Deutsche Börse AG, Frankfurt/Main
Balance Sheet as at 31th December 2006

Assets	31.12.2006 €	31.12.2005 T€
NONCURRENT ASSETS		
Intangible Assets		
Software	2,703,604.00	7,028
Prepayments	114,600.00	0
	2,818,204.00	7,028
Tangible Asset		
Fixtures in third party land	4,734,009.00	5,982
Other assets, furniture and office equipment	13,028,718.00	14,504
Prepayments	403,148.89	0
	21,794,215.89	20,486
Financial Assets		
Shares in affiliated companies	1,775,656,435.61	1,811,093
Loans to affiliated companies	350,000,000.00	360,637
Investments	17,467,994.55	18,113
Long-term securities	51,148,789.38	8,002
Other loans	38,804.48	45
	2,194,312,024.02	2,197,890
Total Noncurrent Assets	2,218,924,443.91	2,225,404
CURRENT ASSETS		
Acounts Receivable and Other Assets		
Trade accounts receivable	101,677,384.89	82,734
Accounts receivable group	142,584,975.39	163,067
Receivables from companies in which the company has a participating interest	169,380.14	413
Other current assets	32,778,283.13	18,209
thereof receivable with residual term over 1 year €18,971,211.43 (previous year T€ 3,940)		
	277,210,023.55	264,423
Cash and Bank Balances	332,692,510.02	248,003
Total Current Assets	609,902,533.57	512,426
DEFERRED TAX ASSETS § 274 (2) HGB	7,495,020.99	0
DEFERRED EXPENSES AND ACCRUED INCOME	1,658,307.77	1,608
Total Assets	2,837,980,306.24	2,739,438

Shareholders' Equity and Liabilities	Per value of shares acquired for retirement	Subscribed capital before retirement	31.12.2006 €	31.12.2005 T€
SHAREHOLDERS' EQUITY				
Subscribed Capital	-4,201,039.00	102,000,000.00	97,798,961.00	101,279
Capital Reserve			1,377,328,955.19	1,373,410
Retained Earnings				
Other profit reserves			21,629,985.99	6,802
Unappropiated Surplus			350,000,000.00	340,000
Total Shareholders' Equity			1,846,757,902.18	1,821,491
PROVISIONS				
Provisions for pensions and similar obligations			49,445,327.00	31,955
Provisions for deferred taxes			154,025,338.80	60,783
Other provisions			131,545,815.99	101,626
Total Provisions			335,016,481.79	194,364
LIABILITIES				
Liabilities from bank loans and overdrafts			0.00	2
Trade accounts payables			14,732,969.45	7,800
Amounts owed to group undertakings			620,046,945.39	674,440
Amounts owed to undertakings in which the company has a participating interest			1,512,267.56	1,821
Other liabilities			19,913,739.87	39,442
thereof tax € 8,063,068.46 (previous year T€ 9,077)				
thereof social securities € 115,202.99 (previous year T€ 36)				
Total Liabilities			656,205,922.27	723,505
DEFERRED EXPENSES AND ACCRUED EXPENSES			0.00	78
Total Shareholders' Equity and Liabilities			2,837,980,306.24	2,739,438

Deutsche Börse AG, Frankfurt/Main
Profit and Loss Account
for the period 1 January to 31 December 2006

	2006		2005	
	€	€	T€	T€
Sales Revenue		1,043,333,875.98		861,120
Other Operating Income		142,385,097.38		153,536
Personnel Expenses				
Wages and Salaries	-102,470,971.58		-101,447	
Social securities, pensions and other benefits	-28,417,967.30	-130,888,938.88	-20,794	-122,241
thereof pensions € 22,426,681.60 (previous year T€ 15,145)				
Depreciation				
of intangible and tangible assets	-10,716,722.20	-10,716,722.20	-19,348	-19,348
Other Operating expenses		-435,981,197.82		-500,802
Income from Participating Interests		180,564,484.37		194,116
thereof from affiliated companies € 175,364,630.62 (previous year T€ 190,111)				
Income from Profit and Loss Transfer Agreements		81,610,133.05		84,820
Income from Financial Assets: Other Securities and Loans		371,597.93		431
Interest and similar Charges		138,611,225.42		97,802
thereof from affiliated companies € 22,157,205.00 (previous year T€ 15,995)				
Depreciation of Current Assets: Financial Assets and Securities		-5,322,560.09		-6,391
Interest and similar Charges		-133,084,376.33		-101,889
thereof to affiliated companies € 24,805,274.25 (previous year T€ 22,148)				
Profit before tax from ordinary activities		870,882,618.81		641,154
Tax on Profit		-259,684,812.82		-180,454
Other Taxes		4,827,194.01		426
Net Profit for the Financial Year		616,025,000.00		461,126
Expenses for the retirement of treasury shares		-380,822,167.61		-715,330
Allocations to the capital reserve § 237 (5) AktG		-3,918,789.00		-5,884
Withdrawal from other profit reserves		380,822,167.61		715,330
Income from capital decrease		3,918,789.00		5,884
Allocations to profit reserves		-266,025,000.00		-121,126
Unappropriated Surplus		350,000,000.00		340,000

Notes to the Annual Financial Statements 2006

Accounting Policies

The annual financial statements for 2006 of Deutsche Börse AG were prepared on the basis of the accounting provisions of the *Handelsgesetzbuch* (German Commercial Trading Code – HGB) relating to large corporations and the provisions governing accounting for stock corporations (“Aktiengesellschaften”).

The total cost (type of expenditure) format was chosen for the income statement.

The company is a large corporation as defined by § 267 (3) of the HGB.

Non-current assets in foreign currency are converted into euro by using the historical rate of exchange at the time of acquisition; in the case of a permanent decline in value, a conversion at the period-end exchange rate will be made. Foreign currency receivables and liabilities are measured either at the ECB reference rate at the day of booking, or at a lower (receivables) or at a higher (liabilities) ECB reference rate at the date of the balance sheet. Expenses and income are measured at the ECB reference date at the day of booking.

Intangible assets are stated at initial value and reduced by the linear depreciation value.

Property plant and equipment are carried at cost and reduced by depreciation for wear and tear. For moveable assets, depreciation starts at the first day of the month of purchase. Low-value assets are written off in the year of the acquisition.

Equity investments as well as loans to the equity investments disclosed under non-current financial assets are generally carried at cost; other noncurrent loans are reported at their principle amounts. Securities are measured at cost or at the lower quoted market price at the date of the balance sheet.

In 2006 the company made an extraordinary depreciation of €2.4 mn (2005: €5.9 mn) of its investment in Infobolsa S.A.

Receivables and other assets are generally stated at their principal amount. Specific valuation allowances take account of all identifiable risks. General adjustments are made to reflect potential risks.

Provisions for pensions and other commitments are measured on the basis of actuarial principles with the partial value in accordance with section 6a of the *EStG* (German Income Tax Act) applying Prof. Dr. Klaus Heubeck`s “Richttafeln 2005 G”. The calculations are based on a discount rate of 4.5 percent, which deviates from previous years’ discount rate of 6 percent. Due to tax regulations, the provisions for the deferred compensation programme were partly measured on the basis of the actual cash value.

Other provisions take all identifiable risks and open liabilities as of 31 December 2006 into account and were made to the amount expected to be required for settlement. Provisions for the phantom stock option programme are based on the intrinsic value. The provisions for anniversaries and pensions are measured at the partial value (for pensions at the cash value). The calculations are consistently based on a discount rate of 4.5 percent applying Prof. Dr. Klaus Heubeck's "Richttafeln 2005 G", which deviates from previous years' discount rates of 6 resp. 5.5 percent.

Based on the difference between the commercial and tax balance sheet approaches of the provisions, deferred taxes were calculated. According to §274 (2) HGB, a corresponding provision in the other profit reserves is not available for distribution.

The other methods of valuation are equal to methods used in previous years.

Liabilities are stated at their redemption amount.

Balance Sheet Disclosures

Non-current Assets

The details and changes in noncurrent assets are shown in the statement of changes in noncurrent assets.

Equity Investments

Deutsche Börse AG holds the following investments in affiliated companies as of 31 December 2006:

Name of company	Location	Equity in T€	Net profit/loss 2006 in T€	Share of capital direct (indirect)
AVOX Ltd.	United Kingdom	GBP 125[1)]	GBP (896)[1)]	50.33%
Clearstream International S.A.	Luxembourg	853,431	182,534	100%
Clearstream Banking S.A.	Luxembourg	265,283	215,164	(100%)
Clearstream Banking AG	Germany	100,638	50,525	(100%)
Clearstream Properties S.A.	Luxembourg	19,543	215	(100%)
Clearstream Services S.A.	Luxembourg	48,234	7,890	(100%)
Clearstream Services (UK) Ltd.	United Kingdom	GBP 0[1)]	GBP 0[1)]	(100%)

Immobilière Espace Kirchberg A S.A.	Luxembourg	2,961	1,084	(100%)
Immobilière Espace Kirchberg C S.A.	Luxembourg	2,887	1,153	(100%)
Immobilière Espace Kirchberg D S.A.	Luxembourg	1,681	1,260	(100%)
Deutsche Börse Finance S.A.	Luxembourg	6,329	310	100%
Deutsche Börse IT Holding GmbH	Germany	1,000	2,826[2)]	100%
Deutsche Börse Service s.r.o.	Czech Republic	CZK 16,818[1,3)]	CZK (3,227) [1,3)]	(100%)
Deutsche Börse Systems AG	Germany	2,415	78,784[2)]	100%
Deutsche Börse Systems Inc.	USA	USD 2,713[1)]	USD 763[1)]	(100%)
DGW Abwicklung AG i.L.	Germany	2,885[4)]	85[4)]	100%
Deutsche Gesellschaft für Wert-papierabwicklung mbH	Germany	16[5)]	(12) [5)]	100%
Eurex Zürich AG	Switzerland	CHF 161,479[1)]	CHF 130[1)]	49.96%[6)]
Eurex Frankfurt AG	Germany	72,282	(6,594)	(49.96%)[6)]
Eurex Clearing AG	Germany	50,430	861[2)]	(49.96%)[6)]
Eurex Bonds GmbH	Germany	3,074	358	(39.69%)[7)]
Eurex Repo GmbH	Germany	550	(2,229)[2)]	(49.96%)[6)]
U.S. Exchange Holdings Inc.	USA	USD 42,991[1)]	USD (36,298)[1)]	(49.96%)[6)]
Infobolsa S.A.	Spain	10,598	568	50%
Difubolsa, Serviços de Difusão e Informaçao de Bolsa, S.A.	Portugal	10	(97)	(50%)
Infobolsa Deutschland GmbH	Germany	1,172	(401)	(50%)
Risk Transfer Re S.A.	Luxembourg	1,225	1,266	100%
Xlaunch Abwicklungs AG i.L.	Germany	493[5)]	(90)[5)]	100%

Xlaunch GmbH	Germany	712[5)]	(13)[5)]	(100%)[8)]

1) In thousand.
2) Before profit transfer or loss absorption.
3) Figures of short business year from 24th May 2006 to 31st December 2006.
4) Figures of short business year from 15th May 2006 to 31st December 2006.
5) Figures of short business year from 10th May to 31st December 2006.
6) Beneficial interest in profit or loss: 85 %.
7) Beneficial interest in profit or loss: 67.52%.
8) Partly indirect share of capital through Deutsche Gesellschaft für Wertpapierabwicklung mbH.

On the basis of existing profit and loss transfer agreements, Deutsche Börse Systems AG (€78,8 mn) and Deutsche Börse IT Holding GmbH (€2.8 mn) transferred their profits to Deutsche Börse AG.

During the reporting year, Deutsche Börse AG established the subsidiaries Deutsche Gesellschaft für Wertpapierabwicklung mbH, Xlaunch GmbH and Deutsche Börse Services s.r.o. Furthermore the company names Deutsche Gesellschaft für Wertpapierabwicklung AG and Xlaunch AG were changed into DGW Abwicklungs AG and Xlaunch Abwicklungs AG and the liquidation of these companies was concluded. In addition to this, Azdex Ltd. changed its name into Avox Ltd.

Deutsche Börse AG´s direct equity interest in Eurex Zürich AG, including the 0.03 percent interest held by members of its Executive Board, equals 49.96 percent. On the basis of the profit participation rights granted to Deutsche Börse AG, its actual beneficial interest in Eurex Zürich AG's profit or loss is 85 percent. Capital consolidation is based on this figure. After allowance for voting trust and pooling arrangements, the share of voting rights equals 50 percent.

On 13 December 2006, Eurex Frankfurt AG acquired an additional 2.5 percent interest in Eurex Bonds GmbH and thus increased its share of direct equity and voting rights of the company to 79.44 percent. As a result of this transaction, the indirect interest of Deutsche Börse AG increased to 39.69 percent.

On 25 October 2006, Deutsche Börse AG and SWX Group signed a contract for the foundation and operation of a common stock exchange organisation that offers a spot market for warrants. After the finalisation of the foundation, which is planned for the first quarter of 2007, the SWX Group / Deutsche Börse JV Holding S.A. with its base in Luxembourg and its subsidiaries will be fully consolidated within the consolidated financial statements of the Group Deutsche Börse.

Other Equity Investments

Deutsche Börse AG holds the following direct or indirect investments of more than 20 percent as of 31 December 2006:

Name of company	Location	Equity in T€[1)]	Net profit/loss 2006 in T€[1)]	Share of capital direct (indirect)
FDS Finanz-Daten-Systeme GmbH & Co. KG[2)]	Germany	3,138	678	50%
FDS Finanz-Daten-Systeme Verwaltungs GmbH	Germany	34	2	(50%)
STOXX Ltd.	Switzerland	CHF 43,466[3)]	CHF 32,568[3)]	33.33%

1) Preliminary figures.
2) General partner: FDS Finanz-Daten-Systeme Verwaltungs GmbH.
3) In thousand.

On 1 December 2005, Deutsche Börse AG cancelled the licence agreement with the NEWEX Kapitalmarktberatungsgesellschaft mbH as well as the cooperation agreement with the Wiener Börse AG. The cancellations became effective as of 31 December 2006. As a result of the licence agreement cancellation, the Wiener Börse AG executed the contracted option on the 2 January 2006 to acquire Deutsche Börse AG's interests in the NEWEX Kapitalmarktberatungsgesellschaft mbH against payment of €1.00. The interests were transferred on 16 February 2006.

