

Preliminary results FY/2013

Annual Press Briefing

Frankfurt/Main, 20 February 2014

Agenda

Highlights

Financial year 2013

Strategic roadmap

Highlights full year 2013 preliminary results presentation

- Despite cyclical headwinds across the business in 2013, the Group's net revenue remained broadly stable at €1.9 billion.
- Adjusted EBIT amounted to €954 million, down 5 per cent due to the planned increase of investments in growth and infrastructure.
- Continued strong cash flow generation allows for attractive distribution: stable dividend of €2.10 per share for 2013 proposed, a 61 per cent pay-out ratio.
- Deutsche Börse is uniquely positioned to benefit from customer focus on risk, collateral and liquidity management; business model is serving as the global role model.
- Significant progress has been made in 2013 with regards to infrastructure (e.g. derivatives trading and clearing) and structural growth initiatives (e.g. OTC clearing, collateral management, Asia).

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Development of Group and segmental financials in 2013

Group

Net revenue

€1,912.3 million (–1%)

Net interest income

€35.9 million (–31%)

Operating costs¹⁾

€967.6 million (+5%)

EBIT¹⁾

€954.0 million (–5%)

Tax rate¹⁾

26% (stable)

Net income¹⁾

€636.8 million (–4%)

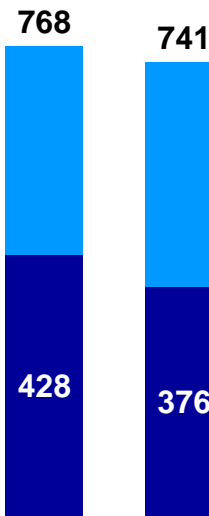
Earnings per share¹⁾

€3.46 (–2%)

