	0
Sadegh Rismanchi	100	100
Dr. Herbert Walter	0	0
Otto Wierczimok	351	351
Johannes Witt	200	200

1) To leave the Supervisory Board effective 26 Mai 2005

The Company was not notified of any further holdings in Deutsche Börse AG shares in the first quarter of 2005. Neither was there any notification for this period of any transactions in these shares or derivatives issued on these shares.

Under the Group's stock option plan implemented in February 2001, members of the Executive and Supervisory Boards as well as senior executives receive "virtual" options each year. The value of these options is calculated on the basis of the change in the value of the Company's shares compared with the Dow Jones STOXX 600 Technology Index (EUR) (Return). The options are exercisable after between three and five years, and the options' value is only payable in cash. No other shares or stock options have been granted to members of the Executive and Supervisory Boards as well as senior executives.

9. Material transactions with related parties

		Quarter ended
	31 March 2005	31 March 2004
	€m	€m
Associates:		
Operation of Eurex software for European Energy Exchange AG by Deutsche Börse Systems AG	1.2	1.6
Reimbursement of software development costs to The Clearing Corporation Inc. by Eurex Frankfurt AG	0.3	0.1
Total associates	**1.5**	**1.7**
Other investors:		
Development of Eurex software for SWX Swiss Exchange by Deutsche Börse Systems AG	1.4	1.7
Office and administrative services for Eurex Zürich AG by SWX Swiss Exchange	1.7	0
Office and administrative services for SWX Swiss Exchange by Eurex Zürich AG	6.5	7.2
Total other investors	**9.6**	**8.9**
Other companies:		
Operation of Xontro by BrainTrade GmbH for Deutsche Börse AG	3.1	4.1
Operation and development of Xontro for BrainTrade GmbH by Deutsche Börse AG	5.0	6.1
Total other companies	**8.1**	**10.2**

10. Employees

		Quarter ended
	31 March 2005	31 March 2004
Average number of employees during the period	3,266	3,257
Employees as at balance sheet date	3,269	3,260

There was an average of 3,071 full-time equivalent (FTE) employees during the first quarter of 2005 (Q1/2004: 3,086).

11. Contingent liabilities

There have been no significant changes to contingent liabilities since the last reporting date.

12. Events after the balance sheet date

On 13 April 2005, Deutsche Börse AG started buying back shares in the market as part of its ongoing capital management program. In the period from 13 to 28 April 2005, 3.01 million shares were purchased at an average price of €60.14. This corresponds to €180.8 million from a program totalling up to €448.0 million that runs until 20 May 2005. The Executive Board intends to cancel the repurchased shares prior to the Annual General Meeting on 25 May 2005.

The Executive Board
Frankfurt/Main, 2 May 2005
Deutsche Börse AG

Werner G. Seifert | Rudolf Ferscha | Matthias Ganz

Mathias Hlubek | Michael Kuhn | Jeffrey Tessler

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