

DEUTSCHE BÖRSE  
GROUP

# Commerzbank German Investment Seminar

Gregor Pottmeyer, CFO

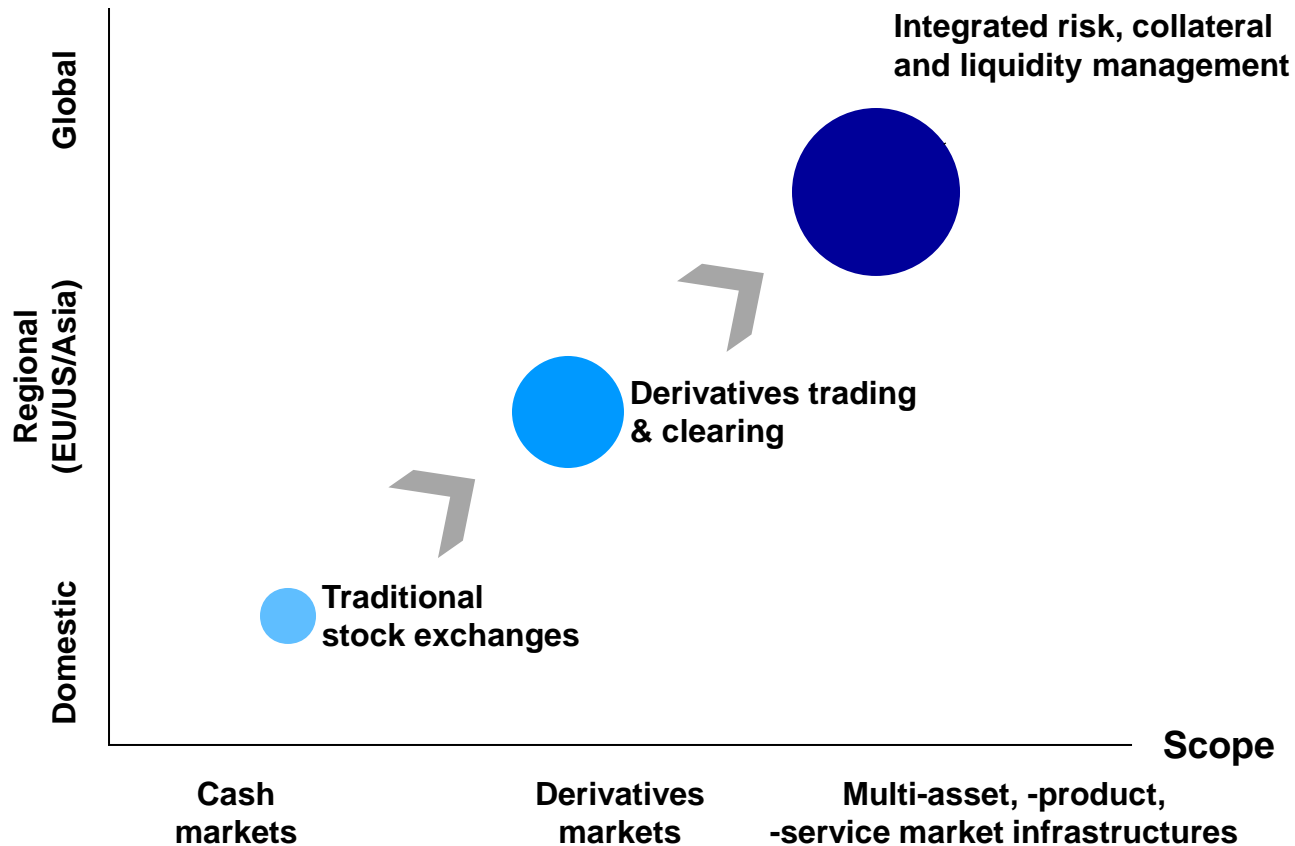
New York, 15 January 2014

## Investment Highlights Deutsche Börse Group

- Uniquely positioned to benefit from customer focus on risk, collateral and liquidity management; business model is serving as the global industry role model
- Long-term growth strategy along 3 pillars: new services for uncollateralized and unregulated markets, combination of market data & IT, and geographic expansion mainly in Asia; strategy embraces cross-divisional activities no competitor can pursue
- Best in-class cost management with reduction of operating costs by 10 percent between 2007 and 2012, thus delivering attractive cash generation and profit margins through the cycle
- Strong balance sheet and credit rating paired with highly attractive distribution policy; more than €5 billion shareholder distribution through dividends and share buybacks since 2005
- Complementary M&A evaluated if opportunities arise; recent transactions: increased stake in STOXX, majority stake in European Energy Exchange, and full acquisition of Eurex

# Our Strategy Is Focused On Becoming The Preeminent Global Provider For Integrated Risk, Collateral And Liquidity Management

