Audit Opinion

Consolidated Financial Statements
for the period ended 31 December 2007
prepared in accordance with
International Financial Reporting Standards
and Group Management Report

Deutsche Börse Aktiengesellschaft
Frankfurt/Main

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This is an English Translation of the German text, which is the sole authoritative version.

KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft Wirtschaftsprüfungsgesellschaft

Consolidated Income Statement

for the period 1 January to 31 December 2007

	Note	2007	2006
		€m	€m
Sales revenue	4	2,185.2	1,854.2
Net interest income from banking business	5	230.8	150.7
Own expenses capitalized	6	25.1	22.2
Other operating income	7	223.4	85.8
		2,664.5	2,112.9
Fee and commission expenses from banking business		–161.6	–141.4
Staff costs	8	–566.2	–414.9
Depreciation, amortization and impairment losses (other than goodwill)	9	–126.0	–130.4
Other operating expenses	10	–469.7	–405.7
Result from equity investments	11	4.9	8.6
Earnings before interest, tax and goodwill impairment (EBITA)		1,345.9	1,029.1
Goodwill impairment	14	0	–1.6
Earnings before interest and tax (EBIT)		1,345.9	1,027.5
Financial income	12	126.3	62.8
Financial expense	12	–117.4	–64.3
Earnings before tax (EBT)		1,354.8	1,026.0
Income tax expense	13	–439.9	–360.0
Net profit for the year		914.9	666.0
Minority interests		–3.2	2.7
Net income[1)]		911.7	668.7
Earnings per share (basic and diluted) (€)[2)]	42	4.70	3.36

1) Profit attributable to shareholders of the parent company

2) Prior-period amount restated (see note 42)

Consolidated Balance Sheet as at 31 December 2007

Assets

	Note	2007 €m	2006 €m
NONCURRENT ASSETS			
Intangible assets	14		
Software		127.3	129.8
Goodwill		1,956.9	1,069.9
Payments on account and construction in progress		8.8	14.3
Other intangible assets		1,326.8	0
		3,419.8	1,214.0
Property, plant and equipment	15		
Land and buildings		0	119.3
Fixtures and fittings		21.5	46.5
Computer hardware, operating and office equipment		76.4	65.4
Payments on account and construction in progress		0.4	4.3
		98.3	235.5
Financial assets and investment property	16		
Investments in associates		35.9	33.4
Other equity investments		66.8	16.2
Receivables and securities from banking business		514.9	283.4
Other financial instruments		12.5	11.9
Other loans		0.1	0.1
Investment property		0	94.4
		630.2	439.4
Other noncurrent assets	17, 18	18.3	18.7
Deferred tax receivables	13	17.2	0
Total noncurrent assets		4,183.8	1,907.6
CURRENT ASSETS			
Receivables and other current assets			
Financial instruments of Eurex Clearing AG	19	60,424.0	53,956.9
Current receivables and securities from banking business	20	9,619.7	6,645.0
Trade receivables	21	235.5	183.2
Associate receivables		4.4	10.7
Receivables from other investors		1.4	2.4
Income tax receivables[1]		117.6	19.9
Other current assets	18, 22	301.9	56.6
Noncurrent assets held for sale	16	0	7.6
		70,704.5	60,882.3
Restricted bank balances	23	4,221.7	1,582.8
Other cash and bank balances		547.6	652.4
Total current assets		75,473.8	63,117.5
Total assets		79,657.6	65,025.1

1) Thereof €17.4 million (2006: €15.5 million) with a remaining maturity of more than one year from corporation tax credits in accordance with section 37 (5) KStG (Körperschaftsteuergesetz, the German Corporation Tax Act)

Equity and Liabilities

	Note	2007 €m	2006 €m
EQUITY	24		
Subscribed capital		200.0	102.0
Share premium		1,242.0	1,340.0
Treasury shares		–589.8	–443.1
Revaluation surplus		32.1	12.9
Accumulated profit		1,493.0	1,251.6
Shareholders' equity		2,377.3	2,263.4
Minority interests		312.9	19.9
Total equity		2,690.2	2,283.3
NONCURRENT LIABILITIES			
Provisions for pensions and other employee benefits	26	20.6	14.5
Other noncurrent provisions	27, 28	118.4	105.9
Deferred tax liabilities	13	626.0	23.4
Interest-bearing liabilities	29	1.2	499.9
Other noncurrent liabilities	18, 29	5.2	2.7
Total noncurrent liabilities		771.4	646.4
CURRENT LIABILITIES			
Tax provisions	27, 30	273.3	244.8
thereof income tax due: €266.7 million (2006: €231.8 million)			
Other current provisions	27, 31	205.0	82.0
Financial instruments of Eurex Clearing AG	19	60,424.0	53,956.9
Liabilities from banking business[1]	32	9,125.9	6,078.7
Other bank loans and overdrafts	29	1,360.2	0.1
Trade payables		97.7	91.8
Payables to associates		6.1	3.0
Payables to other investors		5.2	8.5
Cash deposits by market participants	33	4,016.2	1,509.0
Other current liabilities	18, 34	682.4	120.6
Total current liabilities		76,196.0	62,095.4
Total liabilities		76,967.4	62,741.8
Total equity and liabilities		79,657.6	65,025.1

1) Thereof €95.1 million (2006: €0 million) liabilities to associates

Consolidated Cash Flow Statement

for the period 1 January to 31 December 2007

	Note	2007	2006
		€m	€m
Net profit for the year		914.9	666.0
Depreciation, amortization and impairment losses	9, 14	126.0	132.0
Increase in noncurrent provisions	38	16.0	19.4
Deferred tax income	13	–15.1	–28.0
Other non-cash income	38	–117.7	–14.6
Changes in working capital, net of non-cash items:			
Increase in receivables and other assets	38	–266.5	–48.4
Increase in current liabilities	38	192.3	116.6
Decrease in noncurrent liabilities		–1.1	0
Net (gain)/loss on disposal of noncurrent assets		–9.2	0.4
Cash flows from operating activities	38	839.6	843.4
Payments to acquire intangible assets and property, plant and equipment		–79.7	–69.2
Payments to acquire noncurrent financial instruments		–124.8	–84.3
Payments to acquire investments in associates		–0.3	–0.7
Payments to acquire subsidiaries, net of cash acquired		–1,826.6	0
Proceeds from the disposal of (shares in) subsidiaries and other equity investments, net of cash disposed		358.9	34.3
Net (increase)/decrease in current receivables, securities and liabilities from banking business with an original term greater than three months		–149.0	–270.1
Proceeds from disposals of available-for-sale noncurrent financial instruments		50.9	118.5
Proceeds from disposals of other noncurrent assets and noncurrent assets held for sale		17.4	1.7
Cash flows from investing activities	39	–1,753.2	–269.8
Purchase of treasury shares		–395.0	–389.7
Proceeds from sale of treasury shares		15.6	5.9
Net cash received from minority shareholders		271.3	4.0
Net cash received from short-term financing		1,365.4	0
Finance lease payments		–0.5	–1.9
Dividends proposed		–329.8	–210.4
Cash flows from financing activities	40	927.0	–592.1
Net change in cash and cash equivalents		13.4	–18.5
Cash and cash equivalents as at beginning of period[1]		1,026.8	1,045.3
Cash and cash equivalents as at end of period[1]	41	1,040.2	1,026.8
Operating cash flow per share (basic and diluted) (€)[2]		4.33	4.24
Interest income and other similar income		128.4	62.4
Dividends received[3]		9.7	5.2
Interest paid		–117.3	–67.1
Income tax paid		–524.0	–311.9

1) Excluding cash deposits by market participants

2) Prior-period amount restated (see note 42)

3) Dividends received from investments in associates and other equity investments

Consolidated Statement of Changes in Equity

for the period 1 January to 31 December 2007

	Note	2007 €m	2006 €m
Subscribed capital			
Balance as at 1 January		102.0	105.9
Retirement of treasury shares		–2.0	–3.9
Capital increase from retained earnings		100.0	0
Balance as at 31 December		200.0	102.0
Share premium			
Balance as at 1 January		1,340.0	1,336.1
Retirement of treasury shares		2.0	3.9
Capital increase from retained earnings		–100.0	0
Balance as at 31 December		1,242.0	1,340.0
Treasury shares			
Balance as at 1 January		–443.1	–366.8
Purchase of treasury shares		–395.0	–389.7
Retirement of treasury shares		227.5	304.1
Sales within the Group Share Plan		20.8	9.3
Balance as at 31 December		–589.8	–443.1
Revaluation surplus	24		
Balance as at 1 January		12.9	11.6
Increase/(decrease) in share-based payments		4.6	0.7
Remeasurement of cash flow hedges		5.6	0.6
Remeasurement of other financial instruments		8.8	–0.5
Deferred taxes on remeasurement of financial instruments		0.2	0.5
Balance as at 31 December		32.1	12.9
Accumulated profit	24		
Balance as at 1 January		1,251.6	1,099.9
Dividends proposed	25	–329.8	–210.4
Net income		911.7	668.7
Exchange rate differences and other adjustments		–126.4	–3.1
Retirement of treasury shares		–227.5	–304.1
Deferred taxes	13	13.4	0.6
Balance as at 31 December		1,493.0	1,251.6
Shareholders’ equity as at 31 December		2,377.3	2,263.4

	2007 €m	2006 €m
Shareholders' equity (brought forward)	2,377.3	2,263.4
Minority interests		
Balance as at 1 January	19.9	14.1
Changes due to equity increases	296.4	9.0
Changes due to share in net gain/-(loss) of subsidiaries for the period	3.2	–2.7
Exchange rate differences	–6.6	–0.5
Balance as at 31 December	312.9	19.9
Total equity as at 31 December	2,690.2	2,283.3

Statement of recognized income and expense for the period

	Note	2007 €m	2006 €m
Exchange rate differences	24	–44.8	–2.2
Remeasurement of cash flow hedges		–81.3	0.6
Remeasurement of other financial instruments		8.8	–0.5
Deferred taxes	24	13.6	0.5
Gains/(losses) taken to equity		–103.7	–1.6
Net profit for the year reported in consolidated income statement		914.9	666.0
Total recognized income for the period		811.2	664.4
thereof attributable to:			
Shareholders of parent company		814.6	667.6
Minority interests		–3.4	–3.2

Notes to the Consolidated Financial Statements Basis of Preparation

1. General principles

Deutsche Börse AG (“the Company”) is incorporated as a German public limited company (“Aktiengesellschaft”) and is domiciled in Germany. The Company’s registered office is Neue Börsenstraße 1, 60487 Frankfurt/Main.

In accordance with section 315a of the Handelsgesetzbuch (HGB, the German Commercial Code) (“Consolidated Financial Statements in Accordance with International Accounting Standards”), the consolidated financial statements for the year ended 31 December 2007 have been prepared in compliance with the International Financial Reporting Standards (IFRSs) and the related Interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union in accordance with Regulation No. 1606/2002 of the European Parliament and of the Council on the application of international accounting standards, as well as with full IFRSs.

In addition, the annual financial report of the Group is supplemented by a Group management report and a responsibility statement in accordance with the requirements of the HGB. The disclosures required in accordance with section 315a (1) of the HGB have been made in the notes to the consolidated financial statements and the remuneration report, which forms part of the Group management report. The consolidated financial statements are also based on the interpretations issued by the Rechnungslegungs Interpretations Committee (Accounting Interpretations Committee) of the Deutsches Rechnungslegungs Standards Committee e.V. (Accounting Standards Committee of Germany), to the extent that these do not contradict the standards and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or the IASB.

Effects of new accounting standards

Interpretation IFRIC 11 was applied prior to its effective date (see next page). In addition, the following Interpretation was applied for the first time in financial year 2007:

Standard/ Interpretation		Issued by IASB	Effective Date	Endorsement[1]
IFRIC 10	Interim Financial Reporting and Impairment	20 July 2006	1 Nov. 2006	2 June 2007

1) IFRSs adopted by the European Commission (endorsement process); date of publication

IFRIC 10 “Interim Financial Reporting and Impairment”

IFRIC 10 prohibits an entity from reversing an impairment loss recognized in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost. The Interpretation may not be extended by analogy to other areas of potential conflict between IAS 34 “Interim Financial Reporting” and other standards. The first-time application of IFRIC 10 has no material effect on the Company’s financial statements.

IFRS 7 “Financial Instruments: Disclosures”, the amendments to IAS 1 “Presentation of Financial Statements: Capital Disclosures” as well as IFRIC 8 “Scope of IFRS 2” and IFRIC 9 “Reassessment of Embedded Derivatives” were applied in 2006 prior to their effective dates.

In addition, German Accounting Standard (GAS) 17 (near final standard in the version dated 7 December 2007) “Reporting on the Remuneration of Members of Governing Bodies”, which implements the Vorstandsvergütungs-Offenlegungsgesetz (VorstOG, the German Act on Disclosure of Executive Board Remuneration), was applied for the first time. It is effective for financial years beginning after 31 December 2007. GAS 17 governs reporting on the remuneration of the members of executive bodies of a German stock corporation. The Standard provides detailed guidance on the requirements imposed on reporting by groups in accordance with sections 314 (1) no. 6 and 315 (2) no. 4 of the HGB. In accordance with the German Corporate Governance Code in the version dated 14 June 2007, Deutsche Börse Group discloses the remuneration of the individual members of its Executive Board in the remuneration report (see management report). The summarized disclosures resulting from IAS 24 “Related Party Disclosures” are shown in note 50.

Early application of accounting standards

Following the issue of IFRSs and their adoption by the EU, the Company opted to apply the following Standards and Interpretations prior to their effective date:

Standard/ Interpretation		Issued by IASB	Effective Date[1]	Endorsement[2]
IFRIC 11	IFRS 2: Group and Treasury Share Transactions	2 Nov. 2006	1 Mar. 2007	2 June 2007

1) Application to the first period of a financial year beginning on or after this date. Earlier application is recommended.

2) IFRSs adopted by the European Commission (endorsement process); date of publication

IFRIC 11 “IFRS 2: Group and Treasury Share Transactions”

IFRIC 11 provides guidance on how IFRS 2 “Share-based Payment” is to be applied to share-based payments in which rights to an entity’s equity instruments or those of another entity in the same group of companies are granted.

The application of IFRIC 11 prior to its effective date has not had any impact on Deutsche Börse Group’s financial statements.

New accounting standards

The following standards and interpretations which Deutsche Börse Group did not adopt in 2007 prior to the effective date have been published by the IASB but not yet adopted by the European Commission as at the reporting date:

Standard/ Interpretation		Issued by IASB	Effective Date[1]	Endorsement[2]	Expected effects
IFRS 2	Amendment to IFRS 2 “Share-based Payment – Vesting Conditions and Cancellations”	17 Jan. 2008	1 Jan. 2009	EFRAG statement expected in Q2/2008[3]	no material effect
IFRS 3	Amendment to IFRS 3 “Business Combinations”	10 Jan. 2008	1 Jan. 2009	open	no material effect
IFRS 8	Operating Segments	30 Nov. 2006	1 Jan. 2009	22 Nov. 2007	additional notes disclosure
IAS 1	Amendment to IAS 1 “Presentation of Financial Statements: Capital Disclosures”	6 Sep. 2007	1 Jan. 2009	EFRAG statement expected in Q1/2008[3]	no material effect
IAS 23	Amendments to IAS 23 “Borrowing costs”	29 Mar. 2007	1 Jan. 2009	EFRAG opinion issued, endorsement still outstanding[3]	Capitalization of borrowing costs
IAS 27	Amendment to IAS 27 “Consolidated and Separate Financial Statements”	10 Jan. 2008	1 Jan. 2009	outstanding	no material effect
IAS 32	Amendment to IAS 32 “Financial Instruments: Presentation”	14 Feb. 2008	1 Jan. 2009	outstanding	no material effect
IFRIC 12	Service Concession Arrangements	30 Nov. 2006	1 Jan. 2008	EFRAG opinion issued, endorsement still outstanding[3]	none
IFRIC 13	Customer Loyalty Programmes	28 June 2007	1 July 2008	EFRAG statement expected in Q2/2008[3]	none
IFRIC 14	IAS 19 “The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”	4 July 2007	1 July 2008	EFRAG statement expected in Q1/2008[3]	no material effect

1) Application to the first period of a financial year beginning on or after this date. Earlier application is recommended.

2) IFRSs adopted by the European Commission (endorsement process); date of publication

3) The Technical Expert Group of the European Financial Reporting Advisory Group (EFRAG) advises the Accounting Regulatory Committee (ARC) as part of the endorsement process by the European Commission. The ARC decides on the endorsement of individual Standards and is composed of representatives from the member states under the chairmanship of the European Commission.

Amendments to IFRS 2 “Share-based Payment – Vesting Conditions and Cancellations”

The amendments to IFRS 2 “Share-based Payment – Vesting Conditions and Cancellations” supplement IFRS 2 such that the rules on early cancellation apply regardless of whether the entity or another party cancels the share-based payment plan. In the past, IFRS 2.28 only applied explicitly to early cancellations by the entity. The amendments also clarified that vesting conditions are exclusively service and performance conditions.

Amendments to IFRS 3 “Business Combinations” and IAS 27 “Consolidated and Separate Financial Statements”

The IASB published the revised IAS 27 and IFRS 3 on 19 July 2007. These are the result of the second phase of the IASB’s project on business combinations.

The amendments to IAS 27 relate primarily to accounting for non-controlling interests (currently referred to as “minority interests”) and to the loss of control of subsidiaries. When measuring non-controlling interests, the amended IFRS 3 grants acquirers an option to measure the interest either at fair value (full goodwill method) or as the non-controlling interest’s proportionate share of the acquiree’s net identifiable assets. The standard also requires the attribution of total comprehensive income to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Other significant changes relate to step acquisitions. If an entity gains control for the first time by acquiring additional interests, it must remeasure existing interests in profit or loss. If an entity’s ownership interest in a subsidiary changes without the entity losing control of the subsidiary, the entity must recognize such changes directly in equity.

IFRS 8 “Operating Segments”

IFRS 8 will replace IAS 14 “Segment Reporting” and converges segment reporting under IFRSs with Statement of Financial Accounting Standards (SFAS) 131 (US GAAP). Under IFRS 8, the management approach must be used to report on the segments’ economic situation. This approach provides that operating segments are only reportable if they represent components of an entity for which separate financial information is available. A precondition is that this information is reviewed regularly by the entity’s chief operating decision maker to make decisions about resources to be allocated to this segment and assess its performance. This financial information should normally be provided on the basis of internal reports.

Amendments to IAS 1 “Presentation of Financial Statements”

The IASB published the revised IAS 1 on 6 September 2007. The amendments to IAS 1 are the result of Phase A of the IASB’s financial statement presentation project. The new standard will achieve an extensive level of convergence between IAS 1 and Financial Accounting Standards Board (FASB) Statement No. 130 “Reporting Comprehensive Income”. The significant changes will have an effect on both the presentation of comprehensive income and the presentation of certain disclosures in the consolidated financial statements, especially in relation to the presentation of changes in equity arising from transactions with owners in their capacity as owners.

Amendments to IAS 23 “Borrowing Costs”
The amendments require that borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of the asset. The option of recognizing these borrowing costs immediately as an expense has been eliminated.

Amendmends to IAS 32 “Financial Instruments: Presentation”
The amendments to IAS 32 “Financial Instruments: Presentation” supplement IAS 32 by modifying the distinction between equity and liabilities relating to “puttable instruments”. In accordance with IAS 32, a financial instrument that gives the holder the right to put the instrument back to the issuer for cash or another financial instrument (puttable instrument) is presented as a financial liability. Subject to certain conditions being met, this revision allows these instruments to be classified as equity.

IFRIC 12 “Service Concession Arrangements”
Service concession arrangements are arrangements whereby a government or another public sector institution grants contracts for the supply of public services – such as roads, airports, prisons, energy distribution, water supply and distribution facilities – to private operators. IFRIC 12 provides guidance on the application of existing IFRSs by the operator to these arrangements.

IFRIC 13 “Customer Loyalty Programmes”
IFRIC 13 addresses accounting for customer bonus programs. The sales revenue attributable to benefits (loyalty award credits) granted to customers is deferred as a liability until the customer redeems the award credits or the right to redeem them expires. The award credits are measured at absolute or relative fair value.

IFRIC 14 “IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”
In essence, IFRIC 14 addresses the interaction between a minimum funding requirement at the balance sheet date and the requirements of IAS 19.58. The interpretation provides general guidance on how to determine the limit in IAS 19 on the amount of surplus that can be recognized as an asset. It also states how plan assets or liabilities may be affected when there is a statutory or contractual minimum funding requirement.

Deutsche Börse Group does not expect the application of the new IFRSs, the revised IASs/IFRSs and the new interpretations to have any material impact.

2. Basis of consolidation

Deutsche Börse AG’s equity interests in subsidiaries, associates and joint ventures that were included in the consolidated financial statements as at 31 December 2007 are presented in the following tables. Unless otherwise stated, the financial information is presented in accordance with generally accepted accounting principles in the companies’ countries of domicile.

Fully consolidated subsidiaries as at 31 December 2007:

Company	Domicile	Equity interest as at 31 Dec. 2007 direct (indirect) %
Avox Ltd.	UK	76.82
Clearstream International S.A.	Luxembourg	100.00
Clearstream Banking S.A.	Luxembourg	(100.00)
Clearstream Banking AG	Germany	(100.00)
Clearstream Services S.A.	Luxembourg	(100.00)
Clearstream Services (UK) Ltd.	UK	(100.00)
Deutsche Börse Finance S.A.	Luxembourg	100.00
Deutsche Börse IT Holding GmbH i.L.	Germany	100.00
Deutsche Börse Systems AG	Germany	100.00
Deutsche Börse Systems Inc.	USA	(100.00)
Deutsche Börse Dienstleistungs AG	Germany	100.00
Deutsche Gesellschaft für Wertpapierabwicklung mbH	Germany	100.00
Eurex Zürich AG	Switzerland	49.96[3]
Eurex Frankfurt AG	Germany	(49.96)[3]
Eurex Bonds GmbH	Germany	(39.69)[4]
Eurex Clearing AG	Germany	(49.96)[3]
Eurex Repo GmbH	Germany	(49.96)[3]
Eurex Services GmbH	Germany	(49.96)[3]
U.S. Exchange Holdings Inc.	USA	(49.96)[3]
International Securities Exchange Holdings Inc.	USA	(49.96)[3]
ETC Acquisition Corp.	USA	(49.96)[3]
International Securities Exchange LLC	USA	(49.96)[3]
ISE Stock Exchange LLC	USA	(25.48)[5]
ISE Ventures LLC	USA	(49.96)[3]
Longitude LLC	USA	(49.96)[3]
Finnovation Financial Services GmbH	Germany	100.00
Infobolsa S.A.	Spain	50.00
Difubolsa, Serviços de Difusão e Informaçao de Bolsa, S.A.	Potugal	(50.00)
Infobolsa Deutschland GmbH	Germany	(50.00)
Risk Transfer Re S.A.	Luxembourg	100.00
Scoach Holding S.A.	Luxembourg	50.01
Scoach Europa AG	Germany	(50.01)
Scoach Schweiz AG	Switzerland	(50.01)
Xlaunch GmbH	Germany	100.00
Deutsche Börse Services s.r.o.	Czech Republic	(100.00)

1) Thousands
2) Before profit transfer or loss absorption
3) Beneficial interest in profit or loss: 85 percent
4) Beneficial interest in profit or loss: 67.52 percent
5) Beneficial interest in profit or loss: 43.35 percent

		Ordinary share capital € thousands		Equity € thousands		Total assets € thousands		Sales revenue 2007 € thousands		Net profit/loss 2007 € thousands	Initially consolidated
	GBP[1]	0	GBP[1]	–307	GBP[1]	1,084	GBP[1]	2,970	GBP[1]	–432	2005
		25,000		1,033,408		1,153,284		92,662		362,727	2002
		57,808		295,144		10,330,509		566,260		198,047	2002
		25,000		203,837		1,431,472		298,741		63,273	2002
		30,000		53,267		124,365		283,397		11,637	2002
	GBP[1]	0	GBP[1]	0	GBP[1]	0	GBP[1]	0	GBP[1]	–2	2002
		125		6,639		725,864		0		310	2003
		25		19		24		0		–6	2002
		2,000		2,415		211,217		324,585		91,939[2]	1993
	USD[1]	400	USD[1]	2,547	USD[1]	2,832	USD[1]	10,379	USD[1]	363	2000
		50		50		50		0		0	21 June 2007
		25		54		57		0		–12	10 May 2006
	CHF[1]	10,000	CHF[1]	161,593	CHF[1]	180,014	CHF[1]	1,245	CHF[1]	114	1998
		6,000		1,882,555		1,962,804		7,014		1,829	1998
		3,600		3,336		4,259		4,045		262	2001
		5,113		50,802		4,177,085		0		743	1998
		100		550		1,858		3,513		–1,022[2]	2001
		25		1,182,469		1,182,472		0		0	1 Nov. 2007
	USD[1]	1,000	USD[1]	932,125	USD[1]	2,635,878	USD[1]	0	USD[1]	10,889	2003
	USD[1]	0	USD[1]	467,856	USD[1]	467,856	USD[1]	0	USD[1]	56,957	19 Dec. 2007
	USD[1]	0	USD[1]	0	USD[1]	0	USD[1]	0	USD[1]	0	19 Dec. 2007
	USD[1]	0	USD[1]	223,122	USD[1]	325,367	USD[1]	250,913	USD[1]	117,046	19 Dec. 2007
	USD[1]	0	USD[1]	32,643	USD[1]	38,050	USD[1]	10,790	USD[1]	–4,680	19 Dec. 2007
	USD[1]	0	USD[1]	462	USD[1]	12,353	USD[1]	0	USD[1]	–277	19 Dec. 2007
	USD[1]	0	USD[1]	1,084	USD[1]	1,627	USD[1]	163	USD[1]	–3,472	19 Dec. 2007
		25		24		24		0		–1	14 Mar. 2007
		331		11,014		12,736		8,288		415	2002
		50		–12		80		367		–22	2002
		100		581		1,091		1,630		–591	2003
		1,225		5,392		5,683		0		1,644	2004
		100		7,598		7,741		0		–102	1 Jan. 2007
		140		7,550		9,900		15,947		1,246	1 Jan. 2007
	CHF[1]	100	CHF[1]	11,195	CHF[1]	15,934	CHF[1]	35,946	CHF[1]	11,095	1 Jan. 2007
		25		750		753		0		–12	10 May 2006
	CZK[1]	200	CZK[1]	11,376	CZK[1]	75,078	CZK[1]	133,975	CZK[1]	–16,737	24 May 2006

The change in the number of fully consolidated subsidiaries is shown in the following table:

Fully consolidated subsidiaries

	Germany	Foreign	Total
As at 1 January 2007	12	17	29
Additions	4	8	12
Disposals	–2	–4	–6
As at 31 December 2007	14	21	35

During the course of the year, Deutsche Börse AG established Finnovation Financial Services GmbH and Deutsche Börse Dienstleistungs AG as subsidiaries. Eurex Frankfurt AG has established Eurex Services GmbH as a subsidiary in the year under review. DGW Abwicklungs AG i.L. and XLaunch Abwicklungs AG i.L. were deconsolidated in the third quarter after their liquidation was completed.