As of 30 September 2006, U.S. Exchange Holdings Inc. reduced its interest in U.S. Future Exchange L.L.C. from 91.67 percent to 27.71 percent. Due to this transaction, the indirect interest of Deutsche Börse AG declined to 13.84 percent.

As of 31 December 2006, Deutsche Börse AG holds more than 5 percent of the voting rights in the following companies:

Name of company	Location	Equity in T€[1)]	Net profit/loss 2006 in T€[1)]	Share of capital direct (indirect)
European Energy Exchange AG	Germany	35,398[2)]	6,551[2)]	(11.60%)
International Index Company Ltd.	United Kingdom	10,438	3,326	14.89%
The Clearing Corporation Inc.	USA	USD 43,395[3)]	USD (15,149)[3)]	(8.17%)[4)]
U.S. Futures Exchange L.L.C.	USA	USD 34,546[3,5)]	USD (3,457)[3,5)]	(13.84%)[6)]

1) Preliminary figures.
2) Subgroup figures.

3) In thousand.
4) Indirect interest of net profit/loss: 13.90%.
5) Figures of short business year from 1st October 2006 to 31st December 2006.
6) Indirect interest of net profit/loss: 23.53%.

Receivables from Affiliate Companies

In addition to the receivables due to existing profit and loss transfer agreements, the receivables from affiliate companies mainly include trade account receivables from Eurex Frankfurt AG to the amount of €22.7 mn.

Other Information

Deutsche Börse AG completed two offsetting interest rate swaps, which are included in the other current assets and in the long-term provisions with the market value (other current assets in 2005: acquisition costs) of €1.9 mn.

Deferred tax asset according to § 274 (2) HGB

Due to the adjustment in the discount rate calculation of the provisions for pensions, IHK, retirements, surviving dependants, anniversaries and deferred compensation, the provisions are valued differently in the commercial and tax balances. As a result of this difference, a deferred tax asset amounting to €7.5 mn was set up.

Deferred Expenses and Accrued Income

The deferred expenses and accrued income amounts to €1.7 mn and consists mainly of advance payments for maintenance and licence fees (€0.7 mn) and rent (€0.3 mn). Furthermore advance payments for marketing activities (€0.2 mn) were deferred.

Shareholders' Equity

Within the scope of the capital management program launched in mid-April 2005, Deutsche Börse AG repurchased 3,479,692 (2005: 10,524,227) own shares in the reporting year and 3,918,789 (2005: 5,884,091) own shares were retired. Consequently the subscribed capital was reduced to €102.0 mn (2005: €105.9 mn). It is divided into 102,000,000 no-par value shares. At the end of the year, Deutsche Börse AG holds 4,201,039 shares (2005: 4,640,136) foreseen for retirement. In the reporting year 2006, €3.9 mn were added to the capital reserve. As a result of this, the amount at the end of the year increases to €1,377.3 mn (2005: €1,373.4 mn).

Subject to the approval of the Supervisory Board, the Executive Board is authorised to increase the subscribed capital by the following amounts:

	Amount in €	Date of authorisation by the shareholders	Expiry date	Existing shareholders' subscription rights may be suspended for fractional amounts and/or may be suspended if the share issue is:
Authorised capital I	5,200,000	24 May 2006	23 May 2011	- against non-cash contributions for the purpose of acquiring companies, parts of companies or stakes in companies or other assets.
Authorised capital II	14,797,440	14 May 2003	13 May 2008	- for cash at an issue price not significantly lower than the stock exchange price up to a maximum amount of 10 percent of the nominal capital. - to issue new shares to employees or subsidiaries' employees under a group share plan up to a maximum of 3,000,000 shares. - against non-cash contributions for the purpose of acquiring companies, parts of companies or stakes in companies. - to grant subscriptions rights on new shares to owners of warrants and convertible bonds issued by Deutsche Börse AG and their subsidiaries.

In addition to the authorised capital I and II, the Executive Board is allowed, subject to the agreement of the Supervisory Board, to issue up to 30,000,000 new shares (conditional capital), solely in connection with the issue and satisfaction of convertible bonds and up to 3,000,000 shares in connection with the fulfilment of subscription rights to employees under the Group Share Plan.

The Annual General Meeting on 24 May 2006 resolved to transfer €129.6 mn from the unappropriated surplus to other retained earnings and €210.4 mn was distributed to the shareholders. The unappropriated surplus of the year under review totals €350.0 mn, of which presumably €17.5 mn will be transferred to the retained earnings.

Other Provisions

Other provisions to the amount of €131.5 mn mainly comprise the following items:

	mn €
Phantom stock option programme and Group Share Plan	56.8
Provisions for other personnel costs	17.2
Anticipated losses from rental expenses	12.5
Outstanding invoices	12.2
Other tax provisions	10.7
Obligation to refund current and future pension payments to the IHK on the basis of the transition agreement	8.9
Anticipated losses for rent and additional property expenses	4.3
Anticipated losses from interest rate swaps	1.9
Other provisions	7.0
	131.5

Deutsche Börse AG has established a phantom stock option programme for Executive Board and senior executives of Deutsche Börse and its subsidiaries. On the basis of the intrinsic value of the allocated phantom stock options, a provision of €55.0 mn for personnel expenses was made.

In addition, Deutsche Börse AG set up a Group Share Plan (GSP) for non-executive employees of Deutsche Börse AG and its subsidiaries that comprises a component for the acquisition of employee shares, plus a stock option component. The intrinsic value of the issued and outstanding stock options is €1.8 mn at the closing date, and a provision for personnel expenses was set up for this amount.

Current Liabilities

The current liabilities are divided as follows. Liens or similar rights have not been acquired.

Amount in mn €	Total amount	Payable within 1 year	Payable within 1 to 5 years
Liabilities from bank loans and overdrafts (prev. year)	0 (0.0)	0 (0.0)	0 (0)
Trade accounts payable (prev. year)	14.7 (7.8)	14.7 (7.8)	0 (0)

Amounts owed to group undertakings (prev. year)	620.1 (674.5)	122.6 (177.0)	497.5 (497.5)
Amounts owed to undertakings in which the company has a participating interest (prev. year)	1.5 (1.8)	1.5 (1.8)	0 (0)
Other liabilities (prev. year)	19.9 (39.4)	19.3 (38.1)	0.6 (1.3)
thereof tax (prev. year)	8.1 (9.1)	8.1 (9.1)	0 (0)
thereof social security (prev. year)	0.1 (0.0)	0.1 (0.0)	0 (0)
Total Current Liabilities (prev. year)	656.2 (723.5)	158.1 (224.7)	498.1 (498.8)

Income Statement Disclosures

Sales Revenue

Sales revenue of €1,043.3 mn relates to the segments Eurex (€583.0 mn), Xetra (€314.1 mn) and Market Data & Analytics (€146.2 mn).

Other Operating Income

Other operating income amounting to €142.4 mn principally includes income from group agency agreements (€131.4 mn), rental income (€2.7 mn) and foreign currency gains (€ 1.9 mn) as well as prior-period income from the reversal of provisions (€2.4 mn).

Other Operating Expenses

Other operating expenses amount to €436.0 mn and are mainly comprised of the cost of agency agreements with affiliated companies (€151.4 mn), IT operating costs (€110.9 mn), legal and consulting costs (€50.1 mn), premises expenses (€35.9 mn), Xontro handling costs (€15.9 mn), costs for the purchase of price information from regional exchanges (€10.6 mn), advertising and marketing costs (€9.9 mn), Central Counterparty handling costs (€7.7 mn), non-recoverable input tax (€6.2 mn) and insurance premiums (€3.6 mn). This item also includes prior-period expenses of €0.5 mn resulting from losses from the disposal of non-current assets.

Auditor’s fee

In the reporting year, the auditor’s fee amounted to €2.3 mn. Included are costs for the audit of financial statements (€0.9 mn), tax consultancy (€0.9 mn) and other services (€0.5 mn).

Other taxes

The position other taxes shows earnings amounting to €4.8 mn. This position comprises VAT re-imbursements for the years 2004 and 2005.

Other Financial Obligations

Other financial obligations are composed of obligations from rental agreements, leases and maintenance costs, obligations from insurance policies and obligations from other agreements. The total anticipated payments for 2007 amount to €382.6 mn.

Within the obligations for rental agreements, leases and maintenance costs (€41.9 mn) obligations relating to long-term contracts for the rental of office space (€24.8 mn) comprises the main position. Other obligations to the amount of €17.1 mn mainly relate to maintenance contracts for the operation of the building (€12.3 mn) and for the User Helpdesk (€3.0 mn).

The obligations from insurance policies (€4.1 mn) relate to the annual payment commitment of €1.8 mn resulting from the consequential loss/personal liability insurance policy.

The obligations from other agreements (€336.6 mn) result from agency agreements with Deutsche Börse Systems AG (€144.6 mn), Eurex Frankfurt AG (€103.2 mn) and Eurex Clearing AG (€88.8 mn). In relation to Deutsche Börse Systems AG, €74.6 mn are attributable to application development, €55.1 mn to data centre services and €14.9 mn to other agency services. The obligations towards Deutsche Börse Systems AG, Eurex Frankfurt AG and Eurex Clearing AG are obligations towards affiliated companies.

The company has issued an internal letter of comfort towards Eurex Clearing AG. Under this agreement, the Deutsche Börse AG agrees to provide Eurex Clearing AG with 85 percent of the funds it needs to meet its obligations as the central counterparty for the settlement of securities traded on the FWB, derivatives traded on Eurex Deutschland and Eurex Schweiz as well as the transactions made on the Eurex Bonds platform and the pensions transactions made on the Eurex Repo platform. The obligation of Deutsche Börse AG according to this letter of comfort is limited to €595.0 mn.

Furthermore, an unlimited letter of comfort has been issued in favour of Clearstream Banking AG in accordance with § 5 (10) of the statutes of the *Einlagensicherungsfonds* (deposit insurance fund), under which Deutsche Börse AG has agreed to indemnify Bundesverband Deutscher Banken e.V. (German Banking Association) against all losses. A guarantee and negative covenant has also been signed by Deutsche Börse AG and Deutsche Börse Finance S.A. in which Deutsche Börse AG guarantees to pay capital and interest as well as any other amounts to be paid by Deutsche Börse Finance S.A. for the bonds issued as part of the debt issuance programme.

The provisions set up for the deferred compensation were recognised on an employee basis at the individual subsidiaries. However, since Deutsche Börse AG is the debtor to the employees participating in the programme, a contingency obligation exists in the provisions of €8.4 mn established at the individual subsidiaries.

Other Information

Supervisory Board

Members of the Supervisory Board as of 31 December 2006:

Kurt F. Viermetz Chairman	Chairman of the Supervisory Board Hypo Real Estate Holding AG Munich
Appointments to supervisory boards:	 ERGO-Versicherungs-AG (until 12/04/2006) Hypo Real Estate Holding AG (Chairman)
David Andrews	Chief Executive Officer Xchanging Ltd. London
Appointment to supervisory boards:	 Xchanging Transaction bank GmbH (Chairman)
Herbert Bayer	Trade union secretary ver.di Frankfurt/Main
Appointments to supervisory boards:	 dwpbank / Deutsche WertpapierService Bank AG Eurohypo AG
Udo Behrenwaldt	Business consultant Frankfurt/Main
Appointments to supervisory boards:	 Deutsche Asset Management Investmentgesellschaft mbH (Deputy Chairman) Deutsche Bank Privat- und Geschäftskunden AG Deutsche Vermögensbildungsgesellschaft mbH (Chairman) Feri Finance AG Karstadt Quelle AG (since 01/07/2006)
Other appointments:	Deutsche Asset Management S.A. (until 28/02/2006) (Member of the Board of Directors) DWS Investment S.A. (Member of the Board of Directors) DWS Polska TFI S.A. (Member of the Board of Directors)

Richard Berliand	Managing Director JP Morgan Securities Ltd., London JP Morgan Futures Inc.,London
Other appointments:	JP Morgan Cazenove (since 10/2006) (Non-Executive Director)
Birgit Bokel	Staff member Facility Management Section Deutsche Börse AG Frankfurt/Main
Hans-Peter Gabe	Staff member Staff Training Section Deutsche Börse AG Frankfurt/Main
Dr. Manfred Gentz	Chairman of the Board of Directors Zurich Financial Services Zurich President International Chamber of Commerce (ICC) Germany Cologne
Appointments to supervisory boards:	adidas AG DWS Investment GmbH Eurohypo AG (until 31/03/2006) (Chairman)
Other appointment:	Zurich Financial Services AG (Chairman of the Board of Directors)
Richard M. Hayden	Vice Chairman GSC Group Ltd. London
Other appointments:	Cofra Holding AG (Non-Executive Director)
Craig Heimark	Managing Partner Hawthorne Group LLC Palo Alto
Other appointment:	Avistar Communications Corporation (Member of the Board of Directors)

Hermann-Josef Lamberti	Member of the Executive Board Deutsche Bank AG Frankfurt/Main
Appointments to supervisory boards:	Carl Zeiss AG Deutsche Bank Privat- und Geschäftskunden AG (Chairman) Schering AG (until 20/03/2006)
Other appointment:	Fiat S.p.A. (Member of the Board of Directors)
Silke Martinez Maldonado (until 24/05/2006)	Staff member Front Office Data & Analytics Section Deutsche Börse AG Frankfurt/Main
Friedrich Merz	Member of the German Bundestag (national parliament) Lawyer at Mayer, Brown, Rowe & Maw LLP Berlin
Appointments to supervisory boards:	AXA Versicherung AG Deutsche Rockwool GmbH (until 31/03/2006) Interseroh AG IVG Immobilien AG (since 30/05/2006)
Other appointment:	BASF Antwerpen NV (Member of the Administrative Board) Stadler Rail AG (since 07/02/2006) (Member of the Board of Directors)
Friedrich von Metzler	Personally liable partner B. Metzler seel. Sohn & Co. KGaA Frankfurt/Main
Appointment to supervisory boards:	DWS Investment GmbH
Roland Prantl (since 24/05/2006)	Staff member Configuration Management and Quality Assurance Section Deutsche Börse Systems AG Frankfurt/Main