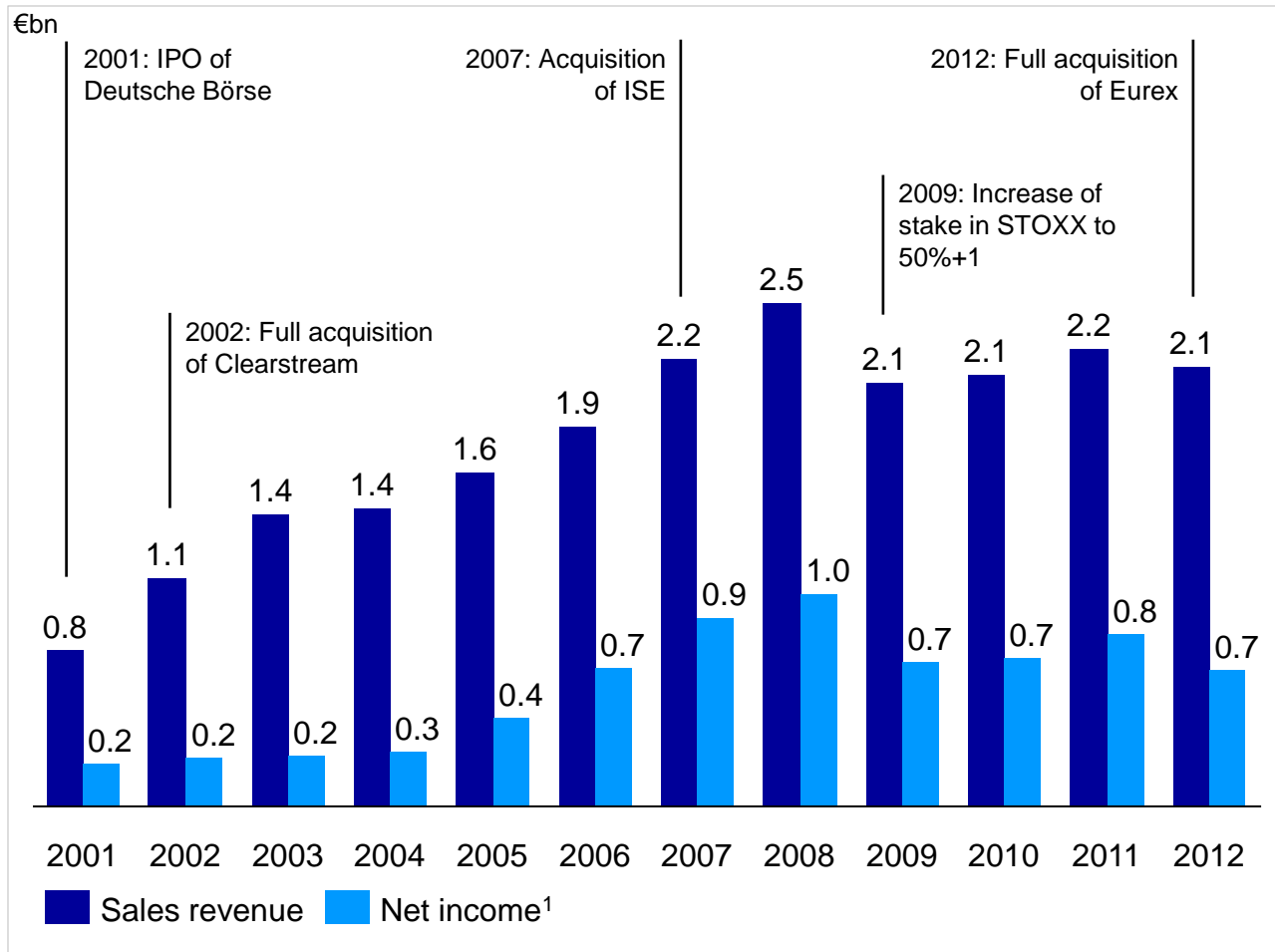
## Internationality



## 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 and entrepreneurial workforce

# Deutsche Börse Has Delivered Attractive Returns And Maintained Stability Through Financial Crisis



<b>ISIN:</b>	DE0005810055
<b>Bloomberg:</b>	DB1 GY
<b>Reuters:</b>	DB1Gn.DE
<b>Revenue growth<sup>2</sup>:</b>	+182%
<b>EBIT growth<sup>2</sup>:</b>	+224%
<b>Share price<sup>3</sup>:</b>	+186%
<b>Shareholder return<sup>3</sup>:</b>	+256%
<b>Dividend yield<sup>4</sup>:</b>	3.5%
<b>Free cash-flow yield<sup>4</sup>:</b>	5.3%
<b>Rating:</b>	AA

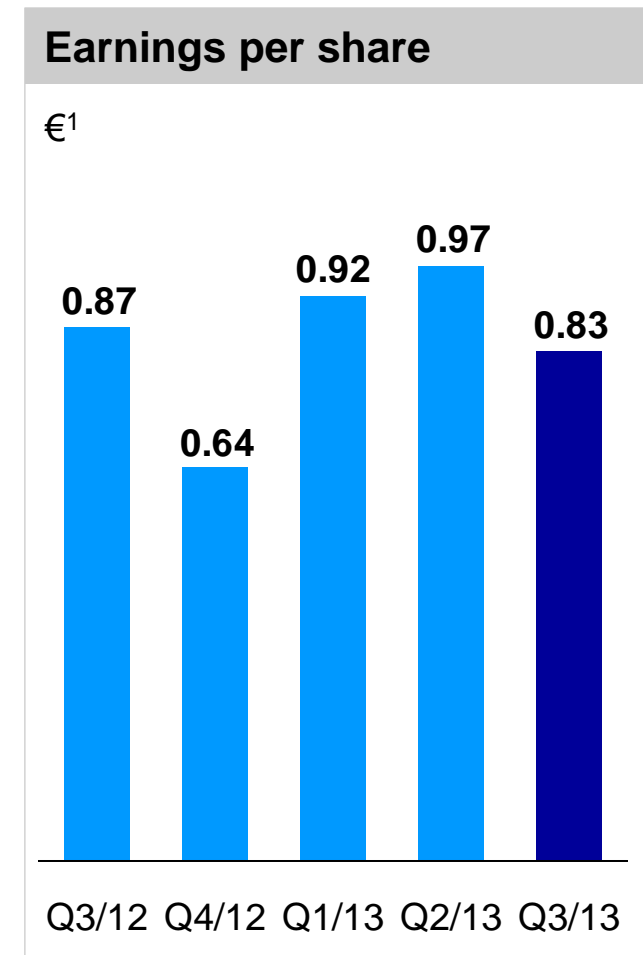
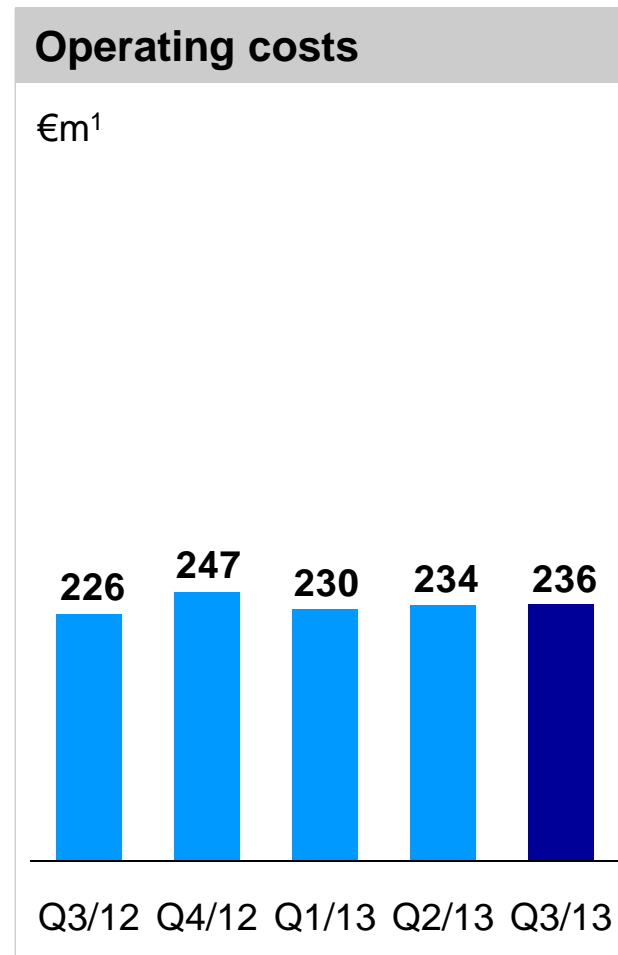
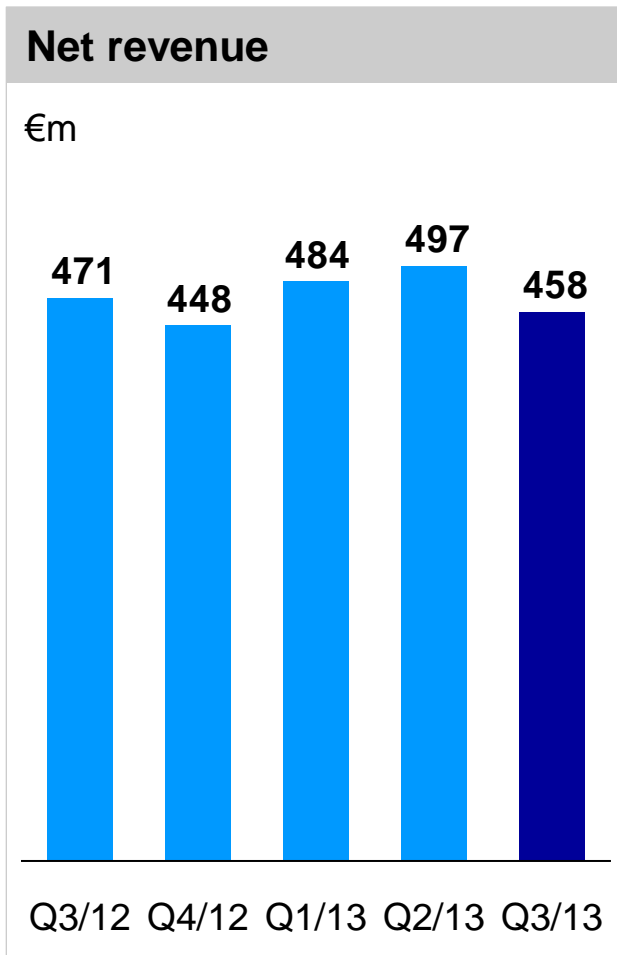
1) Adjusted for impairments (2009-2010), costs for efficiency measures (2010-2012), and merger related costs (2011-2012)