Segments

Eurex

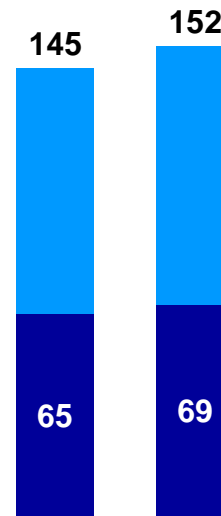
– Net rev. →
–3%



2012 2013

Xetra

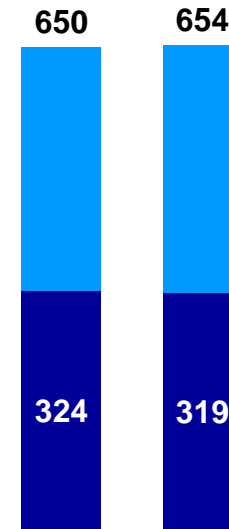
Net rev. →
+5%



2012 2013

Clearstream

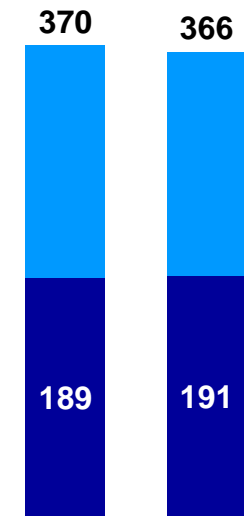
Net rev. →
+1%



2012 2013

MD+S

– Net rev. →
–1%



2012 2013

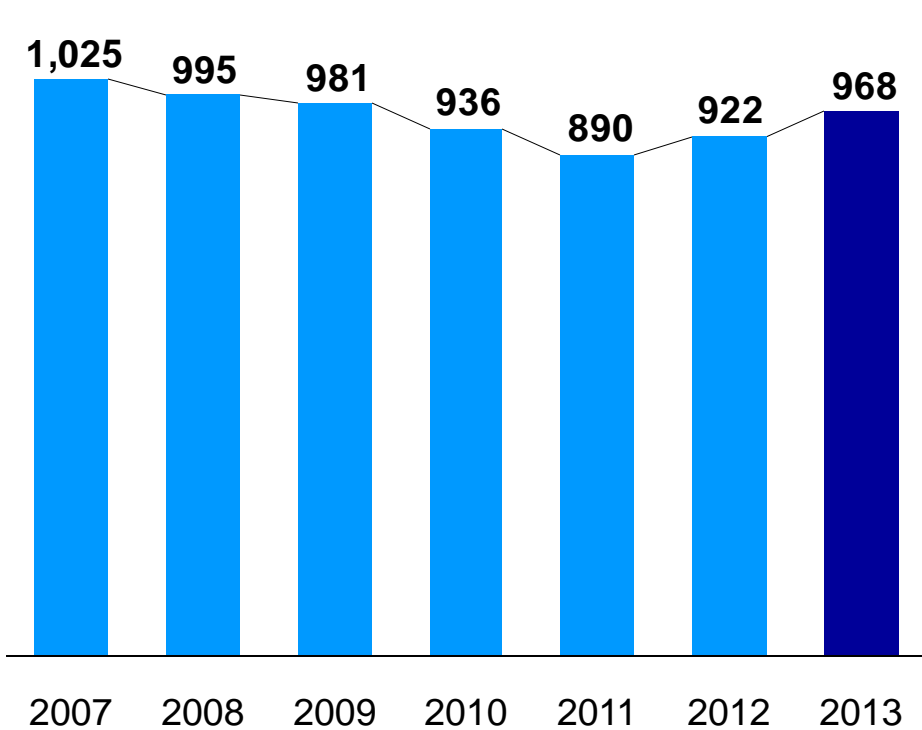
€m Net revenue EBIT¹⁾

1) Adjusted for costs for efficiency programmes and merger-related costs (2012: €36.2m, 2013: €86.2m) as well as costs relating to the OFAC settlement (2013: €129.0m)

Effective cost management over the years created flexibility to increase investments in growth

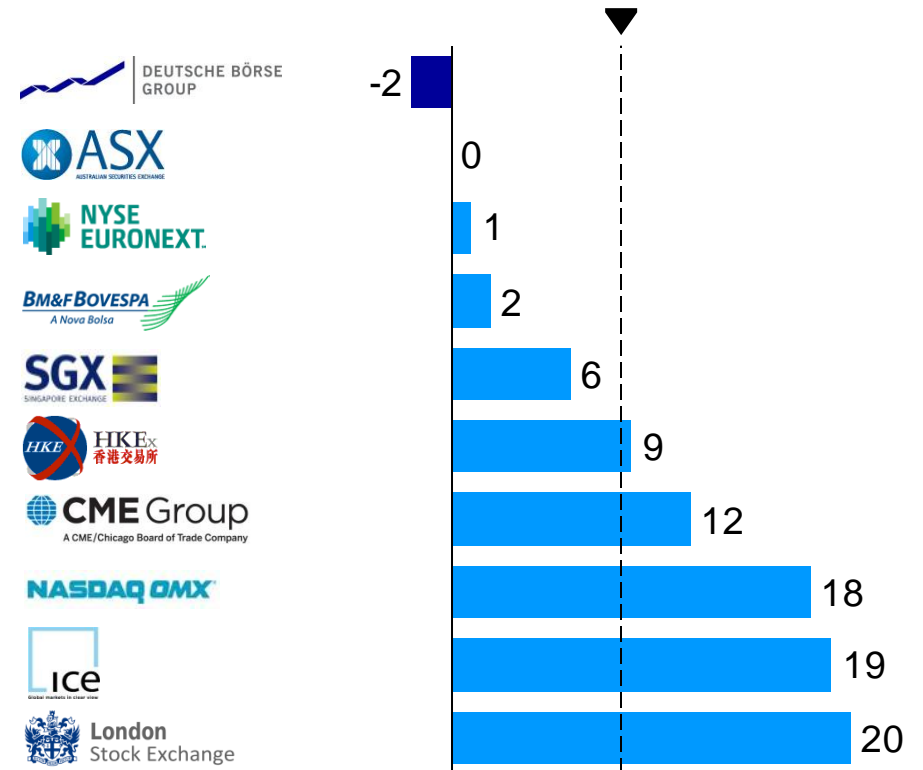
Track record for effective cost management