Alessandro Profumo	Chief Executive Officer UniCredito Italiano S.p.A. Milan
Appointment to supervisory boards:	Bayerische Hypo- und Vereinsbank AG (Chairman)
Other appointments:	Bank Austria Creditanstalt AG (since 25/01/2006) (Member of the Supervisory Board) (since 13/07/2006) (Chairman) Mediobanca S.p.A. (Member of the Board of Directors) Unicredit Banca Mobiliare (UBM) S.p.A. (Chairman of the Board of Directors) Unicredit Banca S.p.A. (Member of the Board of Directors) Unicredit Banca d´Impresa S.p.A. (Member of the Board of Directors) Unicredit Private Banking S.p.A. (Member of the Board of Directors) Unicredit Xelion Banca S.p.A. (until 26/01/2006) (Deputy Chairman of the Board of Directors)
Sadegh Rismanchi	Staff member Configuration Management and Quality Assurance Section Deutsche Börse Systems AG Frankfurt/Main
Appointment to supervisory boards:	Deutsche Börse Systems AG
Gerhard Roggemann	Vice Chairman Hawkpoint Partners Ltd. London
Appointment to supervisory boards:	Euro-Product-Services AG GP Günter Papenburg AG (since 21/07/2006) (Chairman)
Other appointments:	Rose & Sky Delta Fund Ltd. (until 31/08/2006) (Non-Executive Director) Rose & Sky Delta Master Fund Ltd. (until 31/08/2006) (Non-Executive Director) Rose & Sky Investment (Cayman) Ltd. (until 31/08/2006) (Non-Executive Director) VHV Holding AG (Member of the Administrative Board)

Dr. Erhard Schipporeit	Business Consultant Hanover Former member of the Executive Board E.ON AG (until 30/11/2006) Dusseldorf
Appointments to supervisory boards:	Commerzbank AG Degussa AG (until 31/12/2006) E.ON Ruhrgas AG (until 31/12/2006) SAP AG Talanx AG
Other appointments:	E.ON Audit Services GmbH (until 28/11/2006) (Chairman of the Supervisory Board) E.ON IS GmbH (until 28/11/2006) E.ON Risk Consulting GmbH (until 28/11/2006) (Chairman of the Supervisory Board) E.ON UK plc. (until 28/11/2006) (Member of the Board of Directors) E.ON US Investments Corp. (until 30/11/2006) (Member of the Board of Directors) HDI Haftpflichtverband der Deutschen Industrie V.a.G. (Member of the Supervisory Board)
Dr. Herbert Walter	Chairman of the Executive Board Dresdner Bank AG Frankfurt/Main
Appointment to supervisory boards:	Allianz Beratungs- und Vertriebs-AG (since 24/02/2006) E.ON Ruhrgas AG (since 24/03/2006) TSV München von 1860 GmbH & Co. KGaA (until 13/07/2006)
Other appointments:	Banco BPI S.A. (Member of the Board of Directors) Banco Popular Español S.A. (Miembro, Consejo de Administración) Dresdner Bank Luxemburg S.A. (until 10/03/2006) (Chairman of the Board of Directors)
Otto Wierczimok	Staff member Vaults Section Clearstream Banking AG Frankfurt/Main
Appointment to supervisory boards:	Clearstream Banking AG

Johannes Witt	Staff member Central Billing Section Deutsche Börse AG Frankfurt/Main

The remuneration of the members of the Supervisory Board totalled €2.8 mn.

The Supervisory Board has established the following committees:

Audit Committee

Dr. Manfred Gentz (Chairman)
Udo Behrenwaldt
Dr. Erhard Schipporeit
Johannes Witt

Committee for Personnel Issues

Kurt F. Viermetz (Chairman)
Hans-Peter Gabe (until 24/05/2006)
Richard M. Hayden
Friedrich von Metzler
Otto Wierczimok (since 24/05/2006)

Supervisory Committee for Strategic Issues

Kurt F. Viermetz (Chairman)
Herbert Bayer
Birgit Bokel (since 24/05/2006)
Richard M. Hayden
Silke Martinez Maldonado (until 24/05/2006)
Friedrich Merz
Gerhard Roggemann

Supervisory Committee for Technological Issues

David Andrews (Chairman)
Craig Heimark
Sadegh Rismanchi
Dr. Herbert Walter

Supervisory Committee for Clearing and Settlement Issues

Hermann-Josef Lamberti (Chairman)
David Andrews
Richard Berliand
Hans-Peter Gabe (since 24/05/2006)
Otto Wierczimok (until 24/05/2006)

Executive Board

Members of the Executive Board:

Dr. Reto Francioni (Chairman)	responsible for Group Coordination/Corporate Center, Customers/Markets (Group Coordination and until 31/03/2006 Trading and Clearing Services; Stock Market Business Development; Derivatives Market Business Development)
Appointments within the Group Supervisory Boards:	Deutsche Börse Systems AG (Chairman) Eurex Clearing AG (Deputy Chairman) (since 27/04/2006) Eurex Frankfurt AG (Deputy Chairman) (since 27/04/2006)
Other appointments:	Clearstream International S.A. (Vice Chairman of the Board of Directors) Eurex Zürich AG (Member of the Board of Directors) (Deputy Chairman) (since 27/04/2006)
Dr. Matthias Ganz	responsible for Operations Chairman of the Executive Board Clearstream Banking AG Member of the Group Executive Management Clearstream Banking S.A. Member of the Group Executive Management Clearstream International S.A. Member of the Management Board FWB Frankfurter Wertpapierbörse
Appointments within the Group Other appointments:	Clearstream Banking S.A. (Member of the Board of Directors) Clearstream International S.A. (Member of the Board of Directors)
Mathias Hlubek	responsible for Group Coordination/Corporate Center, Customers/Markets (Group Corporate Center, Customer/Markets; Market Data & Analytics; Corporate Development) Member of the Executive Board Deutsche Börse Systems AG General Manager Deutsche Börse IT Holding GmbH Member of the Group Executive Management Clearstream Banking S.A. Member of the Group Executive Management Clearstream International S.A.

	Chairman of the Group Executive Management Clearstream Services S.A.
Appointments within the Group Supervisory Boards:	Clearstream Banking AG (since 09/01/2006) Eurex Clearing AG Eurex Frankfurt AG
Other appointments:	Clearstream Banking S.A. (Member of the Board of Directors) Clearstream International S.A. (Member of the Board of Directors) Clearstream Services S.A. (Chairman of the Board of Directors) Deutsche Börse Finance S.A. (Chairman of the Board of Directors) Eurex Zürich AG (Member of the Board of Directors) Risk Transfer Re S.A. (Member of the Board of Directors)
Dr.-Ing. Michael Kuhn	responsible for Technology/Systems Chief Executive Officer Deutsche Börse Systems AG Member of the Group Executive Management Clearstream Services S.A. General Manager Deutsche Börse IT Holding GmbH
Appointments within the Group Supervisory Boards:	Eurex Clearing AG Eurex Frankfurt AG Xlaunch Abwicklungs AG i.L. (since 13/03/2006) (Chairman)
Other appointments:	Clearstream Services S.A. (Member of the Board of Directors) Eurex Zürich AG (Member of the Administrative Board)
Andreas Preuß (since 01/04/2006)	responsible for Customers/Markets (Trading and Clearing Services; Stock Market Business Development; Derivatives Market Business Development) Chief Executive Officer, Eurex Clearing AG (since 27/04/2006) Chief Executive Officer, Eurex Frankfurt AG (since 19/04/2006) Chief Executive Officer, Eurex Zürich AG (since 19/04/2006) Member of the Management Board, Eurex Deutschland (since 22/06/2006) Chairman of the Management Board, FWB Frankfurter Wertpapierbörse (since 22/06/2006)

Appointments within the Group
Other appointments: U.S. Futures Exchange, L.L.C. (since 01/10/2006)
(Member of the Board of Directors)

Jeffrey Tessler responsible for Customers/Markets

Chief Executive Officer, Clearstream International S.A.
Chief Executive Officer, Clearstream Banking S.A.

Appointments within the Group
Supervisory Boards: Clearstream Banking AG (Chairman)
Deutsche Börse Systems AG (since 09/03/2006) (Deputy Chairman) (since 06/04/2006)

Other appointments: Clearstream Banking S.A. (Chairman of the Board of Directors)
Clearstream International S.A. (Member of the Board of Directors)

The fixed and performance-related remuneration of the active members of the Executive Board totalled €17.7 mn in 2006. During the year under review, 89,826 phantom stock options were issued to the members of the Executive Board. The option value at the reference day amounted to €3.1 mn. Pension benefits for the former Executive Board members and their survivors amounted to €0.7 mn in the reporting year. Provisions of €22.8 mn were set up for the pension entitlements of former Executive Board members and their survivors.

The individual remuneration of the members of the Executive and Supervisory Boards is disclosed in the remuneration report. The remuneration report is included in the audited management report.

Employees

An average of 532 employees (2005: 520) was employed by Deutsche Börse AG in 2006. As of the 31 December 2006, the company had 542 employees (2005: 521) (board members excluded).

Included in this number, 17 employees hold temporary contracts, 80 employees hold part-time positions and 25 employees were on maternity leave. In consideration of part-time employees the average number of full-time equivalents in 2006 was 479 (2005: 466).

Group Affiliation

Deutsche Börse AG prepares consolidated financial statements. These consolidated financial statements are published in the *Bundesanzeiger* (Federal Gazette) and filed in the offices of the company.

The Children's Investment Fund Management (UK) LLP, London, United Kingdom, has informed Deutsche Börse AG according to §§ 21 (1), 22 (1) (1) no. 6 WpHG that as of 10 April 2006, it is in possession of more than 10 percent of the voting rights.

The Children's Investment Master Fund, George Town, Cayman Islands, which is managed by The Children's Investment Fund Management (UK) LLP, has informed Deutsche Börse AG according to §§ 21 (1) WpHG that as of 10 April 2006, it is in possession of more than 10 percent of the voting rights.

Atticus Management LLC (former Atticus Capital L.L.C.), New York, USA, has informed Deutsche Börse AG according to §§ 21 (1), 22 (1) (1) no. 6 WpHG that as of 11 May 2005, it is in possession of more than 5 percent of the voting rights. Atticus Management LLC has furthermore informed Deutsche Börse AG according to § 22 (1) (1) no. 6 WpHG (2) that as of 1 January 2006, the voting rights should be assigned to the company.

Atticus Capital LP, New York, USA, has informed Deutsche Börse AG according to §§ 21 (1), 22 (1) (1) no. 6 WpHG that as of 1 January 2006, it is in possession of more than 5 percent of the voting rights.

Corporate Governance Code

On 4 December 2006, the Executive Board and the Supervisory Board renewed their declaration of conformity under section 161 AktG (German Companies Act) and made it available to shareholders on a permanent basis.

Frankfurt/Main, 21 February 2007

Deutsche Börse AG

Executive Board

Dr. Reto Francioni	Dr. Matthias Ganz	Mathias Hlubek
Dr.-Ing Michael Kuhn	Andreas Preuß	Jeffrey Tessler

Deutsche Börse AG, Frankfurt/Main

Statement of Changes in Noncurrent Assets as at 31 December 2006

	Acquistion and Production Costs					Depreciation and Amortization				Book Value	
	Balance as at 01.01.2006	Additions 2006	Disposals 2006	Reclassification 2006	Balance as at 31.12.2006	Balance as at 01.01.2006	Additions 2006	Disposals 2006	Balance as at 31.12.2006	as at 31.12.2006	as at 31.12.2005
	€	€	€	€	€	€	€	€	€	€	€
Intangible Assets											
Software	191,774,253.80	1,094,395.36	0.00	0.00	192,868,649.16	184,746,699.80	5,418,345.36	0.00	190,165,045.16	2,703,604.00	7,027,554.00
Prepayments	0.00	114,600.00	0.00	0.00	114,600.00	0.00	0.00	0.00	0.00	114,600.00	0.00
	191,774,253.80	1,208,995.36	0.00	0.00	192,983,249.16	184,746,699.80	5,418,345.36	0.00	190,165,045.16	2,818,204.00	7,027,554.00
Tangible Assets											
Fixtures of third party land	14,729,935.34	120,511.53	37,134.34	0.00	14,813,312.53	8,747,762.34	1,368,675.53	37,134.34	10,079,303.53	4,734,009.00	5,982,173.00
Other assets, furnitures and office equipment	42,159,793.60	2,930,082.14	1,800,724.38	0.00	43,289,151.36	27,656,264.60	3,929,701.31	1,325,532.55	30,260,433.36	13,028,718.00	14,503,529.00
Prepayments	0.00	4,031,488.89	0.00	0.00	4,031,488.89	0.00	0.00	0.00	0.00	4,031,488.89	0.00
	56,889,728.94	7,082,082.56	1,837,858.72	0.00	62,133,952.78	36,404,026.94	5,298,376.84	1,362,666.89	40,339,736.89	21,794,215.89	20,485,702.00
Financial Assets											
Shares in affiliated companies	1,865,011,685.41	25,495,987.70	58,525,813.16	0.00	1,831,981,859.95	53,918,633.98	2,406,790.36	0.00	56,325,424.34	1,775,656,435.61	1,811,093,051.43
Loans to affiliated companies	360,636,856.37	0.00	8,366,086.64	0.00	352,270,769.73	0.00	2,270,769.73	0.00	2,270,769.73	350,000,000.00	360,636,856.37
Investments	30,888,158.13	0.00	5,087,098.40	0.00	25,801,059.73	12,775,162.58	645,000.00	5,087,097.40	8,333,065.18	17,467,994.55	18,112,995.55
Long-term securities	8,002,221.08	43,146,568.30	0.00	0.00	51,148,789.38	0.00	0.00	0.00	0.00	51,148,789.38	8,002,221.08
Other loans	45,883.72	80,459.54	87,538.78	0.00	38,804.48	0.00	0.00	0.00	0.00	38,804.48	45,883.72
	2,264,584,804.71	68,723,015.54	72,066,536.98	0.00	2,261,241,283.27	66,693,796.56	5,322,560.09	5,087,097.40	66,929,259.25	2,194,312,024.02	2,197,891,008.15
	2,513,248,787.45	77,014,093.46	73,904,395.70	0.00	2,516,358,485.21	287,844,523.3	16,039,282.29	6,449,764.29	297,434,041.30	2,218,924,443.91	2,225,404,264.15

Management Report for the Financial Year 2006

Compared with the previous year, Deutsche Börse Aktiengesellschaft's management report was restructured in order to adequately reflect the amended legal requirements.

