

Update Strategic Review & Q2/2015 Results

Analyst and Investor Conference Call

28 July 2015

Agenda

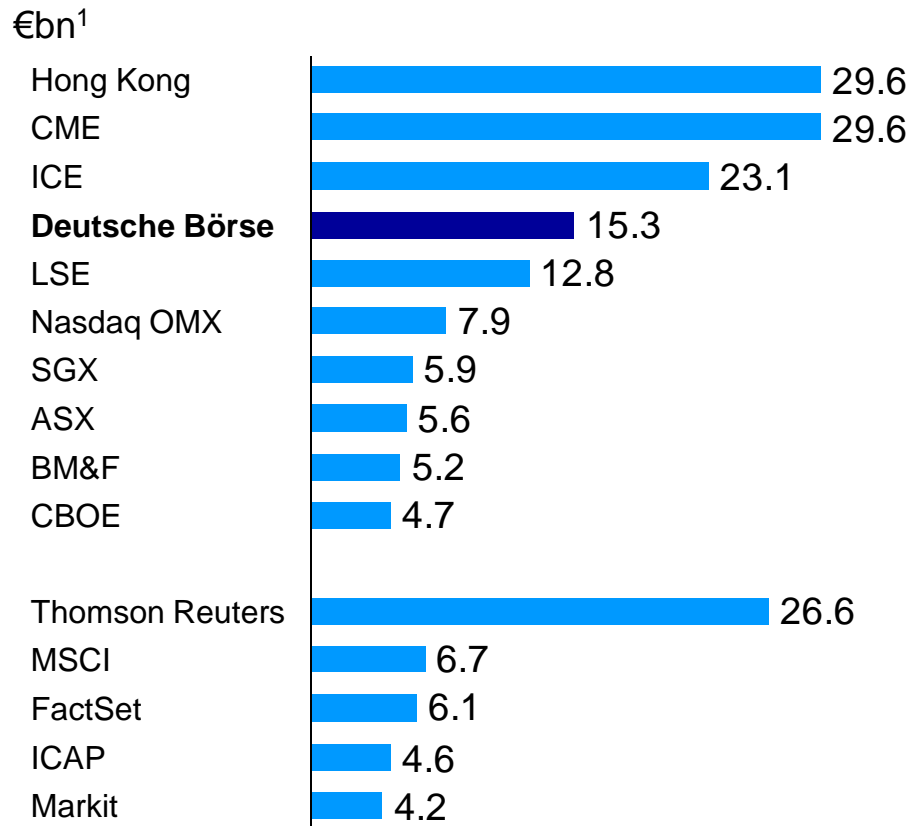
Update Strategic Review

Q2/2015 Results

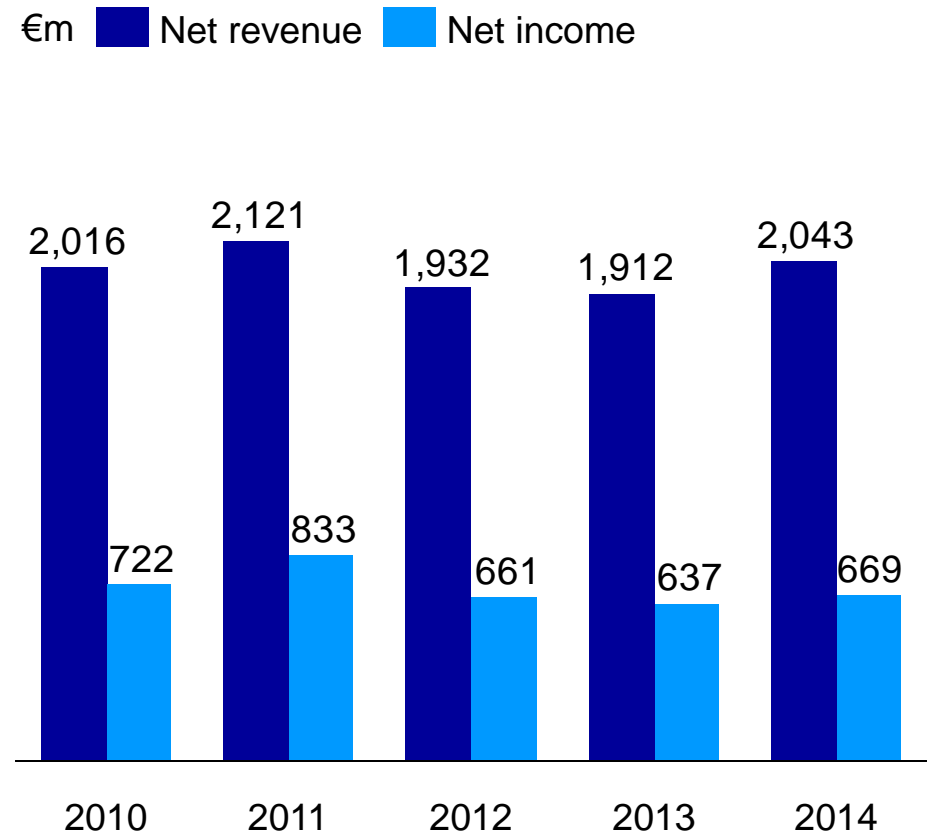
Revised Mid-term Guidance

Update On Strategic Review – Strategic Position In A Global Context: #4 Market Capitalisation, #3 Net Revenue

Peer group comparison market capitalisation



Development of financials 2010-2014



1) As per 27 July 2015

Update On Strategic Review – Process And Key Objectives

Inputs

Discussions with clients in the US, Europe and Asia

Meetings with existing and potential shareholders

Capital markets / sell-side view on Deutsche Börse

Meetings with politicians / regulators

Deep dive into inorganic growth opportunities

'Blue Sky' strategy assignment across organization / hierarchy

Review of mid-term financial targets

Launch
group-wide
growth
programme
'Accelerate'