2) 2001-2012

3) 5 Feb 2001 – 31 Dec 2012

4) As per 6 January 2014

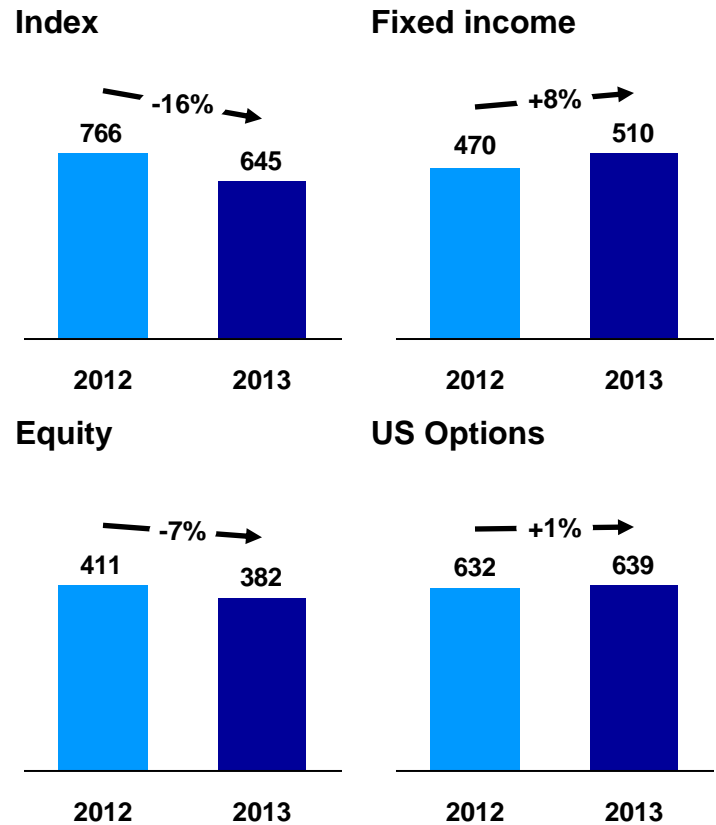
# Solid Financial Development In The First Nine Months 2013



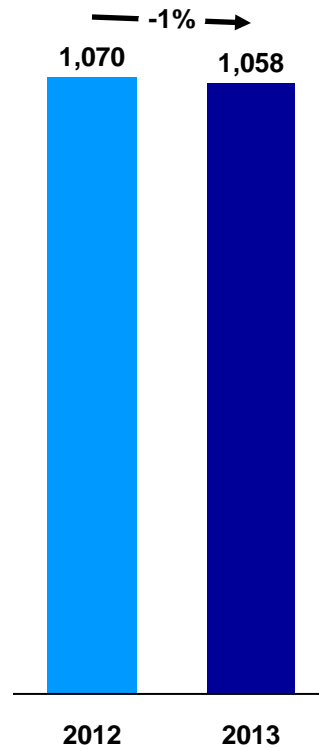
1) Adjusted for costs for efficiency programs and merger related costs (Q3/2012: €0.0m, Q4/2012: €36.6m, Q1/2013: €65.8m, Q2/2013: €9.7m, Q3/2013: €8.2m) and costs relating to the OFAC investigation into Clearstream (Q3/2013: €114.8m)

# Weaker Development In Index Derivatives Partly Offset By Growth In Fixed Income Derivatives And All Clearstream Products

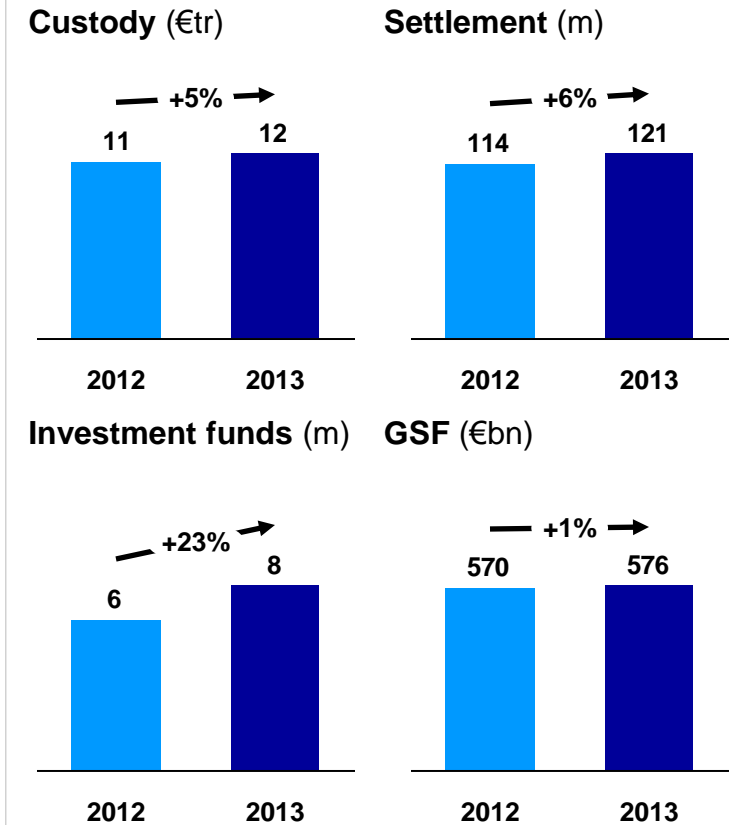
## Derivatives (in m contracts)