In cases where no relevant data for Deutsche Börse AG was available, reference figures of Deutsche Börse Group were used.

Business and operating environment

General position of the Company

In 2006, the global economy marked its fourth straight year of significant growth. The major industrial nations are expected to experience stronger economic growth than in the previous year. According to current estimates, real GDP in the OECD countries has risen by an average of 3.2 percent (2005: 2.7 percent).

In the context of macroeconomic development, Deutsche Börse Aktiengesellschaft's business is mainly influenced by economic trends in Germany, the rest of Europe and the United States.

In 2006, the German economy grew somewhat faster than the Company had expected. Real GDP was up by 2.5 percent year on year. This is the strongest economic upswing since 2000. In contrast to previous years, growth factors came mainly from within Germany. In addition to investment, consumption was also strong: private consumption increased by 0.6 percent following two years of virtual stagnation.

At the European level as well, greater domestic demand and investment provided momentum to the economy. In 2006, real GDP increased by 2.6 percent in the euro zone. As a result of this growth and the associated inflation risks, the European Central Bank raised its key interest rate by a total of 1.25 percentage points over the course of the year to 3.5 percent.

After a very strong first quarter in the US, economic growth slowed over the course of the year. Nevertheless, real GDP is expected to grow by 3.3 percent in 2006 overall. The slowdown in growth can be attributed mainly to a rise in imports, a decline in real estate investment and a lull in public and private consumption. The Federal Reserve therefore decided against further raising its key lending rate, which has been at 5.25 percent since summer 2006, despite continuing inflation risks.

Given this economic growth the financial markets have also performed very positively in the year under review:

The stock markets performed extremely favorably, particularly in the second half of 2006, influenced by falling oil prices, climbing corporate profit forecasts and healthy takeover activity, reaching multi-year highs. For example, the DAX blue-chip index rose by 22 percent to 6,597 points in the past year, despite a weak phase in the second quarter. In spite of continued low volatility, trading volumes on the major stock exchanges increased, significantly in some cases, as against the previous year.

Trading activity on selected cash markets	Transactions (single counted) in 2006 billions	Change 2006 vs. 2005 %
London Stock Exchange[1)]	£1,511	+44
Deutsche Börse Group – Xetra[1)]	€1,593	+42
Euronext[1)]	€2,375	+33
NYSE Group[2)]	456,653	+10
Nasdaq[3)]	244,855	+4

1) Order book volume electronic trading

2) Executed volume of NYSE-listed securities

3) Executed volume of Nasdaq-listed securities

On the derivatives markets, changes in the estimates of the future course of monetary policy, particularly in the US, provided a boost to business with money market products. At the long end of the maturity spectrum, increasing yields in the largest economies led to a significant increase in turnover in government bond derivatives. Equities and equity index derivative trading activity was naturally influenced by developments on the underlying equities markets. In the first and last quarter of 2006, increased valuations were driving factors, as was the temporarily significantly higher volatility in the second quarter.

Trading activity on selected derivatives markets	Traded contracts 2006 millions	Change 2006 vs. 2005 %
CME	1,341	+28
Deutsche Börse Group – Eurex	1,527	+22
Euronext.Liffe	730	+21
CBOT	806	+19

Source: the exchanges listed

Overview of business development

In 2006, Deutsche Börse AG achieved by far the best results in its history. The extremely positive environment in the financial markets, structural growth factors and continuing cost discipline all contributed to this outcome. As a result of the scalability of its business model, Deutsche Börse AG was able to convert all of the additional sales revenue generated into additional earnings.

Sales revenue in the year under review rose by 21 percent to €1,043.3 million (2005: €861.1 million). At the same time, total costs in the year under review fell by 10 percent to €577.6 million (2005: €642.4 million), and earnings therefore increased significantly: The reduction in costs is attributable primarily to lower cost reimbursements to Eurex Frankfurt AG under agency agreements and to lower depreciation and amortization expenses. EBITA (earnings before interest, tax and goodwill impairment) rose by 34 percent to reach a new record level of €870.7 million (2005: €651.6 million).

Deutsche Börse AG's key performance figures	2006	2005	Change 2006 vs. 2005 %
Sales revenue (€m)	1,043.3	861.1	+21
EBT (€m)	870.9	641.2	+36
Net income (€m)	616.0	461.1	+34
Earnings per share (€)[1]	6.20	4.31	+44

1) Calculation based on weighted average of outstanding shares

Description of the Group's internal management control system

Deutsche Börse Group's internal management control system is primarily based on the performance indicators EBITA, costs, return on equity and net tangible equity (equity less goodwill).

Deutsche Börse Group manages EBITA, which is one of the most important performance indicators, via sales revenue and costs. Total revenue is composed of sales revenue with external customers, net interest income from banking business, own expenses capitalized and other operating income. Sales revenue with external customers is generally dependent on the three growth factors described above. Own expenses capitalized comprise development costs for internally generated computer software. Other operating income results mainly from the operational management of the Eurex Zürich derivatives market for SWX Swiss Exchange AG.

With regard to costs, the Company distinguishes between staff costs, depreciation, amortization and impairment losses (excluding goodwill impairment) and other operating expenses. Staff costs comprise wages and salaries as well as social security contributions and the cost of retirement benefits. They are firstly subject to an element of inflation and secondly depend on the development of Deutsche Börse AG's stock price, since they also include changes in the provisions and payments in respect of the stock option plan for members of the Executive Board and senior executives. Depreciation, amortization and impairment losses do not include goodwill impairment and is dependent on the amount of investments capitalized. Other operating expenses principally comprise the costs of developing and operating the Group's technological infrastructure, office infrastructure costs and marketing costs. Since around 80 percent of Deutsche Börse Group's total costs are fixed costs, the Company can handle higher volumes of business without a significant increase in costs. The approximately 20 percent represented by variable costs includes the fee and commission expenses from banking business, the operation of the floor trading system and various licence fees, among other items.

In November 2005, Deutsche Börse Group set itself the objective of closing the 2006 financial year with costs at the same level as in 2005. After adjusting for the costs incurred in 2005 in connection with the entory subgroup, this represents a cost target of around €1,090 million. With total costs amounting to €1,092.4 million, Deutsche Börse Group achieved the cost target set. This successful outcome was based on strict cost discipline in the year under review.

The consolidated return on equity after taxes is another key figure underlying Deutsche Börse Group's strategy. The return on equity represents the ratio of after-tax earnings to the average equity available to the Company in 2006. In 2006, the return on equity increased to 30.1 percent (2005: 17.7 percent). This was largely due to the growth in earnings, but was also affected by the renewed fall in equity relating to the capital management program. In the year under review, therefore, Deutsche Börse Group has already reached its target, originally set for 2007, of achieving a return on equity of 20 percent.

Deutsche Börse Group uses net tangible equity (equity less goodwill) as a management performance indicator in the context of the capital management program. The aim of this program is to distribute funds not required for the Group's operating business to shareholders. A figure of around €1 billion was determined as the minimum amount for net tangible equity in order to protect the Group's high credit ratings. The program is described in detail in the "Financial position" section of the Group management report.

Business development in the segments

Deutsche Börse AG has a function-driven organizational structure. It is composed of the Xetra (cash market: electronic trading platform, floor trading and clearing services), Eurex (derivatives market: electronic trading platform and clearing services, OTC trading platforms) and Market Data & Analytics (sale of price information and information distribution) segments.

Xetra segment

Business activities in the Xetra cash market segment in the year under review developed very positively. Trading volumes both in the Xetra electronic trading system and in floor trading again rose significantly as against the already strong performance in the previous year. This growth was helped by structural changes in the equities market as well as by very favourable general conditions on the financial markets.

The number of transactions on the Xetra electronic trading system rose by 32 percent compared with the previous year to 107.7 million. The trading volume (single counted) was 42 percent higher at €1,592.9 billion. Business performance on the Xetra system is largely dependent on the trading activities of institutional investors and banks' own-account trading. A number of factors had a beneficial effect on the trading volume on Xetra: the positive economic environment – measured, among other things, by economic growth in 2006 and rising company profits, the rise in the levels of the leading indices over the year as a whole and temporary increases in volatility. Structural changes in trading also played a major role in addition to these general economic factors. The increasing use of fully computerized trading strategies is especially noteworthy here. Deutsche Börse AG allows volume rebates for automatically generated orders as part of its ATP

Initiative, a package of incentives for automated trading. Also as a result of the ATP Initiative, the proportion of algorithmic trading rose again in the year under review, accounting on average for around 34 percent of total Xetra trading volume (2005: 25 percent).

In floor trading, the number of transactions increased by 22 percent to 33.8 million and the trading volume (single counted) by 19 percent to €137.6 billion. Trading performance on the floor of the FWB Frankfurter Wertpapierbörse (the Frankfurt Stock Exchange) is mostly dependent on orders from private investors. In the first quarter of 2006, the greatest number of buy and sell orders placed by them were for equities, bonds and structured products. Despite a confident outlook for the German economy, their investment behaviour around the mid-year period was nervous as a result of the sharp fall in the leading DAX index and other indices in May. Together with the seasonal decline in orders in the summer months recorded every year, this made the third quarter the weakest in the year under review. Trading activity picked up again only in the fourth quarter on the back of significant price gains at the end of the year.

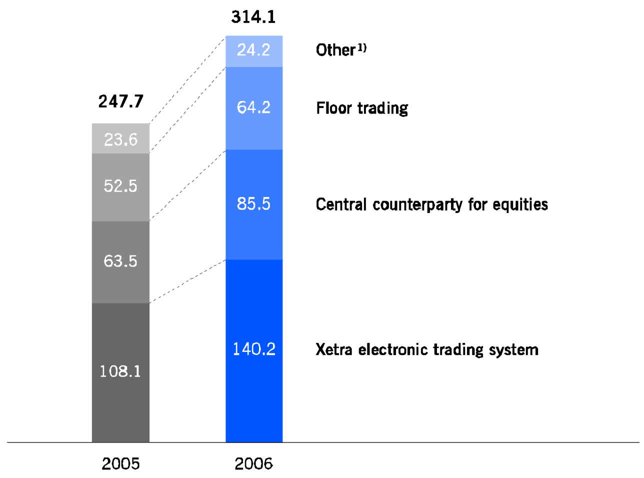
Transactions on Xetra and the Frankfurt Stock Exchange floor (in thousands)

	Xetra		Floor trading	
	2006	2005	2006	2005
Q1	26.8	19.6	31.6	19.8
Q2	28.8	19.3	26.5	17.6
Q3	24.6	21.8	17.5	21.4
Q4	27.6	20.6	22.5	21.0
Total	107.7	81.3	98.1	79.8

All in all, the Xetra segment increased its sales revenue by 27 percent to €314.1 million (2005: €247.7 million). In addition to income from trading, contributions were also made by the central counterparty for equities (CCP)~~, listing fees~~ and income from cooperation agreements. The sales revenue of the central counterparty is principally dependent on the amount of activity on the Xetra electronic trading system. Listing fees are generated on the basis of the number of companies newly admitted to listing and of the total number of quoted companies. Income from cooperation agreements mainly comprises systems operation for the Irish Stock Exchange and the Vienna Stock Exchange.

Sales revenue in the Xetra segment

€ millions



1) Including income from listing and cooperation agreements

EBITA in the Xetra segment rose by 59 percent year-on-year to €179.0 million (2005: €112.6 million), producing an EBITA margin of 57 percent (2005: 45 percent). With costs remaining essentially unchanged compared with the previous year, the increase in the Xetra segment's profitability is due mainly to the growth in sales revenue.

Eurex segment

Trading volumes on the Eurex derivatives exchange, a joint venture of Deutsche Börse AG and SWX Swiss Exchange AG, continued the growth trend of previous years and rose further in the year under review. Trading activity was 22 percent higher year-on-year and reached 1,527 million contracts traded (2005: 1,249 million), a new record level. The equity index products made the largest contribution to this growth with an increase of 46 percent in the year under review.

Contract volumes in Eurex's product groups	2006 m contracts	2005 m contracts	Change %
Equity index derivatives	487	334	+46
Equity derivatives	308	256	+20
Interest rate derivatives	731	659	+11
Total	1,527	1,249	+22

Although the favourable development of the equity markets and movements on the interest rate markets also have an effect on trading activity on Eurex, structural changes have been the main reason for the growth in trading volume in recent years.

The following relevant growth drivers, among others, can be identified in the year under review:

§ In the context of the new European legal and administrative requirements, investment funds may also increasingly use derivatives.

§ Market players are now making increasing use of derivatives to hedge financial market price risks.

§ Issuers of structured cash market products use derivatives to create and manage products, and as hedging instruments.

§ Banks and investors are increasingly applying fully automated trading strategies.

§ Assets managed by hedge funds with very high levels of trading activity have increased.

In addition, new products and services provided by Eurex contribute to trading activity by market participants. For example, futures on individual equities and a series of equity and equity index options were introduced in the year under review. Furthermore, in 2005 and 2006, a program to increase trading activity in equity and equity index products was introduced and enhanced. This program limits trading fees for especially large orders to a different amount depending on the product, in order to attract more business from the OTC market.

Sales revenue of €583.0 million was 20 percent higher than in the previous year (2005: €485.5 million), thanks mainly to the increase in trading activity.

The sale of 70 percent of the U.S. Futures Exchange to Man Group plc also had an impact on the earnings of the Eurex segment: Extraordinary income amounting to around €24 million was recorded in the third quarter of 2006 in respect of the transaction.

Market Data & Analytics segment

The business of the Market Data & Analytics segment consists of the sale of price information, trading statistics, analyses and indices, among other products. Business performance in this segment in the year under the review was extremely positive.