Operating costs¹⁾, €m



Cost growth of key exchange organisations

CAGR 2007–2012²⁾, %



1) Adjusted for extraordinary items

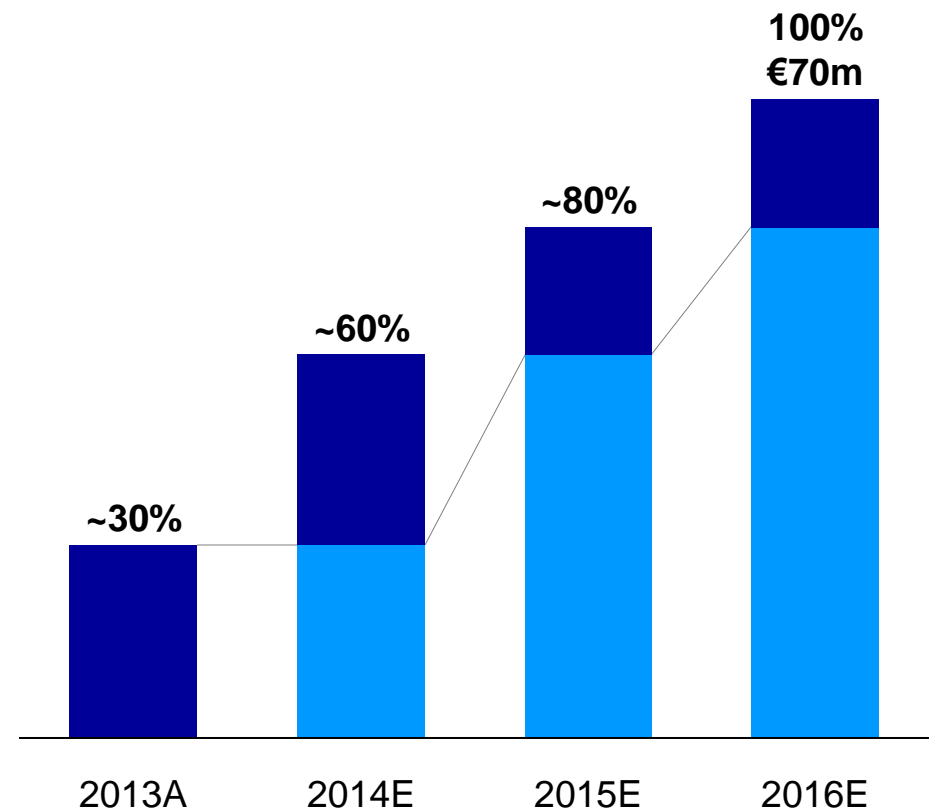
2) Operating expenses excluding volume related costs and one-off effects; LSE: financial year until 31 March 2013; ASX & SGX: financial year until 30 June 2012

Efficiency measures introduced in 2013 fully on track

Efficiency measures (update)

- Planned savings in personnel and non-personnel costs of €70 million per annum by 2016
- Non-personnel cost: €45 million, e.g. through a reduction of expenditure for external consulting as well as IT operating cost
- Personnel cost: €25 million, voluntary leaver programme for around 120 staff members and around 50 executives
- Implementation costs for the measures of around €110 million expected

Ramp-up of cost savings



Refinancing of long-term debt resulted in significant decrease of debt financing expenses

Overview refinancing

First tranche (October 2012)