## Cash (€bn)

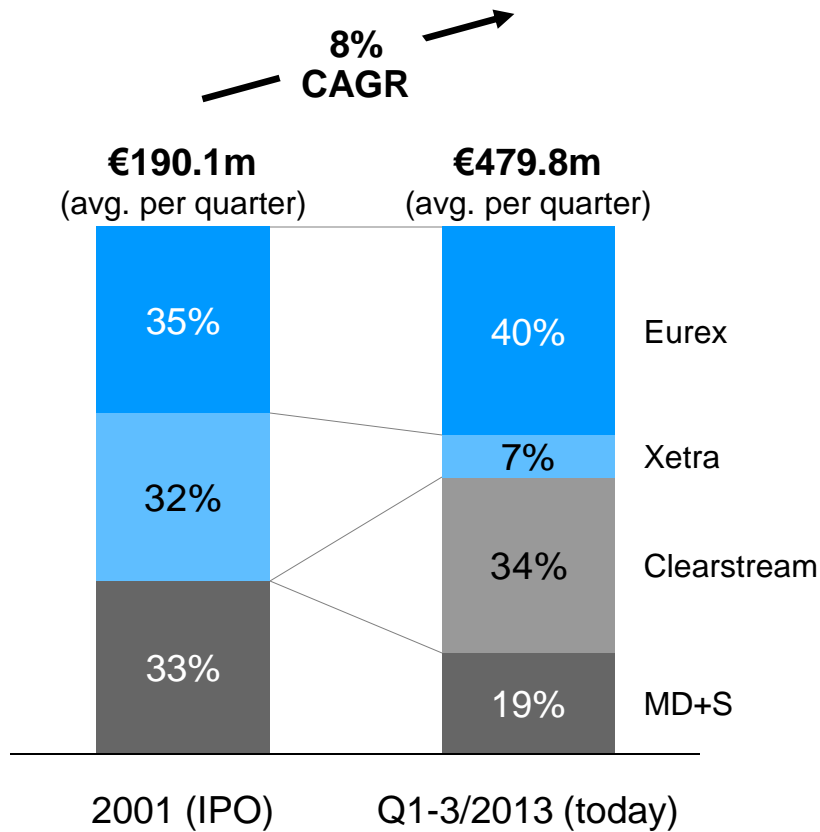


## Post-trade

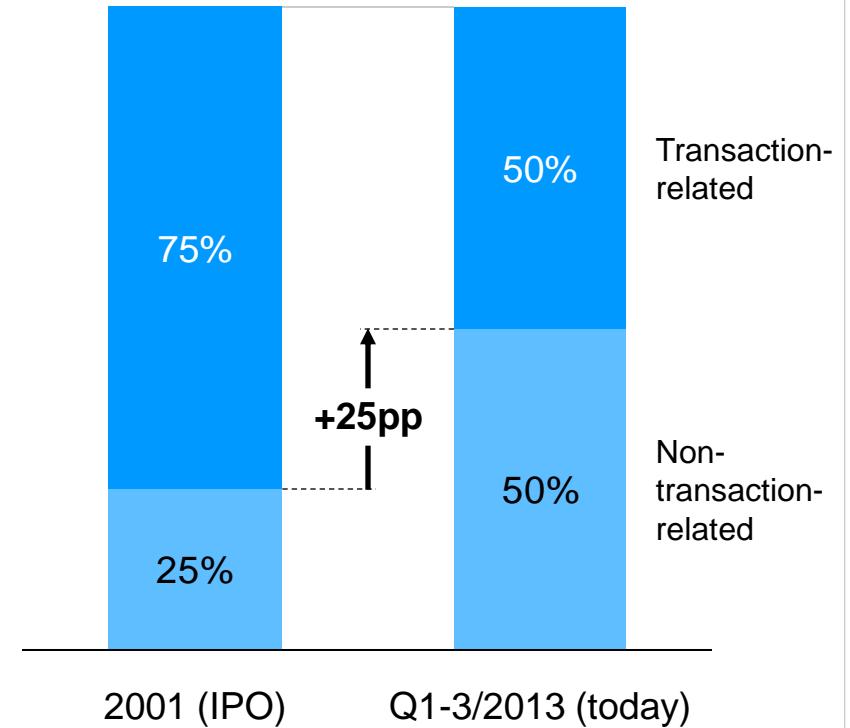


# Deutsche Börse Group Transformed Into A Full Service Market Infrastructure Provider






## Segmental revenue breakdown



## Share of non-transaction related revenue



# 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 With</small>	 London Stock Exchange	 NASDAQ OMX
Cash	Eurex/ Xetra	●	○	●	●	●
Derivatives		●	●	●	◐	◑
Clearing		●	●	●	◑	○
Settlement	Clearstream	●	○	○	◑	○
Custody		●	○	○	◑	○
Collateral management		●	○	○	○	○
Market data	MD+S	●	●	●	●	●
Indices		●	◐	○	●	○
Technology		●	○	●	●	●



# Changing Regulation Drives New Client Needs For Market Infrastructures

## Changing regulation

- Basel III/ CRD IV
- EMIR/ Dodd Frank
- FTT
- HFT
- MiFID/ MiFIR

## Impact

### Balance sheet

- Liquidity needs           ↑
- Capital base               ↓
- Collateral needs         ↑

### Income statement

- Trading income           ↓
- Liquidity/ funding costs   ↑
- Other expenses           ↑

## New client needs

### Liquidity

- Professionalizing liquidity management, diversifying funding sources, replacing unsecured funding

### Capital efficiency

- Reducing risk-weighted assets, reducing capital requirements, cost reductions etc.

### Collateral

- Centralizing and mobilizing collateral, reducing counterparty risk etc.

## Existing client needs

- Excellent performance
- Attractive fee models
- Best-in-class reliability
- Top rating/ reputation