The sales revenue generated by the segment rose by 14 percent year-on-year to reach €146.2 million (2005: €127.9 million). The distribution of real-time data from the cash and derivatives markets operated by Deutsche Börse AG accounted for around 69 percent of this figure (2005: 67 percent). The growth was helped by increases in sales of data packages and higher-value products, as well as by newly launched products and services.

Research and development activities

As a service provider, Deutsche Börse Group does not engage in research and development activities comparable with those of manufacturing companies. This section of the report is therefore not required. The Group’s product development activities are described in more detail in the report on expected developments.

Employees

The number of employees of Deutsche Börse AG remained almost constant in the year under review, amounting to 542 as at 31 December 2006.

The average number of employees of Deutsche Börse AG in 2006 was 532.

32 employees left Deutsche Börse AG in the course of 2006, producing a staff turnover rate of 6.0 percent.

As at 31 December 2006, Deutsche Börse AG had employees at seven locations worldwide. The key locations and regions are:

Employees per region	
	31 December 2006
Germany	512
United Kingdom	20
Rest of Europe	7
North America	3
Total	542

The age structure of Deutsche Börse AG's employees as at 31 December 2006 was as follows:

Employee age structure	Number of employees	Percent
Less than 30	46	8.5%
30 to 39	274	50.6%
40 to 49	180	33.2%
Over 50	42	7.7%
Total	542	

An analysis of the length of service of the Group's employees as at 31 December 2006 showed the following result:

Length of service of employees	31 December 2006	Percent
Less than 5 years	153	28.2 %
5 to 15 years	315	58.1 %
More than 15 years	74	13.7 %
Total	542	

As at 31 December 2006, the percentage of graduates among Deutsche Börse AG's employees was 65.7 percent. This figure is calculated on the basis of the number of employees holding a degree from a university, university of applied technology, or a professional academy, as well as employees who have completed studies abroad.

In total, the Company invested an average of 2.6 days per employee in staff training.

Environmental protection

Caring for the environment and natural resources has always been a core component of Deutsche Börse AG's activities. Its business operations – building, operating and loading IT systems – do not entail any direct environmental risk. All environmental protection measures therefore relate to the infrastructure of its office buildings, and to the selection and monitoring of suppliers.

The Frankfurt headquarters to which Deutsche Börse AG moved in 2000 were all designed to take advantage of state-of-the-art energy-saving concepts.

Deutsche Börse shares

Deutsche Börse's share price rose by 61 percent in the course of 2006, almost as strongly as earnings per share, which rose by 68 percent. The shares closed the year at €139.42 (2005: €86.56). The low for the year was €84.25, just after the beginning of the year on 10 January. The high for the year was €140.88 on 19 December.

In 2006, investors enjoyed an annual return of 64 percent (price gains plus dividend). Over the same period, investments on the DAX, the German blue chip index, generated a return of merely 22 percent.

The excellent business performance, prospects of continuous capital market growth and market expectations that stock exchange consolidation will continue all led to a sustained and widespread interest in Deutsche Börse AG shares, in particular among international investors. As at 31 December 2006, the high proportion of non-German shareholders consolidated at around 84 percent (2005: 90 percent). The proportion of institutional investors also remained high: Their holdings accounted for 98 percent of the Company's shares at the end of the year (2005: 97 percent).

Disclosures in accordance with section 289 (4) of the German Commercial Code (HGB)

In accordance with section 289 (4) of the HGB, Deutsche Börse AG makes the following disclosures as at 31 December 2006:

The share capital of Deutsche Börse AG amounts to €102,000,000 and is composed of 102,000,000 no-par value registered shares. There are no other classes of shares besides these ordinary shares.

The Executive Board of Deutsche Börse AG is not aware of any restrictions affecting the voting rights or transfer of shares.

The Children's Investment Fund Management (UK) LLP, London, United Kingdom, notified Deutsche Börse AG that it exceeded the threshold of 10 percent of the voting rights in the

Company on 10 April 2006. The fund indirectly held 10.06 percent of the voting rights or 10,264,953 votes at that date.

The Children's Investment Master Fund, George Town, Cayman Islands, a fund managed by The Children's Investment Fund Management (UK) LLP, notified Deutsche Börse AG that it exceeded the threshold of 10 percent of the voting rights in the Company on 10 April 2006. The fund directly held 10.06 percent of the voting rights or 10,264,953 votes at that date.

There are no holders of shares with special rights granting the holder powers of control.

Employees holding shares in Deutsche Börse AG may exercise their rights of control directly.

Members of the Executive Board are appointed and dismissed in accordance with sections 84 and 85 of the AktG (Aktiengesetz – German Stock Corporation Act). In accordance with Article 6 (3) of the Articles of Association, membership of the Executive Board generally terminates when the members attain the age of 60.

Changes in the Articles of Association are resolved by the Annual General Meeting in accordance with section 119 (1) no. 5 of the AktG. In accordance with Article 12 (4) of the Articles of Association, the Supervisory Board has the power to resolve changes to the Articles of Association which relate only to their wording. In accordance with Article 18 (1) of the Articles of Association, resolutions are passed by a simple majority of votes cast, unless explicit requirements of the AktG stipulate otherwise. Insofar as the AktG prescribes a majority of share capital to be represented at the Annual General Meeting for resolutions, a simple majority of the share capital shall suffice to the extent that this is legally permissible.

The Executive Board is authorized until 23 May 2011 to increase the share capital, subject to the approval of the Supervisory Board, by issuing new no-par value registered shares against cash and/or non-cash contributions on one or more occasions by up to a total of €5,200,000 (authorized share capital I). Full authorization, particularly the conditions for suspending the shareholders' preemptive rights, derives from Article 4 (3) of the Articles of Association.

The Executive Board is authorized until 13 May 2008 to increase the share capital, subject to the approval of the Supervisory Board, by issuing new no-par value registered shares against cash and/or non-cash contributions on one or more occasions by up to a total of €14,797,440 (authorized share capital II). Full authorization, particularly the conditions for suspending the shareholders' preemptive rights, derives from Article 4 (4) of the Articles of Association.

The Company's share capital has been contingently increased in accordance with Article 4 (5) of the Articles of Association by up to €3,000,000 by issuing up to 30,000,000 no-par value registered contingent shares ("contingent share capital I"). The contingent capital increase is used exclusively to service stock options, granted up to 13 May 2008 as a result of the authorization under item 2 of the agenda of the Annual General Meeting of 14 May 2003. The contingent capital increase is only implemented insofar as the holders of issued stock options exercise these and the Company does not service these stock options by transferring treasury shares or by way of a cash payment. The new shares participate in profit starting at the beginning of the financial year in which they are issued through the exercise of stock options.

The Company's share capital has been contingently increased in accordance with Article 4 (6) of the Articles of Association by up to an additional €3,000,000 by issuing up to 30,000,000 no-par value registered contingent shares ("authorized share capital II"). The contingent capital increase is only implemented insofar as the holders of options or conversion rights or those required to exercise their options or conversion rights exercise their options or conversion rights or, insofar as they are required to exercise their options or conversion rights, fulfill their obligation to do so using options or convertible bonds issued or guaranteed up to 13 May 2008 by the Company or a wholly owned subsidiary of the Company held directly or indirectly pursuant to the authorization resolution by the Annual General Meeting on 14 May 2003. The new shares will be issued at an option or conversion price to be determined in accordance with the aforementioned authorization resolution. The new shares participate in profits starting at the beginning of the financial year in which they are issued through the exercise of options or conversion rights or the fulfillment of conversion or option obligations. The Executive Board is authorized, with the approval of the Supervisory Board, to define the further details of the implementation of the capital increase.

The Annual General Meeting held on 24 May 2006 authorized the Executive Board to acquire up to 10 percent of the share capital as treasury shares. The shares acquired, together with any treasury shares held by or allocated to the Company in accordance with sections 71a and following of the AktG acquired for any other reasons, may at no time exceed 10 percent of the Company's share capital. The authorization is valid until 31 October 2007 and may be exercised in part or in full on one or more occasions by the Company or by dependent companies, or companies in which the Company holds a majority share, or by third parties on its or their behalf. The Executive Board may elect to acquire the shares either (1) on the stock exchange or (2) via a public tender offer addressed to all shareholders. The full and exact wording of the authorization to acquire treasury shares, particularly the permissible purposes for their use, can be found in item 7 of the agenda of the Annual General Meeting of 24 May 2006.

In the event of a change of control following a takeover bid, the following material agreements apply:

§ On 31 August 1998, Deutsche Börse AG and SWX Swiss Exchange AG agreed, under the terms of a shareholders' agreement relating to their joint investment in Eurex Zürich AG and its subsidiary companies, an extraordinary right of termination for a period of 60 days following registered notification. This applies in the event that a third exchange organization obtains a controlling influence over the other party whether by means of a takeover or a merger. Termination would have the effect of ending the joint venture.

§ On 25 October 2006, Deutsche Börse AG and the SWX Group agreed in a cooperation agreement to combine their business operations in the area of structured products in a European exchange organization under a joint name and trademark. The cooperation agreement provides for a right of termination for both parties with a termination notice period of six months to the end of the month, which has the effect of ending the joint venture if a change of control occurs at Deutsche Börse AG or the SWX Group. The right of termination expires if it is not exercised within three months of the date of the change of control. According to the cooperation agreement, a change of control has taken place if a person, corporation, or partnership directly or indirectly acquires control over a company, either alone or together with Group companies or in consultation with other persons or companies. A company has control if it directly or indirectly holds more than 50 percent of the voting rights or the capital of another corporation or partnership, if it must fully consolidate another corporation or partnership under IFRSs, or if it is able to control a company through voting trusts or by making appointments to executive bodies.

§ On 10 May 2005, Deutsche Börse AG and its subsidiary Clearstream Banking S.A. concluded a facility agreement with a consortium of 37 banks for a working capital credit line with a total amount of up to USD 1,000,000,000. In the event of a change of control, the lead manager of the consortium must terminate the agreement within a period of 30 days and declare all amounts due to the lenders immediately repayable, if equired to do so by a majority of the consortium banks who together have provided two-thirds of the amount of the facility granted at the date of the change of control. Within the meaning of this facility agreement, a person or group of persons have control if they coordinate their actions and this provides them the opportunity to govern the business of the Company or to determine the composition of the majority of the Executive Board.

§ Members of Deutsche Börse AG's Executive Board have a special right of termination in the event of a change of control. According to one part of the agreements with Executive Board members, a change of control is subject to one or several shareholders or third parties acquiring 30 percent of existing voting rights or being able to otherwise exercise a controlling influence over the Company. Such influence also exists if the shareholder(s) or third parties hold a share of the voting rights equal to more than half of the voting stock present at three consecutive Annual General Meetings. According to the other part of the agreements with Executive Board members, a change of control has occurred if (1) a shareholder or third party discloses in accordance with sections 21, 22 of the WpHG (Wertpapierhandelsgesetz – German Securities Trading Act) its ownership of more than 50 percent of voting rights in Deutsche Börse AG, (2) an intercompany agreement in accordance with section 291 AktG is entered into with Deutsche Börse AG as a dependent company or (3) Deutsche Börse AG is absorbed in accordance with section 319 AktG or merged in accordance with section 2 of the UmwG (Umwandlungsgesetz – German Reorganization and Transformation Act).

In addition to the above mentioned agreements, Deutsche Börse AG and its subsidiaries are party to further agreements, which are subject to a change of control in the event of a takeover offer. However, in the opinion of Deutsche Börse AG, they are not material within the meaning of section 289 (4) of the HGB.

Remuneration Report

The guide for the appropriate compensation of Executive Board members is their individual performance and that of the Executive Board as a whole, together with the performance, financial position and prospects of Deutsche Börse AG. Members of the Executive Board of Deutsche Börse AG are paid annual compensation comprising a fixed and a variable component. The fixed, non-performance-related component consists of a fixed monthly salary and other taxable salary components, such as health and long-term care insurance premiums and company car arrangements, while the variable component consists of performance-related compensation and long-term incentive elements (phantom stock option plan). Members of the Executive Board have also received pension commitments.

The Personnel Committee of the Supervisory Board sets the level of the fixed, non-performance-related basic compensation. It is reviewed at least every two years. The performance-related variable compensation component is determined annually by the Personnel Committee. It is based on an individual assessment of the members of the Executive Board in the following five categories: analytical skills, social skills, productivity, leadership and balanced risk-taking.

Retirement benefit agreements (“direct commitments”) have been entered into individually with each member of the Executive Board of Deutsche Börse AG. These commitments are primarily based on the following arrangements:

Feature	Arrangement
Pension	Executive Board members receive a pension after reaching the age of 63 and leaving the Company, or if they are compulsorily retired, or after being appointed to the Executive Board for at least three years with (at least) one prolongation of their contract of service. Payment of the pension commences on the day following the date of their last salary payment.
Occupational incapacity or total disability pension	In the event of temporary occupational incapacity, Executive Board members are entitled to continued payment of their remuneration, but in any event for no longer than the date of termination of their contract of service. In the event of permanent occupational incapacity, Deutsche Börse AG is entitled to compulsorily retire the Executive Board member after six months
Invalidity pension	Deutsche Börse AG has taken out accident insurance that pays out three times the annual fixed salary in a single sum for an insured event (death or total invalidity of the Executive Board member).
Upper limit	In the event that the Executive Board member leaves the Company prior to the regular retirement date, the pension is reduced by the amount of the excess of the new employment income plus pension over the remuneration of the old contract of service.
Pension measurement basis	The pension amounts to 30 percent of the most recent fixed salary paid and rises by 5 percent per reappointment period to a maximum of 50 percent.
Surviving dependents’ pensions	In the event of death during the period of active service or following entitlement to receive a pension (see above), the Executive Board member’s spouse is entitled to a life-long pension of 60 percent of the retirement pension; dependent children receive a (half-)orphan’s pension of 10 or 25 percent of the retirement pension.
Transitional payment	Executive Board members who leave the Company after reaching pensionable age or being compulsorily retired receive a transitional payment in the first twelve months after retirement amounting to a total of two-thirds of the most recent bonus and, in the twelve months thereafter, of a total of one third of the most recent bonus. In the event that the beneficiary dies within 24 months of retirement, the Executive Board member’s surviving spouse is entitled to the full amount of the transitional payments described above for three months, and 60 percent of such payments for the remaining period.

The following table shows the amount of expenses for the fixed and variable remuneration, and future entitlements under share-based payment arrangements.

