

## CONVENIENCE TRANSLATION

Report of the Executive Board on agenda item 8 of the Annual General Meeting of Deutsche Börse AG on 11 May 2007

The Executive Board gives a written report to agenda item 8 in accordance with section 71 (1) no. 8 sentence 5 in conjunction with section 186 (4) sentence 2 AktG on the reasons for the authorization to sell own shares other than via the stock exchange or by maintaining the principle of equal treatment and at the suggested issue price as proposed in agenda item 8, as well as on the reasons for the authorization to acquire own shares by partially limiting the principle of equal treatment and any shareholder tender rights as proposed in agenda item 8:

In Item 8 of the Agenda, Deutsche Börse AG is authorized to acquire own shares.

In addition to acquisition via the stock exchange, the company should be able to acquire own shares via a public purchase offer (tender process) or a public request to submit sell offers. This method enables company shareholders who are keen to sell, to decide how many shares to sell, and, when determining a price range, at what price. If the quantity offered at the determined price exceeds the number of shares requested by the company, an acceptance of the sell offers is to be allocated. This should allow provision for a preferred acceptance of smaller offers or small parts of offers up to a maximum of 50 shares. This helps to prevent broken amounts when determining the quotes for acquisition, as well as small remainders, thus simplifying the technical settlement process.

The company is also authorized to effect the acquisition using rights of tender available to the shareholders. These rights are structured in such a way that the company is only obliged to acquire whole shares. In the event that rights of tender are not exercised, they expire. This process complies with the principles of equal treatment of shareholders, but simplifies the technical settlement of share buybacks.

The authorization also allows derivatives in the form of put or call options, or a combination of the two, to be used in the acquisition of own shares.

These alternatives mean that the company is better equipped to optimize the structure of acquiring own shares. It may be advantageous for the company to sell put options or buy call options, rather than acquiring shares of the company directly.

In granting a put option, the company guarantees the purchaser of the put option the right to sell shares of the company at a price fixed in the put option (strike price) to the company. The company is thus obliged to purchase the number of shares specified in the put option at the strike price. When it grants a put option, the company receives an option premium in consideration for this. If the put option is exercised, the option premium paid by the purchaser of the put option reduces the total transaction value paid by the company for the acquisition of the shares.

From the company's point of view, a share buyback using put options has the advantage that the strike price is fixed on the option settlement date. However, liquidity does not flow out until the exercise date. If the option is not exercised, because the share price on the exercise date is above the strike price, the company cannot acquire own shares using this process. It still has the option premium received on the settlement date.

When acquiring a call option, payment of an option premium by the company furnishes it with the right to purchase a previously specified number of shares at a previously specified price (strike price) from the seller of the option (the writer). Exercising the call option makes economic sense for the company when the price of the company shares is above the strike price, since it can then buy the shares from the option seller at the lower strike price. By acquiring call options, the company can hedge against rising share prices, and only has to buy the number of shares that it actually requires at the later date. It also protects the company's liquidity, since the acquisition price determined for the shares does not have to be paid until the call options are exercised.

The options transactions described here are to be concluded with a financial institution. This allows management to conclude options transactions at short notice, unlike offers to all shareholders to acquire options. The determination of option premiums described and the

admissible strike price more closely circumscribed in the resolution mean that the shareholders are not economically disadvantaged in the company's acquisition of own shares using put and call options. Since the company pays a fair market price, those shareholders not involved in options transactions do not lose value. This relates to the position of the shareholders in a share buyback via the stock exchange where not all shareholders are actually able to sell shares to the company. Therefore concluding options transactions with a financial institution is justifiable, also in accordance with the legal basis underlying section 186 (3) sentence 4 AktG, since they cannot be performed with all shareholders, and the pecuniary interests of the shareholders are protected due to market-oriented pricing.