# Overview Management Priorities For 2013

## Growth strategy

### 1 Extend products and services to unregulated/unsecured markets

- Expand Eurex 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 policy

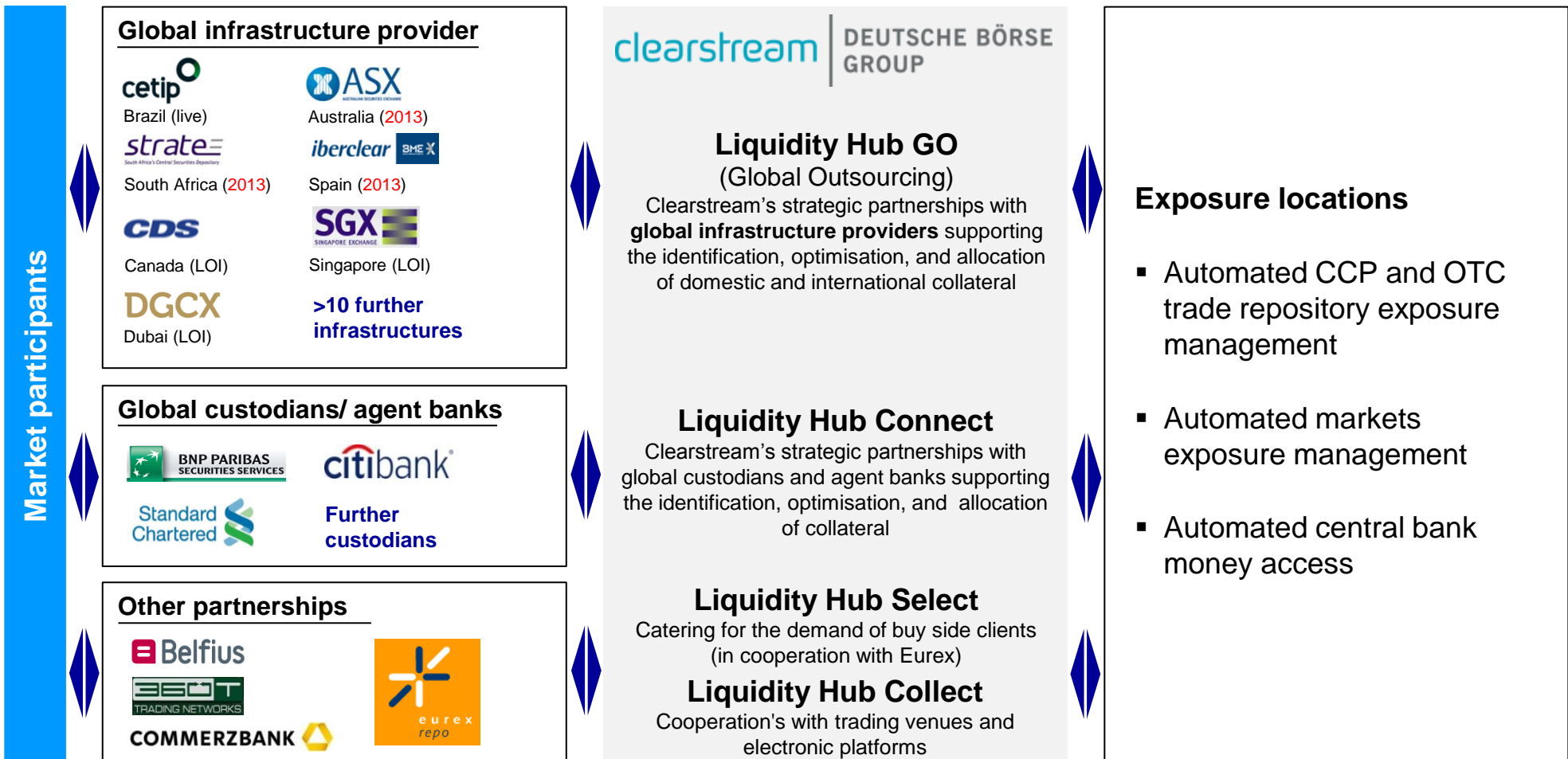
## Growth – Some Major Milestones Of Growth Strategy And Infrastructure Investments Already Achieved

- ✓ Agreement with major derivatives dealers on **EurexOTC Clear offering for interest rate swaps** in May 2012; launch of service in November 2012; 32 clearing members connected at the end of 2013; more than 120 buy-side clients to join as registered customers
- ✓ **Progress in Clearstream's Liquidity Hub** by connecting three CSDs – Australia, South Africa and Spain – as Liquidity Hub GO partners by the end of 2013; Canada, Singapore and Dubai in pipeline
- ✓ Expansion of services offered as part of the **unique combination of Eurex Clearing and Clearstream**, e.g. introduction of money market transaction offering to corporates and investors: “GC Pooling Select”
- ✓ Further **expansion of Clearstream's Investment Fund Services** by building upon globally leading industry position, e.g. expansion into hedge fund processing
- ✓ **Combination of IT and Market Data and Analytics business** under leadership of new Executive Board member Ms Hauke Stars; expansion of external IT services over the mid-term
- ✓ Eurex Exchange completed its migration to Deutsche Börse Group's **new global trading architecture** and has launched its **next-generation risk management system** in the second quarter
- ✓ **Further expansion of geographic coverage, mainly in Asia**

## Growth – Deutsche Börse Group's Asian Growth Initiatives Are Based On Successful Expansion Of Business

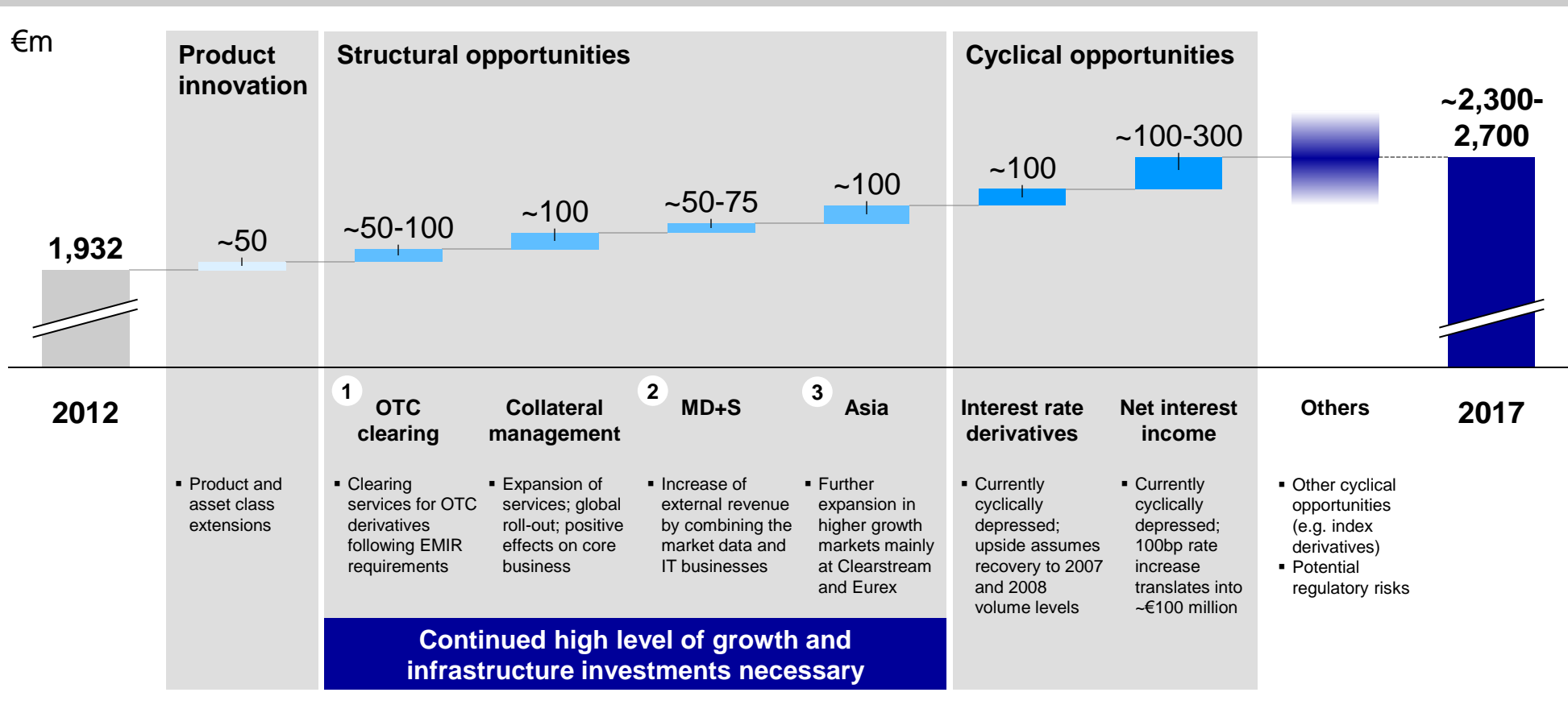
	2007	2012	Achievements 2013
<b>Sales revenue</b>	<€50 million	>€100 million	<ul style="list-style-type: none"> <li>▪ TAIFEX; strategic alliance to cooperate in derivatives trading strengthened by acquisition of 5% stake</li> <li>▪ Progress in Clearstream's Liquidity Hub; ASX connected, SGX in pipeline</li> <li>▪ Strategic cooperation with Bank of China</li> <li>▪ TASE and Eurex sign derivatives trading cooperation</li> <li>▪ Traded contracts in KOSPI products continue to grow</li> <li>▪ Technology alliance with BSE</li> </ul>
<b>Staff</b>	<30	>110	
<b>Representative offices</b>	Hong Kong, Singapore, Tokyo	Beijing, Hong Kong, Singapore, Tokyo	
<b>Operations hub</b>	-	Singapore	
<b>Regulatory registrations</b>	-	Banking license in Singapore	
<b>Partners</b>	-	ASX, BSE, Hong Kong Monetary Authority, Korea Exchange, SGX, Standard Chartered, TAIFEX	
<b>Objectives</b>	<ul style="list-style-type: none"> <li>▪ Double sales revenue in Asia over the mid-term</li> </ul>	<ul style="list-style-type: none"> <li>▪ Asia task force launched in 2013 to evaluate strategic options/ further expansion of local infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>▪ Open to further partnerships</li> </ul>