Executive Board remuneration for 2006 (recognized expenses)

	Non performance-related remuneration[1)]	Performance-related remuneration[2)]	Long-term incentive components[3)]	Total remuneration
	€ thousands	€ thousands	€ thousands	€ thousands
Reto Francioni	703.7	1,171.0	1,413.7	3,288.4
Matthias Ganz	481.3	900.0	4,560.1	5,941.4
Mathias Hlubek	624.8	1,150.0	4,673.2	6,448.0
Michael Kuhn[4)]	–	–	–	–
Andreas Preuß[5)]	419.6	825.0	805.8	2,050.4
Jeffrey Tessler[6)]	–	–	–	–
Total	2,229.4	4,046.0	11,452.8	17,728.2

1) The non-performance-related remuneration includes the fixed salary and other taxable salary components, such as health and long-term care insurance premiums and company car arrangements.
2) Income from the reversal of prior-year provisions was offset against the expense for the performance-related remuneration in the reporting period.
3) The only long-term incentive component recognized is the expense allocated to the reporting period for options of tranches still within the vesting period in 2006 (2004 to 2006 tranches) or whose vesting period ended in 2006 (2003 tranche). The 2004 to 2006 tranches are measured at their intrinsic value at the balance sheet date, and the 2003 tranche as at the end of the vesting period (31 January 2006). Changes in value that may rise between the end of the vesting period and the exercise date are not included in total remuneration.
4) Remuneration paid by Deutsche Börse Systems AG
5) Appointed to the Executive Board on 30 March 2006, effective 1 April 2006.
6) Remuneration paid by Clearstream International S.A.

Deutsche Börse AG has also taken out a D&O (directors’ and officers’ liability insurance) policy for its Executive and Supervisory Board members with a deductible.

There are severance commitments for Executive Board members Francioni, Ganz and Hlubek in the event that their appointment is terminated. The amount of the severance payment depends on the remuneration for the remainder of the agreed period of service, and amounts to at least three times (in two cases) and 1.5 times (in one case) the total annual remuneration (comprising fixed salary, bonus and phantom stock option plan) received by them in the most recent full calendar year.

Change-of-control arrangements

On the basis of their contracts of service, the members of the Executive Board are entitled to severance payments if they leave the Executive Board in certain cases of change of control. In the case of the Executive Board members Ganz and Hlubek, these severance payments are based on the settlement of all claims for remuneration arising until the end of the agreed contract term and a one-time payment, due at the time of leaving the Executive Board, in the amount of the total annual remuneration (comprising fixed salary, bonus and phantom stock option plan) received by them in the most recent full calendar year for each period of appointment that has commenced. The resulting total amounts to at least three and a maximum of six times the aggregate annual remuneration. The payments for the Executive Board members Francioni, Kuhn, Preuß and Tessler are calculated on the basis of the capitalized remuneration (fixed salary and bonuses) for the remainder of the agreed contract term and a severance payment of up to two times the annual remuneration in the amount of the remuneration for the most recent calendar year (fixed salary and bonuses). The resulting total may not exceed five times the annual remuneration. The stock options are settled on the date they leave the Executive Board. In the event that the Executive Board members themselves resign their office, only 50 percent of the stock options are paid out.

Phantom stock option plan

Deutsche Börse AG established a phantom stock option plan following its IPO on 5 February 2001 that also applies to Executive Board members. The options issued have a maximum term of five years and a vesting period of three years. The options can be exercised in 14-day exercise windows in each quarter of the two years after the end of the vesting period. The options are designed to be notional. They do not confer the right to purchase Deutsche Börse AG shares at a set price, but rather confer the right to a cash payout. The amount of the cash payout depends on the relative performance of Deutsche Börse AG shares (adjusted for dividend payments) against the Dow Jones STOXX 600 Technology Index (EUR) (Return) as the benchmark index (€1.00 per 1 percent outperformance). Outperformance is calculated by determining the opening and closing prices of Deutsche Börse's shares and of the benchmark index on the basis of the mean closing prices in Xetra trading on FWB Frankfurter Wertpapierbörse (the Frankfurt Stock Exchange) or the closing price of the index: the opening price for the 60 trading days prior to the grant of the stock options and the closing price for the 60 trading days prior to the cut-off dates preceding the start of the exercise windows (1 February, 1 May, 1 August and 1 November).

Phantom stock options are issued annually on 1 February. The Supervisory Board's Personnel Committee determines the number of options to be granted to each Executive Board member on the basis of the individual performance of the respective member.

The number of phantom stock options granted in each financial year and the fair value of the stock options at the grant date of 1 February 2006 are shown in the following table:

Tranche 2006

	Number of phantom stock options granted Number	Value of the options at grant date € thousands
Reto Francioni	29,070	1,002.3
Matthias Ganz	20,930	721.7
Mathias Hlubek	23,256	801.9
Michael Kuhn	–	–
Andreas Preuß	16,570	571.3
Jeffrey Tessler	–	–
Total	89,826	3,097.2

1) Remuneration paid by Deutsche Börse Systems AG
2) Remuneration paid by Clearstream International S.A.

Remuneration of the Supervisory Board

Supervisory Board members received a rateable fixed remuneration for their services in 2006. The fixed remuneration for membership is €96 thousand per annum for the Chairman (2005: €96 thousand), €72 thousand for a Deputy Chairman (2005: €72 thousand) and €48 thousand for each other member (2005: €48 thousand). For membership of the Supervisory Board's Strategy, Technology, Personnel, Clearing and Settlement, and Audit and Finance Committees, the additional remuneration is €30 thousand per annum for the Chairman of each Committee (€40 thousand per annum for the Chairman of the Audit and

Finance Committee) and €20 thousand per annum for each other member of each Committee.

Members of the Supervisory Board also receive annual variable remuneration on the basis of two different, clearly defined targets relating to the Company's performance. Target 1: In the year in which remuneration is paid, the consolidated return on equity after taxes of Deutsche Börse Group must exceed by at least five percentage points the average of the monthly average current yields to maturity of domestic bearer bonds and public-sector bonds with a remaining maturity of between nine and ten years as calculated by the Deutsche Bundesbank (German Central Bank). Target 2: Consolidated earnings per share for the previous two full financial years must exceed consolidated earnings per share for the previous year in each case by 8 percent or more. For each target met, the members of the Supervisory Board each receive annual variable remuneration in the amount of €16 thousand.

This concept has been in place since 1 January 2005. It superseded the variable remuneration concept which had previously been effective since 2003, under which the members of the Supervisory Board received stock options from the phantom stock option plan with a term of five years and a target value of €40 thousand, free of charge, on 1 February each year. The phantom stock options granted under the phantom stock option plan up to financial year 2004 could be exercised for the first time in 2006.

The members of the Supervisory Board received remuneration of €2,812.0 thousand in 2006.

Results of operations, financial position and net assets

Results of operations

In 2006, Deutsche Börse AG's sales revenue increased by 21 percent to €1,043.3 million (2005: €861.1 million) due to the positive development of the financial markets. In absolute terms, this increase was driven in particular by the Eurex segment.

Sales revenue by segment	2006 €m	2005 €m
Xetra	314.1	247.7
Eurex	583.0	485.5
Market Data & Analytics	146.2	127.9
Total	1,043.3	861.1

Deutsche Börse AG's pre-tax profit increased by 36 percent year-on-year to €870.9 million (2005: €641.2 million). The pre-tax profit margin increased to 83 percent (2005: 74 percent).

Costs decreased by 10 percent year-on-year in 2006 to €577.6 million.

Cost overview	2006 €m	2005 €m	Change %
Staff costs	130.9	122.2	+7
Depreciation and amortization expense (other than goodwill)	10.7	19.4	–45
Other operating expenses	436.0	500.8	–13
Total	577.6	642.4	–10

The significantly higher level of staff costs is attributable primarily to higher stock option plan costs for the Executive Board and senior executives. Higher provisions had to be recognized after the Company's share price significantly outperformed the benchmark index Dow Jones STOXX 600 Technology (EUR) (Return).

Development of profitability

Deutsche Börse AG's return on equity – the ratio of after-tax earnings to the average equity available to the Company in 2006 – rose from 23.1 percent in 2005 to 34.5 percent in 2006. This was largely due to the growth in earnings, but also affected by the decrease in equity relating to the capital management program.

Financial position

At the end of 2006, the liquid funds amounted to €332.7 million (2005: € 248.0 million) and included cash, current accounts at banks and term deposits.

On the basis of existing profit transfer agreements, Deutsche Börse Systems AG (€78.8 million) and Deutsche Börse IT Holding GmbH (€2.8 million) transferred profits to Deutsche Börse AG. In addition, the Company received dividends of €175.0 million from Clearstream.

As in the previous year, Deutsche Börse AG has credit lines of €435 million.

Deutsche Börse AG generated strong cash flow from operating activities of €703.0 million in 2006 (2005: €581.6 million). This increase is primarily attributable to the higher consolidated net income and an increase in medium-term and current provisions.

Cash and cash equivalents amounted to €247.8 million at the end of 2006 (2005: €148.5 million). Strong cash flows from operating activities thus ensure the Company's liquidity.

Cash flow statement (condensed)	2006 €m	2005 €m	Change %
Cash flows from operating activities	703.0	581.6	+21
Cash flows from investing activities	–9.5	–36.0	+74
Cash flows from financing activities	–594.2	–794.0	+25
Cash and cash equivalents as at 31 December	247.8	148.5	+67

Capital management program

Under this program, Deutsche Börse Group is distributing funds not required for the Group's operating business to shareholders. The program aims to achieve a distribution ratio of 50 to 60 percent and further distributions in the form of share buybacks. These measures are subject to special investment needs and capitalization requirements. The program is the result of an intensive review of capital requirements, which considered the Group's capital needs from legal, regulatory, credit rating and economic capital perspectives. To ensure the continued success of its Eurex central counterparty and Clearstream custody businesses, Deutsche Börse believes it is necessary that the Group maintains a strong "AA" credit rating. Customers in these business areas require a service provider with a strong credit rating. The Group currently uses net tangible equity (equity less goodwill) as one of its management control indicators for capital requirements. It was estimated in 2005 that, together with conservative ratios for interest cover and indebtedness, a minimum amount of around €1 billion was necessary in order to maintain good credit ratings. Deutsche Börse Group's net tangible equity amounted to €1,193.5 million as at 31 December 2006 (2005: €1,115.2 million).

In May 2005, Deutsche Börse Group had announced its intention to distribute a total of around €1.5 billion to its shareholders in the period up to the end of May 2007. In response to the positive performance of the business, it increased this amount by around €200 million to €1.7 billion in August 2006. After returning around €800 million to its shareholders in the form of share buybacks and dividends in 2005, Deutsche Börse Group paid a dividend amounting to €210.4 million and repurchased shares with a total price of €389.8 million in 2006. As at the balance sheet date of 31 December 2006, a total of €1.4 billion has been distributed to shareholders since the capital management program was launched.

Of the total of 14.2 million shares repurchased in 2005 and 2006, the Company cancelled 5.9 million shares on 24 May 2005 and 3.9 million shares on 10 April 2006. A further 0.2 million shares were acquired by employees under the terms of the Group Share Plan (see note 46). As at 31 December 2006, the remaining 4.2 million shares were held by the Company as treasury shares.

Deutsche Börse Group will continue to review its capital requirements as part of its regular planning process.

Dividend

The payment of a dividend of €3.40 per share for the 2006 financial year will be proposed to the Annual General Meeting – this represents an increase of 62 percent over the previous year (2005: €2.10). In accordance with this proposal, the distribution ratio for Deutsche Börse Group is 50 percent (2005: 49 percent), and thus at the lower end of the medium-term target corridor of 50 to 60 percent defined by the capital management program at the end of May 2005. With 97,799,111 shares in issue carrying dividend rights for the 2006 financial year, this produces a total distribution of €332.5 million (2005: €210.4 million).

Credit ratings

Deutsche Börse AG regularly has its creditworthiness reviewed by the rating agencies Moody's and Standard & Poor's, while Clearstream Banking S.A. is rated by Fitch and Standard & Poor's. In the year under review, Moody's raised its outlook, which had been downgraded following the announcement of the capital management program, from "negative" to "stable". There were no other changes.

Ratings of Deutsche Börse AG	Long-term	Short-term
Moody's	Aa1	P-1
Standard & Poor's	AA	A-1+

Other

As in the previous year, Deutsche Börse AG received no government grants or other assistance in 2006.

Net assets

Deutsche Börse AG's noncurrent assets amounted to €2,218.9 million as at 31 December 2006 (2005: €2,225.4 million). Shares in affiliated companies amounting to €1,775.7 million (2005: €1,811.1 million), mainly the 100 percent interest in Clearstream International S.A., represented the largest part of these noncurrent assets.

Compared with the previous year, loans to affiliated companies were €10.0 million lower as at 31 December 2006, at €350.00 million. These relate to long-term intercompany loans to Clearstream Banking S.A. and Deutsche Börse Finance S.A.

Equity amounted to €1,846.8 million (2005: €1,821.5 million). The 53.4 percent equity ratio was slightly lower than the previous year's 58.8 percent. The background to this reduction is the continuation of the share buy-back program.

Depreciation and amortization expense amounted to €16.0 million (2005: €25.8 million), while investments were higher. Overall, Deutsche Börse AG invested €77.0 million in the year under review, 87 percent more than in the previous year (€41.2 million). The main focus of investments was on the acquisition of noncurrent financial assets.

Receivables from and liabilities to affiliated companies relate to settlements for intra-Group deliveries and services and the amounts invested by Deutsche Börse AG under cash pooling arrangements. In addition, Deutsche Börse Finance S.A. took out an interest-only loan of €500 million the market, which it passed on to Deutsche Börse AG as an intercompany loan.

As Deutsche Börse AG collects fees for most of its services directly after the end of the month, the trade receivables of €101.7 million as at 31 December 2006 (2005: €82.7 million) were relatively low when compared with the sales revenue.

At €596.2 million, working capital is negative (2005: €-536.0 million). The change is due primarily to the increase in the planned profit distribution of €332.5 million (2005: €210.6 million).