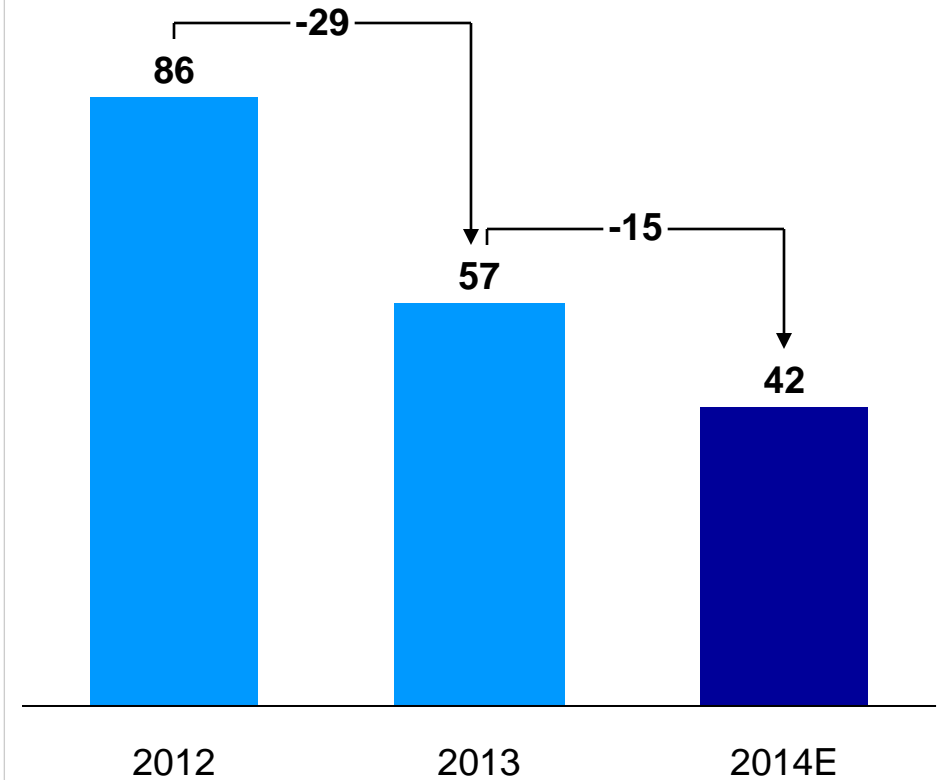
- Terms of first tranche: €600 million, term of 10 years, 2.375% coupon

Second tranche (March 2013)

- Terms of second tranche: €600 million, term of 5 years, 1.125% coupon

Debt-financing costs

€m



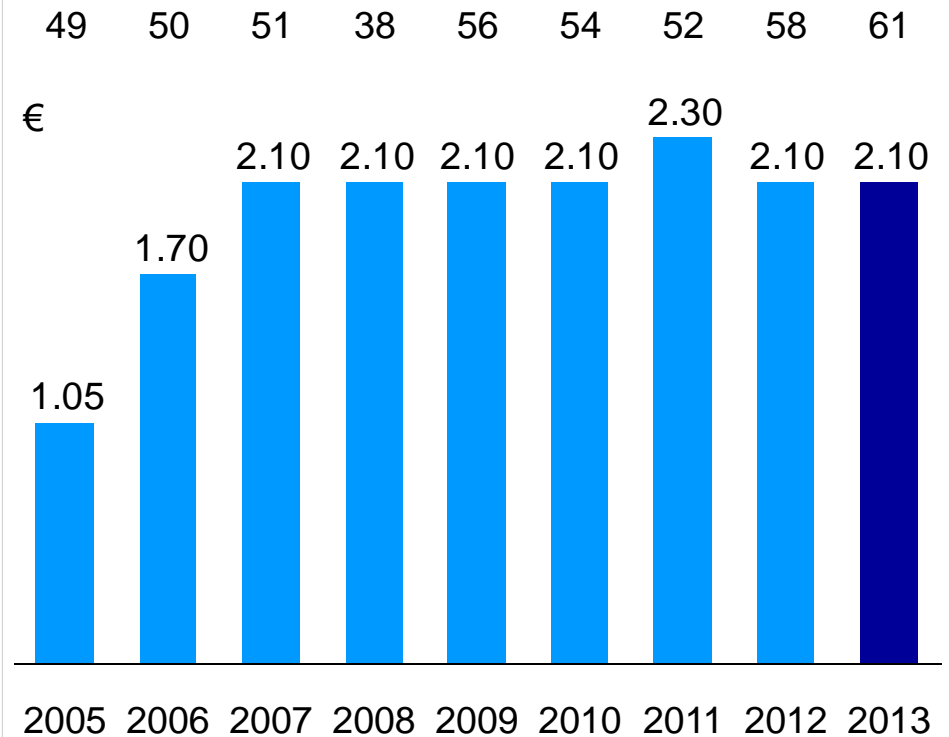
Strong cash flow Generation allows for strong rating profile and attractive dividend distribution