# Growth – Continuous Expansion Of Collateral Management Services Under Liquidity Hub Initiatives



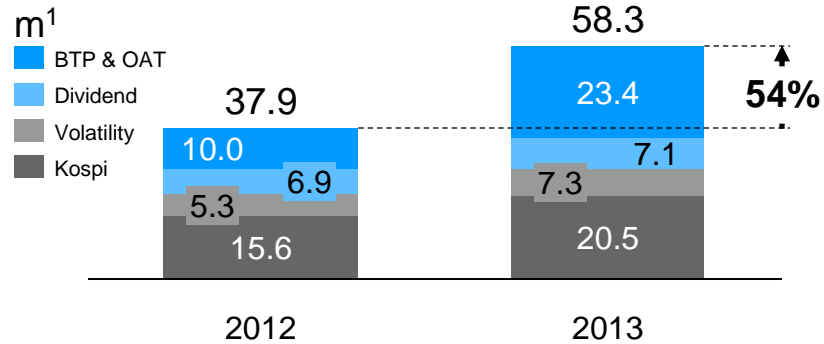
# Growth – Structural And Cyclical Drivers As Well As Product Innovation Are Expected To Deliver Substantial Incremental Revenue

## Illustration of mid- to long-term net revenue opportunities

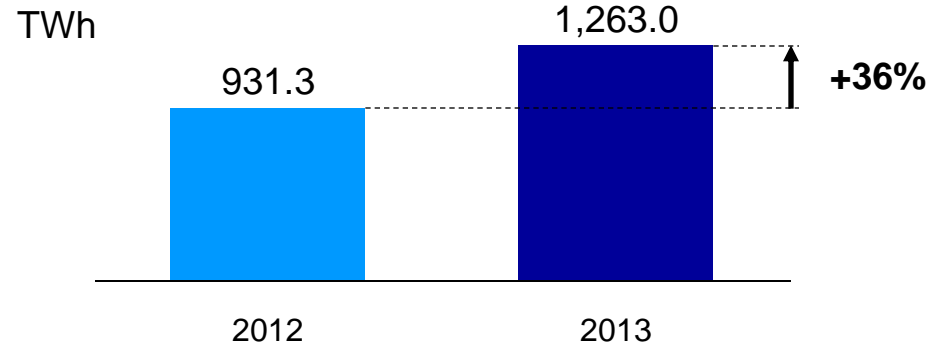


## Growth – Product Initiatives Continue To Build Traction

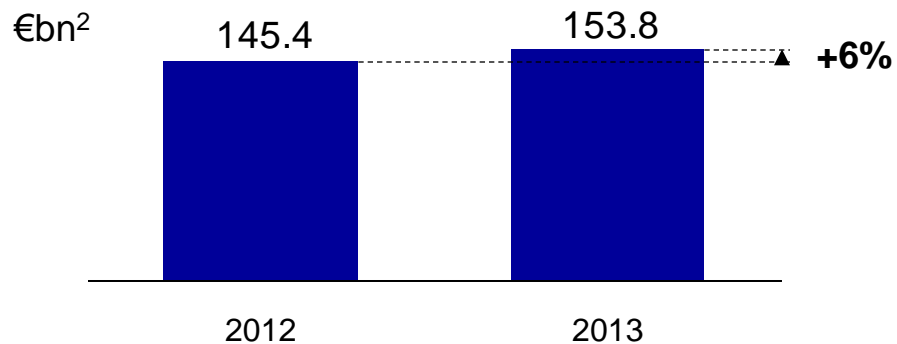
### Eurex – Kospi, volatility, dividend, OAT, BTP



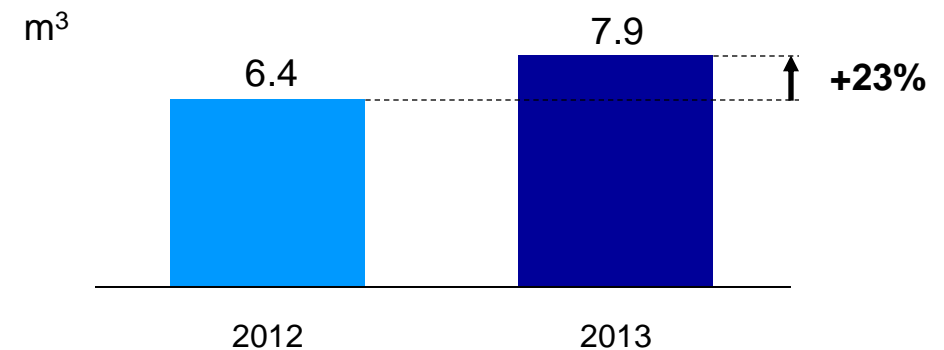
### Eurex – EEX power derivatives



### Clearstream/Eurex – GC Pooling



### Clearstream – Investment fund services



1) Traded contracts; 2012 Kospi volumes adjusted for the increase in the minimum contract size (factor of 5)