Objectives

1 Culture / people / organization
(‘move towards client centric, innovative, high performance culture / organization and foster entrepreneurship’)

2 Performance measurement / incentive scheme / compensation
(‘measure / reward success, broader divisional P+L responsibilities’)

3 Ambition level / mid-term targets
(‘meaningfully increase growth trajectory and prove scalability of model’)

4 Complementary growth opportunities
(‘pursue value enhancing M&A to accelerate organic growth plan where appropriate’)

5 Capital allocation
(‘review portfolio and employ strong balance sheet to allocate sufficient capital to growth and and continue attractive distribution policy’)

Update On Strategic Review – ‘Accelerate’ As Foundation For Higher Growth Ambition

	Initiatives	Objectives
1 Culture / people / organization	<ul style="list-style-type: none"> ▪ Cross divisional approach to sales / innovation / operations ▪ Delayering and complexity reductions 	<ul style="list-style-type: none"> ▪ Better address client needs and unlock revenue potential ▪ Increase speed of decision making / agility
2 Performance measurement / incentive scheme / compensation	<ul style="list-style-type: none"> ▪ Refine compensation scheme / incentives ▪ Direct P+L responsibilities / 360° feedback / new hiring process 	<ul style="list-style-type: none"> ▪ Better alignment with shareholders (increase “skin in the game”) ▪ Foster entrepreneurship and attract best of breed talent
3 Ambition level / mid-term targets	<ul style="list-style-type: none"> ▪ Review of organic growth portfolio and acceleration of promising projects ▪ Top-down mid-term plan with more ambitious targets 	<ul style="list-style-type: none"> ▪ Portfolio management approach to delivering sustainable organic growth ▪ Unlock potential for higher growth throughout entire firm
4 Complementary growth opportunities	<ul style="list-style-type: none"> ▪ Constantly evaluate and prioritize pipeline of potential M&A 	<ul style="list-style-type: none"> ▪ Immediate focus is on bolt-on opportunities that accelerate organic growth plan (e.g. STOXX, 360T)
5 Capital allocation	<ul style="list-style-type: none"> ▪ Review entire portfolio including shareholdings ▪ Allocate sufficient capital to value enhancing growth opportunities 	<ul style="list-style-type: none"> ▪ Stricter discipline in capital allocation (prioritize investments into organic and non-organic) ▪ Meet balance sheet objectives (e.g. hybrid for STOXX) <u>and</u> continue attractive distributions

Update On Strategic Review – Our Vision In A Nutshell



Agenda

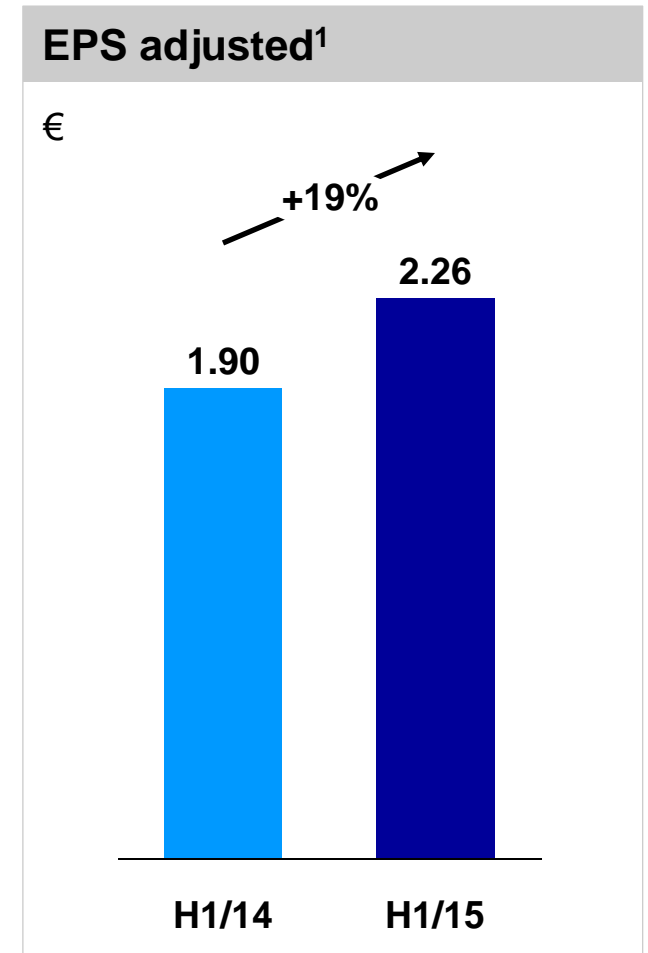
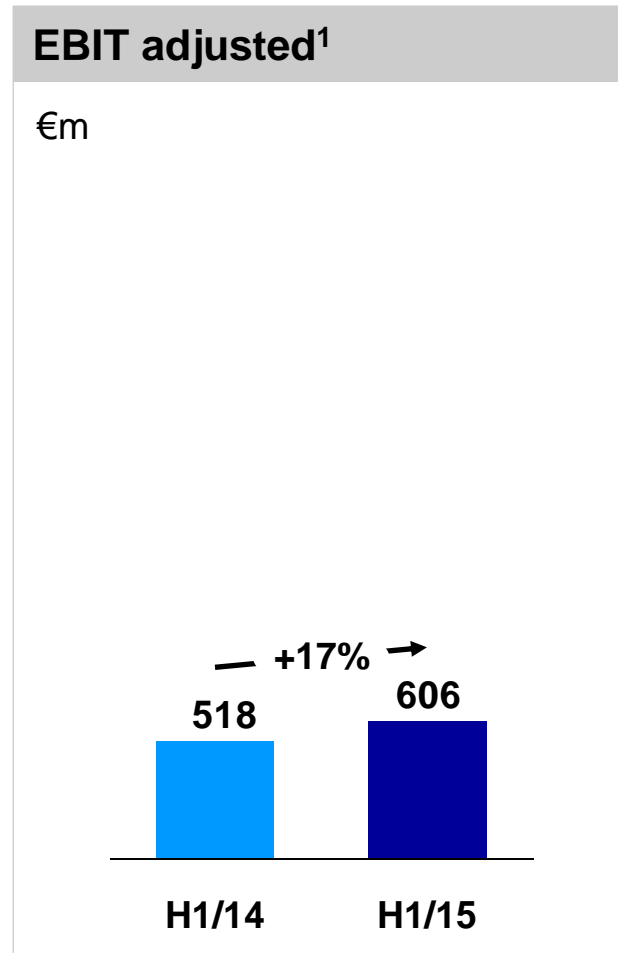
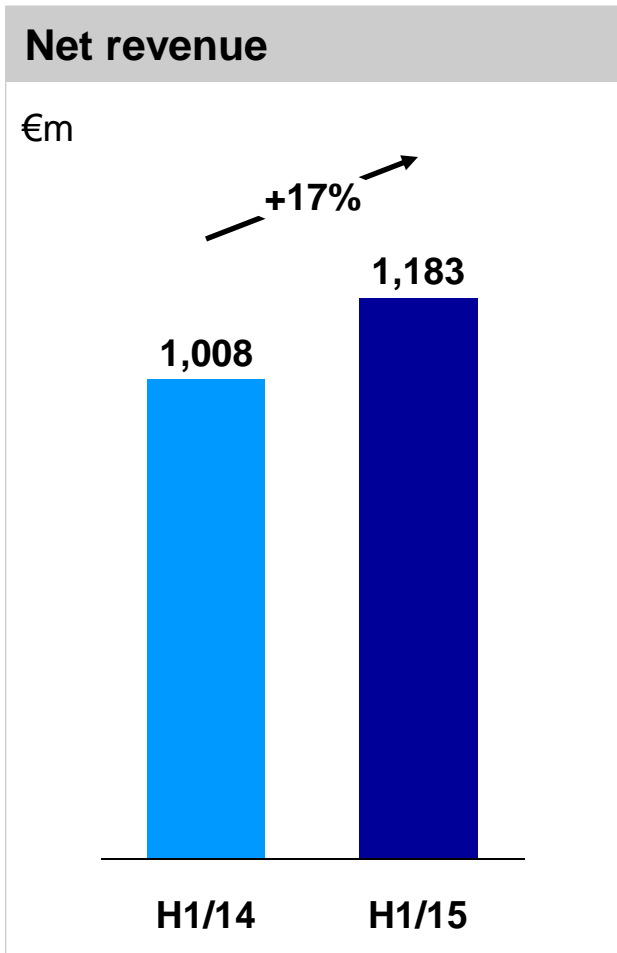
Update Strategic Review