Deutsche Börse AG can generate additional equity by re-selling own shares. Besides disposal via the stock exchange – which ensures equal treatment of shareholders in accordance with the legal definition – or by offer to all shareholders, the proposed resolution under agenda item 8 also makes the company's own shares available for use as consideration in company mergers and acquisitions, in order to acquire stakes in companies or parts of companies and other assets excluding shareholders' subscription rights. This provision is designed to enable the company to react quickly and successfully to advantageous offers or other opportunities to acquire companies and stakes in companies or parts of companies, or other assets on both the domestic and international markets. Frequently, negotiations result in the necessity to provide a consideration in the form of shares rather than in cash. The authorization takes account of this.

In addition, the authorization under agenda item 8 gives the company the option of partially excluding shareholders' subscription rights in the event that the shares are sold to the holders of warrants or convertible bonds. The advantage of this is that, if the authorization is used, the option and/or conversion price does not have to be reduced in accordance with the terms and conditions of options and/or convertibles for the holders of existing option rights and/or conversion rights.

Furthermore, the authorization allows for the possibility of using the shares as employee shares, or to satisfy subscription rights on shares of

the company granted to employees of Deutsche Börse AG and its related companies in accordance with the stock option plan as resolved by the 2003 Annual General Meeting within the limits specified in the authorization. The 2003 Annual General Meeting resolved the following terms and conditions in relation to the stock option plan of Deutsche Börse AG:

a) Eligible beneficiaries

Eligible beneficiaries are all employees of Deutsche Börse AG and its related companies within the meaning of section 15 et seq. AktG (hereinafter also referred to as "related companies"), excluding members of the Executive Board of Deutsche Börse AG and of the management of related companies as defined by the Executive Board of Deutsche Börse AG, which acquire employee shares under the employee stock option plan of Deutsche Börse AG.

b) Issue periods and allocation of subscription rights, content of subscription rights

Subscription rights will be allocated in annual tranches together with the employee shares, beginning in 2003 until May 13, 2008. Each subscription right entitles the holder to acquire one no-par value share of Deutsche Börse AG – against payment of the issue price pursuant to c) below.

c) Issue price and performance target

In the event that the subscription right is exercised, the issue price for a share is calculated by adding a mark-up to a basic price. This issue price corresponds, at the very least, to the proportionate amount of share capital attributable to one share (section 9 (1) AktG).

The basic price is the average closing auction price, weighted by volume, of Deutsche Börse's shares in the electronic trading system of the Frankfurt Stock Exchange over the ten exchange trading days prior to the date of issue of the subscription right, but corresponds to at least the closing auction price on the day on which the subscription

right is issued. The mark-up amounts to 20% of the basic price (performance target). The subscription right may only be exercised if, at any time before exercise, the quoted price of Deutsche Börse's shares in the electronic trading system of the Frankfurt Stock Exchange has amounted to at least 120% of the basic price (exercise hurdle).

d) Waiting period for initial exercise and exercise periods

The subscription rights may not be exercised until the end of the waiting period at the very earliest. The waiting period starts when the respective subscription right is issued and ends two years after issue. The right to exercise the subscription right expires at the end of the sixth anniversary of the respective issue date at the latest. Subscription rights not exercised by this date are forfeited without replacement. The subscription rights may not be exercised in the period from two exchange trading days after the end of the quarter up to and including the day on which the quarterly results are published, or in the period from two trading days after the end of the fiscal year up to and including the day on which the results for the fiscal year are published (lock-up period). In addition, the restrictions arising from general legal provisions, e.g. insider information legislation pursuant to the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG), must be complied with. Further restrictions may also be imposed by the Executive Board of Deutsche Börse AG.

e) Non-transferability and expiration of subscription rights

The subscription rights granted are not transferable and cannot be pledged. They may only be exercised by the beneficiaries themselves – except in the case of the beneficiary's death. The subscription rights granted may only be exercised if the eligible beneficiary is in an unterminated employment relationship with Deutsche Börse AG or one of its related companies. Special regulations, which may be structured in different ways, may apply in the event of death or total disability, occupational incapacity, retirement, or the ending of the employment relationship not

due to termination, or in the event that a company or a business division ceases to belong to Deutsche Börse AG or one of its related companies.