On 20 December 2007, Clearstream International S.A. sold Clearstream Properties S.A., Immobilière Espace Kirchberg A S.A., Immobilière Espace Kirchberg C S.A. and Immobilière Espace Kirchberg D S.A. For more information, please refer to notes 7, 15 and 16.

Deutsche Börse AG's direct equity interest in Eurex Zürich AG, including the 0.03 percent interest held by members of its Executive Board, amounts to 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 was 85 percent as in the previous year. Acquisition accounting is based on this figure. After allowance for voting trust and pooling arrangements, the share of voting rights is 50 percent.

On 30 April 2007, Eurex Frankfurt AG and International Securities Exchange Holdings Inc. (ISE) signed a definitive agreement under which Eurex acquired ISE for approximately USD 2.8 billion in cash, or USD 67.50 per share. The combination was approved by the shareholders of ISE on 27 July 2007 and by the U.S. Securities and Exchange Commission (SEC) on 13 December 2007. On 19 December 2007, the combination of Eurex and ISE was successfully completed. U.S. Exchange Holdings Inc., a wholly owned subsidiary of Eurex Frankfurt AG, holds 100 percent of the voting shares of ISE. In addition, ISE holds 100 percent of the shares of ETC Acquisition Corp., International Securities Exchange LLC, ISE Ventures LLC and Longitude LLC, as well as a 51 percent interest in ISE Stock Exchange LLC.

The ISE subgroup is included in the consolidated financial statements as at 31 December 2007, since the effects on the net assets, financial position and results of operations of Deutsche Börse Group between the date of acquisition and the end of the year are considered to be immaterial. The following table shows the calculation of goodwill as at 31 December 2007:

Goodwill from acquisition of ISE

	31 Dec. 2007 €m
Purchase price[1]	2,042.2
Cash acquired	–239.7
Transaction costs	18.6
Total acquisition cost	1,821.1
Exchange license	–299.1
Member relationships	–951.5
Market data customer relationships	–54.4
ISE trade name	–20.4
Options, stock and Longitude technology	–19.7
Other assets and liabilities	–209.1
Deferred taxes	615.1
Goodwill	882.0

1) Purchase price in the amount of USD 2,811.1 million translated at a partially hedged exchange rate of 1.3765

The above goodwill is attributable to ISE's strong position and profitability, the growth prospects of the options market as well as to its workforce, which cannot be recognized separately as an intangible asset.

The following table shows the amounts recognized for each category of assets, liabilities and contingent liabilities of the acquired ISE subgroup as at the acquisition date in the course of purchase price allocation, as well as the IFRS carrying amounts immediately preceding the combination:

Assets and liabilities at acquisition date

	Carrying amounts before acquisition €m	Adjustments €m	Carrying amount at acquisition date €m
Intangible assets	16.0	1,345.1	1,361.1
Property, plant and equipment	4.7	0	4.7
Financial assets	9.1	0	9.1
Other noncurrent assets	0.3	0	0.3
Receivables and other current assets	110.1	0	110.1
Other cash and bank balances	92.9	0	92.9
Total assets	233.1	1,345.1	1,578.2
Noncurrent liabilities	35.7	583.9	619.6
Current liabilities	36.7	–3.5	33.2
Total liabilities	72.4	580.4	652.8

The following table shows the sales revenue and results of Deutsche Börse Group under the assumption that ISE had already been included in the consolidated financial statements as at 1 January 2007:

Pro forma income statement of Deutsche Börse Group for the period 1 January to 31 December 2007 (indicators)

	2007 €m	Pro forma adjustments[1] €m	2007 Pro forma €m
Sales revenue	2,185.2	183.6	2,368.8
Depreciation and amortization expense	–126.0	–47.8	–173.8
Total expenses (including depreciation and amortization expense)	–1,323.5	–128.9	–1,452.4
Earnings before interest and tax (EBIT)	1,345.9	55.2	1,401.1
Net income	911.7	16.8	928.5
Earnings per share (basic and diluted) (€)	4.70	0.08	4.78

1) Adjustments in USD translated at an average exchange rate of 1.3911

On 25 October 2006, SWX Group and Deutsche Börse AG signed an agreement to establish and operate a joint exchange organization for cash trading in structured products. In this context, Scoach Holding S.A., domiciled in Luxembourg, and in which Deutsche Börse AG holds a 50.01 percent interest, as well as its subsidiary, Scoach Schweiz AG, Zurich, were established. In addition, Scoach Europa AG, Frankfurt, including its stake in BrainTrade GmbH, was acquired. The companies have been fully included in the consolidated financial statements of Deutsche Börse Group since 1 January 2007.

In July 2007, Deutsche Börse AG exercised its purchase option and acquired a further 40 shares of Avox Ltd. for €3.9 million, thus increasing its interest in Avox to 76.82 percent.

Associates and joint ventures accounted for using the equity method as at 31 December 2007 in accordance with IAS 28 or IAS 31:

Company	Domicile	Equity interest as at 31 Dec. 2007 direct (indirect) %	Ordinary share capital € thous.	Assets[1)] € thous.	Liabilities[1)] € thous.	Sales revenue 2007[1)] € thous.	Net profit/loss 2007[1)] € thous.	Associate since
BrainTrade Gesellschaft für Börsensysteme mbH	Germany	28.57[2)]	1,400	6,159	3,305	29,470	1,454	1 Jan. 2007
CEDEX, Inc.	Canada	(23.98)	0	26,420	990	0	–570	19 Dec. 2007
Options Clearing Corporation[3)]	USA	(9.99)	–	–	–	–	–	19 Dec. 2007
Deutsche Börse Commodities GmbH	Germany	16.20	1,000	6,132	5,288	0	–156	27 Nov. 2007
European Energy Exchange AG[4)]	Germany	(11.60)	40,050	217,145	173,914	39,803	8,828	1999
FDS Finanz-Daten-Systeme GmbH & Co. KG	Germany	50.00	19,451	2,635	74	385	101	1998
FDS Finanz-Daten-Systeme Verwaltungs GmbH	Germany	(50.00)	26	40	5	0	0	1998
STOXX Ltd.	Switzerland	33.33	1,000[5)]	72,105[5)]	18,102[5)]	86,588[5)]	49,536[5)]	1997
The Clearing Corporation Inc.[4)]	USA	(6.30)[6)]	71,283[7)]	85,719[7)]	50,719[7)]	8,907[7)]	–11,816[7)]	2004
U.S. Futures Exchange LLC	USA	(13.84)[8)]	16,920[7)]	19,069[7)]	2,149[7)]	3,513[7)]	–17,626[7)]	30 Sep. 2006

1) Preliminary figures
2) Indirect beneficial interest: 14.28 percent
3) No data available as at the balance sheet date
4) Subgroup figures
5) CHF thousands
6) Indirect beneficial interest in profit or loss: 10.73 percent
7) USD thousands
8) Indirect beneficial interest in profit or loss: 23.55 percent

Following the acquisition of Scoach Europa AG, the Group’s interest in BrainTrade Gesellschaft für Börsensysteme mbH was increased to 28.57 percent in total and the company has been recognized as an associate accounted for using the equity method in accordance with IAS 28. Previously, it had been carried at cost in the financial statements.

The Eurex subgroup’s US activities on 31 December 2007 included a 12.62 percent interest in The Clearing Corporation Inc. (CCorp), held by U.S. Exchange Holdings Inc., and a 27.71 percent interest in U.S. Futures Exchange LLC (USFE). Because the appointment of members of the board of directors and because the settlement of significant business volumes through CCorp give rise to the ability to significantly influence its operating and financial policies, CCorp is included in the consolidated financial statements using the equity method in accordance with IAS 28.7. Both of these investments are held via Eurex Zürich AG, thereby reducing the indirect interest in these companies accordingly.

In addition, ISE Ventures LLC, which was acquired on 19 December 2007 (see explanations above), holds a 48 percent interest in CEDEX Inc.; consequently, Deutsche Börse AG holds a 23.98 percent indirect interest in CEDEX Inc.

Deutsche Börse AG and its partners B. Metzler seel. Sohn & Co. KGaA, Bank Vontobel AG, Commerzbank AG, Deutsche Bank AG, DZ Bank AG and Umicore AG & Co. KG established Deutsche Börse Commodities GmbH as a joint venture at the end of November 2007. Deutsche Börse AG holds a 25.1 percent share of the voting rights of the joint venture. The company is classified as an associate and accounted for using the equity method.

Deutsche Börse AG and all other shareholders of STOXX Ltd. have each granted that company a credit line of €1.0 million to ensure its liquidity. As in the previous year, STOXX Ltd. did not use Deutsche Börse AG's credit line in 2007.

European Energy Exchange AG is categorized as an associate and accounted for using the equity method as the direct equity interest amounted to 23.2 percent as at 31 December 2007. The investment is held via Eurex Zürich AG, thereby reducing the indirect interest in this company accordingly.

The interest in International Index Company Ltd. which had always been recognized as an associate so far was sold in 2007 and the proceeds are presented in other operating income.

3. Accounting policies

The consolidated financial statements have been prepared in euros. Unless stated otherwise, all amounts are shown in millions of euros (€m). The annual financial statements of subsidiaries included in the consolidated financial statements have been prepared on the basis of common Group-wide accounting principles based on IFRSs that are described in detail in this note. For reasons of materiality, the single-entity financial statements of associates were not adjusted to comply with uniform Group accounting policies.

Recognition of revenue and expenses

Trading, clearing and settlement fees are recognized immediately at the trade date and billed on a monthly basis. Custodian fees, as well as fees from the sale of information services and system operation services, are generally recognized ratably and billed on a monthly basis.

Risk Transfer Re S.A. is a reinsurance company. Premium income and acquisition costs arising from reinsurance contracts are recognized over the life of the contracts. The activities of this company are immaterial in the context of the consolidated financial statements of Deutsche Börse Group.

Interest income and expenses are recognized using the effective interest method. Interest income is recognized when it is probable that the economic benefits associated with the transaction will flow to the entity and the income can be measured reliably. Interest expenses are recognized as an expense in the period in which they are incurred. Interest income and expenses from banking business are netted in the consolidated income statement and disclosed separately in note 5.

Government grants

A government grant is not recognized until there is reasonable assurance that the entity will comply with the conditions attaching to it, and that the grant will be received. Government grants related to assets are presented as deferred income in the consolidated balance sheet and are recognized as income over the life of the depreciable asset. Grants related to income are deducted in reporting the expense which they are intended to compensate over the periods in which the latter occur.

Intangible assets

Research costs are expensed in the period in which they are incurred. Development costs are capitalized at cost, provided that they satisfy the recognition criteria set out in IAS 38. These development costs include direct labour costs, costs of purchased services (external consultants) and workplace costs, including proportionate overheads that can be directly attributed to the preparation of the respective asset for use, such as costs for the software development environment. Borrowing costs are not included in production cost. Capitalized development costs are generally amortized over the expected useful life of five years, starting on the date of first use.

An impairment loss is recognized for software that is no longer used or whose future useful life is shorter than originally expected. Intangible assets are derecognized on disposal or when no further economic benefits are expected to flow from the assets.

The amortization period for intangible assets with finite useful lives is reviewed at least at the end of each financial year. If the expected useful life of an asset differs from previous estimates, the amortization period is changed accordingly.

Purchased software is carried at cost and reduced by systematic amortization. Amortization is charged using the straight-line method over the expected useful life or until the proprietary right in question has expired. Technology for options and equity trading as well as technology of Longitude LLC, a subsidiary of ISE, was acquired through the acquisition of ISE. The cost corresponds to the respective fair values as at the acquisition date. The replacement cost method is used to calculate the fair values. Expected useful lives are presented in the following table:

Assets	Amortization method	Amortization period	Recognition
Standard software	straight-line	3 to 10 years	ratable
Purchased custom software[1)]	straight-line	4 to 6 years	ratable
Internally developed custom software	straight-line	5 years	ratable

1) Including the technology for options trading, equity trading and Longitude, for which a depreciation period of five years was applied

Goodwill is tested for impairment in accordance with IAS 36 on an annual basis, or more frequently if events or changes in circumstances indicate that it might be impaired. An impairment loss is recognized if the carrying amount of the cash-generating unit to which goodwill is allocated (including the carrying amount of this goodwill) is higher than its recoverable amount.

The cost of the other intangible assets acquired in the course of the acquisition of the ISE subgroup corresponds to the fair value as at the acquisition date. Assets with a finite term are amortized. Amortization is charged using the straight-line method over the expected useful life. The expected useful lives are presented in the following table:

Other intangible assets ISE	Method of estimating fair value	Depreciation method	Depreciation period
Exchange license	Greenfield approach	n.a.	n.a.
Member relationships	Excess earning method	straight-line	30 years
Market data customer relationships	Excess earning method	straight-line	30 years
ISE trade name	Relief from royalty	straight-line	10 years

As the exchange license does not have a finite term and the ISE expects to maintain the license as part of its overall business strategy, the useful life for these assets is estimated as indefinite. Irrespective of whether there is any indication of impairment, an entity must also test an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount (the higher of fair value less costs to sell and value in use). Deutsche Börse Group has determined that the exchange license and the trade name do not generate cash inflows that are largely independent from those of the ISE's other assets. The cash generating unit (CGU) to which the exchange license belongs is the ISE. Furthermore, a review is performed in each reporting period to determine whether the events and circumstances still justify estimating the useful life of the license as indefinite.

Property, plant and equipment

Property, plant and equipment is carried at cost and reduced by depreciation for wear and tear. The cost of an item of property, plant and equipment comprises all costs directly attributable to the production process, as well as an appropriate proportion of production overheads. It also includes the cost of any restoration obligations assumed. Financing costs are not recognized.

Property, plant and equipment is depreciated over the following expected useful lives:

Assets	Depreciation method	Depreciation period	Recognition
Computer hardware	straight-line	3 to 5 years	ratable
Office equipment	straight-line	5 to 25 years	ratable
Improvements to leasehold and own property	straight-line	based on lease term or 10 years for own property	ratable
Buildings	straight-line	40 years	ratable
Land	not depreciated	n.a.	n.a.

For simplification, investments in moveable items of property, plant and equipment made during a month are depreciated from the first day of this month and pro rated for the actual number of months.

If the cost of part of an item of property, plant and equipment forms a significant proportion of the total value of the asset, this part may be depreciated separately over a different useful life.

Purchased low-value assets are written off in the year of acquisition in accordance with the applicable tax provisions. Repair and maintenance costs are expensed as incurred. If it is probable that the future economic benefits associated with an item of property, plant and equipment will flow to the Company and the cost of the respective asset can be reliably determined, expenditure subsequent to acquisition is added to the carrying amount of the asset as incurred. The carrying amounts of the parts of the asset that have been replaced are derecognized.

Provided that the criteria for classification as a finance lease have been satisfied, leased property, plant and equipment is recognized in accordance with IAS 17 and depreciated, and a corresponding finance lease liability is recognized. Gains from sale and leaseback transactions were immediately recognized in income under “other operating income” as at the date of the transaction because the latter was effected at fair value and the lease agreements entered into in the course of the transaction resulted in operating leases.

Financial assets and investment property
There are five classes of financial assets: investments in associates, other equity investments, current receivables and securities from banking business, other financial instruments, and other loans. All financial instruments are initially measured at fair value; in the case of a financial asset that is not measured at fair value through profit or loss, this includes transaction costs. Subsequent to initial recognition, the measurement of financial instruments depends on the type of instrument as described below.

Investments in associates consist of investments in joint ventures and other associates. Joint ventures and other associates are generally accounted for using the equity method in accordance with IAS 31.38 or IAS 28.13. Joint ventures and other associates that are insignificant for the presentation of a true and fair view in the consolidated financial statements are not accounted for using the equity method, but are carried at cost.

For disclosures on other equity investments and current receivables and securities from banking business, see the “Financial instruments” section.

Other noncurrent financial instruments are classified as available-for-sale financial assets and carried at their fair values in accordance with IAS 39, based on market prices. Discounted cash flow methods are applied where a current market price is not available. Discount rates used are based on market interest rates for financial instruments having substantially the same terms and characteristics.

In accordance with IAS 40, Deutsche Börse Group has chosen the cost model to measure its investment property. Investment property is therefore carried at cost less accumulated depreciation (depreciation period of 40 years) and impairment losses. As at 31 December 2006, the investment property item related to two buildings leased to third parties, except for a minor part of one building which was used by the Clearstream subgroup. These buildings were sold during the financial year. The gain on the disposal is reported under other operating income.

Impairment testing

In accordance with IAS 36, noncurrent assets are tested for impairment. At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If there is evidence that the carrying amount exceeds the recoverable amount (the higher of value in use and fair value less costs to sell), the asset’s value in use is estimated on the basis of the discounted estimated future cash flows from continuing use of the asset and from its ultimate disposal, net of taxes. For this purpose, discount rates are estimated based on the prevailing pre-tax weighted average cost of capital adjusted for the specific risks for the asset.

Irrespective of any indications of impairment, intangible assets with indefinite useful lives and intangible assets not yet available for use must be tested for impairment annually. If the estimated recoverable amount is lower than the carrying amount, an impairment loss is recognized, and the net book value of the asset is reduced to its estimated recoverable amount.

Financial instruments

Recognition of financial assets and liabilities

Financial assets and liabilities are recognized when a Group company becomes a party to the contractual provisions of the instrument.

With the exception of receivables and liabilities from banking business and the financial instruments of Eurex Clearing AG, all financial assets and liabilities are recognized at the trade date. In accordance with IAS 39.38, receivables and liabilities from banking business are recognized at the settlement date. For details on the financial instruments of Eurex Clearing AG see below.

Derecognition of financial assets and liabilities

Financial assets are derecognized when the contractual rights to the cash flows expire or when substantially all the risks and rewards of ownership of the financial assets are transferred. Financial liabilities are derecognized when the obligations specified in the contracts are discharged, cancelled or have expired.

Clearstream acts as principal in securities borrowing and lending transactions in the context of the ASLplus securities lending system. Legally, Clearstram operates between the lender and the borrower without being an economic contracting partner (transitory items). In these transactions, the securities borrowed and lent match perfectly. Consequently these transactions are not recognized in the Company's consolidated balance sheet.

Netting of financial assets and liabilities

Financial assets and liabilities are offset and only the net amount is presented in the consolidated balance sheet when the Company currently has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Other equity investments

Other equity investments are equity interests of less than 20 percent that are designed to establish a permanent relationship with the company concerned and where no significant influence based on the criteria set out in IAS 28.7 exists. In accordance with IAS 39.46, such financial assets are measured at their fair values, based on observable current market prices. Where such a current market price is unavailable and alternative valuation methods are inappropriate, such investments are carried at cost subject to an impairment review. Other investments for which no active market exists are measured on the basis of current market transactions. Realized gains and losses are recognized under financial income or financial expense. Unrealized gains and losses are recognized directly in equity in the revaluation surplus.

Receivables, securities and liabilities from banking business

The financial instruments contained in the receivables and securities from banking business as well as in the liabilities from banking business are accounted for in accordance with IAS 39, which states that the entire portfolio of financial assets and liabilities must be classified into four categories and measured in accordance with this classification:

"Financial assets at fair value through profit and loss" are recognized at the trade date. This category includes currency swaps and forward foreign exchange transactions not classified as hedging instruments under IAS 39. Fair value of these derivatives is estimated based on observable current market rates. Realized and unrealized gains and losses are immediately recognized in the consolidated income statement as other operating income and other operating expenses. As in the previous year, Deutsche Börse Group did not exercise the option to designate financial assets or liabilities as at fair value through profit or loss on initial recognition in 2007.

"Loans and receivables" are recognized at the settlement date. This category includes loans created by providing funds to a debtor. It also includes reverse repurchase agreements, i.e. securities purchase agreements under which essentially identical securities will be resold at a certain date in the future at an agreed price. Such agreements are treated as secured fixed-term deposits. The amounts paid are reported as loans to other banks and customers. The difference between the purchase price and the repurchase price is accrued over the period of the transaction and is contained in "net interest income from banking business".

"Available-for-sale financial assets" comprise current and noncurrent financial assets.

Current available-for-sale financial assets (financial assets other than at fair value through profit and loss or loans and receivables) are recognized at the settlement date. Subsequently, they are measured based on their fair values, estimated based on observable current quotations. Interest income is recognized in the consolidated income statement in net interest income from banking business based on the effective interest rate method. Other realized gains and losses are recognized in the consolidated income statement in other operating income and other operating expenses. Fair value adjustments are recognized directly in equity in the revaluation surplus.

Noncurrent available-for-sale financial assets include bonds and other fixed-income securities. They correspond to the investment of the entity's capital, are hence held for the long term and are classified as noncurrent assets irrespective of their remaining maturity. They are recognized at the settlement date. Subsequently, they are measured based on their fair values, based on observable current quotations. Interest income is recognized in the consolidated income statement as net interest income from banking business based on the effective interest rate method. When such bonds are hedged instruments under fair value hedges, hedge accounting is applied for fair value adjustments corresponding to the hedged item (see "Fair value hedges" below). Other fair value adjustments are recognized directly in equity in the revaluation surplus.

Deutsche Börse Group did not use the "held-to-maturity investments" category in financial years 2007 and 2006.

All financial liabilities not held for trading, and loans and receivables, are carried at amortized cost, less any write-downs for impairment. Premiums and discounts are contained in the amortized cost of the instrument concerned and are amortized using the effective interest method.

Financial liabilities not measured at fair value through profit and loss

Financial liabilities not held for trading are carried at amortized cost. These liabilities comprise bonds issued by Group companies. They were reported under “interest-bearing liabilities” in 2006 and are reported under “other current liabilities” in 2007.

Financial liabilities measured at fair value through profit and loss

According to IAS 32.18 (b), a financial instrument that gives the holder the right to put it back to the issuer for cash or another financial asset (a “puttable instrument”) is a financial liability. The minority interests in Avox Ltd. are classified as such and carried at fair value. They are reported under “other noncurrent liabilities”.

Derivatives and hedges

Derivatives are used to hedge interest rate risk or foreign exchange risk associated with the activities of the Group.

All derivatives are carried at their fair values. The fair value of interest rate swaps is determined on the basis of current observable market interest rates. The fair value of forward foreign exchange transactions is determined on the basis of forward foreign exchange rates at the balance sheet date for the remaining period to maturity.