Q2/2015 Results

Revised Mid-term Guidance

Q2/2015 Results – Group Financials In H1/2015

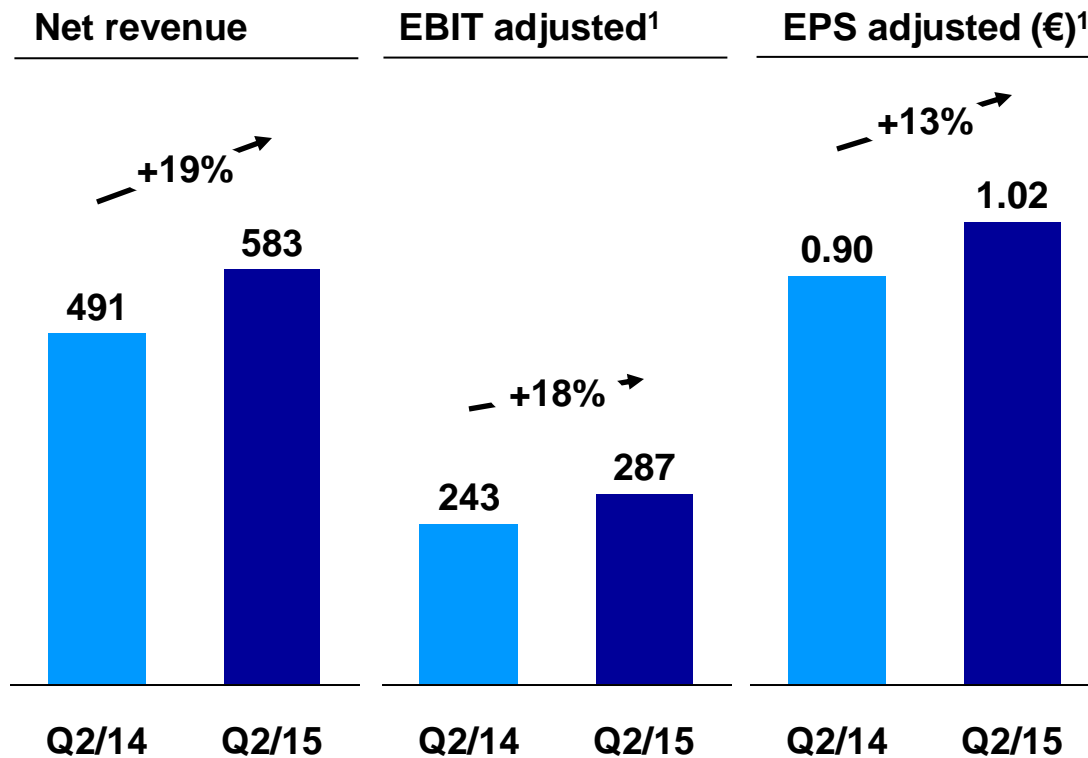


1) Adjusted for exceptional items

Q2/2015 Results – Group Financials In Q2/2015

Net revenue, EBIT and EPS development

€m



Revenue

- Net revenue: €583.1m (+19% y-o-y)
- Net interest income: €14.1m (+7% y-o-y); increase due to Eurex NII from cash collaterals