Strong cash flow, balance sheet and rating

- ▶ **Strong balance sheet**
 - Due to favourable refinancing interest coverage ratio has improved to 20.1 in 2013 (2012: 15.2)
 - Gross debt to EBITDA ratio reached the required maximum of 1.5 in 2013 (2012: 1.6)
 - Solvency ratios in 2013 for Clearstream 25 (2012: 23) and Eurex Clearing 26 (2012: 15)
- ▶ **Strong rating profile**
 - Clearstream: AA (stable)
 - Deutsche Börse AG: AA (negative outlook)
- ▶ **Strong operating cash flow¹⁾**
 - €797 million in 2013 (2012: €726 million)

Attractive dividend distribution

Pay-out ratio (%)¹⁾



1) Adjusted for CCP positions

2) Adjusted for extraordinary items






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Business model of Deutsche Börse Group is serving as the global role model

		 DEUTSCHE BÖRSE GROUP	 CME Group <small>A CME/Chicago Board of Trade Company</small>	 ice <small>Global Markets to Grow Your</small>	 London Stock Exchange	 NASDAQ OMX
Cash market	Eurex / Xetra	●	○	●	●	●
Derivatives market		●	●	●	◐	◑
Clearing		●	●	●	◑	○
Settlement	Clearstream	●	○	○	◑	○
Custody		●	○	○	◑	○
Collateral management		●	○	○	○	○
Market data	Market Data + Services	●	●	●	●	●
Indices		●	◐	○	●	○
Technology		●	○	●	●	●

Overview management priorities

Growth strategy

1 Extend products and services to unregulated / unsecured markets

- Expand Eurex's clearing / risk management capabilities
- Global roll-out of collateral and liquidity management services

2 Expand technological leadership

- Foster product, process and system innovation
- Combine market data and IT in one segment

3 Increase reach in new customer groups and growth regions

- Expand customer reach
- Partnerships and M&A

Effective cost management

- Cost discipline remains key priority
- Further efficiency gains targeted

Commitment to capital management

- Maintain strong credit rating profile
- Continue attractive capital management

EurexOTC Clear service offering addresses client needs in new regulatory environment

Value proposition

1
Integrated full asset class offering

Only **fully integrated cross-asset class** clearing house in Europe: **market leadership** in listed derivatives (equity and fixed income), attractive OTC offering and unique products like Euro GC Pooling® under a single legal framework

2
Best-in-class risk management

Proven risk management based on **leading risk model** and **real-time capabilities** increase safety for clients

3
Portfolio-based risk management

Unparalleled capital efficiencies through portfolio risk management, allowing cross margining between listed and OTC products (netting efficiency of up to 70–80%)

4
Collateral management

Accepting a **broad range of collateral** allows for flexibility to manage and re-use collateral including access to central bank accounts and liquidity