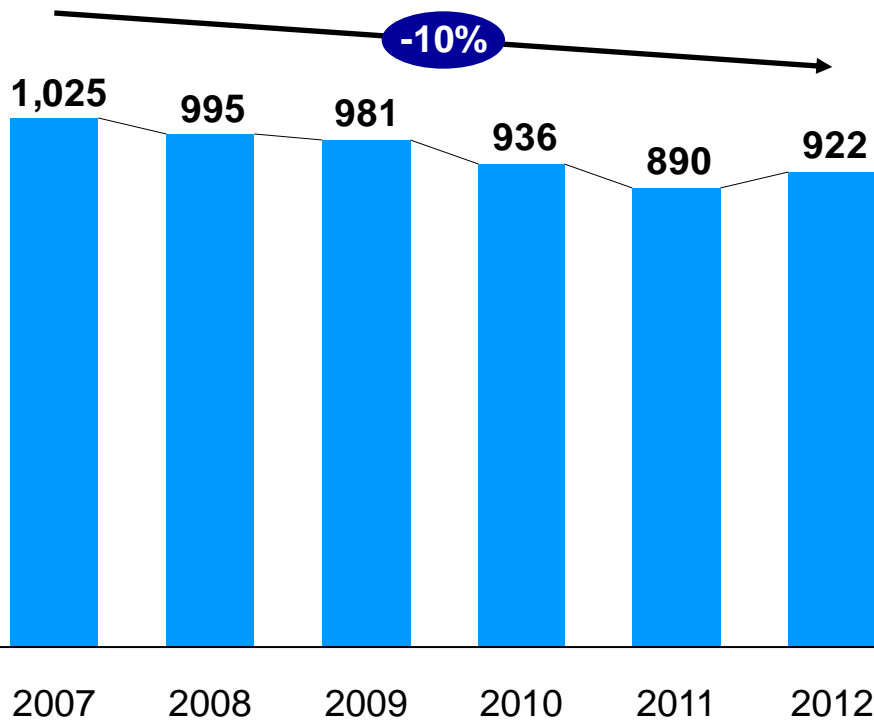
2) Average outstandings

3) Settlement transactions

# Operating Efficiency – Implementation Of Efficiency Measures Over The Years Prepared Deutsche Börse Well For Current Environment

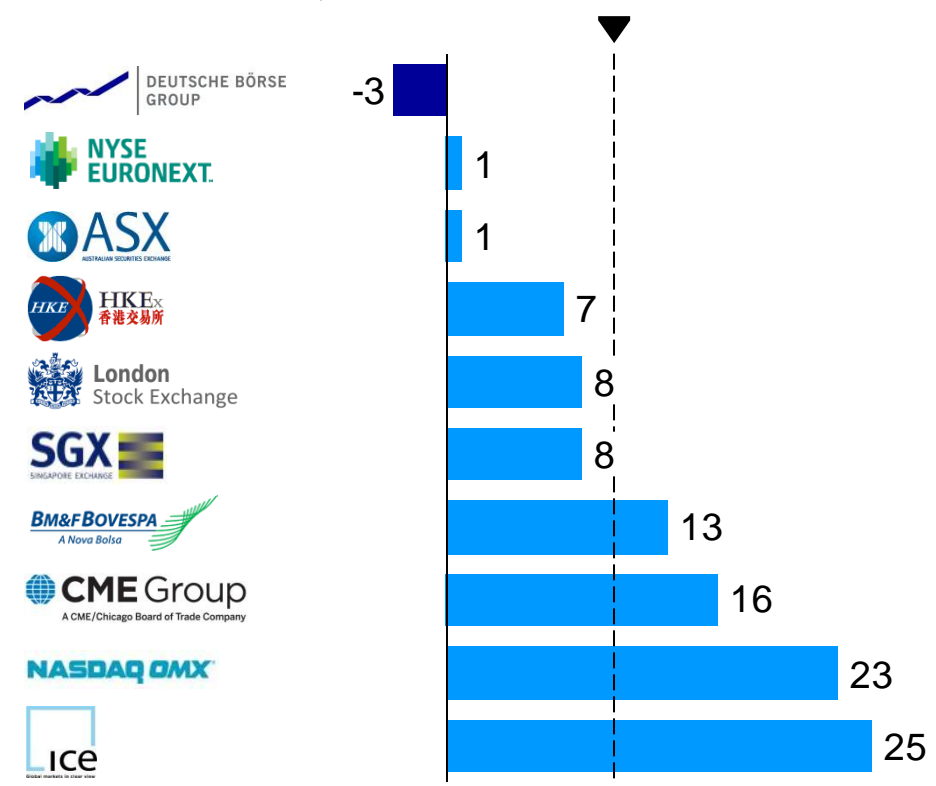
## Track record for effective cost management

Operating costs<sup>1</sup>, €m



## Cost growth of key exchange organizations

CAGR 2007-2011<sup>2</sup>, %



1) Adjusted for ISE impairment (2009-2010), costs for efficiency measures (2007-2012) and merger related costs (2011-2012)

2) Operating costs 2011 vs. 2007; DB1 excluding volume related costs; NYX excluding section 31, liquidity payment, routing and clearing fees; NDAQ excluding liquidity rebates and brokerage clearance and exchange fees; LSE FY until 31 Mar 2012; ASX & SGX FY until 30 Jun 2011

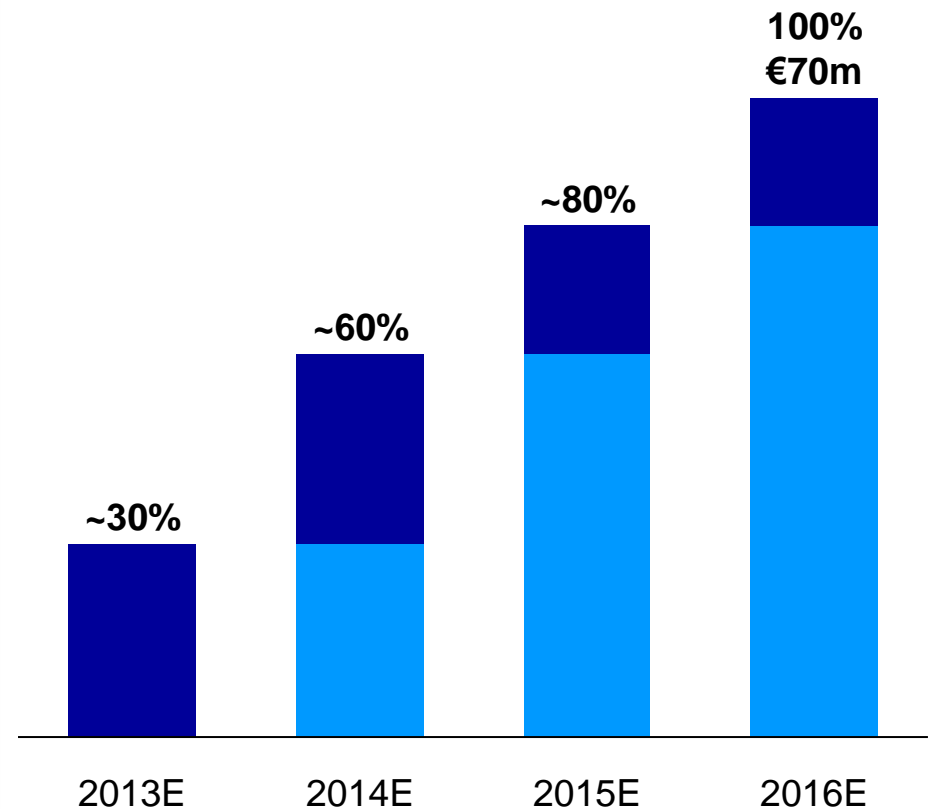


## Operating Efficiency – Measures To Further Increase The Operating Efficiency Create Flexibility To Increase Investments In Growth