Costs

- Operating costs¹: €295.9m (+19% y-o-y)
- Adjusted for €11.8m exceptional items (e.g. restructuring, M&A, litigations)²

Earnings

- EBIT¹: €287.1m (+18% y-o-y)
- Adjusted for €3.9m impairment of Bondcube
- Net income¹: €187.7m (+14% y-o-y)
- Includes €3.9m negative FX effect from US\$ balances (H1/15: +€14.2m)
- EPS¹: €1.02 (+13% y-o-y)

Exchange rate EURUSD: Q2/14: 1.3691, Q2/15: 1.1119

1) Adjusted for exceptional items

2) Total exceptional items in the operating cost base in 2015 will be ~€110 million (previous guidance ~€30 million; increase due to: ~€20 million M&A / litigations, ~€60 million "Accelerate")

Q2/2015 Results – Eurex

Business activity Q2/2015 y-o-y

Financial derivatives (traded contracts in m)

US Options	151.3	7%
Equity	106.2	-5%
Fixed income	146.9	29%
Index	197.6	35%
Total¹	606.1	17%

Commodities (volume in TWh)

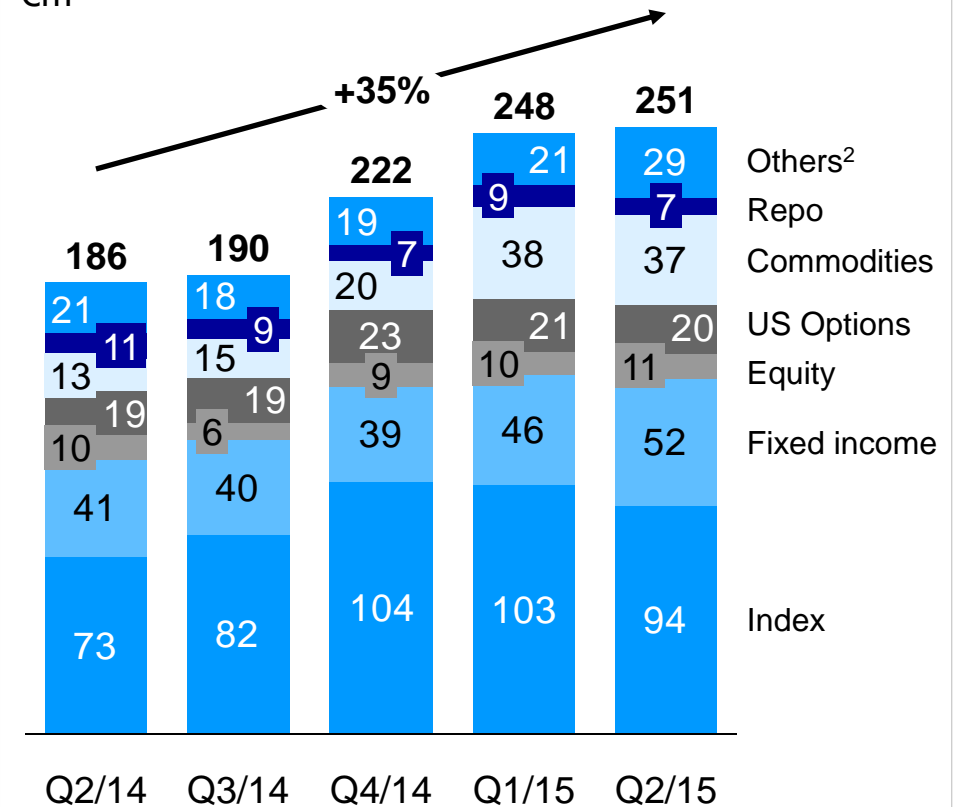
Power	635.3	126%
Gas	191.6	51%

Repo (monthly outstandings in € bn)

Total volume	188.5	-16%
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Net revenue

€m



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

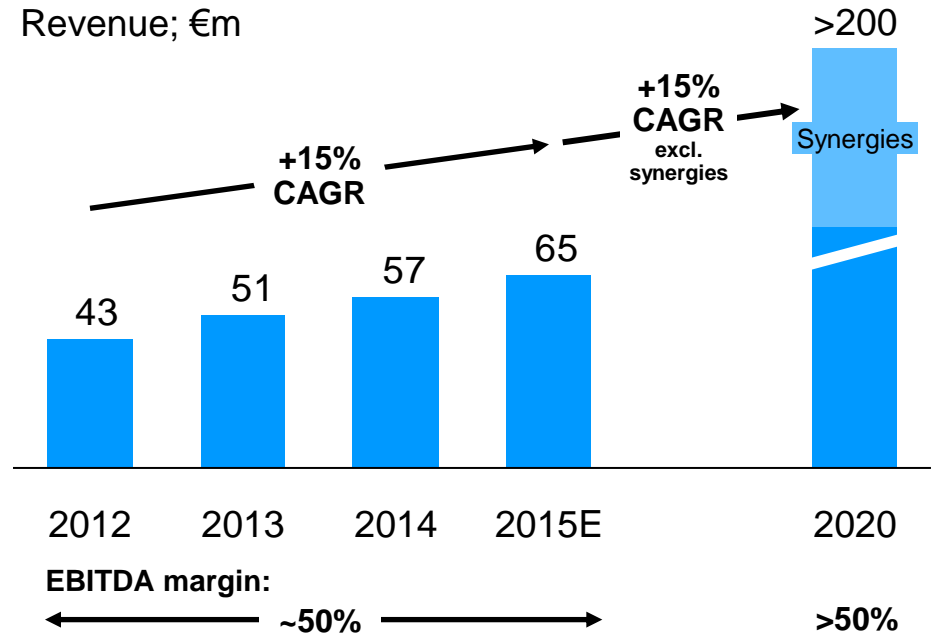
2) Including revenue from ISE market data, member and other fees