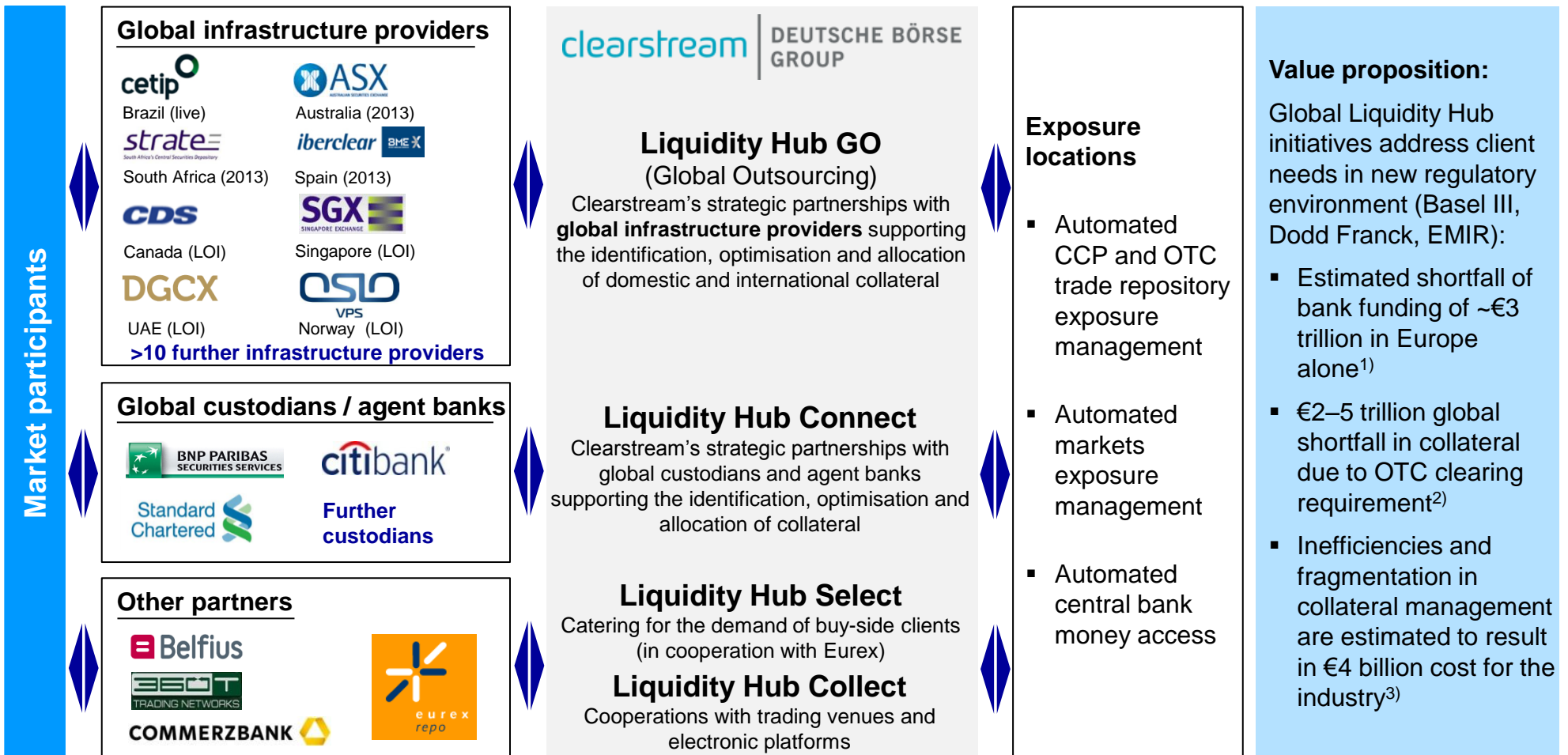
5
Client asset protection

Unique individual clearing model addresses buy-side requirements and provides for **segregation, asset protection and portability** of client positions and collateral

Unique position to be successful in OTC clearing confirmed by strong support of sell- and buy-side firms:

- 32 clearing members including all major global sell-side banks connected
- 120 buy-side firms signed up for onboarding
- Open interest has started to build up

Expansion of successful collateral management services under Global Liquidity Hub initiatives



1) Quantitative impact study of Basel Committee on Banking Supervision (December 2010)

2) Celent study "Cracking the Trillion Dollar Collateral Optimization Question" (August 2012)

3) Accenture and Clearstream study "Collateral Management" (2011)

Deutsche Börse Group's Asian growth initiatives are based on successful expansion of business

	2007	2013	Achievements 2013
Sales revenue	<€50 million	>€100 million	<ul style="list-style-type: none"> ▪ Cooperation with TAIFEX in derivatives strengthened by acquisition of 5% stake ▪ Progress in Clearstream's Liquidity Hub; ASX connected, SGX in pipeline ▪ Strategic cooperation with Bank of China ▪ TASE and Eurex sign derivatives trading cooperation ▪ Number of traded contracts in KOSPI products continues to grow ▪ Technology alliance with BSE ▪ Acquisition of majority stake in Singapore-based Cleartrade Exchange by EEX to further expand commodity offering
Staff	<30	>110	
Representative offices	Hong Kong, Singapore, Tokyo	Beijing, Hong Kong, Singapore, Tokyo	
Operations hub	–	Singapore	
Regulatory registration	–	Banking licence in Singapore	
Partners	–	ASX, BSE, Hong Kong Monetary Authority, Korea Exchange, SGX, Standard Chartered, TAIFEX	