Hedge accounting is applied for derivatives that are part of a hedging relationship determined to be highly effective under IAS 39, as follows:

Cash flow hedges

The portion of the gain or loss on the hedging instrument determined to be highly effective is recognized directly in equity. This gain or loss eventually adjusts the value of the hedged cash flow. The ineffective portion of the gain or loss is recognized immediately in the consolidated income statement.

Fair value hedges

The gain or loss on the hedging instrument, together with the gain or loss on the hedged item (underlying) attributable to the hedged risk, is recognized immediately in the consolidated income statement. Any gain or loss on the hedged item adjusts its carrying amount.

Derivatives that are not part of a hedging relationship

Gains or losses on derivative instruments that are not part of a highly effective hedging relationship are recognized immediately in the consolidated income statement.

Financial instruments of Eurex Clearing AG (central counterparty)

Eurex Clearing AG acts as the central counterparty and guarantees the settlement of all transactions involving futures and options on the Eurex exchanges (Eurex Deutschland and Eurex Zürich AG). As the central counterparty, it also guarantees the settlement of all transactions for Eurex Bonds (bond trading platform) and Eurex Repo (repo trading platform), certain exchange transactions in equities on FWB Frankfurter Wertpapierbörse (the Frankfurt Stock Exchange) and certain cash market transactions on the Irish Stock Exchange. These transactions are only executed between Eurex Clearing AG and a clearing member.

In accordance with IAS 39.38, purchases and sales of equities via the central counterparty are recognized and simultaneously derecognized at the settlement date.

For products that are marked to market (futures and options on futures), Eurex Clearing AG recognizes gains and losses on open positions each exchange day. By means of the variation margin, profits and losses on open positions resulting from exchange rate fluctuations are settled on a daily basis. The difference between this and other margin types is that the variation margin does not comprise collateral, but is a daily offsetting of profits and losses in cash. In accordance with IAS 39.17 (a) and IAS 39.39, futures are therefore not reported in the consolidated balance sheet. For options on futures (future-style options), the option premium is not required to be paid in full until the end of the term or upon exercise. Option premiums are carried in the consolidated balance sheet as liabilities and receivables at their fair value on the trade date.

“Traditional” options, for which the buyer must pay the option premium in full upon purchase, are carried in the consolidated balance sheet at fair value. Fixed-income bond forwards are recognized as derivatives and carried at fair value until the settlement date. Receivables and liabilities from repo transactions are classified as held for trading and carried at fair value. Receivables and liabilities from variation margins and cash collateral that is determined on the reporting date and only paid on the following day are carried at their nominal amount.

The fair values recognized in the consolidated balance sheet are based on daily settlement prices. These are calculated and published by Eurex Clearing AG on a daily basis in accordance with the rules set out in the contract specifications (see also the Clearing Conditions of Eurex Clearing AG).

Cash or securities collateral of Eurex Clearing AG

As Eurex Clearing AG guarantees the settlement of all traded contracts, it has established a multi-level collateral system. The central pillar of the collateral system is the determination of the overall risk per clearing member (margin) to be covered by cash or securities collateral. Losses calculated on the basis of current prices and potential future price risks are covered up to the date of the next collateral payment.

In addition to these daily collateral payments, each clearing member must make contributions to the clearing fund (for further details, see the risk report in the Group management report). Cash collateral is reported in the consolidated balance sheet under "cash deposits by market participants" and the corresponding amounts under "restricted bank balances". In accordance with IAS 39.20 (b) in conjunction with IAS 39.37, securities collateral is not derecognized by the clearing member providing the collateral. As the transfer of securities does not meet the conditions for derecognition, the securities are not recognized as assets in accordance with IAS 39 AG 34.

Treasury shares

The treasury shares held by Deutsche Börse AG at the reporting date are deducted directly from shareholders' equity. In accordance with IAS 32.33, gains or losses on treasury shares are taken directly to equity. The transaction costs directly attributable to the acquisition of treasury shares are accounted for as a deduction from shareholders' equity (net of any related income tax benefit).

Recognition of measurement adjustments

Profit for the year includes changes in the measurement of financial assets at fair value through profit and loss within receivables and securities from banking business, as well as changes in the measurement of investments in associates, other than exchange rate differences. Changes in the measurement of investments in associates arising from exchange rate differences are recognized directly in equity. Changes in the measurement of other noncurrent financial instruments, other noncurrent loans and available-for-sale financial assets held within receivables and securities from banking business are taken directly to shareholders' equity until realized, or until an impairment loss is recognized, at which time the cumulative gain or loss previously taken to equity is included in the profit for the year.

Other current assets

Receivables, other assets, and cash and cash equivalents are carried at their nominal amount. Adequate valuation allowances take account of identifiable risks.

Restricted bank balances include cash deposits by market participants which are invested overnight mainly in the form of reverse repurchase agreements with banks. Such agreements are treated as secured fixed-term deposits. Cash funds attributable to the Clearstream subgroup arising from minimum reserve requirements at central banks are also included in this item.

Noncurrent assets held for sale

Noncurrent assets are classified as held for sale and presented as such separately under current assets if they meet the criteria set out in IFRS 5. This is the case if the carrying amount of the assets will be recovered principally through a sale transaction rather than through continuing use. These assets are recognized at the lower of their carrying amount and fair value less costs to sell.

Provisions for pensions and other employee benefits
Provisions for pension obligations are measured using the projected unit credit method on the basis of actuarial reports, in accordance with IAS 19. The obligations are measured at the balance sheet date each year using actuarial methods that conservatively estimate the relevant parameters. The pension benefits expected on the basis of projected salary growth are spread over the remaining length of service of the employees. The calculations are based on generally accepted industry mortality tables. In Germany, the "2005 G" mortality tables (generation tables) developed by Prof Dr Klaus Heubeck have been used since 2005.

The following assumptions were applied to the calculation of the actuarial obligations for the pension plans:

	31 Dec. 2007 %	31 Dec. 2006 %
Discount rate	5.25	4.50
Expected return on plan assets[1]	5.55 / 6.15	5.05 / 5.80
Salary growth	3.50	3.50
Pension growth[2]	1.75 / 2.50	1.75 / 2.50
Staff turnover rate[3]	2.00	2.00

1) Expected return in 2007 for 2008: Germany 6.15 percent and Luxembourg 5.55 percent. The expected return on plan assets is calculated on the basis of the assumed short-term (4.15 percent; 2006: 3.60 percent) and long-term (4.55 percent; 2006: 3.80 percent) interest rates, plus a premium for the equity component of the investment portfolio (2.00 percent; 2006: 2.50 percent). The equity component of the Luxembourg portfolio is expected to be unchanged at 50.00 percent, while the equity component of the German portfolio is expected to be 80.00 percent.
2) 2.50 percent for plans for which this percentage was contractually agreed
3) No turnover assumed for employees over the age of 50 and in respect of deferred compensation plans

In accordance with IAS 19.92, Deutsche Börse Group recognizes a portion of its actuarial gains and losses as income or expense if the net cumulative unrecognized actuarial gains or losses of each company and plan at the end of the previous reporting period have exceeded the greater of 10 percent of the present value of the defined benefit obligation before deduction of plan assets and 10 percent of the fair value of plan assets. The portion of actuarial gains and losses recognized is the excess determined above, divided by the expected average remaining working lives of the employees participating in the retirement benefit plans.

Retirement provision for Group employees is ensured by a variety of retirement benefit plans, the use of which varies from country to country.

A deferred compensation plan was introduced for employees of Deutsche Börse Group in Germany (excluding employees of Infobolsa Deutschland GmbH) as at 1 July 1999. Since its introduction, new commitments have been entered into on the basis of this deferred compensation plan; the existing pension plans were closed for new staff as at 30 June 1999. Employees with pension commitments under the old retirement benefit arrangements were given an option to participate in the deferred compensation plan by converting their existing pension rights. Individual commitment plans exist for members of the executive boards of Group companies.

A new scheme for the retirement provisions for senior executives in Germany was agreed and implemented as at 1 January 2004. The new benefits are based on performance and no longer exclusively on the principle of providing benefits. The old pension system based on pensionable income was replaced by a “capital component system”. This system builds on annual income received composed of both the fixed annual salary and the variable remuneration paid. Individual professional performance is thus directly reflected in the future pension payments. Every year, Group companies contribute an amount that corresponds to a certain percentage of the pensionable income. This amount is multiplied by a capitalization factor depending on age, resulting in the “annual capital component”. The benefit assets equal the total of the capital components of the individual years and are converted into a lifelong pension once the benefits fall due. Since 1 July 2006, this benefit has been no longer available to new senior executives.

The employees of the Clearstream subgroup in Luxembourg participate in separate defined benefit pension plans.

Deutsche Börse Group uses external funds to cover some of its pension obligations. The amount of the annual net pension expense is reduced by the expected return on the plan assets of the funds. The defined benefit obligations are offset against the fair value of the plan assets taking into account unrecognized actuarial gains and losses as well as past service cost as yet unrecognized. In addition, the pension obligations of Deutsche Börse Group are secured in part by reinsurance policies. The capitalized surrender value of these reinsurance policies is carried under “other noncurrent assets”.

The defined benefit pension plan in favour of Luxembourg employees of the Clearstream subgroup is funded by means of cash contributions to an “Association d’épargne pension” (ASSEP) organized in accordance with Luxembourg law. Contributions may or may not cover the entire provisions calculated as per IAS 19, but they must cover pension provisions as determined under Luxembourg law.

There are defined contribution pension plans for employees working in Germany, Luxembourg, Switzerland, the Czech Republic, the UK or the USA. The employer pays contributions to these employees’ private pension funds.

Other long-term benefits for employees and members of executive boards (total disability pension, transitional payments and surviving dependents’ pensions) are also measured using the projected unit credit method. In accordance with IAS 19.127, actuarial gains and losses and past service cost are recognized immediately and in full.

Other provisions

In accordance with IAS 37, the other provisions take account of all identifiable risks as well as uncertain obligations and are measured in the amount of the probable obligation. A provision for restructuring is only recognized when an entity has a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Group Share Plan and phantom stock option plan

Accounting for the Group Share Plan and the phantom stock option plan follows IFRS 2 “Share-based payment”.

Group Share Plan

The cost of shares granted to employees at a discount is recognized in the income statement at the grant date. Options granted follow the accounting principles for share-based payments with a choice of settlement in cash or equity instruments. As the Company does not have an obligation to settle in cash at the grant date, the options are recognized as equity-settled share-based payments. The options are measured at their fair values at the grant date and recognized in the income statement over the two-year vesting period, with a corresponding increase in shareholders’ equity.

Under the 2003 tranche, a present obligation to settle in cash arose during the vesting period following the announcement of cash settlement prior to the end of the vesting period. Accordingly, the options in the 2003 tranche were recognized as cash-settled share-based payments in the period under review. The options are measured at their respective fair values at the reporting date and recognized in the income statement.

Phantom stock option plan

Options granted follow the accounting principles for cash-settled share-based payments. The cost of the options is estimated using an option pricing model (fair value measurement).

Stock Bonus Plan (SBP)

The SBP shares granted follow the accounting principles for share-based payments with a choice of settlement in cash or equity instruments. As the Company does not have an obligation to settle in cash at the grant date, the SBP shares are recognized as equity-settled share-based payments. The SBP shares are measured at their fair value at the grant date and recognized in the income statement over the three-year vesting period, with a corresponding increase in shareholders’ equity.

Deferred tax assets and liabilities
Deferred tax assets and liabilities are computed using the balance sheet approach in accordance with IAS 12. The deferred tax calculation is based on temporary differences between the carrying amounts in the tax accounts and the carrying amounts in the IFRS financial statements that lead to a future tax liability or benefit when assets are used or sold or liabilities are settled. No deferred taxes are recognized on differences resulting from the initial recognition of goodwill.

The deferred tax assets or liabilities are measured using the tax rates that are currently expected to apply when the temporary differences reverse, based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognized for the carryforward of unused tax losses only to the extent that it is probable that future taxable profit will be available. Deferred tax assets and deferred tax liabilities are offset where the company has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

Acquisition accounting
Acquisition accounting uses the purchase method in accordance with IFRS 3. The acquiree's identifiable assets, liabilities and contingent liabilities are recognized at their fair values at the acquisition date. Any excess of cost over the acquirer's interest in the net fair value of the subsidiary is recognized as goodwill and carried at cost. Goodwill is measured in subsequent periods at cost less accumulated impairment losses.

Any excess of the acquirer's interest in fair value over the cost of acquisition results in a reassessment of the identification and measurement of the fair value and the cost of acquisition; any excess remaining after this reassessment is recognized immediately in income.

Other consolidation adjustments
Intra-Group assets and liabilities are eliminated. Income arising from intra-Group transactions is eliminated against the corresponding expenses. Profits or losses arising from deliveries of intra-Group goods and services, as well as dividends distributed within the Group, are eliminated. Deferred tax assets or liabilities are recognized for consolidation adjustments where these are expected to reverse in subsequent years.

Interests in equity attributable to minority shareholders are carried under “minority interests” within equity. Where these are classified as “puttable instruments”, they are reported under “other noncurrent liabilities”. For more information see above under “Financial liabilities measured at fair value through profit and loss”.

Deutsche Börse AG's functional currency is the euro. Investments in subsidiaries outside the euro area, as well as investee equity items, are translated at historical exchange rates. Assets and liabilities of companies whose functional currency is not the euro are translated into euros at the closing rate. In accordance with IAS 21, income statement items are translated using average exchange rates. Resulting exchange differences are recognized directly in accumulated profit. When a subsidiary is disposed of, the cumulative exchange differences recognized in accumulated profit until its deconsolidation are recognized in consolidated profit in the period in which the deconsolidation gain or loss is recognized.

The following euro exchange rates have been used:

		Average rate 2007	Average rate 2006	Closing rate as at 31 Dec. 2007	Closing rate as at 31 Dec. 2006
Swiss francs	CHF	1.6495	1.5842	1.6573	1.6057
US dollars	USD	1.3911	1.2658	1.4713	1.3155
Czech koruny	CZK	27.7228	28.0701	26.5770	27.4725
Pounds sterling	GBP	0.6972	0.6848	0.7362	0.6709

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising from initial consolidation are presented in the functional currency of the foreign operation and translated at the closing rate.

Currency translation

In accordance with IAS 21, foreign currency transactions are translated at the exchange rate prevailing at the transaction date.

At the balance sheet date, monetary balance sheet items in foreign currency are measured at the exchange rate at the balance sheet date, while non-monetary balance sheet items are measured at historical cost. Non-monetary balance sheet items measured at fair value are translated at the closing rate. Currency translation differences are recorded as income or expense in the period in which they arise unless the underlying transactions are hedged. Such items of income or expense are contained in other operating income or expenses, as appropriate.

Key sources of estimation uncertainty and management judgements

The application of accounting policies, presentation of assets and liabilities and recognition of income and expenses requires the Executive Board to make certain judgements and estimates. Estimated amounts may differ from actual amounts. The amounts are therefore adjusted retrospectively if they relate to previous periods.

Note 14 contains information on the assumptions applied in performing annual impairment tests on goodwill and intangible assets with an indefinite useful life. In each case, the respective business plans serve as the basis for determining any impairment. These plans contain projections of the future financial performance of the cash-generating units. If their actual financial performance fails to meet these expectations, corresponding adjustments may be necessary.

Accounting for provisions for pensions and similar obligations requires the application of certain actuarial assumptions (e. g. discount rate, staff turnover rate) so as to estimate their carrying amounts (see above). Note 26 shows the present value of the obligations at each balance sheet date. These assumptions may fluctuate considerably, for example because of changes in the macroeconomic environment, and may thus materially affect provisions already recognized. However, this effect is mitigated by application of the corridor method.

Note 47 contains disclosures on the valuation model used for the options. Where the estimates of the valuation parameters originally applied differ from the actual values available when the options are exercised, adjustments are necessary; such adjustments are recognized in the consolidated income statement for the period if they relate to cash-settled share-based payment transactions.

In addition, probable settlement applied to the recognition of provisions for expected losses from rental agreements is estimated (see note 28). In the creation of personnel-related restructuring provisions, certain assumptions were made with regard to, for example, fluctuation rate, discount rate and salary trends. Should the actual values deviate from these assumptions, adjustments may be necessary.

Consolidated Income Statement Disclosures

4. Sales revenue

A breakdown of external sales revenue by segment is presented below:

	2007 €m	2006 €m
Xetra		
Xetra trading fees	199.0	140.2
Clearing and settlement fees	115.1	85.5
Floor trading fees	53.7	64.2
Scoach trading fees	37.6	–
Listing fees	13.0	12.5
Income from cooperation agreements	14.3	9.0
Other sales revenue	2.3	2.7
	435.0	314.1
Eurex		
Trading and clearing fees	698.4	582.8
Other sales revenue	15.5	15.0
	713.9	597.8
Clearstream		
Custody fees	466.2	434.2
Transaction fees	165.1	150.3
Global Securities Financing	55.4	40.1
Other sales revenue	81.5	75.7
	768.2	700.3
Market Data & Analytics		
Sales of price information	130.2	116.8
Other sales revenue	38.1	31.3
	168.3	148.1
Information Technology		
Systems operation	88.5	74.3
Systems development	11.3	19.6
	99.8	93.9
Total sales revenue	2,185.2	1,854.2

Xetra and Eurex sales revenue is composed principally of trading and clearing revenue. Xetra charges a fee per executed order and depending on order value, Eurex charges a fee per contract. The Eurex trading and clearing fees represent the contractual 85 percent of transaction fees invoiced by Eurex Clearing AG. The remaining 15 percent are paid to SWX Swiss Exchange AG and are not included in Deutsche Börse Group's consolidated financial statements.

The prices for the fixed clearing fee in the tariff structure applicable to trading on the Xetra electronic system were reduced in July 2007. In addition, the price structure for floor trading fees on the Frankfurt Stock Exchange (Xontro system) was amended as at 1 November 2007. Based on the Xetra pricing model, the fees for trading on Xontro will now be calculated per executed order, and will depend on the order value. The fee is 0.038 percent of the order value, with a minimum of €1 and a maximum of €19 per order. The sharp rise in segment revenue of 38 percent to €435.0 million (2006: €314.1 million) is largely attributable to the positive development of trading activity on Xetra: the number of Xetra transactions rose by 64 percent to 176.3 million (2006: 107.7 million). In connection with the Scoach joint venture, parts of floor trading were contributed to Scoach Europa AG. Floor trading fees thus decreased from €64.2 million in 2006 to €53.7 million in the year under review. Simultaneously, Scoach trading fees in the amount of €37.6 million in the year under review contributed to Xetra sales revenues for the first time. Scoach's trading fees are derived from trading in structured products in Germany (Scoach Europa AG) and Switzerland (Scoach Schweiz AG) and are consolidated in the Xetra segment from 2007 on.

The increase in Eurex's sales revenue of 19 percent to €713.9 million (2006: €597.8 million) is largely due to the 24 percent increase in the number of traded contracts. Thanks to the strong growth in trading activity, Eurex was able to compensate for volume-dependent discounts granted to participants.

Sales revenue in the Clearstream segment rose by 10 percent to €768.2 million (2006: €700.3 million). The 7 percent rise in custody revenue is the result of the 14 percent increase in the average value of securities held in custody to €10.5 trillion (2006: €9.2 trillion) and the volume-related fee schedule, which results in a slight decrease in average pricing as volumes increase. Transaction revenue increased by 10 percent; this was due to the 18 percent rise in the number of transactions to 123.1 million (2006: 104.7 million). Income in the Global Securities Financing business rose by 38 percent to €55.4 million (2006: €40.1 million) as a result of substantially higher securities lending volumes and the ASLplus service, where Clearstream acts as principal in securities borrowing and lending transactions. Clearstream is using a new statistical reporting procedure to achieve a higher degree of transparency, harmonization with market practice and faster availability. The prior-period figure for Clearstream transactions was restated as a result of this changeover.

Sales revenue in the Market Data & Analytics segment rose by 14 percent to €168.3 million (2006: €148.1 million). Most of the revenue was generated by the sale of price information. Other revenue is generated by index license income and the provision of securities information.

Information Technology develops and operates systems for internal and external customers. External revenue rose 6 percent to €99.8 million (2006: €93.9 million).

5. Net interest income from banking business

Net interest income from banking business is composed of the following items:

	2007 €m	2006 €m
Gross interest income	468.0	260.0
Interest expense	–237.2	–109.3
Net interest income from banking business	230.8	150.7

Net interest income from banking business was up 53 percent to €230.8 million. This substantial increase is principally due to the rise in average daily cash balances of 51 percent to €5.6 billion (2006: €3.7 billion).

6. Own expenses capitalized

Own expenses capitalized relate solely to development costs of internally developed software, involving the following systems and projects in the individual segments:

	Total expense for software development		of which own expenses capitalized	
	2007	2006	2007	2006
	€m	€m	€m	€m
Xetra				
Xetra software	15.8	4.8	9.7	2.4
CCP releases[1]	3.8	6.1	2.3	2.6
	19.6	10.9	12.0	5.0
Eurex				
Eurex software	27.8	22.0	14.4	9.3
CCP releases[1]	0.3	0.5	0	0.5
	28.1	22.5	14.4	9.8
Clearstream				
Settlement and collateral management	56.9	49.9	6.7	6.7
Custody	16.3	24.4	0.7	2.5
Investment funds	4.4	8.4	1.4	4.5
	77.6	82.7	8.8	13.7
Market Data & Analytics				
CEF data feeds	3.4	4.4	0	0
Other	1.9	0.3	1.7	0.3
	5.3	4.7	1.7	0.3
Information Technology				
Xentric	0	0.2	0	0.2
Other	1.7	2.6	0	0
	1.7	2.8	0	0.2
Total of all segments	132.3	123.6	36.9	29.0
less intercompany profits	–21.0	–18.6	–11.8	–6.8
Total research and development costs	111.3	105.0	25.1	22.2

1) The Equity Central Counterparty, CCP, FI-CCP, ISE-CCP and Integrated Clearer systems are managed as part of a joint project; the development costs were allocated to the Xetra and Eurex segments on the basis of the resources used.

7. Other operating income

Other operating income is composed of the following items:

	2007 €m	2006 €m
Gains on sale of buildings and investment property	120.6	0
Income from agency agreements	35.9	23.8
Gains on the disposal of (shares in) subsidiaries and other equity investments	15.0	25.7
Foreign currency income	11.4	3.1
Gains on the disposal of land held for sale	9.4	0
Rental income from sublease contracts	9.2	9.7
Rental income from investment property	8.0	9.0
Miscellaneous	13.9	14.5
Total other operating income	223.4	85.8

Gains on the sale of buildings and investment property of €120.6 million result from the sale of the real-estate companies that hold the administrative buildings in Luxembourg. For more information, please see notes 2, 15, 16 and 39.

Income from agency agreements results mainly from the operational management of the Eurex Zürich derivatives market for SWX Swiss Exchange AG.

Gains on the disposal of (shares in) subsidiaries and other equity investments include a gain of €15.0 million on the disposal of shares in International Index Company (see note 39).

Gains on the disposal of land held for sale result from the sale of a property in Luxembourg.

For details of rental income from sublease contracts see note 46.

Miscellaneous other operating income includes income from cooperation agreements and from training as well as employee contributions for company cars and valuation allowances.

8. Staff costs

Staff costs are composed of the following items:

	2007 €m	2006 €m
Wages and salaries	508.1	359.1
Social security contributions, retirement and other benefits	58.1	55.8
Total staff costs	566.2	414.9

In 2007, wages and salaries expense rose by 41 percent to €508.1 million (2006: €359.1 million). This was due to several effects: the extremely strong performance of Deutsche Börse AG's shares increased expenses relating to the Group Share Plan, stock option program and Stock Bonus Plan (see also note 47) to €156.8 million (2006: €76.8 million). Expenses for severance payments also rose to €21.4 million (2006: €9.4 million) primarily due to the resignation of Executive Board members Mathias Hlubek (CFO) and Matthias Ganz (COO). Additionally, provisions of €41.3 million were recognized in staff costs as part of the Company's restructuring and efficiency program. Adjusted for these effects, wages and salaries increased by 6 percent as a result of the 4 percent growth in the average workforce, coupled with the annual pay rise.

Social security contributions, retirement and other benefit costs rose by 4 percent to €58,1 million (2006: €55.8 million), of which €22.1 million (2006: €20.9 million) related to contributions to defined contribution pension plans. For details on defined benefit pension plans, see note 26.

9. Depreciation, amortization and impairment losses (other than goodwill)

Depreciation, amortization and impairment losses (other than goodwill) are broken down as follows. For details on impairment losses see also notes 14, 15 and 16.