Risk report

Risk management is an elementary component of the management and control of Deutsche Börse AG. Effective and efficient risk management is fundamental to protecting the Company's interests, both in ensuring that the Company can achieve its corporate goals and in safeguarding its continued existence. The Company has therefore established a Group-wide risk management concept for processes, roles and responsibilities applicable to all staff and organizational entities of Deutsche Börse AG. This concept is designed to ensure that emerging risks can be identified and dealt with appropriately at an early stage.

Organization and methodology

The risk management framework of Deutsche Börse Group, as stated in the Group Risk Management Policy, aims at ensuring that all threats, causes of loss and potential disruptions are properly identified in good time, centrally recorded and assessed (quantified in financial terms to the greatest possible extent). It must ensure that the most appropriate treatment is applied and that a consolidated report is submitted in good time to the Executive Board of Deutsche Börse AG. The Executive Board of Deutsche Börse AG takes direct ownership of all risk management matters.

The information on all material risks – whether existing or potential – and the related risk control measures is routinely reported on a monthly basis and, when deemed necessary, on an ad hoc basis to the Executive Board, allowing them to direct appropriate actions.
While the Executive Board is ultimately responsible for the management of all risks, Deutsche Börse AG has adopted a two-tier approach. First, there is a decentralized risk management organization where primary responsibility for risk identification, notification and control within defined parameters is assigned to the relevant departments. Second, risk assessment and risk

reporting is assigned to a central function unit with Group-wide responsibilities, the Group Risk Management department.

Deutsche Börse AG has developed its own Corporate Risk structure and distinguishes between operational, financial, project and business risks (see chart below).

Internal Auditing ensures that the adequacy of the risk control and risk management functions is monitored through independent audits. The results of these audits are also fed into the risk management system.

Group-wide risk management instruments

Deutsche Börse AG gives considerable attention to its risk mitigation process and ensures that appropriate measures are taken for the avoidance, reduction, transfer, or intentional acceptance of the risk.

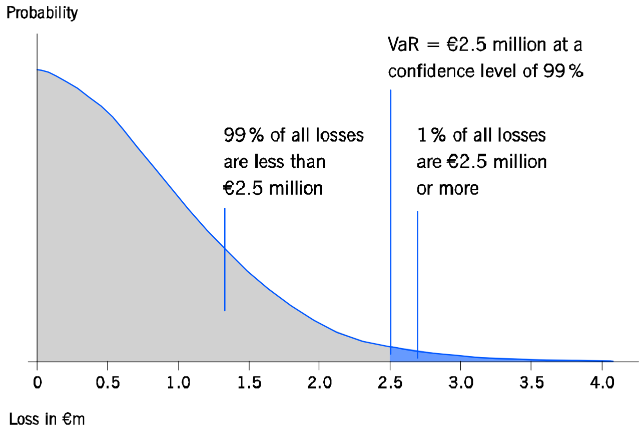
Deutsche Börse AG has installed a standardized approach for measuring and reporting all gross and residual operational, financial and business risks across its organization: the concept of “value at risk” (VaR). The purpose is to allow the overall risk appetite to be expressed in a comprehensive and easily understood way, and to facilitate the prioritization of risk actions.

The VaR quantifies existing and potential risks. It denotes the maximum cumulative loss Deutsche Börse AG could face resulting from independent loss events materializing over a specific time horizon for a given probability. Deutsche Börse AG’s models are based on a one-year time horizon, 99 percent confidence level and assumption of uncorrelated events.

This means that there is a 99 percent probability that the cumulative loss within the next year will be below €2.5 million and, conversely, that there is a 1 percent probability of one or more losses occurring within the next year which, in total, will be equal to or greater than the VaR calculated.

The following chart illustrates the risk distribution for a confidence level of 99 percent:

Example illustrating the risk distribution relating to a confidence level of 99 percent



The calculation of the VaR is a three-step process:

1. Determination of the loss distributions for every single risk:

This is achieved using historical data (such as market data, default, claim or outage history) or best expert opinion. The losses related to a risk could, for example, be distributed triangularly (used e.g. for the operating risk arising from the destruction or loss of securities deposited) or they might conform to a Bernoulli distribution (used e.g. for credit risk, where a counterparty either defaults or fulfills).

2. Simulation of losses using the Monte Carlo method:

A Monte Carlo simulation is used to run multiple trials of all random loss distributions at the same time in order to achieve a stable VaR calculation. This produces a spread of possible total losses.

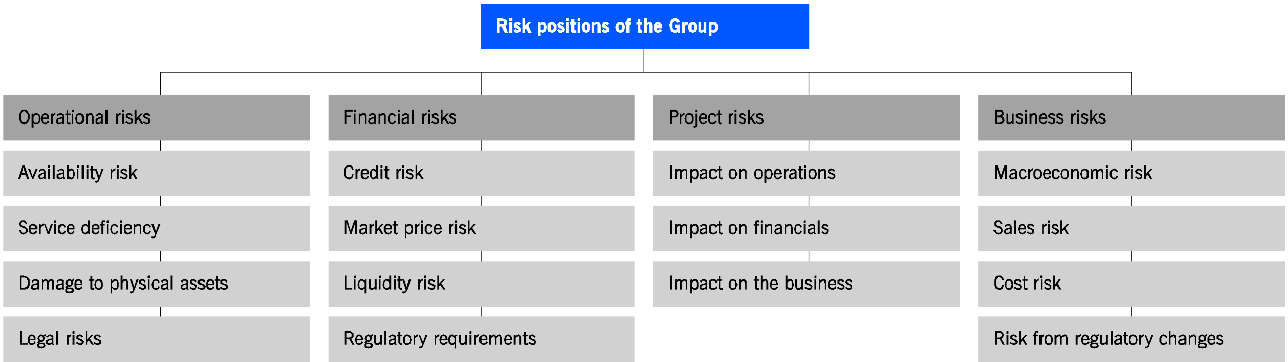
3. Calculation of VaR on the basis of the Monte Carlo simulations:

To do this, the results of the Monte Carlo simulation are arranged in descending order by size. If there are e.g. 100 simulations and a 99 percent confidence level is required, the second biggest loss is the corresponding VaR estimation.

In order to determine whether Deutsche Börse Group can bear the risk of a possible loss, the VaR calculated is compared against the then current EBITA forecasts. As at 31 December 2006, the total VaR of the Group represented less than half of its 2006 EBITA. That situation further improves when the risk mitigation provided by Deutsche Börse Group’s customized insurance program is also considered.

Risk structuring and assessment

Risk system of Deutsche Börse Group



The following sections describe the relevant individual risks in more detail.

Operational risks

Operational risk encompasses all existing and newly arising risks in the context of the ongoing and continuous provision of services by Deutsche Börse AG. In terms of content, operational risk is defined as the risk of loss resulting from inadequate or defective systems and internal processes, from human or technical failure, from inadequate or defective external processes, from damage to physical assets and from legal risks. For Deutsche Börse AG, the main risks in this risk category lie in the uninterrupted and smooth delivery of its core products. In particular, they include the Xetra and Eurex cash and derivatives market trading systems, as well as the CCP clearing and settlement system.

Operational risks that Deutsche Börse AG does not wish to retain and that can be insured at a reasonable price are transferred by taking out insurance policies. All insurance policies are coordinated centrally, thereby ensuring that uniform risk/cost benefit insurance cover is in place for the entire Deutsche Börse Group. The most significant policies of the insurance program are individually reviewed and approved by the Executive Board of Deutsche Börse AG.

(a) Availability risk

Availability risk results from the fact that resources essential to Deutsche Börse AG's service offering could fail, thereby making it impossible to deliver services on time or at all. This risk is therefore one of the most critical for the Company. Possible triggers include hardware and software failures, operator and security errors, and physical damage to the data centers.

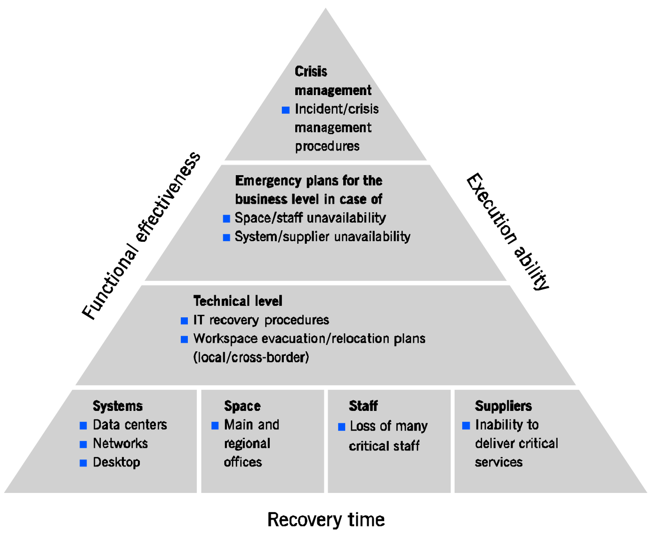
For instance, it cannot be excluded that in the unlikely case of a lengthy outage of Eurex trading systems while the market is very volatile, market participants might try to enforce substantial claims against Deutsche Börse AG if they can demonstrate that they wanted to close out their positions during the system outage but were unable to do so.

In particular, Deutsche Börse AG manages availability risk through intensive activities in the field of business continuity management (BCM). BCM encompasses all the processes that ensure business continues as normal, even if a crisis occurs, and therefore substantially reduces availability risk. It relates to arrangements for all the key resources (systems, space, staff, suppliers), including the redundant design of all critical IT systems and technical infrastructure, as well as back-up workspaces located in each of the main operational centers available for employees in critical functions. These BCM arrangements are regularly tested according to the three following dimensions:

§ Functional effectiveness: validate that the arrangements are technically functioning
§ Execution ability: ensure that staff are familiar with and knowledgeable in the execution of the plans and procedures
§ Recovery time: confirm that the plans and procedures can be executed within the defined recovery time objective

This is illustrated in the graphic below:

Three dimensions of business continuity management



Service availability of Deutsche Börse Group's main products was again over 99.9 percent in 2006 and thus complied with the high standards specified for reliability.

(b) Risk of service deficiency

In contrast to availability risk, the occurrence of processing errors does not prevent Deutsche Börse AG from providing services to its customers. However, errors or omissions may occur that relate mainly to manual input. Despite all the automated systems and efforts aimed at delivering straight-through processing (STP), there is still a requirement for manual work. In addition, manual intervention in market and system management is necessary in special cases.

In the year under review, sustained improvements were again made to reduce the potential risk of processing errors - either through a reduction in the amount of manual intervention necessary or through better protection. No significant losses occurred as a result of processing errors in 2006. Neither did last year provide any indication of events that could lead to significant losses in the future.

Nevertheless, it should be noted that risk management processes do not guarantee that incidents, claims and resulting loss will not occur, nor can it predict the specific occurrence of particular risk events.

(c) Damage to physical assets

This category includes the risks due to accidents and natural hazards, as well as terror and sabotage. No losses occurred as a result of damage to physical assets in 2006. Neither are there any indications of acute risks.

(d) Legal risks

Legal risks include losses that could arise as a result of non- or inappropriate compliance with new or existing laws, losses from inadequate contractual frameworks, or court decisions in the context of corporate governance. Deutsche Börse AG has established its Group Compliance function that seeks to protect the Company from any prejudice that may result from the failure to comply with applicable laws, regulations and standards of good practice, with a particular focus on the following topics:

§ prevention of money laundering and terrorist financing
§ professional and banking secrecy
§ prevention of insider dealing
§ prevention of market manipulation
§ prevention of fraud
§ prevention of conflicts of interest and corruption
§ data protection

No losses occurred as a result of legal risks in the year under review. Neither are there any indications of acute risks.

Financial risks

Deutsche Börse AG is exposed to financial risks mainly in the form of credit risk at Eurex Clearing AG and in its treasury operations. In addition, Group receivables are subject to credit risk. On a very small scale, there are also market price risks from cash investments and liquidity risks. The exposure to the above risks is mitigated through the existence of effective control measures.

(a) Credit risks

Credit risk consists of the risk that a counterparty will default and that Deutsche Börse AG's claims on this counterparty cannot be met in full or at all.

Eurex Clearing AG clears transactions only with its clearing members, in accordance with its clearing conditions. Its clearing activities cover securities, rights and derivatives traded on Eurex Deutschland and Eurex Zürich AG ("Eurex exchanges"), Eurex Bonds GmbH, Eurex Repo GmbH, the Frankfurt Stock Exchange and the Irish Stock Exchange, for which Eurex Clearing AG acts as the central counterparty.

In order to safeguard Eurex Clearing AG against the risk of the default of a clearing member, clearing members are required under the terms of the clearing conditions in the version dated 20 November 2006 to provide daily – and in addition, where necessary, intraday – collateral in the form of cash or securities (margins) in an amount stipulated by Eurex Clearing AG. The intraday profit or loss arising as a result of price movements is either settled between the counterparties in cash (variation margin) or deposited by the seller with Eurex Clearing AG as collateral due to the change in value of the position (premium margin). In the case of bonds, repo, or equities transactions, the margin is collected either from the buyer or from the seller (current liquidating margin) – depending on the relationship between the purchase price and the current market price. In addition to settling profits and losses, these measures are intended to protect against the risk of the maximum possible cost of closing out an account on the next business day, assuming the most unfavourable price movement possible (worst-case loss) for the positions held in the account (additional margin). Margin calculations are performed separately for customer accounts and the Company's own accounts.

The method of calculating the margin is known as risk-based margining and consists essentially of a VaR approach. Firstly, the maximum cost of closure is calculated for each trading participant, each position account and each product individually. Opposite positions with the same risk profile are then offset against each other provided that they have been highly correlated over significant periods of time. The target confidence level for the additional margin is at least 99 percent.

In addition to providing margin, each clearing member must contribute to a clearing fund independently of its individual risk. The fund provides collective protection against the financial consequences of the default of a clearing member. In addition, each clearing member must prove that it has liable capital of an amount stipulated by Eurex Clearing AG depending on the risk of the clearing member. Regular stress tests ensure that the amounts of the margins and of the lines of defence are sufficient to cover the risk exposure.