Objectives

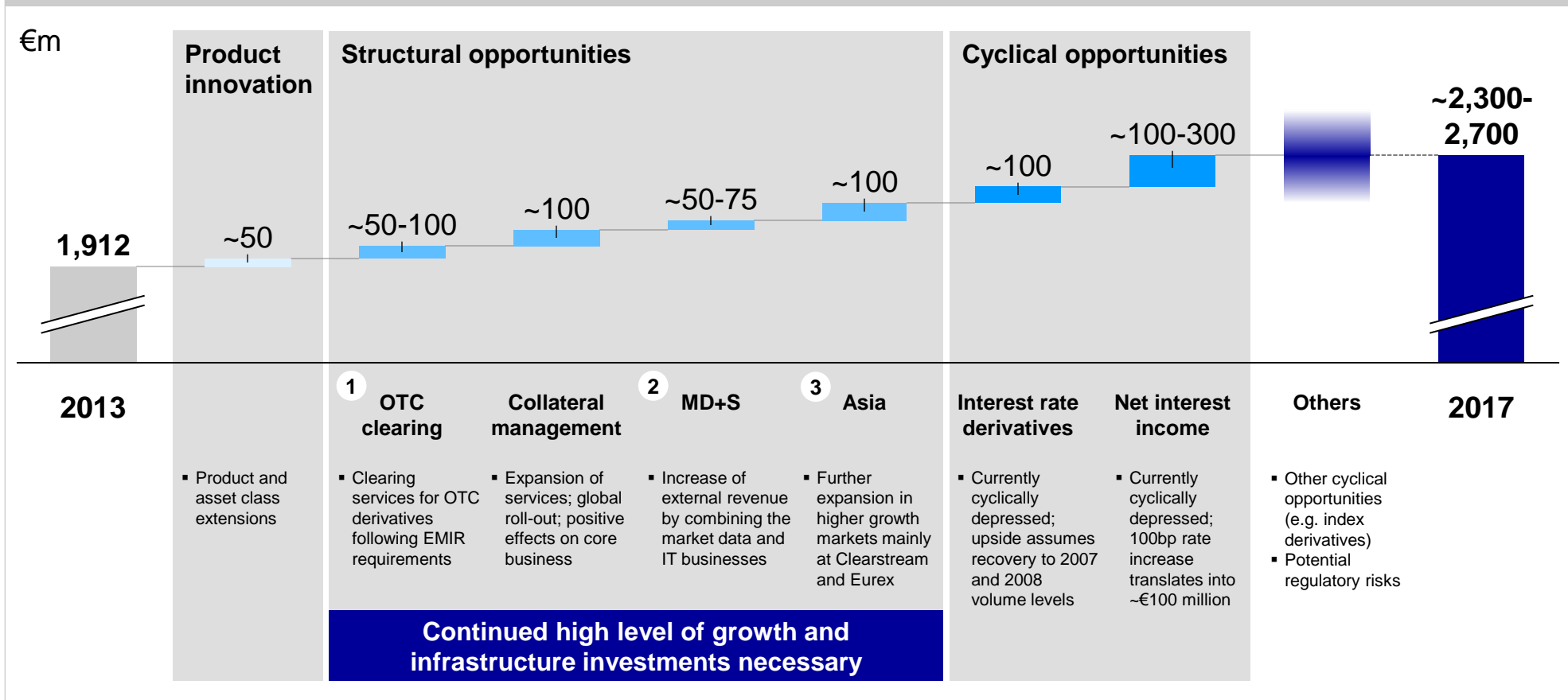
→ Double sales revenue in Asia over the mid-term

→ Asia task force launched in 2013 to evaluate strategic options / further expansion of local infrastructure