	2007 €m	2006 €m
Intangible assets	77.5	87.5
Property, plant and equipment	43.6	37.6
Investment property	4.9	5.3
Total depreciation, amortization and impairment losses (other than goodwill)	126.0	130.4

The decrease in the amortization of intangible assets is the result of the decline in own expenses capitalized in the past few years. Depreciation of property, plant and equipment rose as investments in network and systems capacity increased to allow it to process higher trading volumes quickly and reliably.

10. Other operating expenses

Other operating expenses are composed of the following items:

	2007 €m	2006 €m
Costs for IT services providers and other consulting services	117.2	110.0
Premises expenses	59.9	59.0
IT costs	46.5	48.1
Purchase of price information	43.0	30.0
Non-recoverable input tax	41.2	13.7
Communication costs (including network costs)	27.0	24.9
Cost of agency agreements	23.3	14.4
Advertising and marketing costs	23.2	17.9
Travel, entertainment and corporate hospitality expenses	16.5	13.8
Xontro system operation	15.5	15.9
Insurance premiums, contributions and fees	14.9	14.3
Non-wage labour costs and voluntary social benefits	10.9	8.8
Supervisory Board remuneration[1)]	5.8	3.7
Fees payable to Helsinki Exchange Ltd. Oy	3.7	4.5
External labour	3.2	4.3
Cost of exchange rate differences	2.1	2.9
Postage and transport costs	2.0	2.1
Rent and leases (excluding IT and buildings)	1.8	1.7
Office supplies	1.6	1.3
Valuation allowances and bad debt losses	1.3	1.5
Miscellaneous	9.1	12.9
Total other operating expenses	469.7	405.7

1) Includes expenses for stock option plans in the year under review

Costs for IT services providers and other consulting services relate mainly to expenses in conjunction with software development. An analysis of development costs is presented in note 6. These costs also contain costs of strategic and legal consulting services as well as of audit activities. In addition, one-time expenses of €2.9 million in connection with the efficiency and restructuring program resolved in the third quarter are included.

The fees for the auditors, KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Berlin, Germany, expensed in accordance with section 314 (1) no. 9 HGB (Handelsgesetzbuch, the German Commercial Code) in the year under review, were as follows:

	2007 €m	2006 €m
Statutory audits	1.7	1.2
Tax advisory services	1.0	1.0
Other assurance or valuation services	0.1	0.1
Other services	1.7	0.7
Total	4.5	3.0

The higher costs for statutory audits in 2007 were due among other things to increased expenses as a result of the TUG (Transparenzrichtlinie-Umsetzungsgesetz, the Transparency Directive Implementing Act). The higher costs for other services relate to the capital management program and the efficiency and restructuring program.

Premises expenses relate primarily to the cost of providing office space (excluding depreciation on the Group's own buildings). They include rent, maintenance, security, energy, cleaning and miscellaneous premises expenses. Provisions for anticipated losses of €3.6 million were recognized for the efficiency and restructuring program resolved in the third quarter.

IT costs contain the costs for rental, leasing and maintenance of hardware and software.

Costs for the purchase of price information are incurred for data and information from other stock exchanges. A sharp increase of 43 percent was recorded here in line with the positive development of sales revenue from the sale of price information in the Market Data & Analytics segment and with the increasing amount of licenses on indices (Eurex).

Non-recoverable input tax results mainly from the VAT-free trading and clearing fees charged in the Eurex segment, and from tax-free service fees from payment services. The significant increase in this item was mainly due to tax refunds totalling €15.3 million in 2006.

Communication costs include costs for the participant network, the SWIFT network and telephone charges.

The cost of agency agreements relates to the costs of SWX Swiss Exchange AG, which renders services for the Eurex subgroup and provided services for Scoach Schweiz AG for the first time in financial year 2007.

The increase in advertising and marketing costs is mainly the result of the marketing campaign to launch and position the new Scoach trading platform for structured products.

Travel, corporate hospitality and entertainment expenses rose by 20 percent due to the growing internationalization of the Group and its subsidiaries (Scoach, ISE, Deutsche Börse Services s.r.o.).

The costs of operating the Xontro system were lower than in the previous year due to receipt of a high reimbursement.

Miscellaneous other operating expenses include maintenance (without IT and buildings), losses from the disposal of noncurrent assets, license fees, donations, cash transaction costs and processing error costs.

11. Result from equity investments

The result from equity investments is attributable to the following items:

	2007 €m	2006 €m
Equity method-accounted result of associates and joint ventures		
European Energy Exchange AG	2.0	2.4
BrainTrade Gesellschaft für Börsensysteme mbH	0.8	0
STOXX Ltd.	0.4	2.7
International Index Company Ltd.	0.1	0.4
Total income from measurement at equity	3.3	5.5
U.S. Futures Exchange LLC	–7.8	0
FDS Finanz-Daten-Systeme GmbH & Co. KG	–0.3	–0.3
The Clearing Corporation Inc.	0	–1.8
Total losses[1] from equity method measurement	–8.1	–2.1
Net income from equity method measurement	–4.8	3.4
Dividends from associates and other equity investments		
STOXX Ltd.	7.9	3.7
BrainTrade Gesellschaft für Börsensysteme mbH	0.6	0.5
FDS Finanz-Daten-Systeme GmbH & Co. KG	0.3	0.6
International Index Company Ltd.	0.2	0
Other equity investments	0.7	0.4
Total dividends from associates and other equity investments	9.7	5.2
Result from equity investments	4.9	8.6

1) Including impairment losses (see note 16)

Gains and losses on the disposal of equity investments are reported in other operating income.

12. Financial result

Financial income is composed of the following items:

	2007 €m	2006 €m
Interest on bank balances	28.3	14.8
Income from noncurrent financial instruments	0.4	0.4
Other interest and similar income	97.6	47.6
Total financial income	126.3	62.8

Other interest and similar income rose by 105 percent; this was principally due to the 56 percent increase in the average volumes of cash deposits at Eurex Clearing AG and the significant rise in average interest rates (from 3.1 percent in the previous year to 4.6 percent in 2007).

Financial expense is composed of the following items:

	2007 €m	2006 €m
Interest paid on Eurex participants' cash deposits	87.9	35.8
Interest on noncurrent loans	17.4	17.4
Interest on current liabilities	3.5	1.2
Other interest and similar expenses	8.6	9.9
Total financial expense	117.4	64.3

Due to the aforementioned reasons, the interest paid on Eurex participants' cash deposits rose. Interest on current liabilities includes €2.7 million for interim financing of the acquisition of ISE. Other interest and similar expenses primarily include interest expenses from taxes and commitment fees for credit facilities.

13. Income tax expense

The following table shows the main components of the income tax expense:

	2007 €m	2006 €m
Current income taxes:		
of the year under review	459.7	399.8
from previous years	–4.7	–11.8
Deferred tax income on current temporary differences	–15.1	–28.0
Total income tax expense	439.9	360.0

A tax rate of 32 percent was used in 2007 to calculate deferred taxes for the German companies (2006: 41 percent). This reflects trade income tax at a multiplier of 460 percent (2006: 490 percent) on the tax base value of 3.5 percent (2006: 5 percent), corporation tax of 15 percent (2006: 25 percent) and the 5.5 percent solidarity surcharge (2006: 5.5 percent) on the corporation tax.

A tax rate of 29.63 percent (2006: 29.63 percent) was used for the Luxembourg companies, reflecting trade income tax at a rate of 6.75 percent (2006: 6.75 percent) and corporation tax at 23 percent (2006: 23 percent).

Tax rates of 24 to 40 percent were applied to the companies in the UK, the USA, Spain, Switzerland, the Czech Republic and Portugal.

The following table shows the carrying amounts of deferred tax assets and liabilities as well as the related tax expenses recognized in income or directly in equity.

	Deferred tax assets		Deferred tax liabilities		Deferred tax expense/(income)		Tax expense/(income) recognized directly in equity	
	2007 €m	2006 €m	2007 €m	2006 €m	2007 €m	2006 €m	2007 €m	2006 €m
Pension provisions and other employee benefits	8.3	8.8	0	0	0.5	–1.4	0	0
Other provisions	16.3	5.9	–11.2	–11.9	–11.1	8.1	0	–0.4[1]
Risk provisions	0	0	0	0	0	–25.7	0	0
Intangible assets	2.2	3.4	–16.1[2]	–25.4	–8.7	–8.1	0	0
Intangible assets from purchase price allocation for ISE	0	0	–609.3[3]	0	0	0	0	0
Noncurrent assets	0	0	–5.6[3]	0	0	0	0	0
Securities	0	0	–3.3	–3.8	0.4	0.4	–0.9	–0.5
Other noncurrent assets	0	0	–0.7	–0.7	0	–1.0	0	0
Currency translation differences	13.4	0	0	0	0	0	–13.4[6]	0
Other	0.3	1.1	–3.1[4]	–0.8	3.8[5]	–0.3	0.7	–0.2[1]
Gross amounts	40.5	19.2	–649.3	–42.6	–15.1	–28.0	–13.6	–1.1
Netting of deferred taxes	–23.3	–19.2	23.3	19.2	0	0	0	0
Total deferred taxes	17.2	0	–626.0	–23.4	–15.1	–28.0	–13.6	–1.1

1) Eliminated against “Accumulated profit”
2) Thereof €–0.6 million from changes in the basis of consolidation
3) From changes in the basis of consolidation
4) Netted against €0.4 million from changes in the basis of consolidation
5) Thereof €1.0 million netted against “Accumulated profit”
6) Separate disclosure under “Accumulated profit” (see also note 24)

Changes taken directly to equity relate to deferred taxes on changes in the measurement of noncurrent financial assets carried at fair value (see also note 24). In addition, deferred taxes on transaction costs from the share buy-back program and staff costs that originated from exercised options allocated under the Group Share Plan were recognized directly in “Accumulated profit”.

€8.6 million (2006: €8.8 million) of deferred tax assets and €608.8 million (2006: €12.6 million) of deferred tax liabilities have an expected remaining maturity of more than one year.

Deferred tax liabilities have not been recognized in respect of the tax on future dividends that may be paid from retained earnings by subsidiaries and associated companies. In accordance with section 8b (5) of the KStG (Körperschaftsteuergesetz, the German Corporation Tax Act), 5 percent of dividend and similar income received by German companies is treated as non-deductible expenses for tax purposes.

The following table presents a reconciliation between the expected and the actual tax expense. To determine the expected tax expense, profit before tax has been multiplied by the composite tax rate of 40.14 percent assumed for 2007 (2006: 41 percent).

	2007 €m	2006 €m
Expected income taxes derived from earnings before tax	543.8	420.7
Tax increases due to non-tax-deductible goodwill impairment	0	0.7
Non-tax-deductible losses carried forward	0.5	6.6
Tax increases due to other non-tax-deductible expenses	6.6	5.5
Effects resulting from different tax rates[1]	–48.3	–19.0
Tax decreases due to dividends and income from the disposal of equity investments	–52.1	–34.7
Other	–5.9	–8.0
Income tax expense arising from current year	444.6	371.8
Prior-period income taxes	–4.7	–11.8
Income tax expense	439.9	360.0

1) The Luxembourg tax rates were applied to calculate the profit for the year of the Luxembourg companies belonging to the Clearstream subgroup.

As at 31 December 2007, accumulated unused tax losses amounted to €101.6 million (2006: €102.2 million), for which no deferred tax assets were recognized. Tax losses of €2.1 million were utilized in 2007 (2006: €1.2 million).

The losses can be carried forward in Germany subject to the minimum taxation rules, and in Luxembourg and the UK indefinitely as the law now stands. Losses in other countries can be carried forward for periods of up to 20 years.

Consolidated Balance Sheet Disclosures

14. Intangible assets

Intangible assets

	Purchased software €m	Internally developed software €m	Goodwill €m	Payments on account and construction in progress[1] €m	Other intangible assets €m	Total €m
Historical cost as at 1 Jan. 2006	241.1	639.1	1,077.4	11.9	5.0	1,974.5
Net changes in the basis of consolidation	0	0	0	0	–5.0	–5.0
Additions	8.4	7.2	0	15.3	0	30.9
Disposals	–0.5	0	0	0	0	–0.5
Reclassifications	0	12.9	0	–12.9	0	0
Historical cost as at 31 Dec. 2006	249.0	659.2	1,077.4	14.3	0	1,999.9
Exchange rate differences	–0.2	0	0	0	0	–0.2
Changes in the basis of consolidation[2]	13.4	20.8	887.0	0.3	1,326.6	2,248.1
Additions	9.9	9.2	0	15.9	0.2	35.2
Disposals	–0.1	0	0	0	0	–0.1
Reclassifications	0.3	21.4	0	–21.7	0	0
Historical cost as at 31 Dec. 2007	272.3	710.6	1,964.4	8.8	1,326.8	4,282.9
Amortization and impairment losses as at 1 Jan. 2006	224.8	466.6	5.9	0	5.0	702.3
Net changes in the basis of consolidation	0	0	0	0	–5.0	–5.0
Amortization	10.0	77.0	0	0	0	87.0
Impairment losses	0	0.5	1.6	0	0	2.1
Disposals	–0.5	0	0	0	0	–0.5
Amortization and impairment losses as at 31 Dec. 2006	234.3	544.1	7.5	0	0	785.9
Exchange rate differences	–0.1	0	0	0	0	–0.1
Amortization	8.0	65.7	0	0	0	73.7
Impairment losses	0	3.8	0	0	0	3.8
Disposals	–0.2	0	0	0	0	–0.2
Amortization and impairment losses as at 31 Dec. 2007	242.0	613.6	7.5	0	0	863.1
Carrying amount as at 1 Jan. 2006	16.3	172.5	1,071.5	11.9	0	1,272.2
Carrying amount as at 31 Dec. 2006	14.7	115.1	1,069.9	14.3	0	1,214.0
Carrying amount as at 31 Dec. 2007	30.3	97.0	1,956.9	8.8	1,326.8	3,419.8

1) Additions in payments on account and construction in progress in the year under review relate exclusively to internally developed software. In the previous year this included additions for purchased software in the amount of €0.3 million.

2) This relates exclusively to additions as part of the acquisition of ISE and of the joint venture Scoach.

Software, payments on account and construction in progress

Additions to and reclassifications of software relate primarily to the development of software products for the Clearstream segment and to the expansion of the Xetra and Eurex electronic trading systems. Changes in the basis of consolidation (see note 2) also include additions relating to the acquisition of ISE.

Purchased software includes leased assets of which, in accordance with IAS 17, the Group is the beneficial owner. The net carrying amount of the leased assets amounted to €1.0 million as at 31 December 2007 (2006: €0 million).

Payments on account relate mainly to software. Amortization of and impairment losses on software and other intangible assets are reported in the income statement under “depreciation, amortization and impairment losses (other than goodwill)”. Impairment losses on internally developed software relate to the reference data factory system in the Clearstream segment (2006: the inter-dealer broker system in the Clearstream segment).

As at 31 December 2007, the carrying amounts and remaining amortization periods of major individual software assets are as follows:

	Carrying amount as at		Remaining amortization period as at	
	31 Dec. 2007 €m	31 Dec. 2006 €m	31 Dec. 2007 years	31 Dec. 2006 years
Xetra				
Xetra Release 8.0	2.0	–	4.4	–
Eurex				
Eurex Option Trading (ISE)	16.3	–	5.0	–
Eurex Longitude (ISE)	2.7	–	5.0	–
Eurex Release 10.0	7.2	–	4.9	–
Eurex Release 9.0	3.5	4.4	3.9	4.9
Eurex Release 8.0	5.9	7.9	2.9	3.9
Clearstream				
CreationConnect	9.2	32.6	1.3	1.3
Collateral Management	8.4	5.5	4.3	4.8
New Cash Processing Program	3.9	7.7	1.3	1.9
Daytime Bridge	3.3	5.4	1.6	2.5
Investment Funds	2.9	4.2	3.0	3.8
Central Facility for Funds	2.7	–	4.4	–
ECB 3	2.2	3.2	3.5	4.5
Self-Collateralization	2.1	–	5.0	–
Other software assets	55.0[1]	58.9		
Total software	127.3	129.8		

1) Each with a carrying amount of less than €2.0 million

Goodwill

Changes in goodwill are presented in the following table:

Changes in goodwill

	ISE €m	Clearstream International S.A. €m	Other[1)] €m	Total goodwill €m
Balance as at 1 Jan. 2006	0	1,063.8	7.7	1,071.5
Impairment losses	0	0	–1.6	–1.6
Balance as at 31 Dec. 2006	0	1,063.8	6.1	1,069.9
Changes in the basis of consolidation	882.0	0	5.0	887.0
Balance as at 31 Dec. 2007	882.0	1,063.8	11.1	1,956.9

1) Including the goodwill of Scoach Holding S.A. and Infobolsa S.A.

Apart from the stock exchange license acquired as part of the acquisition of ISE, goodwill allocated to the cash-generating units is the sole intangible asset with an indefinite useful life (see below for details).

The recoverable amounts of the cash-generating units to which goodwill is allocated are based on their values in use.

Key assumptions relating to these values vary depending on the cash-generating unit. Pricing or market share assumptions are based on past experience or market research. Other key assumptions are mainly based on external factors. Correlations of core business revenues with the macro-economic environment are identified through a multiple regression model. Significant macro-economic indicators include, for instance, equity index levels, volatility of equity indices, as well as interest rates, exchange rates, GDP growth, unemployment levels, or government debt. Patterns in historic developments of macro-economic factors are identified and then used in a Monte Carlo simulation to predict anticipated growth rates for various product lines. The distribution of growth rates shows the sensitivity to the macro-economic environment. Finally, a revenue corridor with various confidence intervals is calculated. Planned revenues are within one standard deviation from the mean.

ISE

The net carrying amount of goodwill resulting from the acquisition of ISE has been allocated to the Eurex segment.

Key assumptions made to determine the values in use are volumes in index and interest rate derivatives and in the US equity options market.

Cash flows were projected over a three-year period (2008 to 2010) for European activities and over a five-year period (2008 to 2012) for US activities. Cash flow projections beyond the relevant year are extrapolated assuming a 4 percent growth rate for European activities and a 5 percent growth rate for US activities. The pre-tax discount rate used is 12.6 percent.

Clearstream
Key assumptions used to determine Clearstream's value in use are the following: assets held in custody, transaction volumes and market interest rates.

Cash flows are projected over a three-year period (2008 to 2010). Cash flow projections beyond 2010 are extrapolated assuming a 4.0 percent (2006: 3.7 percent) perpetual annuity. The pre-tax discount rate used is 11.9 percent (2006: 12.2 percent).

Other intangible assets
Changes in other intangible assets are presented in the following table:

Changes in other intangible assets

	ISE's exchange license €m	ISE's member relationships €m	ISE's market data customer relationships €m	ISE trade name €m	Other intangible assets €m	Total €m
Balance as at 31 Dec. 2006	0	0	0	0	0	0
Additions	0	0	0	0	0.2	0.2
Changes in the basis of consolidation	299.1	951.5	54.4	20.4	1.2	1,326.6
Balance as at 31 Dec. 2007	299.1	951.5	54.4	20.4	1.4	1,326.8
Remaining amortization period (years)	n.a.	30	30	10		

Exchange license
The build out method in the context with a greenfield approach is used to estimate the fair value of the exchange license. The exchange license, granted in 2000 by the SEC, permits the ISE subgroup to operate as a regulated securities exchange in the United States. This asset meets the IFRS criterion for recognition separately from goodwill.

The exchange license held by the ISE subgroup is estimated to have an indefinite useful life. This results from the fact that the license itself does not have a finite term and Eurex management expects to maintain the license as part of its overall business strategy.

The exchange license does not generate cash flows largely independent from those generated by the ISE subgroup as a whole. Consequently, the exchange license has been allocated to the ISE subgroup as the cash generating unit (CGU). The net carrying amount of the exchange license as at 31 December 2007 was €299.1 million.

Key assumptions made to determine the value in use are the volumes of the US equity options market. Cash flows are projected over a five-year period (2008 to 2012). Cash flow projections beyond 2012 are extrapolated assuming a 5 percent growth rate. The pre-tax discount rate used is 14.4 percent.

Member relationships and market data customer relationships

The ISE subgroup has established relationships with a number of members responsible for providing order flow and facilitating orderly trading in the different listed options products traded on the exchange. As such, their activities are responsible for generating the transaction and membership fees earned by the exchange. Furthermore ISE has established relationships with OPRA (Options Price Reporting Authority, the regulatory authority responsible for distributing market data revenues among the US options exchanges) and with a number of individual customers who directly purchase ISE's proprietary market data products. The excess earnings method was used to calculate the fair value of the member relationships as well as the market data customer relationships. Both assets meet the separability and contractual criteria for the recognition of an intangible asset separate from goodwill.

Trade name ISE

The ISE trade name is well recognized in the marketplace and likely market participants would continue to use the ISE name given the investment to date in the brand. As the trade name is registered, it meets the IFRS criterion for recognition separately from goodwill. Measurement is based in this case on the "relief from royalty" method.

15. Property, plant and equipment

Property, plant and equipment

	Land and buildings €m	Fixtures and fittings €m	Computer hardware, operating and office equipment €m	Payments on account and construction in progress €m	Total €m
Historical cost as at 1 Jan. 2006	128.7	87.6	244.0	0.2	460.5
Additions	0	0.6	33.4	4.3	38.3
Disposals	0	–2.8	–20.0	0	–22.8
Reclassifications	0	0	0.2	–0.2	0
Historical cost as at 31 Dec. 2006	128.7	85.4	257.6	4.3	476.0
Changes in the basis of consolidation[1]	–128.7	–40.7	0	0	–169.4
Additions	0	1.8	42.3	0.4	44.5
Disposals	0	0	–9.2	0	–9.2
Reclassifications	0	2.0	2.3	–4.3	0
Historical cost as at 31 Dec. 2007	0	48.5	293.0	0.4	341.9
Depreciation and impairment losses as at 1 Jan. 2006	6.6	32.2	185.2	0	224.0
Depreciation	2.8	8.3	26.5	0	37.6
Disposals	0	–1.6	–19.5	0	–21.1
Depreciation and impairment losses as at 31 Dec. 2006	9.4	38.9	192.2	0	240.5
Changes in the basis of consolidation[1]	–11.9	–19.4	0	0	–31.3
Depreciation	2.5	7.5	33.6	0	43.6
Disposals	0	0	–9.2	0	–9.2
Depreciation and impairment losses as at 31 Dec. 2007	0	27.0	216.6	0	243.6
Carrying amount as at 1 Jan. 2006	122.1	55.4	58.8	0.2	236.5
Carrying amount as at 31 Dec. 2006	119.3	46.5	65.4	4.3	235.5
Carrying amount as at 31 Dec. 2007	0	21.5	76.4	0.4	98.3

1) Thereof additions of €3.8 million to fixtures and fittings that arose due to changes in the basis of consolidation

The item “computer hardware, operating and office equipment” includes leased assets of which the Group is the beneficial owner in accordance with IAS 17. The net carrying amount of the leased assets was €0 million as at 31 December 2007 (2006: €1.4 million).

All of the Group’s owner-occupied buildings contained in the “land and buildings” item were sold in the year under review and subsequently leased back under a sale and leaseback transaction. The leases underlying the transaction meet the criteria for operating leases. The gain on the disposal of the buildings was immediately recognized in “other operating income” because the transaction was measured at fair value.

16. Financial assets and investment property

Financial assets

	Investments in associates €m	Other equity investments €m	Receivables and securities from banking business €m	Other financial instruments €m	Other loans €m
Historical cost as at 1 Jan. 2006	45.0	17.6	322.3	8.0	0.1
Additions	9.0	0	84.3	0	0.2
Disposals	–9.6	–0.2	–118.5	0	–0.2
Historical cost as at 31 Dec. 2006	44.4	17.4	288.1	8.0	0.1
Changes in the basis of consolidation	9.5	0	0	0	0
Additions	0.3	36.3	288.6	0	0.2
Disposals	–1.4	0	–50.9	0	–0.2
Reclassifications	0.2	–0.2	0	0	0
Historical cost as at 31 Dec. 2007	53.0	53.5	525.8	8.0	0.1
Revaluation as at 1 Jan. 2006	–23.0	–1.2	7.1	2.4	0
Disposals of impairment losses	9.6	0	0	0	0
Net income from equity method measurement[1)]	3.4	0	0	0	0
Currency translation differences recognized in income statement	0	0	–2.3	0	0
Other fair value changes recognized in profit or loss[2)]	0	0	–8.7	0	0
Market price changes recognized directly in equity	0	0	–0.8	1.5	0
Currency translation differences recognized directly in equity	–1.0	0	0	0	0
Revaluation as at 31 Dec. 2006	–11.0	–1.2	–4.7	3.9	0
Disposals of impairment losses	–0.2	0	0	0	0
Net income from equity method measurement[1)]	–4.8	0	0	0	0
Currency translation differences recognized in income statement	0	0	–2.3	0	0
Other fair value changes recognized in profit or loss[2)]	0	0	–0.8	0	0
Other fair value changes recognized directly in equity	0	14.5	0	0	0
Market price changes recognized directly in equity	0	0	–3.1	0.6	0
Currency translation differences recognized directly in equity	–1.1	0	0	0	0
Revaluation as at 31 Dec. 2007	–17.1	13.3	–10.9	4.5	0
Carrying amount as at 1 Jan. 2006	22.0	16.4	329.4	10.4	0.1
Carrying amount as at 31 Dec. 2006	33.4	16.2	283.4	11.9	0.1
Carrying amount as at 31 Dec. 2007	35.9	66.8	514.9	12.5	0.1

1) Included in the result from equity investments (see note 11)
2) Included in net interest income from banking business and other operating income

For details on revaluation differences recognized directly in equity, see also note 24.