If a clearing member does not fulfill its obligations to Eurex Clearing AG, its outstanding positions and transactions are closed out as a final consequence. The shortfall and costs incurred in such a closure would be covered in the first instance by the collateral provided by the relevant clearing member or by its contribution to the clearing fund. Any remaining shortfall would initially be covered by the retained earnings of Eurex Clearing AG and then by a proportionate claim on the contributions made by all other clearing members to the clearing fund. Finally, any deficit arising from the default of a clearing member is covered by comfort letters issued by Deutsche Börse AG and SWX Swiss Exchange AG. In these letters, Deutsche Börse AG and SWX Swiss Exchange AG have given an undertaking to Eurex Clearing AG to provide the latter with the funds required to cover the deficit arising. Deutsche Börse AG and SWX Exchange AG bear the obligation from the undertaking in the proportions of 85 percent and 15 percent respectively, and the obligation is limited to a maximum amount of €700 million.

Additional credit risks are associated with the Treasury department's cash investments. Deutsche Börse AG reduces this risk by distributing it across a number of counterparties, by defining investment limits for each counterparty and by largely collateralizing investments.

Deutsche Börse AG establishes maximum investment limits on the basis of regular assessments of creditworthiness and ad hoc analyses as required.

(b) Market price risk

Market price risks can arise in connection with cash investments as a result of fluctuations in interest rates and currencies. In 2006, these market price risks were largely hedged using swap transactions.

The latter involve exchanging future payment flows which are uncertain as a result of market price risks for payment flows whose amount is guaranteed. Regular reviews ensure the effectiveness of these hedges. The Group is exposed to share price risks only to a very small extent resulting from investment in an index-based exchange traded fund and also from contractual trust arrangements (insolvency-proof fund assets covering Deutsche Börse AG's existing pension plans).

(c) Liquidity risk

Deutsche Börse AG is exposed to liquidity risk in that it may lack sufficient liquidity to meet its daily payment obligations or incur increased refinancing costs in the event of liquidity bottlenecks. Daily and intraday liquidity is monitored by Treasury and managed with the help of a limit system. Extensive credit lines are available – as described in the notes to the consolidated financial statements – to provide cover in extreme situations. In the reporting year, Deutsche Börse AG had excess liquidity as a result of which no liquidity bottlenecks occurred.

Project risk

Project risks can arise as a result of project implementation (launch of new products, processes or systems), which may have a significant impact on one of the three other risk categories of operational, financial or business risks. These risks are assessed as described in the above sections and are addressed in the early stages of major projects. All projects that were planned and implemented in 2006 carried no or only limited risk. They did not trigger a change in the overall risk profile of Deutsche Börse AG. Issues connected with the delivery of projects, such as budget risk, quality/scope risk or deadline risk are separately monitored by the Corporate Project Coordination unit and are reported on a monthly basis to the Executive Board.

Business risks

The business risk reflects the relative sensitivity of the Company to the macroeconomic developments and its vulnerability to event risk arising from external threats. It is translated in EBITA terms, reflecting both some volatility in topline earnings and a potential increase in the structural cost base.

(a) Macroeconomic risk

Financial performance of Deutsche Börse AG is directly or indirectly subject to the evolution of a number of macroeconomic factors (e.g. interest rates, GDP growth, index value, index volatility). The resulting overall downside potential is limited thanks to the effective diversification of Deutsche Börse AG's business model. This currently spans the operation of systems for cash and derivatives markets as well as settlement services both for nationally and internationally traded equities and bonds. A review of macroeconomic assumptions is performed on a quarterly basis.

(b) Revenue and cost risk and risk from regulatory evolution

Deutsche Börse AG's earnings position may also be adversely affected by external threats - either endogenous changes to the market structure and the business environment or exogenous changes, such as the evolution of the regulatory environment. For the Eurex and Xetra segments, scenarios are established on the basis of the most significant risk events and quantitatively assessed. The respective departments of Deutsche Börse AG closely monitor the developments in order to take early mitigation actions.

One of the key aspects of the Group’s core business is institutional liquidity, which generates the particular advantage of low transaction costs for the institutional trading of standardized investment instruments. In addition, the price discovery process is also transparent for investors: automatic order execution in an open order book, meaning that it is visible to all parties. Because of the crucial unique selling proposition from the market perspective, the business risk of losing substantial institutional liquidity is very low. Deutsche Börse AG guarantees neutrality, i.e. independence from individual intermediaries, and efficient, transparent price discovery in its trading systems.

A commonality in the industry is the dependence on key accounts. In the Xetra and Eurex segments, a substantial proportion of trading volumes is accounted for by a few key accounts. However, as the key accounts for the trading systems are not identical, this leads to diversification and thus partly offsets the dependencies on specific key accounts at Group level.

Regulatory environment

Deutsche Börse AG has been closely monitoring the evolution of the EU Capital Requirements Directives (Basel II) from the early stage until its finalization in June 2006. The Group is currently also actively following the development of the transposition of the international framework to the national regulatory level in order to fulfill the new local requirements in good time.

More specifically in Germany, a circular on “MaRisk” (minimum requirements for risk management) for credit institutions and financial service providers was published by the German Federal Financial Supervisory Authority (BaFin) on 20 December 2005. MaRisk acts as an integrated document based on section 25a of the Kreditwesengesetz (KWG – German Banking Act) and replaces the minimum requirements for trading activities (MaH), minimum requirements for credit activities (MaK) and minimum requirements for internal audit (MaIR) circulars. MaRisk constitutes the basis for the implementation of the second pillar of Basel II (Supervisory Review Process). Besides the requirements for risk management, the MaRisk circular also includes requirements for internal audit as well as for the lending and trading business.

Summary

Based on the market environment and Deutsche Börse AG's business model, the Executive Board considers the risks for the Group to be limited and manageable. No significant changes in the risk profile are expected in financial year 2007.

Branches

The Company has had branches in London and Paris since 2004.

Report on post-balance sheet date events

There have been no reportable events.

Report on expected developments

The report on expected developments describes the expected development of Deutsche Börse AG in financial years 2007 and 2008. It contains forward-looking statements and information, i.e. statements and information on events in the future, not in the past. These prognoses are based on the Company's expectations and presumptions at the time of publication of this forecast report. These expectations and presumptions are in turn subject to known and unknown risks and uncertainties. Numerous factors influence the success, the business strategy and the financial results of the Company. A number of these factors are outside the Company's control. Should one of the risks or uncertainties take place or one of the presumptions made turn out to be incorrect, the actual development of the Company could differ, in both a positive or a negative way, from the forward-looking statements and information in this report.

Development of operating environment

Deutsche Börse AG expects economic growth to continue in all regions relevant to the Group's business in 2007 and 2008. Economic growth is expected to be slightly lower during the forecast period than in 2006 due to an anticipated slowing in corporate profit growth. Real GDP is expected to increase by around 2 percent in Germany, Europe and the US. This expectation is based primarily on the assumption of a "soft landing" scenario in the

US, which would not experience a recession but rather an extended period of weaker economic growth. Economists consider this scenario to be the most likely outcome.

The anticipated economic growth will form the foundation for the continued upward trend on the financial markets. In addition, this trend is likely to be supported by continued high corporate profits, attractive long-term equity market valuations and continuing "de-equitization", e.g. the takeover of companies using private equity and the repurchase of own shares by companies.

A further rise in inflation and interest rates, a slump in corporate profits and declining consumer spending are among the risk scenarios threatening the expected upward trend on the financial markets. The Company currently considers the likelihood of one or more of these scenarios negatively impacting the development of the financial markets during the forecast period to be low.

The Company is not expecting any significant changes in its business policy in the forecast period at present. On the basis of its successful business model covering the most prominent investment classes, Deutsche Börse AG will continue to observe trends in the financial markets worldwide, and leverage them in order to continue developing its products and services. The Company's key strategic goal is to provide all customers with outstanding services.

Development of results of operations

On the basis of an expected upturn in the financial markets coupled with Deutsche Börse AG's successful business model, the Company is forecasting further growth in sales revenue for 2007 as well as 2008. Structural changes in the financial markets and the introduction of new products and services will also contribute to this growth. The Company expects EBITA to grow faster than sales revenue in connection with its continued policy of active cost management. Should the financial markets not develop as expected, the Company is confident that it can compensate, wholly or partially, for variances, based on its diversified business model.

Xetra segment

Sales revenue in the Xetra cash market segment will depend on equity market trends, equity volatility and structural changes relating to trading activity. On average, the volatility of the equity markets, i.e. fluctuations in securities prices or indices above or below an average value, continued to be historically low in 2006. An increase in volatility, as seen briefly in the second quarter of 2006, could provide Xetra with additional growth impulses during the forecast period. Structural changes in the equity market stem primarily from the increasing use of fully computerized trading strategies, known as algorithmic trading. For the forecast period, the Company anticipates a further proportional increase in these strategies in Xetra's trading volume. However, the expanded product and service portfolio will also bolster cash market sales revenue growth. For example, on 1 January 2007, the SWX Group and Deutsche Börse AG pooled their structured products trading together into a joint subsidiary with a view to becoming Europe's leading stock exchange in this market segment. Xetra

Release 8.0, which is to be launched in the second quarter of 2007, will also introduce a host of improvements for trading by institutional investors and banks.

Among other things the electronic trading system’s processing and data distribution times will again be shortened in order to meet the increasing needs of market players.

Eurex segment

In contrast to the cash market, the general trend on the financial markets will play a subordinated role in the Eurex derivatives market segment. The Company expects structural growth factors to be more significant. These factors were explained in more detail in the “Results of operations” section. The Company is also expanding its product and service portfolio for the derivatives market. As part of Eurex Release 10.0, software will be enhanced and hardware will be upgraded in order to further reduce processing times on the derivatives market. In addition to the continuous expansion of the existing product range, the first quarter of 2007 will see the introduction of a new investment class, credit derivatives. This involves a futures contract on the iTraxx Europe Index. The index tracks a balanced portfolio of the 125 most liquid European investment grade reference debtors for credit default swaps (CDS). The iTraxx indices are calculated by International Index Company Ltd., a leading provider of CDS indices. Market participants are able to hedge against credit risks such as corporate insolvency, default, or restructuring using credit derivatives.

On 1 February 2007, Eurex launched an incentive program to increase own-account trading by customers. The program’s objective is to promote algorithmic trading. The program offers volume rebates of up to 30 percent for stock market transactions involving Eurex’s major product groups. If the new price model had been used during the first nine months of 2006, Eurex’s revenue from trading and clearing would have been reduced by €25 million to €30 million. Deutsche Börse AG and SWX Swiss Exchange AG will absorb the effects of price reduction in line with the profit distribution of 85 percent and 15 percent. The positive effects of expected dynamic growth will offset price reductions.

Market Data& Analytics segment

For the Market Data & Analytics segment, the Company anticipates further increases in demand for financial market data, due to forecasted financial market developments.

Regulatory framework

Regulatory changes in areas in which Deutsche Börse AG is active stem from the Markets in Financial Instruments Directive (MiFID) on the one hand and the code of conduct for clearing and settling shares on the cash market on the other.

MiFID is designed to foster transparent and fair competitive conditions for all participants and to improve investor protection. To achieve this, MiFID introduces strict pre-trading and post-trading transparency rules for stock market and OTC equity trading. In addition, investment service companies will be obliged to offer their customers “best execution” of orders, i.e. execution at the best possible price.

Deutsche Börse AG sees the new guidelines as an opportunity to expand its service range: the Company is developing a host of new services in the cash market and for market data, which are expected to lead to a slight improvement in the results of operations during the forecast period. Deutsche Börse AG considers itself to be excellently positioned with its transparent and deep liquidity pool – even against the backdrop of the new best execution obligations. The Company does not anticipate the potential market entry of banks or other stock exchange organizations to significantly impact its results of operations in its cash market business during the forecast period.

The code of conduct is a market initiative designed to create a consistent, standard and cost-effective European framework for cross-border equity trading, clearing and settlement. Deutsche Börse AG helped to define the code of conduct, and will implement it in its entirety by the end of 2007. It covers the following areas: price transparency, access and interoperability, as well as the organization of services and separate accounting. Deutsche Börse AG already meets many of the requirements in the code of conduct and does not expect it to materially affect the Company's the business model, revenue or cost structure upon its introduction.

Cost management

Due to its continued active cost management efforts, Deutsche Börse AG anticipates a decrease in overall costs. In financial year 2007, the Company expects costs to decrease between 5 to 8 percent, corresponding to total costs of slightly over €530 million. A further reduction in depreciation, amortization and impairment losses (excluding goodwill) is likely to have a positive effect on costs. Another of the Company's objectives for 2008 is to handle additional business activities with only a slightly increase in total costs.

Based on the anticipated increase in sales revenue and active cost management, Deutsche Börse AG expects a new record EBITA of over €930 million.

If the corporate tax reform that is currently being planned in Germany were to be implemented as it stands today, it could lead to a slight tax relief for the Company beginning in 2008.

Development of financial position

Deutsche Börse AG generated strong cash flow from operating activities of €703.0 million in 2006 (2005: €581.6 million). This increase is primarily attributable to the higher net income and an increase in medium-term and current provisions.

Cash and cash equivalents amounted to €247.8 million at the end of 2006 (2005: €148.5 million). Strong cash flows from operating activities thus ensure the Company's liquidity. The Company expects its ongoing business activities to continue to generate positive operating cash flow.

Under the capital management program, the Company will continue to make funds surplus to business requirements available to the shareholders in the forecast period. Under its dividend policy, Deutsche Börse AG aims to distribute 50 to 60 percent of its net income for financial years 2007 and 2008 to shareholders. The remaining funds are largely earmarked for the continued repurchase of shares.

Frankfurt/Main, 21 February 2006

Deutsche Börse Aktiengesellschaft

The Executive Board

Dr. Reto Francioni	Dr. Matthias Ganz	Mathias Hlubek
Dr.-Ing Michael Kuhn	Andreas Preuß	Jeffrey Tessler

9 Audit Opinion

We have rendered our unqualified audit opinion as follows:

"Audit opinion

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of the Deutsche Börse AG, Frankfurt/Main, for the business year from 1 January to 31 December 2006. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB [„Handelsgesetzbuch": „German Commercial Code"] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with [German] principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with [German] principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development."

Frankfurt/Main, 23 February 2007

KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Becker	Bors
Wirtschaftsprüfer	Wirtschaftsprüfer