Q2/2015 Results – Acquisition Of FX Trading Platform 360T As Entry Point For Deutsche Börse Into Highly Attractive Asset Class

Transaction terms and rationale

- Deutsche Börse entered into definitive agreement regarding the full acquisition of 360T for a purchase price of €725 million
- 360T is a leading global FX trading platform catering to a broad customer base (corporates, buy-side firms, banks) with double-digit revenue CAGR since inception in 2000
- Acquisition is expected to further accelerate 360T's organic growth trajectory; in addition, significant double-digit million Euro revenue synergies in the mid-term are expected by utilising Deutsche Börse's international distribution capabilities and expertise
- The acquisition is planned to be financed through combination of debt and equity, with the aim to minimise a potential credit rating impact; the transaction is expected to be immediately cash earnings accretive
- The completion of this transaction is subject to the approval by competition and supervisory authorities; closing expected for Q4/2015

360T financials and projections



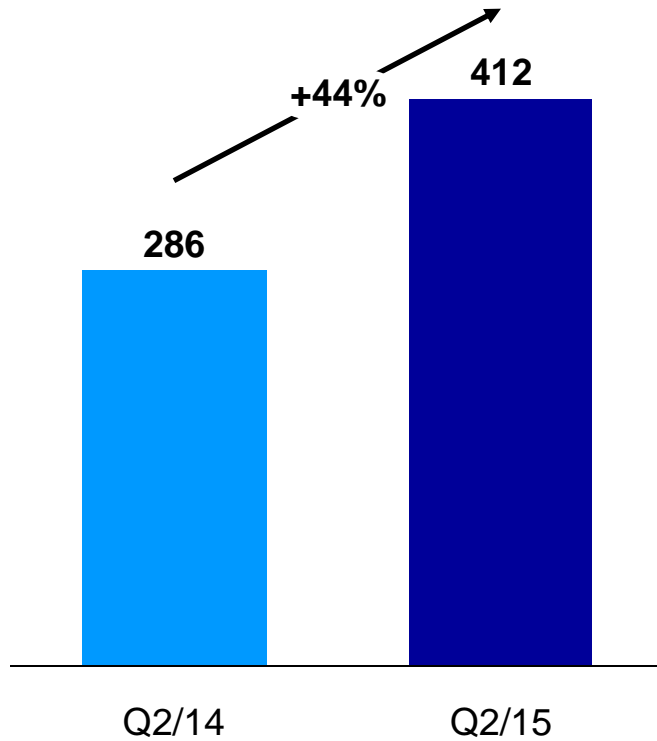
Key synergy drivers

- New FX spot ECN trading venue combining client bases
- Leveraging Eurex futures trading capability
- FX forward / swap ECN venue with Eurex as CCP
- Distribution of Deutsche Börse products / data through 360T