Other equity investments include available-for-sale shares.

As in the previous year, no impairment losses on securities from banking business and other securities were recognized in the income statement in the year under review.

The following table shows the components of the caption "current receivables and securities from banking business":

	Total amounts		thereof with remaining maturity of 12 months or less	
	31 Dec. 2007 €m	31 Dec. 2006 €m	31 Dec. 2007 €m	31 Dec. 2006 €m
Fixed-income securities				
from sovereign issuers	87.1	100.2	13.7	50.1
from multilateral banks	68.1	69.8	6.8	0
from other credit institutions	159.7	78.4	0	0
from regional or local public bodies	0	35.0	0	0
Other receivables[1]	200.0	0	0	0
Total	514.9	283.4	20.5	50.1

1) Fully secured through total return swaps

Securities from banking business include financial instruments listed on a stock exchange amounting to €314.9 million (2006: €263.6 million).

Investment property

	€m
Historical cost as at 1 Jan. 2006	122.7
Reclassifications[1]	–10.7
Historical cost as at 31 Dec. 2006	112.0
Additions	0.1
Changes in the basis of consolidation	–112.1
Historical cost as at 31 Dec. 2007	0
Depreciation and impairment losses as at 1 Jan. 2006	15.4
Depreciation	5.3
Reclassifications[1]	–3.1
Depreciation and impairment losses as at 31 Dec. 2006	17.6
Depreciation	4.9
Changes in the basis of consolidation	–22.5
Depreciation and impairment losses as at 31 Dec. 2007	0
Carrying amount as at 1 Jan. 2006	107.3
Carrying amount as at 31 Dec. 2006	94.4
Carrying amount as at 31 Dec. 2007	0

1) Land not used by Deutsche Börse Group which had been reclassified as a noncurrent asset held for sale in the previous year, as its sale was regarded as highly probable in the previous year. The land was sold in the second quarter of 2007. The gain on disposal amounting to €9.4 million is reported in "other operating income".

Investment property was recognized in the previous year's balance sheet at €94.4 million. The estimated fair value as at 31 December 2006 was €124.2 million. The fair value of the buildings rented to third parties was calculated on the basis of a valuation made by an independent real estate assessor, based on the estimated rental income for the building and a discount rate of 5.85 to 6.00 percent. The buildings rented to third parties were sold in the year under review. The gain on disposal is reported in "other operating income".

Investment property, which yielded rental income of €8.0 million (2006: €9.0 million) during the year, incurred operating expenses amounting to €1.5 million (2006: €1.7 million).

17. Other noncurrent assets

Other noncurrent assets are composed of the following items:

	31 Dec. 2007 €m	31 Dec. 2006 €m
Derivatives used for hedging purposes	7.4	3.7
Other derivative assets	0.7	3.5
Surplus from defined benefit pension plans	2.3	4.9
Miscellaneous	7.9	6.6
Total other noncurrent assets	18.3	18.7

Derivatives are presented in detail in note 18; the surplus from defined benefit pension plans is explained in detail in note 26.

Insurance recoverables in the amount of €1.8 million (2006: €1.6 million) contained in the item "miscellaneous" have been pledged to the IHK (Industrie- und Handelskammer, the Chamber of Commerce) Frankfurt/Main.

18. Derivatives

Other noncurrent assets and other current assets, as well as other noncurrent liabilities and other current liabilities, include derivative assets and liabilities. These are reported at fair value as follows:

Derivatives (Fair value)

	Assets		Liabilities		Total	
	31 Dec. 2007 €m	31 Dec. 2006 €m	31 Dec. 2007 €m	31 Dec. 2006 €m	31 Dec. 2007 €m	31 Dec. 2006 €m
Noncurrent fair value hedges	2.9	3.7	0	0	2.9	3.7
Current cash flow hedges	8.2	0	–3.4	0	4.8	0
Noncurrent cash flow hedges	4.5	0	–1.0	–0.8	3.5	–0.8
Other current derivatives	0.5	0	0	0	0.5	0
Other noncurrent derivatives	0.7	3.5	–0.7	–1.9	0	1.6
Total derivatives	16.8	7.2	–5.1	–2.7	11.7	4.5

In addition, derivatives are reported in current receivables and securities from banking business, and liabilities from banking business (see notes 20 and 32). These are cash flow hedges and derivatives held for trading, which are discussed in more detail below.

Fair value hedges

Interest rate swaps, under which a fixed interest rate is paid and a variable rate is received, have been used to hedge the value of certain fixed-rate available-for-sale financial instruments (fair value hedges).

The following table gives an overview of the notional amount of the positions covered by fair value hedges at 31 December 2007 and the corresponding weighted average interest rates:

		31 Dec. 2007	31 Dec. 2006
Notional amount of pay-fixed interest rate swaps	€m	185.6	188.0
Fair value of pay-fixed interest rate swaps	€m	2.9	3.7
Average pay rate in the reporting period	%	3.88	3.87
Average receive rate in the reporting period	%	4.33	3.63

The gains and losses on the positions covered by fair value hedges and the hedging instruments are indicated in the following table:

	31 Dec. 2007 €m	31 Dec. 2006 €m
Losses on hedged items	–1.4	–7.0
Gains on hedging instruments	1.4	7.0
Net hedging ineffectiveness	0	0

Cash flow hedges
Interest rate swaps, under which a variable rate of interest is paid and a fixed rate is received, are used to hedge part of the expected cash flows from the investment of cash balances from the settlement business (cash flow hedges).

The Clearstream subgroup entered into interest rate swaps in 2007 to hedge approximately 33 percent of the USD cash flows (2006 for 2007: 45 percent) and 19 percent of the EUR cash flows (2006 for 2007: 21 percent) from the investment of cash balances.

At the end of the year, the positions were as follows:

		31 Dec. 2007	31 Dec. 2006
Notional amount of pay-variable interest rate swaps	€m	1,415.6	1,212.0
Fair value of pay-variable interest rate swaps	€m	3.5	–0.8
Average pay rate in the reporting period	%	4.97	4.91
Average receive rate in the reporting period	%	4.77	4.71

The outstanding positions were composed of the following items:

Currency	Notional amount	Equivalent		Term		Receive rate
		2007	2006	from	until	
	million	€m	€m			%
USD	300.0	0	228.0	6 Jan. 2006	8 Jan. 2007	4.6475
USD	300.0	0	228.0	25 Jan. 2006	25 Jan. 2007	4.8150
USD	600.0	407.8	456.0	5 Jan. 2007	5 Jan. 2008	5.2644
USD	600.0	407.8	0	4 Jan. 2008	5 Jan. 2009	5.2925
EUR	300.0	300.0	300.0	5 Jan. 2007	5 Jan. 2008	3.8400
EUR	300.0	300.0	0	4 Jan. 2008	5 Jan. 2009	4.3300

For the hedging of interest rate risks from debt financing the ISE shares (see note 44), two thirds of the interest expense for the planned long-term financing was hedged through interest rate swaps and swaptions.

At the end of the year, the positions in interest rate swaps were as follows:

Interest rate swaps		31 Dec. 2007	31 Dec. 2006
Notional amount of pay-fixed interest rate swaps	€m	536.0	–
Fair value of pay-fixed interest rate swaps	€m	1.6	–

At the end of the year, the positions in swaptions were as follows:

Swaptions		31 Dec. 2007	31 Dec. 2006
Notional amount of pay-fixed interest rate swaps	€m	436.0	–
Fair value of pay-fixed interest rate swaps	€m	3.2	–

Deutsche Börse Group also entered into money market swaps with a notional value of €1.0 billion in the year under review to hedge the interest rate risk resulting from the short-term loans taken out to finance the ISE transaction.

The outstanding positions were composed of the following items:

Currency	Notional amount	Equivalent		Term		Receive rate
		2007	2006	from	until	
	million	€m	€m			%
Interest rate swaps						
EUR	400.0	400.0	–	3 Apr. 2008	3 Apr. 2018	4.5658
USD	200.0	136.0	–	3 Apr. 2008	3 Apr. 2013	4.7575
Swaptions						
EUR	200.0	200.0	–	3 Apr. 2008	3 Apr. 2018	4.7000
EUR	100.0	100.0	–	3 Apr. 2008	3 Apr. 2018	4.7500
USD	100.0	68.0	–	3 Apr. 2008	3 Apr. 2013	4.8500
USD	100.0	68.0	–	3 Apr. 2008	3 Apr. 2013	4.9000
Money market swaps						
EUR	1,000.0	1,000.0	–	18 Jan. 2008	18 Mar. 2008	4.3000

In addition, in 2006 the Clearstream subgroup entered into forward foreign exchange transactions in order to hedge part of the expected EUR cash flows from sales revenue at risk from a weaker US dollar. In total, four transactions maturing in 2007 and amounting to USD 7.0 million each were open as at 31 December 2006. The contracts were due on 31 January, 30 April, 31 July and 30 October 2007. The contracts had a positive fair value of €1.1 million as at 31 December 2006 and were included in the "current receivables and securities from banking business" item (see note 20). The Clearstream subgroup did not enter into similar transactions during 2007 for 2008.

Foreign currency risks that arose from the acquisition of the shares of ISE and 5 percent of the shares of the Bombay Stock Exchange during the year under review were hedged by corresponding forward foreign exchange transactions (see also note 44). As both transactions had been closed out by the end of the year, the derivatives were accordingly derecognized. The losses recognized in the revaluation surplus up to then (see also note 24) were reclassified as accumulated profit and, in accordance with IAS 39, will not be recognized until the shares are sold.

The following table shows the development of cash flow hedges in the year under review:

	2007 €m	2006 €m
Cash flow hedges as at 1 Jan.	0.3	–0.5
Amount recognized in equity during the year	–78.3	0.6
Amount recognized in profit or loss during the year[1)]	–3.0	0.2
Ineffective hedge portion recognized in profit or loss[2)]	–0.8	0
Premium paid	3.2	0
Realized losses[3)]	86.9	0
Cash flow hedges as at 31 Dec.	8.3	0.3

1) Thereof ineffective amounts of €1.8 million (2006: €0 million), disclosed under other operating expenses

2) Disclosed under financial income and financial expenses

3) Disclosed directly in accumulated profit (see also note 24, revaluation surplus)

All cash flow hedges entered into during 2007 and 2006 were classified as fully effective.

Derivatives held for trading

Foreign exchange swaps as at 31 December 2007 expiring in less than three months with a notional value of €222.4 million (2006: €44.8 million) had a positive fair value of €0.3 million (2006: €–0.1 million). These swaps were entered into to convert foreign currencies received through the issue of commercial paper from the banking business into euros, and to hedge short-term foreign currency receivables and liabilities in euros. These are reported under “Liabilities from banking business” in the balance sheet (see also note 32).

19. Financial instruments of Eurex Clearing AG

	31 Dec. 2007 €m	31 Dec. 2006 €m
Options[1]	18,595.4	14,207.3
Forward transactions in bonds and repo transactions	41,771.4	39,500.1
Other	57.2	249.5
Financial instruments of Eurex Clearing AG	60,424.0	53,956.9

1) Fair value of traditional options and option premiums for future-style options

Receivables and liabilities that may be offset against a clearing member are reported net.

See note 44 for details on the deposited collateral relating to the financial instruments held by Eurex Clearing AG.

20. Current receivables and securities from banking business

In addition to noncurrent receivables and securities from banking business that are classified as noncurrent financial assets (see note 16), the following receivables and securities from banking business, attributable solely to the Clearstream subgroup, were classified as current assets as at 31 December 2007:

	31 Dec. 2007 €m	31 Dec. 2006 €m
Loans to banks and customers		
Reverse repurchase agreements	2,278.4	1,481.3
Money market lendings	5,629.5	4,254.0
Balances on nostro accounts	711.2	239.6
Overdrafts from settlement business	799.8	473.9
	9,418.9	6,448.8
Available-for-sale fixed-income securities – money market instruments	135.2	149.5
Interest receivables	65.3	45.6
Forward foreign exchange transactions	0.3	1.1
Total	9,619.7	6,645.0

Overdrafts from settlement business represent short-term loans of up to two days' duration that are usually secured by collateral. Potential concentrations of credit risk are monitored against counterparty credit limits (see note 44).

As in the previous year, all of the money market instruments held as at 31 December 2007 were issued by sovereign or sovereign-guaranteed issuers and were not listed. The remaining maturity as at 31 December 2007 was less than three months (2006: €75.3 million with a remaining maturity of less than three months and €74.2 million with a remaining maturity of three months to one year).

The remaining maturity of loans to banks and customers can be categorized as follows:

	31 Dec. 2007	31 Dec. 2006
	€m	€m
Less than 3 months	9,212.2	6,364.2
3 months to 1 year	206.7	84.6
Total loans to banks and customers	9,418.9	6,448.8

In general, there were no early call rights in the loans extended.

21. Trade receivables

As in the previous year, there were no trade receivables due after more than one year as at 31 December 2007.

Changes in allowance accounts on trade receivables are presented in the following table:

Allowance account

	€m
Balance as at 1 Jan. 2006	5.6
Additions	1.4
Utilization	–0.4
Reversal	–0.3
Balance as at 31 Dec. 2006	6.3
Additions	1.0
Utilization	–1.0
Reversal	–1.4
Balance as at 31 Dec. 2007	4.9

Uncollectible receivables of €0.1 million for which no allowance accounts had previously been recognized were derecognized in 2007 (2006: €0.2 million).

22. Other current assets

Other current assets are composed of the following items:

	31 Dec. 2007 €m	31 Dec. 2006 €m
Other receivables from CCP transactions	246.4	0
Tax receivables (excluding income taxes)	18.6	30.8
Prepaid expenses	13.7	10.9
Cash flow hedges	8.2	0
Collection business of Deutsche Börse Systems AG	5.6	3.1
Interest receivables	1.5	5.1
Miscellaneous	7.9	6.7
Total other current assets	301.9	56.6

For details on cash flow hedges reported under other current assets, see note 18.

23. Restricted bank balances

Amounts reported separately under liabilities as cash deposits by market participants are restricted. Such amounts adding up to €3,797.2 million (2006: €1,509.0 million) are mainly invested via bilateral or triparty reverse repurchase agreements and in the form of overnight deposits at banks. Government or government-guaranteed bonds, mortgage bonds and bank bonds with an external rating of at least AA– are accepted as collateral for the reverse repurchase agreements.

Cash funds amounting to €424.5 million (2006: €73.8 million) attributable to the Clearstream subgroup are restricted due to minimum reserve requirements.

24. Equity

Changes in equity are presented in the statement of changes in equity. In June 2007, the Company exercised the resolution adopted by the Annual General Meeting on 11 May 2007 and implemented a capital increase from retained earnings. The capital increase of €100 million resulting in the new subscribed share capital of €200 million was registered on 1 June 2007. Accordingly, one bonus share was issued for each existing share. As at 31 December 2007, the number of no-par value shares of Deutsche Börse AG issued was 200,000,000 (31 December 2006: 102,000,000).

The transaction costs from the buy-back of treasury shares, less attributable taxes, in the amount of €0.1 million (2006: €0.1 million) were taken directly to equity.

Subject to the agreement of the Supervisory Board, the Executive Board is authorized to increase the subscribed share capital by the following amounts:

	Amount in €	Date of authorization by the shareholders	Expiry date	Existing shareholders' pre-emptive rights may be disapplied for fractioning and/or may be disapplied if the share issue is:
Authorized share 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 interests in companies, or other assets
Authorized share 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 interests in companies. ▪ to grant subscription rights for new shares to holders of warrants and convertible bonds issued by Deutsche Börse AG and its subsidiaries.
Authorized share capital IV	6,000,000	11 May 2007	10 May 2012	▪ for the issuance of up to 900,000 new shares per year to Executive Board members and employees of the Company as well as to the management and employees of affiliated companies within the meaning of sections 15 et seqq. of the AktG

In addition to authorized share capital I, II and IV, the Company has a contingent capital II, which allows it to issue up to 60,000,000 shares exclusively in connection with the issue and conversion of convertible bonds and bonds with warrants, and a contingent capital I, which allows it to issue up to 6,000,000 shares to settle stock options under the Group Share Plan (see note 47).

There were no further subscription rights for shares as at 31 December 2007 or 31 December 2006.

Revaluation surplus

The revaluation surplus results from the revaluation of securities and other current and noncurrent financial instruments at their fair value less deferred taxes, and the value of the stock options under the Group Share Plan for which no cash settlement was provided at the balance sheet date (see note 47).

Revaluation surplus

	Securities from banking business (noncurrent) €m	Cash flow hedges €m	Other financial instruments €m	Other €m	Total €m
Balance as at 1 Jan. 2006	8.3	–0.3	2.4	1.2	11.6
Fair value measurement	–0.8	0.6	1.5	0.7	2.0
Reversal to profit or loss	–1.2	0	0	0	–1.2
Deferred taxes	0.7	–0.2	0	0	0.5
Balance as at 31 Dec. 2006	7.0	0.1	3.9	1.9	12.9
Fair value measurement	–3.1	–78.3	0.6	19.1	–61.7
Reclassification directly in equity[1]	0	86.9	0	0	86.9
Reversal to profit or loss	–3.2	–3.0	0	0	–6.2
Deferred taxes	1.9	–1.7	0	0	0.2
Balance as at 31 Dec. 2007	2.6	4.0	4.5	21.0	32.1

1) Reclassified as accumulated profit

Overall, deferred taxes amounting to €–3.1 million (2006: €–3.3 million) were recognized in the revaluation surplus.

Accumulated profit

The “accumulated profit” item includes exchange rate differences amounting to €–36.2 million (2006: €2.0 million). €38.2 million was deducted due to currency translation for foreign subsidiaries in the year under review (2006: €1.7 million). This item was also affected by a loss at maturity of €86.9 million on a hedge transaction used to hedge the US dollar purchase price of ISE.

Capital management program

The purpose of the capital management program is the analysis of the balance sheet structure and an increase in capital efficiency. Deutsche Börse Group’s business operations, and in particular its securities custody and settlement activities, depend on a strong credit rating. In order to safeguard the current rating of its securities custody and settlement subsidiary Clearstream Banking S.A., the parent company Deutsche Börse AG has publicly declared its intention to comply with certain key performance indicators that the Company believes correspond to a AA rating. For example, tangible equity – which is calculated as equity in accordance with IFRSs less goodwill – should not fall below €700 million at Clearstream International S.A., and €250 million at Clearstream Banking S.A. An additional goal is to maintain the profit participation rights of €150 million issued by Clearstream Banking S.A. to Deutsche Börse AG. The interest coverage ratio (ratio of EBITDA to interest cost on financial liabilities) should not fall below 16 at Group level and 25 in the Clearstream subgroup, insofar as the financial liabilities are from non-banking business.

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Available equity that is surplus to requirements will be distributed to shareholders in the form of dividend payments or as part of a share buy-back program: the Group aims to distribute 40 to 60 percent of its consolidated net profit for the year via dividends and to distribute any additional available capital that is surplus to business requirements by repurchasing shares.

The following table shows the relevant key performance indicators at the balance sheet date:

		2007	2006
Interest coverage ratio Deutsche Börse Group		64.4	58.5
Interest coverage ratio Clearstream subgroup[1]		–	–
Tangible equity Clearstream International S.A. (as at balance sheet date)	€m	828.4	728.4
Tangible equity Clearstream Banking S.A.[2] (as at balance sheet date)	€m	614.5	584.6

1) As in the previous year, there were no financial liabilities from non-banking business at the balance sheet date.
2) Including €150 million from profit participation rights issued by Clearstream Banking S.A. to Deutsche Börse AG

Interest expenses for this purpose include the consolidated interest costs of financing, but exclude interest costs relating to the Group's financial institution subsidiaries, including but not limited to Clearsteam Banking S.A. and Clearstream Banking AG as well as Eurex Clearing AG, and exclude interest charges not related to financing.

Regulatory capital requirements and regulatory capital ratios

The Clearstream subgroup and the Group companies Clearstream Banking S.A. and Clearstream Banking AG as well as Eurex Clearing AG are subject to solvency supervision by the Luxembourg or German banking supervisory authorities (Commission de Surveillance du Secteur Financier, CSSF, and Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin, respectively). All Group companies are non-trading-book institutions. Market risk positions exist at Clearstream Banking S.A., Luxembourg, resulting from the ASLplus securities lending service (see note 3) and from a relatively small open foreign currency position. As at 31 December 2007 and 2006, exposure in connection with securities lending transactions was fully covered by collateral (see note 44) and consequently did not result in any capital requirements. As a result of the Group companies' specific businesses, their risk-weighted assets are subject to sharp fluctuations and their solvency ratios are correspondingly volatile.

As a result of the implementation of EU Directive 2004/39 on Markets in Financial Instruments into Luxembourg law, Clearstream International S.A. since 1 November 2007 no longer qualifies as an "investment company" within the meaning of the Luxembourg Law of 5 April 1993 on the Financial Sector (Banking Act). Consequently, this Company has no longer been subject to capital requirements on a single-entity basis since 1 November 2007. The regulations for determining the Clearstream subgroup's capital requirements continue to apply unchanged.

New capital requirements have been in force in the European Economic Area (EEA) since 1 January 2007. They have been implemented in national regulations to transpose the 2006 EU Banking and Capital Requirements Directives and are based on the "Basel II" rules.

The year 2007 was a transitional year for the introduction of the new capital requirements rules: they were not required to be applied in the year under review. Deutsche Börse Group has decided to apply the standardized approach for all credit risk within the entire Group. Eurex Clearing AG uses the Basic Indicator Approach for operational risk, while the Clearstream subgroup applies the AMA (Advanced Measurement Approach). Eurex Clearing AG has applied the new German rules since 1 January 2007, while the Clearstream subgroup has only applied the new Luxembourg and German rules since 2008 because of the considerably greater implementation effort necessitated by the significantly larger number of customers and the fact that the AMA can only be used from 2008. On 11 January 2008, Clearstream International S.A. received permission from the CSSF to use the AMA with effect from 1 January 2008.

As a result of the new regulations, the presentation of risk-weighted assets is no longer sufficient. Instead, own funds requirements are now relevant. These are calculated as 8 percent of risk-weighted assets (with changes in weightings as against the previous regulations, where applicable) plus the own funds requirements for market risk and, in the case of Eurex Clearing AG, operational risk for 2007. The prior-period amounts have been adjusted to enable comparability, although this does not include own funds requirements for operational risk.

Deutsche Börse Group companies only have a very small volume of Tier 2 regulatory capital. To enhance comparability, the solvency ratio was determined in accordance with the requirements for the overall capital ratio under German law. The overall capital ratio must be a minimum of 8 percent. The Group companies' capital resources adequately reflect the fluctuation in risk-weighted assets, which can lead to extremely high overall capital ratios. In addition to fulfilling current regulatory requirements, capital resources are designed to cover operational risks.

Clearstream Banking AG's regulatory capital was increased substantially at the end of 2007 to meet the new capital requirements effective from 2008 and to cover peaks in risk-weighted assets resulting from higher average customer deposits and their further increased volatility. Eurex Clearing AG's capital requirements rose by approximately €13 million due to the capital needed to cover operational risk. The significant rise in market volatility has also affected the capital situation at Eurex Clearing AG, in particular since the fourth quarter of 2007. These conditions have led to clearing members furnishing much more collateral. The greater volume of cash collateral is invested by Eurex Clearing AG in the money market primarily in the form of reverse repos, and serves to increase its risk-weighted assets depending on the regulatory effect of the collateral received. However, this was not reflected in the capital requirements as at 31 December due to technical closing dates.

The statutory minimum requirements were complied with at all times by all companies during the year under review and in the period up to the preparation of the financial statements.