- f) Determination of further details relating to the granting of subscription rights and the issue of shares

The Executive Board is authorized, with the consent of the Supervisory Board, to determine further details concerning the granting of subscription rights and the issue of shares in the terms and conditions of subscription. The same applies to the stipulation of anti-dilution regulations. Subscription rights may also be fulfilled by the transfer of own shares in Deutsche Börse AG or by cash payment. The conditions of subscription set out above may be altered for participants from other countries, in particular in order to bring them into line with the national law of the country in question.

In accordance with section 4 (4) and – taking into account the proposed amendment to the Articles of Incorporation set out under agenda item 6 a) bb) – renumbered (7) of the Articles of Incorporation, the company has created an Authorized Capital II and a Conditional Capital I to enable it to issue employee shares and fulfill employee subscription rights. Since it can make economic sense to use own shares rather than a capital increase or payment in cash, the authorization is intended to create the necessary freedom for the company to use this option. Furthermore, a price risk that might otherwise materialize can also be effectively controlled by the use of the own shares acquired. Shareholder subscription rights must also be excluded accordingly, in the event that own shares acquired are used to satisfy employee subscription rights in accordance with the Deutsche Börse AG stock option plan resolved by the 2003 Annual General Meeting.

Finally, the management is to be given the option of selling any own shares acquired outside of the stock exchange in return for cash payment and excluding shareholders' subscription rights. This is subject to the proviso that the shares are sold in return for cash payment at a price that does not fall substantially below the quoted price of the company's shares. This makes use of the option for a less stringent exclusion of subscription rights as provided for in section 71 (1) no. 8 AktG in

conjunction with section 186 (3) sentence 4 AktG. The fact that the shares can only be sold at a price that does not fall substantially below the quoted price of the company's shares takes shareholders' anti-dilution concerns into account. The final sale price for the own shares shall be fixed in a timely manner prior to the sale. The Executive Board shall ensure that any discount on the quoted price is as low as possible, taking into account the market condition prevailing at the time of placement. The discount on the quoted price at the point in time at which the relevant authorization is used shall not, under any circumstances, exceed 5% of the current quoted price. This is subject to the proviso that the shares sold excluding shareholders' subscription rights in accordance with section 186 (3) sentence 4 AktG do not exceed a total of 10% of the company's share capital either at the point in time at which the authorization becomes effective or at the time at which it is exercised. All shares issued from authorized capital excluding shareholders' subscription rights in accordance with section 186 (3) sentence 4 AktG during the period in which this authorization is effective shall be included in the calculation of this limit. As far as shares will have been issued or disposed excluding shareholders' subscription rights in accordance with section 186 (3) sentence 4 AktG during the period since 11 May 2007 but before the validity of the increase in the share capital using retained earnings according to agenda item 5, the amount of such shares shall be taken into account with double the amount for the purpose of calculating the 10% limit. The single or double calculation shall also include those shares issued in order to satisfy bonds with conversion and option rights or with an obligation to exercise conversion or option rights, provided that the bonds are issued excluding shareholders' subscription rights in accordance with section 186 (3) sentence 4 AktG during the period in which this authorization is effective. This limitation, together with the fact that the issue price has to be based on the quoted prices, is designed to give appropriate consideration to the financial and voting right interests of the shareholders. In principle, the shareholders have the option of maintaining their stake by purchasing Deutsche Börse shares via the stock exchange. These authorizations are in the interest of the company because they provide it with greater flexibility, for example, the option of selling own shares to institutional investors or of targeting new groups of investors.

Moreover, own shares bought back should be able to be used within the framework of the SBP. Please refer to the report on agenda item 7

regarding the SBP, its structure and basis, and in particular the reasons why the use of shares in the stock bonus program justifies the exclusion of the shareholders' subscription rights. These comments apply accordingly and justify the exclusion of shareholders' subscription rights both when using own shares bought back and Authorized Capital IV.

Frankfurt/Main, 19 March 2007

Deutsche Börse AG

The Executive Board

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Dr. Reto Francioni, Chief Executive Officer

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Dr. Michael Kuhn

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Andreas Preuß

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