Q2/2015 Results – Xetra

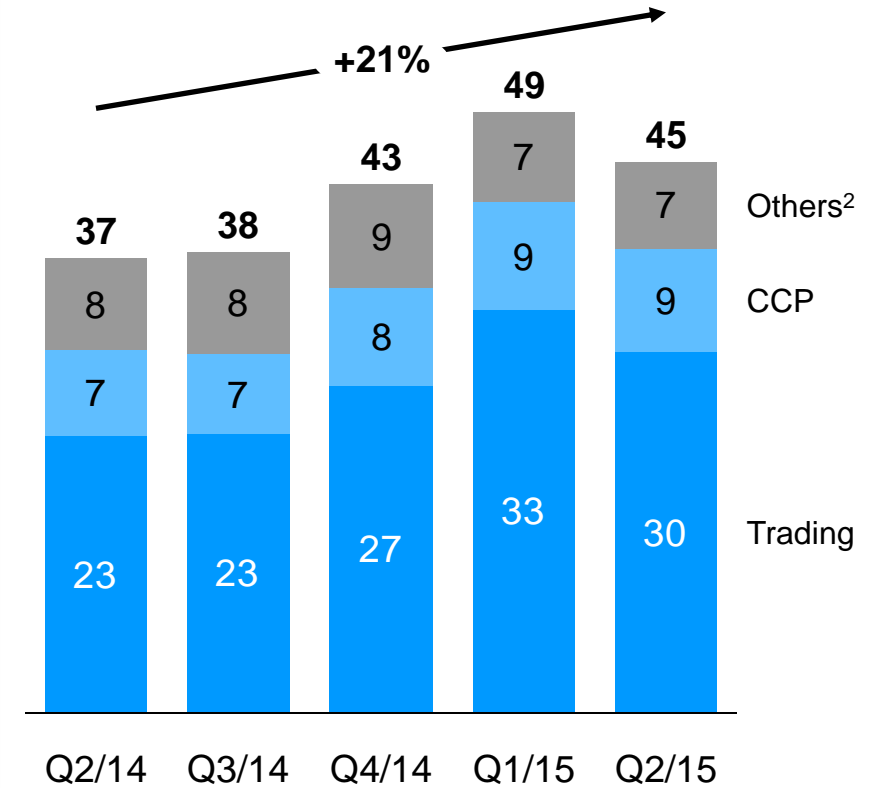
Business activity Q2/2015 y-o-y

Order book volume in €bn¹



Net revenue

€m







1) Xetra, Börse Frankfurt and Tradegate

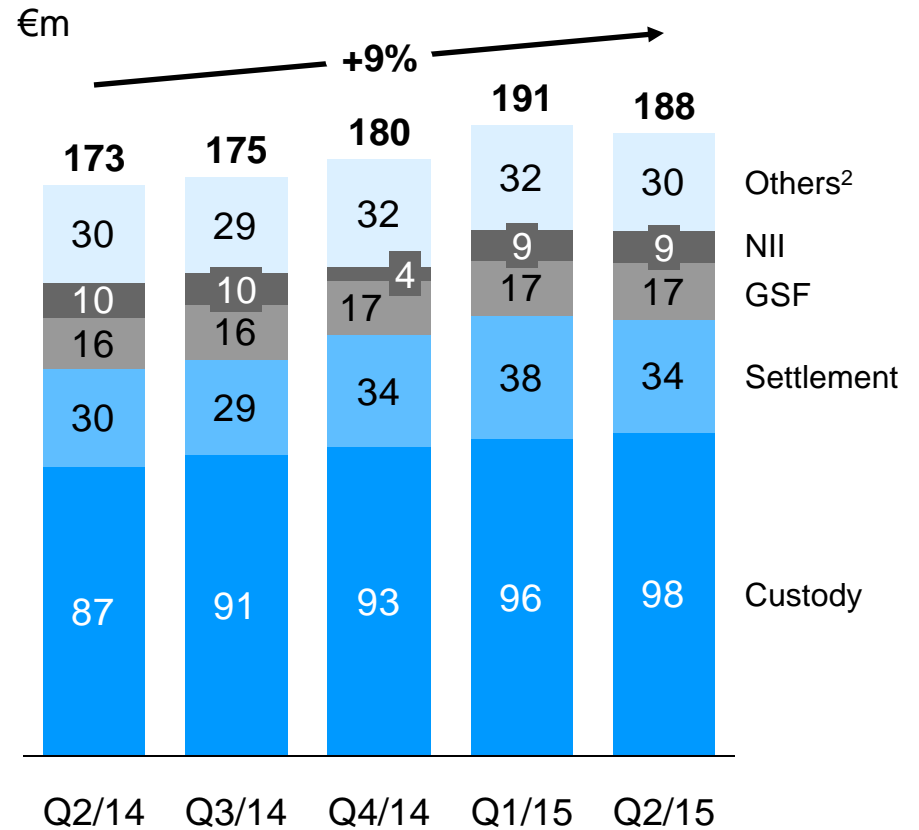
2) Including revenue from listing, member admission and Eurex Bonds

Q2/2015 Results – Clearstream

Business activity Q2/2015 y-o-y

Assets under custody	€13.4tr	 10%
Settlement transactions	33.6m	 11%
GSF outstandings	€620.0bn	 3%
Cash balances ¹	€11.3bn	 2%

Net revenue



1) Adjusted for balances restricted by relevant EU and US sanction programmes

2) Including revenue from connectivity and reporting

Q2/2015 Results – Market Data + Services

Business activity Q2/2015 y-o-y

Information

- Derivatives / cash market data, indicators, news

Index

- Calculation / distribution of indices through STOXX:

ETF AuM STOXX €65bn ■ 32%

ETF AuM DAX €24bn -19% ■

Tools

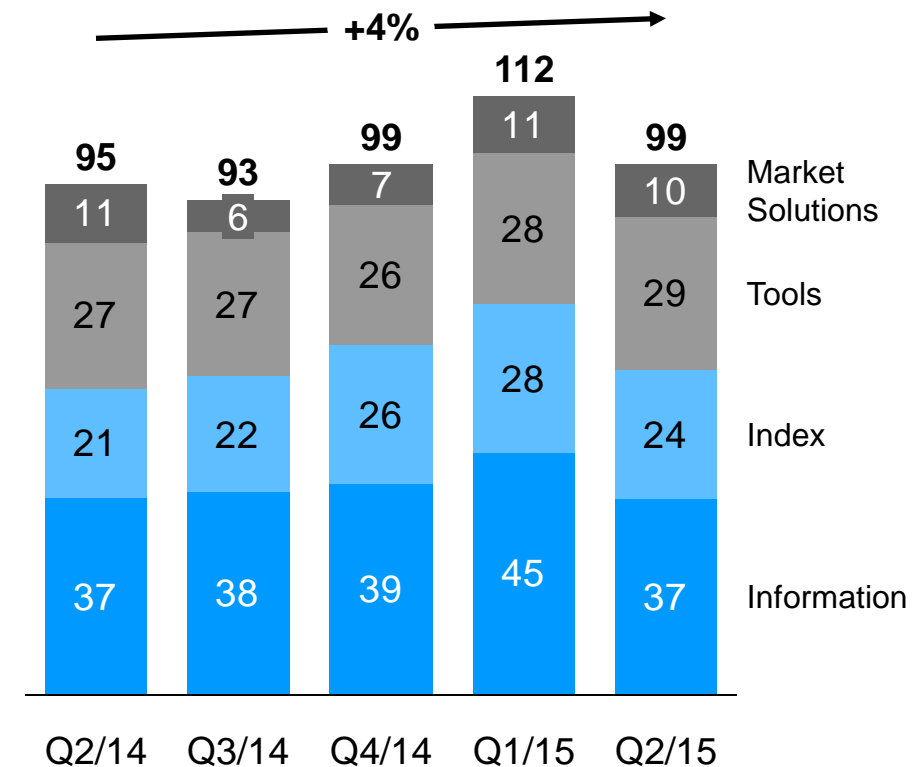
- Market connectivity, regulatory reporting, others