The following table shows the regulatory capital ratios as at 31 December 2007:

	Own funds requirements		Regulatory equity		Solvency ratio[1]	
	31 Dec. 2007 €m	31 Dec. 2006 €m	31 Dec. 2007 €m	31 Dec. 2006 €m	31 Dec. 2007 %	31 Dec. 2006 %
Clearstream subgroup	170.6	130.1	665.9	649.9	31.2	40.0
Clearstream Banking S.A.	159.4	98.7	363.0	292.8	18.2	23.7
Clearstream Banking AG	24.3	24.7	149.6	59.7	49.3	19.3
Eurex Clearing AG[2]	17.7	10.3	50.4	50.0	22.8	486.4

1) Overall capital ratio, recalculated in accordance with the German regulations where necessary
2) Disclosures for Eurex Clearing AG for 2007 in accordance with the new regulations including capital requirements for operational risk

On 16 January 2007, Eurex Clearing AG received regulatory approval by the Financial Services Authority (FSA) in the UK as a "recognized overseas clearing house" (ROCH). The FSA expects regulatory capital equivalent to at least half the operating expenses of the previous year to be maintained. This corresponds to €46.3 million as at 31 December 2007.

25. Shareholders' equity and appropriation of net profit of Deutsche Börse AG

The annual financial statements of the parent company Deutsche Börse AG, prepared as at 31 December 2007 in accordance with the provisions of the HGB (Handelsgesetzbuch, German Commercial Code), report net profit for the year of €773.6 million (2006: €616.0 million) and shareholders' equity of €1,916.3 million (2006: €1,846.7 million). Reflecting the deferred tax assets recognized in accordance with section 274 (2) of the HGB, an amount of €7.5 million (2006: €7.5 million) is reported in retained earnings to limit capital distribution.

The increase in the net profit for the year relates mainly to the growth in sales revenue due to higher trading volumes and significantly higher dividend payments from Clearstream S.A. against the previous year.

The Executive Board proposes that the unappropriated surplus amounting to €425.0 million (2006: €350.0 million) reported in the annual financial statements of Deutsche Börse AG be appropriated as follows:

	31 Dec. 2007 €m	31 Dec. 2006 €m
Net profit for the year	773.6	616.0
Appropriation to other retained earnings in the annual financial statements	–348.6	–266.0
Unappropriated surplus	425.0	350.0
Proposal by the Executive Board:		
Distribution of a dividend to the shareholders on 22 May 2008 of €2.10 per share for 191,889,898 no-par value shares carrying dividend rights (in 2007 from net profit for 2006: €1.70[1])	403.0	329.8[2]
Appropriation to retained earnings	22.0	20.2[3]

1) Amount restated to reflect capital increase in 2007
2) Amount restated to reflect actual distribution (amount reported in 2006: €332.5 million)
3) Amount restated to reflect actual appropriation to retained earnings (reported in 2006: €17.5 million)

The proposed dividend for 2007 corresponds to a distribution ratio of 44.2 percent of the consolidated net income (2006: 49.3 percent; restated to reflect actual distribution). Without special effects from the sale of the buildings in Luxembourg, which can only take effect in 2008 in the single-entity financial statements of Deutsche Börse AG, the distribution ratio amounts to 50.9 percent.

No-par value shares carrying dividend rights

	Number
Number of shares issued as at 31 December 2006	102,000,000
Shares acquired under the share buy-back program and retired in March 2007	–2,000,000
Capital increase from retained earnings in June 2007	100,000,000
Number of shares issued as at 31 December 2007	200,000,000
Shares acquired under the share buy-back program and scheduled to be retired	–8,111,452
Number of shares outstanding as at 31 December 2007	191,888,548
Shares issued in 2008 under the Group Share Plan prior to the preparation date of the financial statements	1,350
Total number of no-par value shares carrying dividend rights	191,889,898

The proposal on the appropriation of the unappropriated surplus reflects treasury shares held directly or indirectly by the Company that are not eligible to receive dividends under section 71b of the AktG (Aktiengesetz, the German Stock Corporation Act). The number of shares eligible to receive dividends can change up until the Annual General Meeting through the repurchase of further shares (irrespective of whether or not such shares are subsequently retired) or through the sale of treasury shares. In this case, without changing the dividend of €2.10 per eligible share, an amended resolution for the appropriation of surplus will be proposed to the Annual General Meeting.

26. Provisions for pensions and other employee benefits

The present value of defined benefit obligations (DBOs) can be reconciled with the provisions shown in the balance sheet as follows:

	31 Dec. 2007 €m	31 Dec. 2006 €m
Unfunded defined benefit obligations	0.8	0.8
Partly or wholly funded defined benefit obligations	153.7	148.2
Defined benefit obligations	154.5	149.0
Fair value of plan assets	–132.1	–115.2
Net unrecognized actuarial losses	–1.2	–19.9
Net unrecognized past service cost	–2.9	–4.3
Net liability	18.3	9.6
Amount recognized in the balance sheet		
Other noncurrent assets	–2.3	–4.9
Provisions for pensions and other employee benefits	20.6	14.5
Net liability	18.3	9.6

Plan assets do not include any of the Group's own financial instruments. Neither do they include any property occupied or other assets used by the Group.

The pension-related expenses contained in staff costs in the consolidated income statement are composed of the following items:

	2007 €m	2006 €m
Current service cost	16.4	10.4
Past service cost	5.4	6.0
Interest cost	6.5	5.1
Expected return on plan assets	–6.4	–4.3
Net actuarial loss recognized	0.2	1.1
Total pension-related expenses recognized in the income statement	22.1	18.3

The changes in defined benefit obligations were as follows:

	2007 €m	2006 €m
Defined benefit obligations as at 1 January	149.0	128.9
Service cost	16.4	10.4
Past service cost	4.0	9.1
Interest cost	6.5	5.1
Changes in actuarial losses	–17.0	–0.5
Benefits paid	–4.4	–4.0
Defined benefit obligations as at 31 December	154.5	149.0

The expected contributions to defined benefit plans will amount to approximately €7.3 million for the 2008 financial year.

The changes in the fair value of plan assets were as follows:

	2007 €m	2006 €m
Fair value of plan assets as at 1 January	115.2	80.3
Expected return on plan assets	6.4	4.3
Actuarial return on plan assets	1.5	–0.5
Employer contributions	13.4	35.1
Benefits paid	–4.4	–4.0
Fair value of plan assets as at 31 December	132.1	115.2

The actual return on plan assets amounted to €0.2 million in the year under review (2006: €3.8 million). The calculation of the expected return on plan assets had been based on return rates of 5.05 to 5.80 percent (2006: 4.25 to 5.60 percent).

Plan assets are mainly composed of the following items:

	31 Dec. 2007 %	31 Dec. 2006 %
Bonds	25.2	29.0
Investment funds	64.4	64.4
Cash deposits and bank balances	10.4	6.6
Total plan assets	100.0	100.0

The following table shows the experience adjustments to pension obligations and plan assets:

	2007 €m	2006 €m
Actuarial present value of pension obligations	154.5	149.0
Fair value of plan assets	–132.1	–115.2
Underfunding	22.4	33.8
Experience adjustments	–0.8	–2.4
thereof attributable to plan liabilities	–2.3	–1.9
thereof attributable to plan assets	1.5	–0.5

27. Changes in other provisions

The development of other provisions is presented in the following statement of changes in provisions:

	Other noncurrent provisions €m	Tax provisions €m	Other current provisions €m	Total €m
Balance as at 1 Jan. 2007	105.9	244.8	82.0	432.7
Net changes in the basis of consolidation	2.6	–7.3	0	–4.7
Utilization	–4.6	–112.5	–65.9	–183.0
Reversal	–7.2	–1.6	–12.9	–21.7
Additions	21.7	149.9	201.8	373.4
Balance as at 31 Dec. 2007	118.4	273.3	205.0	596.7

28. Other noncurrent provisions

Other noncurrent provisions with more than one year to maturity comprise the following items:

	31 Dec. 2007 €m	31 Dec. 2006 €m
Provisions for anticipated losses	19.2	26.6
Other provisions:		
Phantom stock options	43.2	55.3
Restructuring program	33.4	0
Pension obligations to IHK[1]	8.9	8.9
Early retirement benefits	6.2	8.3
Miscellaneous	7.5	6.8
Total other noncurrent provisions	118.4	105.9
thereof with remaining maturity between 1 and 5 years	101.6	90.5
thereof with remaining maturity of more than 5 years	16.8	15.4

1) Industrie- und Handelskammer (Chamber of Commerce)

As at 31 December 2007, the provisions for anticipated losses contained provisions for anticipated losses from rental expenses amounting to €24.7 million (2006: €32.0 million), of which €6.4 million (2006: €5.4 million) was allocated to current provisions. The provisions classified as noncurrent are not expected to be utilized before 2009. They were calculated on the basis of existing rental agreements for each building. As in the previous year, a discount rate of 3.75 percent was applied. Additions include interest rate effects amounting to €1.0 million (2006: €1.1 million), of which no effects (2006: €0.2 million) result from a discount rate change.

For details on the phantom stock options, see note 47.

Provisions for restructuring relate to provisions for one-time expenses for the efficiency and restructuring program resolved in the third quarter. For details see the management report.

Provisions for pension obligations to the IHK (Industrie- und Handelskammer, the Chamber of Commerce) are recognized on the basis of the number of eligible employees. Provisions for early retirement benefits are estimated on the basis of the active and former employees involved.

29. Liabilities

The corporate bond which had previously been reported under the balance sheet item "Interest-bearing liabilities" was reclassified to the balance sheet item "Other current liabilities" (see note 34).

Liabilities contain finance lease obligations (see note 46).

Other bank loans and overdrafts include current liabilities to banks amounting to €1,360.2 million from the financing of the ISE acquisition (see notes 18 and 44).

As in the previous year, there were no noncurrent liabilities with a term to maturity of more than five years as at 31 December 2007.

The liabilities recognized in the balance sheet were not secured by liens or similar rights, either as at 31 December 2007 or as at 31 December 2006.

30. Tax provisions

Provisions for current taxes comprise the following items:

	31 Dec. 2007 €m	31 Dec. 2006 €m
Income tax expense: current year	144.2	156.6
Income tax expense: previous years	122.5	75.2
Capital tax and value added tax	6.6	13.0
Total tax provisions	273.3	244.8

The estimated remaining maturity of the tax provisions is less than one year.

31. Other current provisions

The other current provisions are composed of the following items:

	31 Dec. 2007 €m	31 Dec. 2006 €m
Phantom stock options	144.9	28.9
Restructuring costs[1]	20.0	3.8
Recourse, litigation and interest rate risks	12.8	30.8
Provisions for anticipated losses	6.5	5.4
Rent and incidental rental costs	3.9	4.3
Stock options from Group Share Plan	2.9	1.7
Miscellaneous	14.0	7.1
Total other current provisions	205.0	82.0

1) Thereof provisions for additional one-time expenses amounting to €14.4 million for the efficiency and restructuring program resolved in the third quarter. For details on restructuring costs, see the management report.

For details on phantom stock options and stock options from the Group Share Plan, see note 47.

32. Liabilities from banking business

The liabilities from banking business, attributable solely to the Clearstream subgroup, are composed of the following items:

	31 Dec. 2007 €m	31 Dec. 2006 €m
Customer deposits from securities settlement business	7,969.1	4,335.0
Money market borrowings	836.5	1,370.7
Issued commercial paper	242.2	254.8
Overdrafts on nostro accounts	25.5	108.8
Interest liabilities	52.6	9.3
Forward foreign exchange transactions	0	0.1
Total liabilities from banking business[1]	9,125.9	6,078.7

1) Thereof associated €95.1 million (2006: €0 million), see note 50

The remaining maturity of liabilities are as follows:

	31 Dec. 2007 €m	31 Dec. 2006 €m
Not more than 3 months	9,085.9	6,078.7
More than 3 months but not more than 12 months	40.0	0
Total liabilities from banking business	9,125.9	6,078.7

33. Cash deposits by market participants

Liabilities from cash deposits by market participants contain the following items:

	31 Dec. 2007 €m	31 Dec. 2006 €m
Liabilities from margin payments to Eurex Clearing AG by members	4,011.3	1,502.3
Liabilities from cash deposits by participants in equity trading	4.9	6.7
Total cash deposits by market participants	4,016.2	1,509.0

34. Other current liabilities

The other current liabilities are composed of the following items:

	31 Dec. 2007 €m	31 Dec. 2006 €m
Corporate bond	499.8	0
Special payments and bonuses	44.0	36.2
Tax liabilities (excluding income taxes)	35.5	21.8
Payables to Eurex participants	26.0	8.0
Vacation entitlements, flexitime and overtime credits	13.8	12.2
Loan interest payable	12.9	13.6
Derivatives	3.4	0
Miscellaneous	47.0	28.8
Total other current liabilities	682.4	120.6

Other current liabilities include liabilities from an issued corporate bond with a book value of €499.8 million (2006: €499.3 million), a market value of €498.0 million (2006: €495.8 million) and a remaining time to maturity of 0.4 years (2006: 1.4 years).

The position “miscellaneous” includes liabilities resulting from consulting and collection business, liabilities resulting from rental agreements and finance lease transactions (see note 46), as well as the remuneration to be paid to the members of the Supervisory Board for financial year 2007, but which will only be paid in the following year.

35. Maturity analysis of financial assets and liabilities

The following table indicates the underlying contractual maturities of the financial assets and liabilities at the balance sheet date:

	Contractual maturity	
		Sight
	2007	2006
	€m	€m
Non-derivative financial liabilities		
Interest-bearing liabilities[1]	0	0
Other non-derivative noncurrent financial liabilities	0	0
Non-derivative liabilities from banking business	8,776.9	5,805.5
Other bank loans and overdrafts	0	0.1
Trade payables, payables to associates, payables to other investors	0	0
Cash deposits by market participants	4,016.2	1,509.0
Total non-derivative financial liabilities, gross	12,793.1	7,314.6
less non-derivative financial assets:		
Noncurrent receivables and securities from banking business	0	0
Other noncurrent financial instruments and loans	0	0
Other non-derivative noncurrent financial assets	0	0
Current receivables and securities from banking business	–5,939.6	–3,877.8
Trade receivables	0	0
Restricted bank balances	–4,221.7	–1,582.8
Other cash and bank balances	–547.6	–652.4
Total non-derivative financial assets	–10,708.9	–6,113.0
Total non-derivative financial liabilities, net	2,084.2	1,201.6
Derivatives and financial instruments of Eurex Clearing AG		
Financial liabilities and derivatives of Eurex Clearing AG	1,960.6	4,661.0
less financial assets and derivatives of Eurex Clearing AG	–1,960.6	–4,661.0
Other current and noncurrent liabilities – derivatives and hedges		
Cash flow hedges	0	0
Fair value hedges	0	0
Derivatives	271.0	46.3
Other current and noncurrent assets – derivatives and hedges		
Cash flow hedges	0	0
Fair value hedges	0	0
Derivatives	–271.1	–46.3
Total derivatives	–0.1	0

1) Included in noncurrent interest-bearing liabilities and other current liabilities

2) Includes the traditional options and option premiums of future-style options in the amount of €18,595.4 million (2006: €14,207.3 million). The various series have different maximum durations: 36 months for single-stock futures, 60 months for equity options, 9 months for index futures and 119 months for index options. As the respective asset and liability sides of the options are always of the same duration, no analysis of the individual durations is presented for reasons of materiality, and the total outstanding is presented as having a contractual maturity of not more than 3 months.

	Contractual maturity								Reconciliation to carrying amount		Carrying amount	
	Not more than 3 months		More than 3 months but not more than 12 months		More than 1 year but not more than 5 years		Over 5 years		Other			
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
	0.1	0.1	500.1	1.2	1.3	499.9	0	0	–0.1	–0.1	501.4	501.1
	0	0	0	0	0	0	0	0	3.5	0	3.5	0
	309.0	273.2	40.0	0	0	0	0	0	0	0	9,125.9	6,078.7
	1,360.2	0	0	0	0	0	0	0	0	0	1,360.2	0.1
	0	0	0	0	0	0	0	0	109.0	103.3	109.0	103.3
	0	0	0	0	0	0	0	0	0	0	4,016.2	1,509.0
	1,669.3	273.3	540.1	1.2	1.3	499.9	0	0	112.4	103.2	15,116.2	8,192.2
	0	–45.0	–20.5	–5.0	–138.1	–78.5	–356.3	–154.9	0	0	–514.9	–283.4
	0	0	–0.1	–0.1	0	0	0	0	–115.2	–61.5	–115.3	–61.6
	0	0	0	0	0	0	0	0	0	–94.4	0	–94.4
	–3,473.4	–2,607.6	–206.7	–159.6	0	0	0	0	0	0	–9,619.7	– 6,645.0
	0	0	0	0	0	0	0	0	–235.5	–183.2	–235.5	–183.2
	0	0	0	0	0	0	0	0	0	0	–4,221.7	–1,582.8
	0	0	0	0	0	0	0	0	0	0	–547.6	–652.4
	–3,473.4	–2,652.6	–227.3	–164.7	–138.1	–78.5	–356.3	–154.9	–350.7	–339.1	–15,254.7	–9,502.8
	–1,804.1	–2,379.3	312.8	–163.5	–136.8	421.4	–356.3	–154.9	–238.3	–235.9	–138.5	–1,310.6
	54,441.1[2)]	45,969.1[2)]	4,022.3	3,326.8	0	0	0	0	0	0	60,424.0	53,956.9
	–54,441.1[2)]	–45,969.1[2)]	–4,022.3	–3,326.8	0	0	0	0	0	0	–60,424.0	–53,956.9
	15.0	14.6	26.8	46.7	2.6	2.9	0	0	0	0	44.4	64.2
	1.3	1.3	5.9	6.0	20.4	23.1	1.3	5.9	0	0	28.9	36.3
	86.4	6.1	0	0	0.8	1.6	0	0	0	0	358.2	54.0
	–40.1	–28.6	–5.0	–21.0	–34.6	–35.5	0	0	0	0	–79.7	–85.1
	–2.2	–1.7	–6.2	–5.1	–22.2	–20.0	–0.4	–4.9	0	0	–31.0	–31.7
	–86.5	–6.1	0	0	–0.8	–1.6	0	0	0	0	–358.4	–54.0
	–26.1	–14.4	21.5	26.6	–33.8	–29.5	0.9	1.0	0	0	–37.6	–16.3

36. Reconciliation of the classification of financial instruments

The following table shows the reconciliation of the balance sheet items to classification in accordance with IAS 39 as well as the corresponding carrying amounts of the financial instruments:

Consolidated balance sheet item (classification)	Note	Category	Measured at	Carrying amount 31 Dec. 2007 €m	Carrying amount 31 Dec. 2006 €m
Other equity investments	16	AFS[1]	Historical cost	36.3	12.0
		AFS[1]	Fair value	30.5	4.2
Noncurrent receivables and securities from banking business	16	AFS[1]	Fair value	314.9	283.4
		Loans and receivables	Amortized cost	200.0	0
Other financial instruments	16	AFS[1]	Fair value	12.5	11.9
Other loans	16	Loans and receivables	Amortized cost	0.1	0.1
Other noncurrent assets	17, 18	Fair value hedges	Fair value	2.9	3.7
		Cash flow hedges	Fair value	4.5	0
		Held for trading	Fair value	0.7	3.5
		Loans and receivables	Amortized cost	10.2	11.5
Deferred tax receivables	13	Deferred taxes	Fair value	17.2	0
Financial instruments of Eurex Clearing AG	19	Held for trading	Fair value	60,424.0	53,956.9
Current receivables and securities from banking business	20	AFS[1]	Fair value	135.2	149.5
		Cash flow hedges	Fair value	0	1.1
		Loans and receivables	Amortized cost	9,484.5	6,494.4
		Derivatives held for trading	Fair value	0.3	0
Other current assets	18, 22	Cash flow hedges	Fair value	8.2	0
		Held for trading	Fair value	0.5	0
Interest-bearing liabilities	34, 46	Liabilities at amortized cost	Amortized cost	1.2	499,9
Other noncurrent liabilities	18	Cash flow hedges	Fair value	1.0	0.8
		Held for trading	Fair value	0.7	1.9
		Puttable instruments[2]	Fair value	2.5	0
Liabilities from banking business	32	Liabilities at amortized cost	Amortized cost	9,125.9	6,078.6
		Derivatives held for trading	Fair value	0	0.1
Other current liabilities	18	Cash flow hedges	Fair value	3.4	0
	34	Liabilities at amortized cost	Amortized cost	499.8	0
Other bank loans and overdrafts	41	Liabilities at amortized cost	Amortized cost	1,360.2	0.1

1) Available-for-sale (AFS) financial assets

2) These are puttable equity instruments in accordance with IAS 32.18 b) which are attributable to the minority shareholder and are required to be measured at fair value at the respective balance sheet date.

The “other equity investments” item, which is carried at historical cost, comprises unlisted equity instruments whose fair value cannot be reliably determined because there is no active market for them and the information required to reliably determine their fair value is not available. For the year under review, as in the previous year, their fair value is estimated to be close to cost.

Consolidated Cash Flow Statement Disclosures

37. Consolidated cash flow statement

The cash flow statement presents the balance of and changes in Deutsche Börse Group's cash and cash equivalents. In compliance with IAS 7, cash flows are classified by operating, investing and financing activities. Cash and cash equivalents comprise cash, bank balances and current receivables from banking business, net of current liabilities from banking business, each with an original term of less than three months, and cash deposits by market participants.

38. Cash flows from operating activities

After adjustments to net profit for the year for non-cash items, cash flows from operating activities amounted to €839.6 million (2006: €843.4 million). Basic and diluted operating cash flow per share was €4.33 (2006: €4.24), the prior-period figure was restated (see note 42). The entire cash flow from the net financial result (net interest and investment income) has been allocated to operating activities.

Noncurrent provisions increased by €16.0 million in the year under review (2006: €19.4 million). Provisions of €33.4 million were recognized in connection with the efficiency and restructuring program (2006: €0 million; see note 28). Provisions for pensions also rose by €6.1 million (see note 26). This is offset by a decrease in noncurrent provisions for share options of €12.1 million and provisions for expected losses of €7.4 million.

Other non-cash income results from the following items:

	2007 €m	2006 €m
Gains on the disposal of (shares in) subsidiaries and other equity investments	–135,6	–23,5
Equity method measurement	–4,8	–6,4
Miscellaneous	22,7	15,3
Total other non-cash income	–117,7	–14,6

Gains on the disposal of (shares in) subsidiaries primarily comprises the sale of buildings and investment property amounting to €120.6 million. For more information, please refer to notes 15, 16 and 39.

The increase in receivables and other assets of €266.5 million (2006: €48.4 million) is due to a significant rise in receivables from the CCP business of €246.4 million for technical closing date reasons. On 2 January 2008, this item recorded an outstanding amount of €2.5 million.

The increase in current liabilities of €192.3 million (2006: €116.6 million) relates mainly to timing differences between the period in which the tax expense was recognized and the date on which the income taxes are payable – with an overall increase in the tax expense due to the improved profit.

39. Cash flows from investing activities

Payments to acquire noncurrent assets (excluding other noncurrent assets) can be broken down as follows:

	2007 €m	2006 €m
Payments to acquire intangible assets, property, plant and equipment, and investment property:		
Payments to acquire intangible assets	35.2	30.9
Payments to acquire property, plant and equipment	44.5	38.3
Total payments to acquire intangible assets, property, plant and equipment, and investment property	79.7	69.2
Payments to acquire noncurrent financial instruments	124.8	84.3
Payments to acquire investments in associates	0.3	0.7
Total additions to noncurrent assets (excluding other noncurrent assets)	204.8	154.2

The acquisition of (shares in) subsidiaries led to a cash outflow of €1,826.6 million (2006: €0 million).

	2007 €m
Purchase price	2,066.5
less cash received	–239.9
Historical cost	1,826.6
Intangible assets	–1,361.1
Receivables and other current assets	–125.8
Current and noncurrent liabilities	547.3
less total assets and liabilities acquired	–939.6
Remaining difference	887.0

The disposal of (shares in) subsidiaries and other equity investments led to a cash inflow of €358.9 million (2006: €34.3 million).

	2007 €m	2006 €m
Disposal proceeds	360.4	26.6[1]
less cash disposed	–1.5	–0.5
Proceeds from the disposal of (shares in) subsidiaries and other equity investments, net of cash disposed	358.9	26.1[1]
less exchange rate differences	0	–1.4
less assets and liabilities disposed		
Property, plant and equipment	–141.9	0
Investment property	–89.6	0
Other noncurrent assets	–1.6	0
Receivables and other current assets	–0.2	–2.3
Current liabilities	10.0	1.1
Gains on the disposal of (shares in) subsidiaries and other equity investments	135.6	23.5

1) In 2006, proceeds in the amount of €34.3 million including cash inflow from the disposal of subsidiaries in the previous year

The net cash proceeds from the sale of available-for-sale noncurrent financial instruments amounted to €50.9 million (2006: €118.5 million). As in the previous year, the proceeds for 2007 correspond to the repayment at maturity of fixed-income securities.