### Efficiency measures (update)

- Planned savings in personnel and non-personnel costs of €70 million per annum by 2016
- Non-personnel cost: €45 million (increased from €40 million), e.g. through a reduction of expenditure for external consulting as well as IT operating cost
- Personnel cost: €25 million (reduced from €30 million), voluntary leaver program for around 120 staff members (reduced from 200) and around 50 executives
- Implementation costs for the measures of around €90 to €110 million expected

### Ramp-up of cost savings



# Capital Management – Refinancing Of Long Term Debt Results In Significant Decrease Of Debt Financing Expenses

## Overview refinancing

### First tranche (Oct 2012)

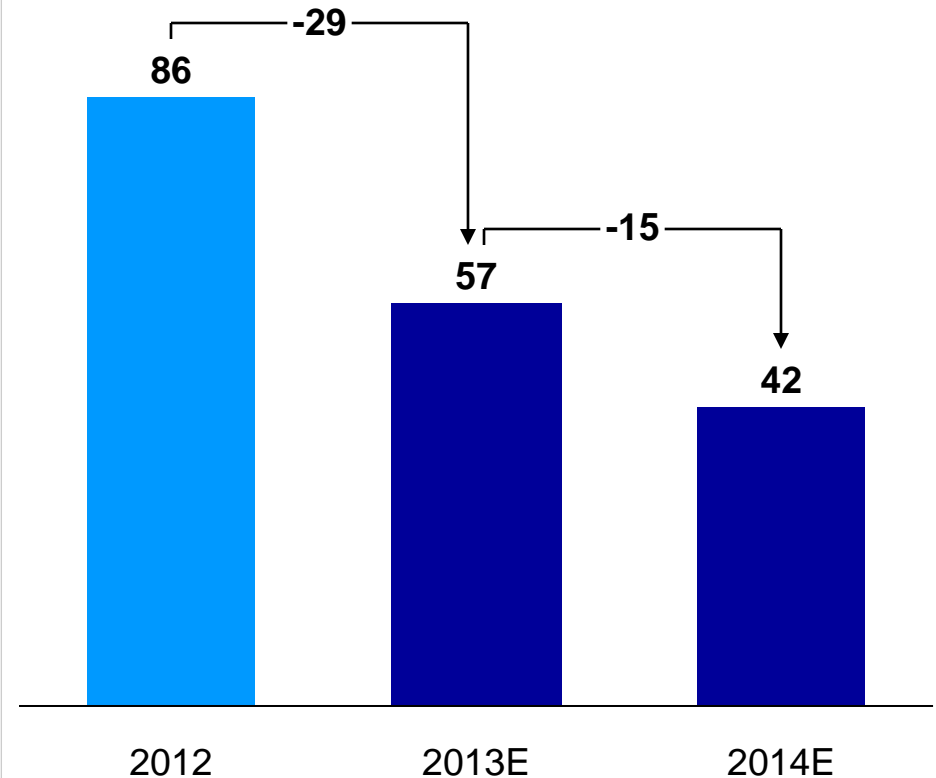
- First tranche of refinancing completed already in 2012 due to favourable market environment
- Terms of first tranche: €600 million, term of 10 years, 2.375 % coupon
- In order to limit negative carry, a simultaneously tender offer for the outstanding euro senior and hybrid bonds has been conducted

### Second tranche (Mar 2013)

- Terms of second tranche: €600 million, term of 5 years, 1.125 % coupon
- ➔ Ramp-up of full benefits of refinancing since maturities of existing instruments in Q2/2013

## Debt financing costs (part of financial expenses)

€m



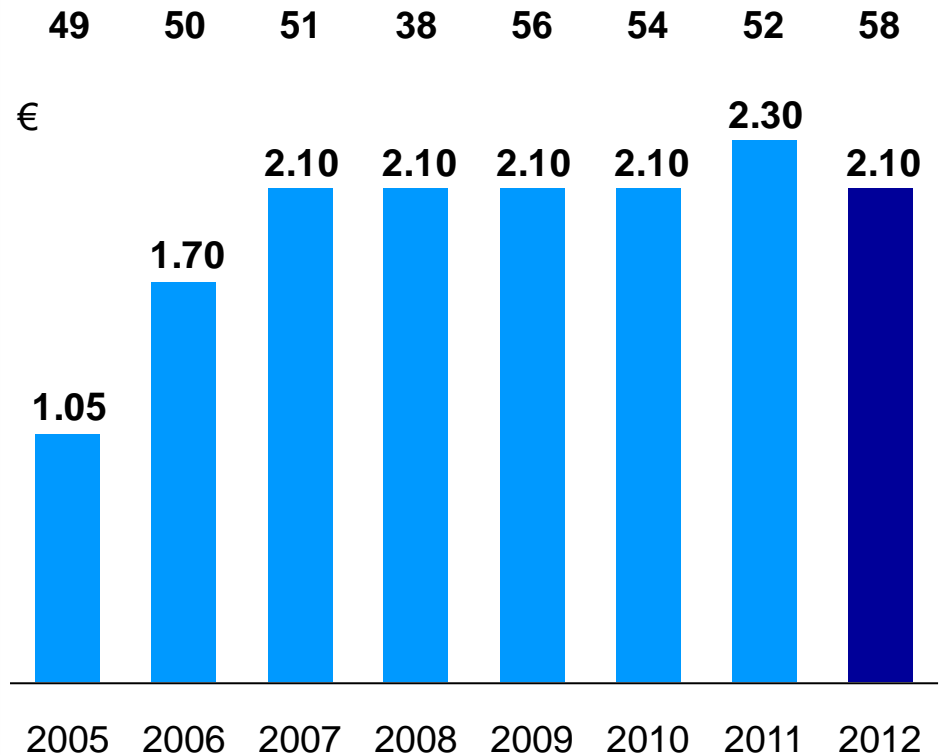
# Capital Management – Cash Flow Generation Allows For Strong Rating Profile And Attractive Distribution Policy

## Capital Management Principles

- Continuing past practice, Deutsche Börse distributes funds not required for the Group's operating business and further development to its shareholders
- The capital management policy foresees a dividend payout ratio of 40 to 60 percent complemented by share buybacks
- Both distribution components are subject to capital requirements, investment needs and general liquidity considerations
- Due to its considerable clearing and post-trading business activity, Deutsche Börse is focused on maintaining a strong credit and rating profile, including Clearstream Banking S.A.'s strong "AA" credit rating

## Regular dividend per share

Pay-out ratio (%)<sup>1</sup>



1) Adjusted for ISE impairment (2009-2010), costs for efficiency measures (2007-2012) and merger related costs (2011-2012)

# Financial Calendar And Contact Details

## Financial calendar

<b>19 Feb 2014</b>	Preliminary results Q4 and FY 2013
<b>20 Feb 2014</b>	Conference call Q4 and FY 2013
<b>28 Apr 2014</b>	Interim report Q1/2014
<b>29 Apr 2014</b>	Conference call Q1/2014
<b>15 May 2014</b>	Annual General Meeting
<b>3 Jun 2014</b>	Investor Day 2014
<b>24 Jul 2014</b>	Interim report Q2/2014
<b>25 Jul 2014</b>	Conference call Q2/2014
<b>27 Oct 2014</b>	Interim report Q3/2014
<b>28 Oct 2014</b>	Conference call Q3/2014

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