Market Solutions

- Business process and infrastructure outsourcing

Net revenue

€m

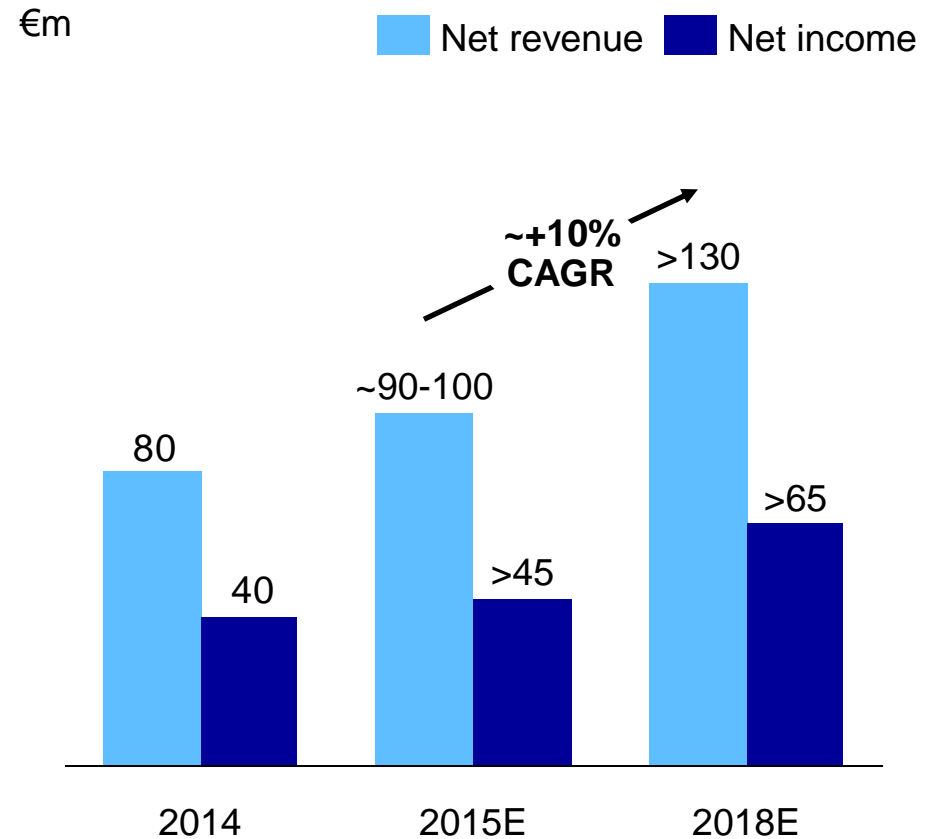


Q2/2015 Results – Full Acquisition Of STOXX Increases Strategic Flexibility Of Deutsche Börse In High-Growth Index Business

Transaction terms and rationale

- Deutsche Börse AG entered into an agreement with SIX Group regarding the full acquisition of STOXX and Indexium for CHF650 million
- Purchase price was hedged and translates into ~€625 million less cash within STOXX attributable to Deutsche Börse of ~€65 million yielding effective cash outlay of ~€560 million
- STOXX is benefitting from the continuing long term trend towards passive investments (~15% CAGR till 2020) and ETF penetration in Europe (\$0.5 trillion AuM vs. \$2.4tr in the US)
- Acquisition significantly increases strategic flexibility and is expected to be immediately earnings accretive; in addition, it yields short-term cost savings potential from streamlining governance and processes of at least €5 million p.a.
- Acquisition is interim-financed with commercial paper; long-term financing via bond / hybrid instrument