40. Cash flows from financing activities

In 2007, a dividend of €329.8 million was distributed for financial year 2006 (in 2006 for 2005: €210.4 million). For details on the acquisition of treasury shares, see notes 24 and 25. Net cash received from minority shareholders in the amount of €271.3 million and from short-term financing in the amount of €1,368.6 million, adjusted for premiums paid on hedges in the amount of €3.2 million, are related to the financing of the ISE acquisition, see notes 2 and 18.

41. Reconciliation to cash and cash equivalents

The reconciliation to cash and cash equivalents is shown in the following table:

	31 Dec. 2007 €m	31 Dec. 2006 €m
Cash and bank balances	4,769.3	2,235.2
Other bank loans and overdrafts	–1,360.2	–0.1
Reconciliation to cash and cash equivalents		
Current receivables from banking business	9,619.7	6,645.0
less loans to other banks and customers with an original maturity of more than 3 months	–206.7	–115.0
less available-for-sale fixed-income securities – money market instruments with an original maturity of more than 3 months	0	–149.5
less derivative assets	0	–1.1
Current liabilities from banking business	–9,125.9	–6,078.7
plus short-term financing ISE	1,360.2	0
Current liabilities from cash deposits by market participants	–4,016.2	–1,509.0
	–2,368.9	–1,208.3
Cash and cash equivalents	1,040.2	1,026.8

To prevent receivables and liabilities from banking business from distorting the operating cash flow, such items with an original maturity of more than three months have been reported within cash flows from investing activities. Items with an original maturity of not more than three months are classified as cash and cash equivalents. The other current liabilities from banking business include only the short-term financing in connection with the ISE acquisition. The short-term financing is expected to be replaced by long-term financing in 2008. In order to avoid distorting the cash flow in 2008, other current liabilities from banking business in the amount of €1,368.6 million were attributed to cash flows from financing activities. In this connection, cash flow from operating activities was adjusted for the as yet unrealized currency losses in the amount of €8.4 million recognized in profit or loss.

Except for cash flow hedges meeting the criteria of IAS 39, there are no significant outstanding currency positions. Any significant effect of exchange rates on cash and cash equivalents is matched by an offsetting effect on other foreign currency monetary assets and liabilities. Transferring only the effect of exchange rates on cash and cash equivalents from operating activities to the reconciliation of changes in cash and cash equivalents would distort the operating cash flow. To avoid such a distortion, operating activities include the effects of exchange rate changes mentioned above. These effects are not material to Deutsche Börse Group, either in the year under review or in the previous year. Currency effects from the hedging of the purchase price for the ISE acquisition are offset against the purchase price itself and thus included in cash flow from investment activities.

Cash and bank balances as at 31 December 2007 included restricted bank balances amounting to €4,221.7 million (2006: €1,582.8 million); for details see note 23.

Other Disclosures

42. Earnings per share

Under IAS 33, earnings per share are calculated by dividing the net income by the weighted average number of shares outstanding.

In order to determine the average number of shares, the shares repurchased and reissued under the Group Share Plan (GSP) were included rateably in the calculation. The shares bought back under the share buy-back program were removed from the calculation of the number of shares at the date of repurchase. In order to determine diluted earnings per share, the number of potentially dilutive ordinary shares that may be acquired under the GSP and the Stock Bonus Plan (SBP, see also note 47) was added to the average number of shares. In order to calculate the number of potentially dilutive ordinary shares, the exercise prices were adjusted to reflect the fair value of the services still to be provided.

There were the following potentially dilutive outstanding options or rights to purchase shares as at 31 December 2007:

Tranche	Exercise price[1]	Adjusted exercise price in accordance with IAS 33	Average number of outstanding options	Average price for the period[2]	Number of potentially dilutive ordinary shares
	€	€	31 Dec. 2007	€	31 Dec. 2007
2004	26.88	26.88	28,703	89.74	40,211
2005	40.20	40.20	68,207	89.74	75,306
2006	65.62	72.85	56,647	89.74	21,323
2007[3]	0	90.85	96,139	89.74	0

1) The original issue prices were adjusted due to capitalization measures implemented.
2) Volume-weighted average price of Deutsche Börse AG shares on Xetra for the period 1 January to 31 December 2007
3) This relates to rights to shares under the new stock bonus program (SBP) launched in 2007 for senior executives and Executive Board members; see note 47.

As the volume-weighted average share price was higher than the adjusted exercise prices for the 2004, 2005 and 2006 tranches, these options are considered dilutive under IAS 33. In 2006, earnings per share were unchanged due to the small number of potentially dilutive ordinary shares. There were no further rights to subscribe for shares that could have potentially diluted earnings per share either as at 31 December 2007 or as at 31 December 2006.

Earnings per share (basic and diluted) were calculated as follows:

	2007	2006
Number of shares outstanding as at beginning of period	195,597,922	202,557,306
Number of shares outstanding as at end of period	191,888,548	195,597,922
Weighted average number of shares outstanding	193,990,686	198,787,534
Number of potentially dilutive ordinary shares	136,840	125,126
Weighted average number of shares used to compute diluted earnings per share	194,127,526	198,912,660
Net income (€m)	911.7	668.7
Earnings per share (basic and diluted) (€)[1]	4.70	3.36

1) The dilution reported in 2006 no longer applies due to the doubling of the average number of shares outstanding.

43. Segment reporting

Segment reporting is governed by the internal organizational and reporting structure, which is broken down by markets and services into the following segments:

Segment	Business areas
Xetra	Cash market using the Xetra electronic trading system and floor trading Central counterparty for equities Trading platform for structured products (Scoach) Admission of securities to listing
Eurex	Electronic derivatives market trading platform Eurex Electronic equity options trading platform ISE Over-the-counter (OTC) trading platforms Eurex Bonds and Eurex Repo Central counterparty for bonds, derivatives and repo transactions
Clearstream	Custody, administration and settlement services for domestic and foreign securities Global securities financing services Investment funds services
Market Data & Analytics	Sales of price information and information distribution Index development and sales
Information Technology	Development, implementation and operation of technical infrastructures Provision of IT solutions
Corporate Services	Group strategy Responsibility for central functions

Deutsche Börse Group acquired 100 percent of the shares of International Securities Exchange Holdings Inc. with effect from 20 December 2007 (see note 2). The inclusion of the ISE subgroup in the consolidated financial statements as at 31 December 2007 only affects segment assets and staff per segment – and not the segments' income statements – in the segment reporting. The ISE subgroup is divided into the Eurex, Information Technology and Corporate Services segments.

Sales revenue is presented separately by external sales revenue and internal (inter-segment) revenue. Inter-segment services are charged on the basis of measured quantities or at fixed prices (e.g. the provision of data by Eurex to Market Data & Analytics). Services are measured at a market price and are charged on an arm's length or a cost-plus basis; these include services of the Information Technology segment, such as application development hours or data center services.

Further services are billed to users on the basis of fully absorbed costs using an allocation key, for example the billing of building usage at absorbed costs (excluding rental expense provisions, which remain in the Corporate Services segment), on the basis of used space.

The calculation of the underlying quantities is based on the relevant usage; price changes are driven by changes in costs. Overall, there were no material changes required to be reported under IAS 14.

Due to their insignificance to segment reporting, the "financial income" and "financial expense" items have been combined to produce the "net financial result".

As financial control within Deutsche Börse Group is performed centrally by Deutsche Börse AG, cash and other bank balances as well as financial liabilities are usually not allocated directly to the segments. Exceptions to this are restricted bank balances and financial instruments, which were allocated to the segments as they relate to operational business.

Segment reporting for the year ended 31 December

	Xetra		Eurex		Clearstream	
	2007 €m	2006 €m	2007 €m	2006 €m	2007 €m	2006 €m
External sales revenue	435.0	314.1	713.9	597.8	768.2	700.3
Internal sales revenue	0	0	0	0	9.3	7.9
Total sales revenue	435.0	314.1	713.9	597.8	777.5	708.2
Net interest income from banking business	0	0	0	0	230.6	150.1
Own expenses capitalized	12.0	5.0	14.4	9.8	8.8	13.7
Other operating income	16.7	22.9	59.2	66.1	4.3	4.9
Fee and commission expenses from banking business	0	0	0	0	–161.6	–141.4
Staff costs	–40.9	–26.9	–44.9	–35.2	–155.0	–98.7
Depreciation, amortization and impairment losses (other than goodwill)	–10.4	–12.6	–16.6	–21.6	–50.6	–52.1
Other operating expenses	–164.3	–124.4	–277.1	–224.8	–274.6	–260.4
Total result from equity investments	2.0	0.9	–5.7	0.6	0	0
Earnings before interest, tax and goodwill impairment (EBITA)	250.1	179.0	443.2	392.7	379.4	324.3
Goodwill impairment	0	0	0	0	0	0
Earnings before interest and tax (EBIT)	250.1	179.0	443.2	392.7	379.4	324.3
Net financial result	0.1	0	12.0	8.1	0	0
Earnings before tax (EBT)	250.2	179.0	455.2	400.8	379.4	324.3
Assets						
Intangible assets	29.7	21.7	2,284.4	43.7	1,109.8	1,151.4
Property, plant and equipment	0	0.3	0.2	0.3	0.3	0
Investments in associates	1.6	0	23.8	21.5	0	0
Other assets	41.5	43.2	64,781.2	55,553.5	10,379.3	6,949.6
Total assets	72.8	65.2	67,089.6	55,619.0	11,489.4	8,101.0
Provisions and liabilities	49.0	27.4	65,140.5	55,500.1	9,540.3	6,238.0
Net assets	23.8	37.8	1,949.1	118.9	1,949.1	1,863.0
Investments in intangible assets, property, plant and equipment	12.6	5.2	14.4	9.9	9.1	13.8
Employees (as at 31 December)	167	182	282	173	925	931
EBITA margin (%)[1]	57.5	57.0	62.1	65.7	49.4	46.3

The reconciliation column shows:

– Elimination of intra-Group sales revenue and profits

– Assets not attributable to the segments (noncurrent financial assets less equity method-accounted investments) and tax items

1) Including result from equity investments unless otherwise indicated

2) Based on the total of internal and external sales revenue

Market Data & Analytics		Information Technology		Corporate Services		Total of all segments		Reconciliation		Group	
2007 €m	2006 €m	2007 €m	2006 €m	2007 €m	2006 €m	2007 €m	2006 €m	2007 €m	2006 €m	2007 €m	2006 €m
168.3	148.1	99.8	93.9	0	0	2,185.2	1,854.2	0	0	2,185.2	1,854.2
11.3	9.6	397.9	344.5	0	0	418.5	362.0	–418.5	–362.0	0	0
179.6	157.7	497.7	438.4	0	0	2,603.7	2,216.2	–418.5	–362.0	2,185.2	1,854.2
0	0	0	0	0	0	230.6	150.1	0.2	0.6	230.8	150.7
1.7	0.3	0	0.2	0	0	36.9	29.0	–11.8	–6.8	25.1	22.2
16.2	1.2	17.7	19.4	383.5	236.6	497.6	351.1	–274.2	–265.3	223.4	85.8
0	0	0	0	0	0	–161.6	–141.4	0	0	–161.6	–141.4
–28.0	–22.3	–180.0	–148.6	–117.4	–83.2	–566.2	–414.9	0	0	–566.2	–414.9
–2.8	–7.0	–32.7	–25.0	–22.1	–22.9	–135.2	–141.2	9.2	10.8	–126.0	–130.4
–87.0	–78.3	–202.5	–190.6	–156.4	–154.4	–1,161.9	–1,032.9	692.2	627.2	–469.7	–405.7
8.6	7.1	0	0	0	0	4.9	8.6	0	0	4.9	8.6
88.3	58.7	100.2	93.8	87.6	–23.9	1,348.8	1,024.6	–2.9	4.5	1,345.9	1,029.1
0	–1.6	0	0	0	0	0	–1.6	0	0	0	–1.6
88.3	57.1	100.2	93.8	87.6	–23.9	1,348.8	1,023.0	–2.9	4.5	1,345.9	1,027.5
0.5	0.3	0	0	–5.3	–9.4	7.3	–1.0	1.6	–0.5	8.9	–1.5
88.8	57.4	100.2	93.8	82.3	–33.3	1,356.1	1,022.0	–1.3	4.0	1,354.8	1,026.0
11.1	11.3	12.9	9.6	1.0	2.7	3,448.9	1,240.4	–29.1	–26.4	3,419.8	1,214.0
1.0	0.8	57.7	49.4	39.1	184.7	98.2	235.5	0	0	98.3	235.5
10.5	11.9	0	0	0	0	35.9	33.4	0	0	35.9	33.4
31.3	34.9	30.0	29.5	770.9	904.1	76,034.2	63,514.8	69.4	27.4	76,103.6	63,542.2
53.9	58.9	100.6	88.5	811.0	1,091.5	79,617.2	65,024.1	40.3	1.0	79,657.6	65,025.1
29.7	18.8	96.9	59.1	1,808.9	608.5	76,665.2	62,451.9	302.1	289.9	76,967.4	62,741.8
24.2	40.1	3.7	29.4	–997.9	483.0	2,952.0	2,572.2	–261.8	–288.9	2,690.2	2,283.3
2.8	0.9	43.2	36.0	9.4	10.2	91.5	76.0	–11.8	–6.8	79.7	69.2
199	200	1,216	1,049	492	431	3,281	2,966	0	0	3,281	2,966
52.5	39.6	20.1[2)]	21.4[2)]	–	–	–	–	–	–	61.6	55.5

In gross terms (i. e. including intercompany profits and losses and costs that cannot be capitalized at the Group level, which are all eliminated), impairment losses (excluding goodwill) of €4.1 million were attributable to the reference data factory system in the Clearstream segment (2006: €0.5 million for inter-dealer broker system).

Non-cash valuation allowances and bad debt losses resulted from the following segments:

	2007 €m	2006 €m
Xetra	0.6	0.1
Eurex	0.1	0.5
Clearstream	0	0
Market Data & Analytics	0.4	0.8
Information Technology	0.1	0.1
Corporate Services	0.1	0
Total non-cash valuation allowances and bad debt losses	1.3	1.5

The increase in other operating income in the Corporate Services segment is a result of the fact that income from the sale of a property in Luxembourg held for sale and income from the sale of buildings and investment property (see note 7) was allocated to this segment.

Assets and liabilities are allocated to the individual segments on the basis of objective criteria. Assets that cannot be allocated to the segments, as well as minority interests, are disclosed in the reconciliation column.

Deutsche Börse Group's business model – and in particular that of its Xetra, Eurex, Clearstream and Market Data & Analytics segments – is focused on an internationally operating participant base and pricing does not differ depending on the customer's location. From a price, margin and risk perspective, this means that it is unimportant whether revenues are generated from German or non-German participants.

The risks and returns from the activities of the subsidiaries operating within the economic environment of the European Monetary Union (EMU) do not differ significantly from each other on the basis of the factors to be considered in identifying the geographical segments under IAS 14. As a result, Deutsche Börse Group has identified the following geographical segments: the euro zone, the USA, the UK, the Czech Republic and Switzerland. As the total segment revenue, segment results, segment assets and segment liabilities of the subsidiaries domiciled in the USA, the UK, the Czech Republic and Switzerland account for less than 3 percent of the respective Group totals, there is no requirement to report secondary geographical segments in accordance with IAS 14.

44. Financial risk management

Deutsche Börse Group presents the qualitative disclosures required by IFRS 7 in detail in the Group management report (see explanations in the risk report on pages 22 to 29), such as the nature and extent of risks arising from financial instruments, as well as the objectives, strategies and methods used to manage risk.

Financial risks arise at Deutsche Börse Group in the form of credit risk, market price risk and liquidity risk and are quantified using the "value at risk" (VaR) concept (please refer to the risk report for detailed disclosures). The VaR calculated in this way is compared with the current forecasted EBITA so as to test the Group's ability to absorb losses. The VaR from financial risks is calculated at the end of each month and, as in the previous year, it always amounted to less than €100 million throughout the financial year and at 31 December 2007. The market price risk and liquidity risk are not material risk categories for the Group; consequently, the VaR is largely determined by credit risks.

Based on the market environment and Deutsche Börse Group's business model, the Executive Board considers the risks for the Group to be limited and manageable. The Group has taken suitable measures to prevent potential losses arising from the US subprime mortgage crisis (see the disclosures in the risk report on page 22 to 29).

Credit risk

Credit risks arise in Deutsche Börse Group from the following items:

Classification of financial instruments[1)]

	Segment	Note	Carrying amounts – Maximum risk position: Amount as at 31 Dec. 2007 €m	Carrying amounts – Maximum risk position: Amount as at 31 Dec. 2006 €m	Collateral: Amount as at 31 Dec. 2007 €m	Collateral: Amount as at 31 Dec. 2006 €m
Collateralized cash investments						
Overnight money invested under securities repurchase agreements	Eurex[2)]		60.9	68.4	74.0	73.7
Interest-bearing receivables	Clearstream	16	200.0	0	189.4	0
Reverse repurchase agreements	Eurex[2)]		3,789.0	1,493.8	3,842.0	1,516.8
	Clearstream	20	2,278.4	1,481.3	2,575.9	1,690.8
			6,328.3	3,043.5	6,681.3	3,281.3
Uncollateralized cash investments						
Money market borrowings	Eurex[2)]		0	4.0	0	0
	Clearstream	20	5,629.5	4,254.0	0	0
Balances on nostro accounts	Clearstream	20	711.2	239.6	0	0
Fixed-income securities	Clearstream	20	314.9	283.4	0	0
			6,655.6	4,781.0	0	0
Loans for settling securities transactions						
Technical overdraft facilities	Clearstream	20	799.8	473.9	n.a.[3)]	n.a.[3)]
Automated Securities Fails Financing[4)]	Clearstream		638.3	757.7	804.8	n.a.[5)]
ASLplus securities lending system[4)]	Clearstream		28,119.3	24,778.6	29,381.5	26,517.8
Committed credit facilities for customers without own Lombard facilities at the Bundesbank[4)]	Clearstream		51.8	51.5	51.8	51.5
			29,609.2	26,061.7	30,238.1	26,569.3
Other receivables						
Trade receivables	Group	21	235.5	183.2	0	0
Associate receivables	Group		4.4	10.7	0	0
Receivables from other investors	Group		1.4	2.4	0	0
			241.3	196.3	0	0
Financial instruments of Eurex Clearing AG (central counterparty)		19	60,424.0	53,956.9	89,951.5	71,433.0
Total			103,258.4	88,039.4	126,870.9	101,283.6

1) Excluding derivatives, which are only entered into with prime-rated counterparties. See note 18.
2) Presented in the items "restricted bank balances" and "other cash and bank balances"
3) The portfolio of deposited collateral is not directly attributed to any utilization, but is determined by the scope of the entire business relationship and the limits granted.
4) Off-balance-sheet items
5) The direct allocation of collateral to the corresponding underlying transactions was introduced in the course of 2007. Therefore, no separate disclosure is made for 2006.

Cash investments

The Group is exposed to credit risk in connection with the investment of cash funds. If possible, the Group counters such risks by investing short-term funds via reverse repurchase agreements. Collateral is provided mostly in the form of bonds issued by governmental or supranational issuers. A small portion is collateralized by securities from non-governmental issuers. The minimum rating for collateral is AA–.

The fair value of securities received under reverse repurchase agreements (Clearstream subgroup and Eurex Clearing AG) was €6,417.9 million (2006: €3,207.6 million). The Clearstream subgroup is allowed to repledge the securities received to central banks. The fair value of securities repledged to central banks amounted to €2.330,8 million at 31 December 2007 (2006: €1,482.0 million). The contract terms are based on recognized international or national bilateral master agreements.

Uncollateralized cash investments are permitted only for counterparties with impeccable creditworthiness within the framework of defined counterparty limits. The Clearstream subgroup assesses creditworthiness on the basis of an internal rating system. The remaining Group companies use external ratings available to them. Within the framework of previously defined counterparty limits, Group companies that do not have bank status can also invest cash with counterparties who are not externally rated, but instead are members of a deposit protection system. The corresponding counterparty limits are always well below the liability limits of the relevant protection system.

Loans for settling securities transactions

Clearstream grants customers technical overdraft facilities to maximize settlement efficiency. These settlement facilities are subject to internal credit review procedures. They are revocable at the option of the Clearstream subgroup and are largely collateralized. Technical overdraft facilities amounted to €64.9 billion at 31 December 2007 (2006: €54.0 billion). Of this amount, €3.6 billion (2006: €4.4 billion) is unsecured, whereby a large proportion relates to credit lines granted to central banks and other state-guaranteed institutions. Actual outstandings at the end of each business day generally represent a fraction of the facilities and amounted to €799.8 million as at 31 December 2007 (2006: €473.9 million); see note 20.

Clearstream also guarantees the risk resulting from the Automated Securities Fails Financing (ASF) program it offers to its customers. However, this only applies when the risk is collateralized. In the absence of collateral, this risk is covered by third parties. Guarantees furnished under this program amounted to €638.3 million as at 31 December 2007 (2006: €757.7 million).

Under the ASLplus securities lending program, Clearstream Banking S.A. had securities borrowings from various counterparties totalling €28,119.3 million as at 31 December 2007 (2006: €24,778.6 million). These securities were fully lent to other counterparties. Collateral received by Clearstream Banking S.A. in connection with these loans amounted to €29,381.5 million (2006: €26,517.8 million).

As part of the national securities settlement process, Clearstream Banking AG provided intraday credit facilities amounting to a maximum of €85.0 million (2006: €85.0 million) to customers without their own Lombard facilities at the Bundesbank against collateral security. Of this amount, €51.8 million was irrevocable as at 31 December 2007 (2006: €51.5 million). The fair value of securities received under these credit commitments was €52.2 million (2006: €53.2 million).

In 2007, no counterparties defaulted on any of the types of transaction described.

Other receivables
Trading, clearing, custody and settlement fees are generally collected without delay by direct debit. In the past, credit losses in respect of fees for other services, such as the provision of data and information, have been limited.

Financial instruments of Eurex Clearing AG (central counterparty)
To safeguard Eurex Clearing AG against the risk of default by a clearing member, the clearing conditions in the version dated 5 December 2007 require the clearing members to deposit margins in the form of cash or securities on a daily basis – and, if necessary, on an intraday basis – in the amount stipulated by Eurex Clearing AG. Additional security mechanisms of Eurex Clearing AG are described in detail in the risk report.

The aggregate margin calls based on the executed transactions was €29,825.0 million at the reporting date (2006: €23,840.0 million). In fact, collateral totaling €48,139.5 million (2006: €31,898.9 million) was deposited. This collateral includes the following items:

	Carrying amount as at 31 Dec. 2007 €m	Carrying amount as at 31 Dec. 2006 €m	Fair value as at 31 Dec. 2007 €m	Fair value as at 31 Dec. 2006 €m
Cash collateral (cash deposits)	4,011.3	1,502.3	4,011.3	1,502.3
Securities and book-entry securities collateral	44,128.2	30,396.6	48,800.0	34,741.1
Total collateral	48,139.5	31,898.9	52,811.3	36,243.4

There were also third-party bank guarantees for clearing members of Eurex Clearing AG amounting to €613.2 million as at the year-end (2006: €199.5 million).

In 2007, no counterparties defaulted on any of the types of transaction described.

In contrast to the risk-oriented net analysis of the transactions via the central counterparty, the underlying gross amounts for repurchase agreements, for example, are reported in the balance sheet because of the prohibition on netting receivables and liabilities. For a detailed explanation of this balance sheet item, see section “Financial instruments of Eurex Clearing AG (central counterparty)“ in note 3. This carrying amount was €60,424.0 million at 31 December 2007 (2006: €53,956.9 million). The fair value of the securities underlying repurchase agreements was €41,812.0 million (2006: €39,534.1 million).

Credit risk concentrations

Deutsche Börse Group's business model and the resulting business relationships with a large part of the financial sector mean that, as a rule, concentrations of risk on individual counterparties are avoided. Potential concentrations of credit risk are monitored against counterparty credit limits. The regulatory requirements, for example those arising under the GroMiKV (Großkredit- und Millionenkreditverordnung, the Regulation Governing Large Exposures and Exposures in Excess of €1 million) in Germany, are complied with. The internally defined limits are below those stipulated by the GroMiKV or similar national rules. See note 24 for an explanation of regulatory capital requirements.

The VaR from credit risks is calculated at the end of each month. As in the previous year, over the course of the financial year as well as on 31 December 2007, it was always less than €100 million.