→ Open to further partnerships

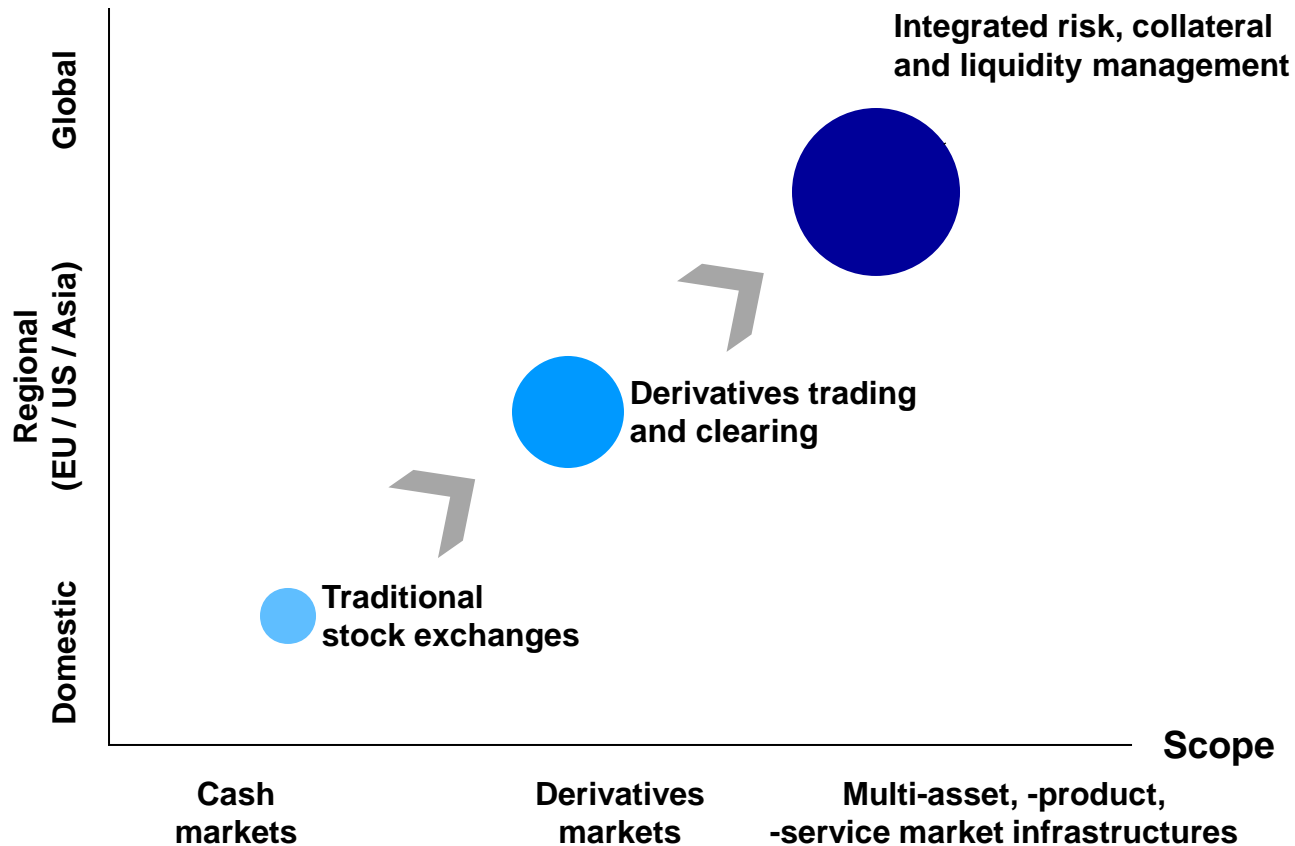
Substantial incremental revenue from structural and cyclical drivers expected

Illustration of mid- to long-term net revenue opportunities



Our strategy is focused on becoming the preeminent global provider for integrated risk, collateral and liquidity management

Internationality



Success factors

- Leading derivatives market with best-in-class clearing and risk management
- Global post-trade provider with unique collateral management capabilities
- High-quality data and leading European benchmark indices
- Superior technology with best-in-class performance and reliability
- Track record for innovating the industry
- Market leadership in many products and services
- Dedicated workforce with an entrepreneurial spirit

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