STOXX projections for 2015-2018



Agenda

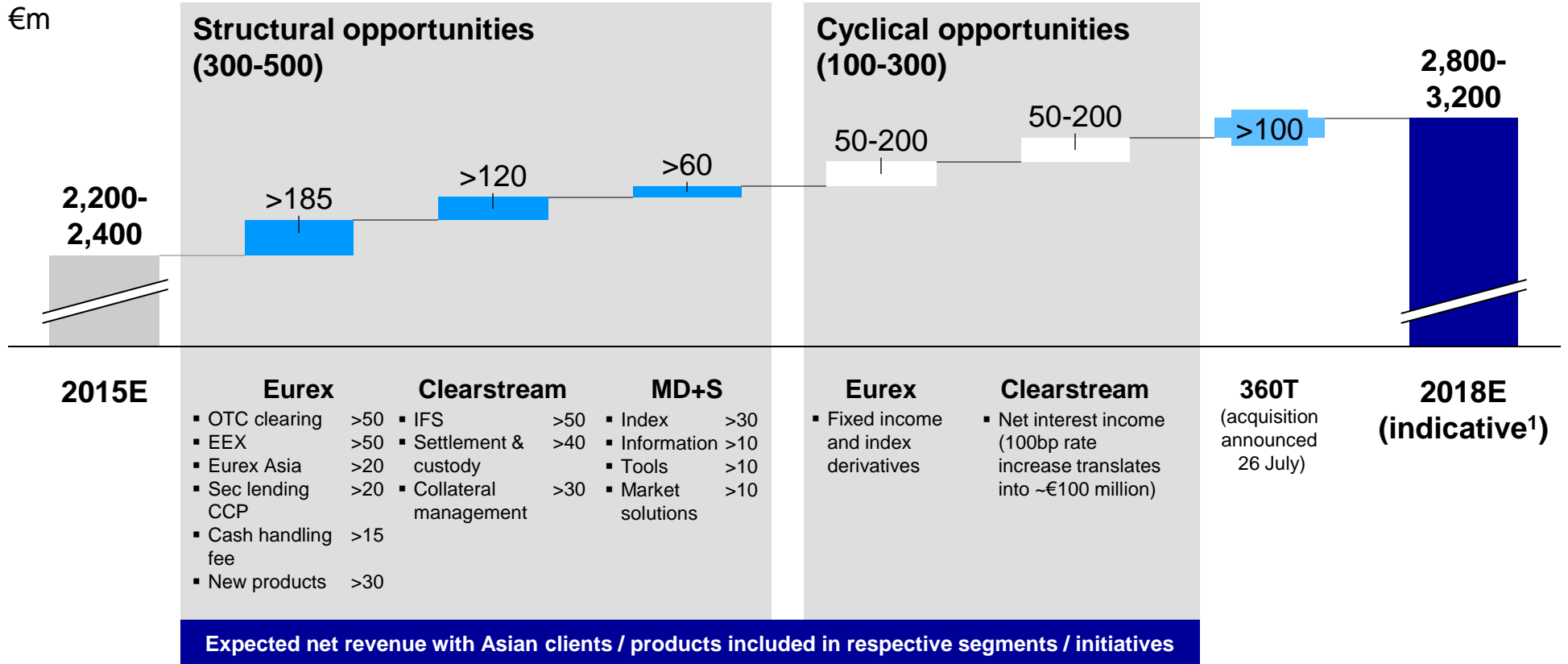
Update Strategic Review

Q2/2015 Results

Revised Mid-term Guidance

Revised Mid-Term Guidance – Transparency On Net Revenue Upside From Existing Structural And Cyclical Opportunities

Mid-term net revenue opportunities



1) Assumes constant portfolio (including STOXX and 360T)

Revised Mid-Term Guidance – New Target Comprises Additional Net Revenue Growth And Commitment To Scalability Of Business Model

New mid-term guidance until 2018

€m	2015E	Growth until 2018 in €m	Growth until 2018 year-over-year ¹	2018E indicative ¹
Net revenue	~2,200-2,400	~500-900	5-10%	~2,800-3,200
EBIT	~975-1,175	~450-650	10-15%	~1,550-1,750
Net income	~675-825	~275-425	10-15%	~1,025-1,175

New mid-term guidance assumes constant portfolio, constant currency, and continued recovery of Eurozone and world economies

1) Assumes constant portfolio (including STOXX and 360T)

Revised Mid-Term Guidance – Our Principles To Manage Costs

1

Ensure scalability of business model

- Cost base will be proactively managed in a way that ...
- ... mid-single digit net revenue growth will result in flat costs, and ...
- ... double-digit net revenue growth in around 5% cost growth

2

Continuous improvement processes

- Mind-set change to further focus on client needs and benefits
- Increase quality and efficiency of service delivery
- At least compensate inflation and salary increases

3

Accelerate growth by structurally increasing financial flexibility

- Delaying: increase speed of decision making across the Group
- Further expansion of near-shoring concept for internal and external staff
- Further improvement of sourcing and procurement

- Envisaged programme unlocks ~€50 million further investment capacity fully effective in 2016
- Requires additional ~€60 million restructuring charges in 2015¹

1) Total exceptional items in the operating cost base in 2015 will be around €110 million

Appendix

Income Statement – Group Level Adjusted

	Quarter ended 30 June 2015	Quarter ended 30 June 2014
Sales revenue	674.8	560.4
Net interest income from banking business	14.1	13.2
Other operating income	4.6	2.8
Total revenue	693.5	576.4
Volume-related costs	-110.4	-85.2
Net revenue (total revenue less volume-related costs)	583.1	491.2
Staff costs	-137.0	-111.5
Depreciation, amortization and impairment losses	-32.5	-29.1
Other operating expenses	-126.4	-108.7
Operating costs¹	-295.9	-249.3
Result from equity investments	-0.1	1.5
Earnings before interest and tax (EBIT)	287.1	243.4
Financial income	-2.9	0.6
Financial expense	-14.9	-13.8
Earnings before tax (EBT)	269.3	230.2
Income tax expense	-70.0	-59.9
Net profit for the period	199.3	170.3
thereof shareholders of parent company (net income for the period)	187.7	165.2
thereof non-controlling interests	11.6	5.1
Earnings per share (basic) (€)	1.02	0.90

1) Adjusted for costs for efficiency programmes and merger related costs (Q2/2014: €5.1m, Q2/2015: €11.8m)

Income Statement – Segmental Level

	Eurex		Xetra		Clearstream		Market Data + Services	
	Q2/2015	Q2/2014	Q2/2015	Q2/2014	Q2/2015	Q2/2014	Q2/2015	Q2/2014
Sales revenue ¹	297.9	215.7	51.3	42.5	226.9	206.4	109.8	104.6
Net interest income from banking business	4.7	2.8	-	-	9.4	10.4	-	-
Other operating income ¹	3.5	3.0	1.9	1.8	0.8	0.5	1.4	0.8
Total revenue¹	306.1	221.5	53.2	44.3	237.1	217.3	111.2	105.4
Volume-related costs ¹	-55.5	-35.8	-8.1	-7.0	-48.7	-44.5	-12.2	-10.0
Net revenue¹	250.6	185.7	45.1	37.3	188.4	172.8	99.0	95.4
Staff costs	-52.4	-38.4	-9.2	-8.7	-55.6	-45.3	-21.6	-19.5
Depreciation, amortization and impairment losses	-18.9	-14.7	-1.2	-1.4	-9.7	-9.9	-3.3	-3.9
Other operating expenses	-57.9	-44.9	-7.8	-7.9	-40.7	-33.1	-29.4	-26.7
Operating costs	-129.2	-98.0	-18.2	-18.0	-106.0	-88.3	-54.3	-50.1
Thereof exceptional items	-3.3	-1.1	-0.3	-0.2	-7.4	-1.6	-0.8	-2.2
Result from equity investments	-1.9	1.8	-2.1	0.0	0.0	0.0	0.0	0.0
Thereof exceptional items	0.0	0.3	-3.9	0.0	0.0	0.0	0.0	0.0
Earnings before interest and tax (EBIT)	119.5	89.5	24.8	19.3	82.4	84.5	44.7	45.3

1) Includes internal items

Financial Calendar And Contact Details

Financial calendar

28 Oct 2015	Interim report Q3/2015
29 Oct 2015	Conference call Q3/2015

Contact details

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