Market price risk

Currency risks in the Clearstream segment arise mainly from the approximately 14 percent (2006: 10 percent) of sales revenue and interest income in that segment which is directly or indirectly generated in US dollars. Eurex receives interest on intraday margin calls paid in US dollars. These exposures are partially offset by operating costs incurred in US dollars. Additionally, significant operating revenue is generated in US dollars as a result of the acquisition of ISE. However, owing to the conclusion of the transaction on 20 December 2007, these risks had no significant influence on Deutsche Börse Group's risk position in 2007. The treasury policy of Deutsche Börse Group stipulates that any remaining expected net exposure is hedged through forward foreign exchange transactions when the exposure exceeds 10 percent of EBITA. These transactions fullfil the criteria for cash flow hedges set out in IAS 39. In addition, the policy stipulates that open foreign exchange positions are closed when they exceed €15.0 million. This policy was complied with as in the previous year; as at 31 December 2007 and 2006, there were no significant foreign exchange positions (see note 18).

Acquisitions where payment of the purchase price results in currency risk are generally hedged. In this context, the acquisition of the ISE as well as the acquisition of a stake in the Bombay Stock Exchange were hedged via forward foreign exchange transactions in 2007.

The acquisition of the ISE shares was partly financed in US dollars (USD 530.0 million). The amount remaining versus the entire US dollars amount represents a currency risk. This position is continuously monitored so that hedging measures can be implemented if necessary.

Interest rate risks in the operating business arise largely in the Clearstream segment. As forecasts of future cash balances are inherently uncertain, interest rate swaps (see note 18) may be used to lock in fixed rates on approximately half of the expected cash balances. Interest rate swaps are primarily used when forward interest rates are judged to be attractive.

Additional interest rate risks arise from debt financing for acquisitions. For the acquisition of the ISE shares, short-term loans amounting to around €1.5 billion were taken out. These are intended to be replaced in the medium term by long-term financing. Two-thirds of the interest payments expected from this was hedged with the help of interest rate swaps and swaptions (see note 18).

Equity price risks arise to an immaterial extent from contractual trust arrangements (CTAs), as well as from investments in an equity index-based, exchange-traded fund.

For market price risks, a VaR is calculated at the end of each month. Over the course of the financial year and on 31 December 2007, it was always less than €2 million.

Liquidity risk

Liquidity risk arises from potential financial difficulties and the resulting increase in refinancing costs. Liquidity risk is managed by matching the duration of investments and liabilities, restricting investments in potentially illiquid or volatile asset classes, authorizing the Clearstream subgroup to repledge securities received with central banks and maintaining sufficient financing facilities to overcome unexpected demands for liquidity. Most of the Group's cash investments are short-term. Eurex Clearing AG remains perfectly matched with respect to the durations of customer deposits and investments while the Clearstream subgroup may invest customer balances up to a maximum of six months (see note 35 for an overview of the maturity structure).

As at 31 December 2007, the Group companies' contractually agreed credit lines included the following:

Company	Purpose of credit line		Currency	Amount as at 31 Dec. 2007 million	Amount as at 31 Dec. 2006 million
Deutsche Börse AG	working capital	– interday	€	435.0	435.0[1]
Eurex Clearing AG	settlement	– interday	€	370.0	370.0
	settlement	– intraday	€	700.0	700.0
	settlement	– interday	CHF	200.0	50.0
Clearstream Banking S.A.	working capital	– interday	USD	1,000.0	1,000.0[1]
	settlement	– interday	USD	5,600.0	4,500.0
	settlement in Germany (uncommitted)	– interday	€	4,375.0	2,700.0
Clearstream Banking AG	domestic settlement in Germany (committed)	– interday	€	51.8	51.5

1) €400.0 million of Deutsche Börse AG's working capital credit line is a sub-credit line of Clearstream Banking S.A.'s USD 1,000.0 million working capital credit line.

A commercial paper program offers Deutsche Börse AG an opportunity for flexible, short-term financing, involving a total facility of €2.5 billion in various currencies. No commercial paper has currently been issued.

Clearstream Banking S.A., Luxembourg, also has a commercial paper program, with a program limit of €1.0 billion, which is used to provide additional short-term liquidity. As at 31 December 2007, commercial paper with a nominal value of €242.2 million had been issued (31 December 2006: €254.8 million).

Further liquidity risks result from the financing of the ISE acquisition. Initially, the financing will be presented in the context of a short-term syndicated line of credit with an availability of up to 24 months. It is planned to replace this with long-term financing. There is a risk of potential non-availability on the capital markets for the planned refinancing up to the end of the agreed term of the line of credit.

As in the previous year, Standard & Poor's assessed Deutsche Börse AG's long-term credit rating at AA as at 31 December 2007. Deutsche Börse AG's commercial paper program was again awarded the best possible short-term rating of A–1+.

The long-term credit ratings by Fitch and Standard & Poor's for Clearstream Banking S.A. also remained unchanged over the previous year at AA. As in the previous year, Clearstream Banking S.A.'s commercial paper program was rated F1+ by Fitch and A-1+ by Standard & Poor's.

Over the course of the year as well as at 31 December 2007, as in the previous year, the VaR from liquidity risks was always less than €2 million.

45. Other financial obligations

Group expenses in connection with long-term contracts relating to maintenance contracts and other contracts in the coming years amount to €157.1 million (2006: €143.2 million). The maturities of these obligations are shown in the following table:

	31 Dec. 2007 €m	31 Dec. 2006 €m
Up to 1 year	94.4	84.0
1 to 5 years	51.1	49.4
More than 5 years	11.6	9.8
Total future financial obligations	157.1	143.2

Obligations resulting from insurance policies amount to €5.9 million in 2008 (2007: €7.8 million).

Deutsche Börse AG completed an investment protection agreement with SWX Group. If SWX Group reduces its indirect share in the profit of Eurex companies, the agreement obligates Deutsche Börse AG to make a compensatory payment to SWX Group for the reduction of the indirect share in International Securities Exchange Holdings Inc.

In connection with the cooperation agreement between SWX and Deutsche Börse AG with regard to both parties' participation in Scoach Holding S.A., Deutsche Börse AG has the right, at the end of the cooperation after expiration of the term or termination of the agreement, to maintain the holding as sole shareholder under certain circumstances. This right results in a potential obligation on Deutsche Börse AG to make a compensatory payment to SWX if a fair value of Scoach Europa develops better than that of Scoach Schweiz.

46. Leases

Finance leases

Finance leases relate to IT hardware components that are used operationally in Deutsche Börse Group and are not subleased. The minimum lease payments are shown in the following table:

	31 Dec. 2007 €m	31 Dec. 2006 €m
Up to 1 year	0.4	1.3
1 to 5 years	1.3	0.6
Total minimum lease payments	1.7	1.9
Discount	–0.1	–0.1
Present value of minimum lease payments	1.6	1.8

No contingent rent is provided for under the terms of the leases. The corresponding agreements do not contain any escalation clauses.

Operating leases (as lessee)

In addition to finance leases, the Company has also entered into leases that must be classified as operating leases on the basis of their economic substance; this means that the leased asset is allocated to the lessor. These leases relate mainly to buildings, IT hardware and software. The minimum lease payments are shown in the following table:

	31 Dec. 2007 €m	31 Dec. 2006 €m
Up to 1 year	72.6	53.0
1 to 5 years	160.2	122.5
More than 5 years	108.6	53.2
Total minimum lease payments	341.4	228.7

In the year under review, €57.2 million (2006: €57.7 million) in minimum lease payments was recognized as an expense.

Operating leases for buildings, some of which are sublet, have terms of between 1 and 14 years. They usually terminate automatically when the lease expires. The Company has options to extend some leases.

The minimum lease payments include lease expenses for buildings in the amount of €119.2 million (2006: €0 million), which were leased after the sale within the scope of a sale and leaseback transaction.

Part of the Group's rented offices are sublet to third parties. Rental income expected from these sublease contracts is as follows:

	31 Dec. 2007 €m	31 Dec. 2006 €m
Up to 1 year	6.7	6.4
1 to 5 years	5.8	4.5
More than 5 years	0	0
Total rental income expected from sublease contracts	12.5	10.9

Operating leases (as lessor)
The Group has let buildings of which it was the beneficial and legal owner on the basis of operating leases. The minimum lease receipts which resulted from these non-cancellable property leases are shown in the following table. These are no longer applicable due to the sale of the real-estate companies that hold these buildings (see note 2).

	31 Dec. 2007 €m	31 Dec. 2006 €m
Up to 1 year	0	7.6
1 to 5 years	0	6.6
More than 5 years	0	0.5
Total future minimum lease receipts	0	14.7

47. Phantom stock option plan, Stock Bonus Plan and Group Share Plan

Phantom stock option plan
Following its IPO on 5 February 2001, Deutsche Börse AG established a phantom stock option program for Executive Board members and senior executives of Deutsche Börse AG and its subsidiaries. The program was extended to members of the Supervisory Board effective from 28 May 2003; however, this extension was revoked under an amendment to the Articles of Association dated 25 May 2005. The phantom stock option plan for Executive Board members and senior executives was established for the last time in 2006 and replaced by a new stock bonus plan in 2007 (see next page).

The same valuation model was applied to all options granted under the phantom stock option plan. The value calculated best reflects the value of the services received. The phantom stock options have a maximum term of five years and a vesting period of three years. The options can be exercised in each quarter of the subsequent two years in 14-day exercise windows. If options have not been exercised by the last day of the exercise period, the holder is treated as if he had exercised the options. 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).

In accordance with IFRS 2, an adapted "exchange options" model (spread option model) was used to calculate the value of the stock options. This model applied the following valuation parameters:

		as at 31 Dec. 2007	as at 31 Dec. 2006
60-day average of Deutsche Börse AG shares	€	116.65	65.06
60-day average of DJ STOXX 600 Technology (EUR) (Return)	points	406.02	375.98
Volatility of Deutsche Börse AG shares[1]	%	26.7–38.0	24.7–33.0
Volatility of DJ STOXX 600 Technology (EUR) (Return)[2]	%	18.5–28.2	14.0–36.8
Correlation[3]	%	17.8–44.0	32.9–64.6

1) The underlying volatility of the individual tranches was: Tranche 2003: 38.0 percent (2006: 27.6 percent); Tranche 2004: 30.0 percent (2006: 24.7 percent); Tranche 2005: 28.1 percent (2006: 26.3 percent); and Tranche 2006: 26.7 percent (2006: 27.8 percent).
2) The volatility of the index was: Tranche 2003: 28.2 percent (2006: 17.8 percent); Tranche 2004: 19.8 percent (2006: 20.3 percent); Tranche 2005: 18.5 percent (2006: 29.8 percent); and Tranche 2006: 21.2 percent (2006: 36.8 percent).
3) The correlation was: Tranche 2003: 17.8 percent (2006: 43.9 percent); Tranche 2004: 44.0 percent (2006: 39.0 percent); Tranche 2005: 40.7 percent (2006: 33.8 percent); and Tranche 2006: 36.5 percent (2006: 32.9 percent).

The option pricing model does not include any exercise hurdles and assumes that options will be held for the maximum holding period. The volatilities applied correspond to the market volatilities of comparable options with matching maturities. This results in the following valuations as at 31 December 2007:

	Balance as at 31 Dec. 2007	Opening Share Price[1]	Opening index price	Intrinsic value/option	Option value/option	Payment obligation	Provision as at 31 Dec. 2007
	Number	€	Points	€	€	€m	€m
Tranche 2003[2]	711	17.80	249.3	492.48	492.48	0.4	0.4
Tranche 2004[2]	14,254	20.78	320.2	434.56	434.56	6.2	6.2
Tranche 2005	344,429	21.32	302.64	412.98	413.04	142.2	138.3
Tranche 2006	407,235	42.25	365.27	164.93	165.72	67.2	43.2
Total	766,629					216.0	188.1

1) Adjusted on account of the corporate actions
2) The 2003 and 2004 tranches, i. e. a total of 14,965 options, were exercisable as at 31 December 2007.

In accordance with IFRS 2, the full value of the stock options in the 2005 to 2006 tranches is added to provisions proportionately over the vesting period of the options. Provisions amounting to €188.1 million (2006: €84.2 million) were recognized as at the closing date of 31 December 2007. Of this amount, €43.2 million (2006: €55.3 million) are long-term provisions. Members of the Executive Board accounted for €21.8 million of the total provisions (2006: €16.4 million, €6.9 million of which for members active at the balance sheet date) and members of the Supervisory Board for €2.0 million (2006: €1.9 million). The total cost of the options in the year under review was €142.0 million (2006: €73.3 million). Executive Board members active at the balance sheet date accounted for €17.1 million (2006: €6.2 million) of this amount, while Executive Board members who left the Board during the year under review accounted for €–5.3 million (2006: €8.6 million) – the severance commitments also covered long-term incentive components – and members (as well as former members) of the Supervisory Board accounted for €1.4 million (2006: €1.4 million). For details of the stock options granted to members of the Executive Board, please also refer to the remuneration report in the Group management report.

The following table shows the number of allocated stock options:

Stock options allocated

	Balance as at 31 Dec. 2006	Additions	Options exercised	Options forfeited	Balance as at 31 Dec. 2007
to the Supervisory Board	9,917	0	5,437	0	4,480
to the Executive Board	232,242	0	26,137	90,698	115,407
to other senior executives	778,500	0	125,585	6,173	646,742
Total stock options allocated	1,020,659	0	157,159	96,871	766,629

The average exercise price of the 157,159 (2006: 150,987) stock options paid out during the year under review amounted to €240.53 (2006: €130.69).

Stock Bonus Plan

The Company introduced a Stock Bonus Plan (SBP) for the members of the Executive Board and senior executives in 2007 as a long-term incentive component. It replaced the phantom stock option plan of previous years.

In order to participate in the SBP, a beneficiary must have earned a bonus. The number of SBP shares granted is determined by the amount of the individual and performance-based SBP bonus, divided by the market price of the Company (closing auction price of Deutsche Börse shares in electronic trading on the Frankfurt Stock Exchange) on the date the bonus is calculated. Neither the converted SBP bonus nor the number of SBP shares is paid at the time the bonus is determined. Rather, the entitlements are received two years after being granted (“waiting period”). Within this period, beneficiaries cannot assert shareholder rights (in particular, the right to receive dividends and attend the Annual General Meeting). The payment claim resulting from the SBP is calculated on the first trading day following the last day of the waiting period. The current market price on that day (closing auction price of Deutsche Börse shares in electronic trading on the Frankfurt Stock Exchange) is multiplied by the number of SBP shares. The Company has the option to settle a beneficiary’s payment claim in cash or shares.

In accordance with IFRS 2, the Company uses an adjusted Black-Scholes model (Merton model) to calculate the fair value of the SBP shares. This model is based on the following valuation parameters:

		Tranche 2007
Term until		31 Jan. 2010
Risk-free interest rate	%	4.15
Volatility	%	28.1
Deutsche Börse AG share price	€	135.75
Dividend yield	%	1.8
Exercise price	€	0
Fair value	€	130.83

The valuation model does not take exercise hurdles into account. The volatilities applied correspond to the market volatilities of comparable options with matching maturities. This resulted in the following valuations as at 31 December 2007:

	Projected balance as at 31 Dec. 2007 Number	Deutsche Börse AG share price €	Intrinsic value/option €	Option value/option €	Payment obligation €m	Reserves 31 Dec. 2007 €m
Tranche 2007[1]	105,827[2]	135.75[2]	135.75[2]	130.83[2]	14.4[2]	4.2[2]
Total	105,827				14.4	4.2

1) The number of SBP shares exercisable on 31 December 2007 was zero.
2) As the grant date is not until the 2008 financial year, the number may change.

In accordance with IFRS 2, the total amount for the number of SBP shares is measured at the fair value on the grant date or the reporting date, and recognized in the income statement over the three year vesting period. Group equity is increased accordingly.

At the 31 December 2007 reporting date, reserves in the amount of €4.2 million (2006: n.a.) were reported. €4.2 million of these reserves is long-term (2006: n.a.), and €0.9 million (2006: n.a.) was attributable to members of the Executive Board. The total expense for the number of SBP shares was €4.2 million (2006: n.a.). Of this, €0.9 million was attributable to members of the Executive Board (2006: n.a.). For details on the projected number of SBP shares that could be granted to members of the Executive Board, please also refer to the remuneration report.

The following table shows the number of the SBP shares allocated:

SBP shares

	Balance as at 31 Dec. 2006	Additions	Options exercised	Options forfeited	Balance as at 31 Dec. 2007
to the Executive Board	0	23,422[1]	0	0	23,422[1]
to other senior executives	0	82,405[1]	0	0	82,405[1]
Total	0	105,827[1]	0	0	105,827[1]

1) Because shares will not be granted until 2008, this number can change.

Group Share Plan, GSP

Employees of the Deutsche Börse Group who are not members of the Executive Board or senior executives have the opportunity to subscribe for shares of Deutsche Börse AG at a discount of up to 40 percent of the issue price. This discount is based on the employee's performance assessment and length of service. Following approval by the Annual General Meeting on 11 May 2007, the Company established an additional tranche for the Group Share Plan. Under the GSP 2007 tranche, and depending on their basic salary, eligible employees were able to buy up to 400 shares of the Company (2006: 400 shares) at a discount of between 20 and 40 percent (2006: between 20 and 40 percent). For the first time, eligible employees received one additional Deutsche Börse share ("bonus share") for every ten Deutsche Börse shares purchased. These shares must be held for at least two years.

From 2003 to 2006, employees participating in the GSP received an additional stock option for each share acquired through the GSP, which they can exercise after two years at a fixed premium to the issue price. The issue price of these additional options consists of the exercise price, which corresponds to the volume-weighted average price of the shares in the closing auctions in Xetra trading on the ten trading days prior to the stock options' grant date, but at a minimum to the closing price on the grant date of the stock options, plus a premium of 20 percent of the exercise price. Options may not be exercised in the first two years, and expire without compensation if not exercised within six years. Following the capital increase from retained earnings in 2007, each individual option entitles the holder to subscribe for two Deutsche Börse shares unless Deutsche Börse AG exercises its right to settle in cash.

In accordance with IFRS 2, the stock options allocated under the 2004 to 2006 tranches were measured at their fair value at the grant date, and the options allocated under the 2003 tranche were measured at their fair value at the balance sheet date. The fair value of the options was calculated using a Merton model and applying the following assumptions:

		Tranche 2003[1]	Tranche 2004[2]	Tranche 2005[2]	Tranche 2006[2]
Term until		30 June 2009	30 June 2010	30 June 2011	30 June 2012
Risk-free interest rate	%	4.30	3.86	2.79	3.93
Volatility of Deutsche Börse AG shares	%	38.0	19.15	21.37	37.68
Deutsche Börse AG share price	€	135.75	20.95	33.45	54.55
Dividend yield	%	1.59	1.46	2.50	2.63
Exercise price	€	28.41[3]	25.92	38.85	63.90
Fair value	€	214.68	5.59	8.78	28.90

1) Valuation parameters and fair value at the balance sheet date 31 December 2007
2) Valuation parameters and fair value at the grant date (capital increase taken into account)
3) As a consequence of the corporate actions implemented, the exercise price of €55.33 was adjusted.

Apart from the vesting period, the valuation model does not include any exercise hurdles and assumes that options will be held for the maximum holding period. The volatilities applied correspond to the market volatilities of comparable options with matching maturities.

In total, some 50 percent (2006: 27 percent) of eligible employees subscribed for a total of 240,808 (2006: 116,484) shares under the GSP. These shares were all purchased in the market. The difference between the average purchase price and the average subscription price paid by employees, amounting to €8.8 million (2006: €2.2 million), was charged to staff costs.

In the year under review, the GSP-related stock options resulted in staff costs of €3.2 million (2006: €2.8 million), of which €0.9 million (2006: €0.7 million) was attributable to equity-settled share-based payments.

The 2003 tranche stock options recognized as a provision (for full details, please refer to note 3) are measured at current market prices at the closing date concerned. At the balance sheet date, this provision amounted to €2.9 million (2006: €1.7 million); this amount reflects the intrinsic value of the options that were exercisable at the balance sheet date.

The following table shows the changes in the numbers of employee stock options in the year under review:

Employees' stock options

	Balance as at 31 Dec. 2006	Additions	Options exercised	Options forfeited	Balance as at 31 Dec. 2007
Tranche 2003[1]	20,592	0	6,940	100	13,552
Tranche 2004[1]	36,537	0	15,447	150	20,940
Tranche 2005[1]	85,567	0	40,935	950	43,682
Tranche 2006	57,442	0	0	1,550	55,892
Total stock options allocated	200,138	0	63,322	2,750	134,066

1) Exercisable at 31 December 2007; a total of 78,174 options from the 2003 to 2005 tranches (2006: 57,129 from the 2003 and 2004 tranches)

The weighted average share price for the options exercised in the year under review amounted to €95.22 (2006: €60.08).

48. Executive bodies

The members of the Company's executive bodies are listed in the "Executive Board" and "Supervisory Board" chapters of the annual report.

49. Corporate governance

On 6 December 2007, the Executive and Supervisory Boards issued the latest version of the declaration of conformity in accordance with section 161 of the AktG (Aktiengesetz, the German Stock Corporation Act) and made it permanently available to shareholders on the Company's website.

50. Related party disclosures

Related parties as defined by IAS 24 are the members of the executive bodies of Deutsche Börse AG, those companies classified as its associates and other investors, and companies that are controlled or significantly influenced by members of its executive bodies.

The remuneration of the individual members of the Executive and Supervisory Boards is presented in the remuneration report. The remuneration report is a component of the Group management report, and thus of this financial report, which is audited by the auditors.

Executive Board

In 2007, the fixed and variable remuneration of the members of the Executive Board, including non-cash benefits, amounted to a total of €12.2 million (2006: €9.2 million). Details of the stock option plan for members of the Executive Board are presented in note 47.

In 2007, €16.6 million (2006: €0 million) was recognized in the consolidated income statement as expenses for non-recurring termination benefits for Executive Board members.

The actuarial present value of the pension obligations to Executive Board members was €16.2 million in financial year 2007 (2006: €14.3 million). Expenses of €3.6 million (2006: €5.1 million) were recognized as additions to pension provisions.

Former members of the Executive Board or their surviving dependents

The remuneration paid to former members of the Executive Board or their surviving dependents amounted to €0.9 million in 2007 (2006: €0.7 million). The actuarial present value of the pension obligations was €30.3 million in financial year 2007 (2006: €26.0 million). The increase can be accounted for by the retirement of two members of the Executive Board in the year under review and the associated immediate addition of the pension to the pension obligations.

Supervisory Board

The aggregate remuneration paid to members of the Supervisory Board in financial year 2007 was €2.2 million (2006: €2.2 million). A total expense of €0.9 million was recognized for the phantom stock options granted under the phantom stock option plan until financial year 2004 (2006: €0.9 million); see also note 47.

Supervisory Board member Friedrich von Metzler is the personally liable partner of B. Metzler seel. Sohn & Co. KGaA, Frankfurt/Main. Deutsche Börse AG and some of its subsidiaries have established a contractual trust arrangement (CTA) with this company. Expenses totalling €212,000 are included in the consolidated income statement in respect of these services during 2007 (2006: €120,000).

Other transactions with related companies

The following table shows the other material transactions with companies classified as related parties. All transactions were effected on an arm's length basis.

	Amount of the transactions		Outstanding balances	
	2007 €m	2006 €m	2007 €m	2006 €m
Associates:				
License fees paid by Eurex Frankfurt AG to STOXX Ltd.	–18.8	–12.2	–4.7	–3.0
Operation of Eurex software for European Energy Exchange AG by Deutsche Börse Systems AG	11.3	9.6	1.1	1.7
Provision of price data by STOXX Ltd. to Deutsche Börse AG	–3.9	–3.0	0	0
Operation of the trading system for U.S. Futures Exchange LLC by Deutsche Börse Systems AG	5.6	5.1	0.6	5.1
Administrative services and index calculation services by Deutsche Börse AG for STOXX Ltd.	0.4	0.9	0	0
Operation and development of Xontro by Deutsche Börse Systems AG for BrainTrade Gesellschaft für Börsensysteme mbH	24.7	23.3[1]	2.0	2.3[1]
Operation of the floor trading system by BrainTrade Gesellschaft für Börsensysteme mbH for Deutsche Börse AG	–10.8	–16.2[1]	–1.0	–1.5[1]
Operation of the floor trading system by BrainTrade Gesellschaft für Börsensysteme mbH for Börse Scoach Europa AG	–4.7	–	–0.4	–
Money market transactions with European Commodity Clearing AG[2]	–1.0	0	–95.1[3]	0[3]
Other transactions with associates	–	–	0.7	3.9
Total associates			–96.8	8.5
Other investors:				
Office and administrative services for SWX Swiss Exchange AG by Eurex Zürich AG	35.4	23.6	6.5	1.1
Office and administrative services for Scoach Schweiz AG by SWX Swiss Exchange AG	5.8	–	0.3	–
Office and administrative services for Eurex Zürich AG by SWX Swiss Exchange AG	–9.0	–11.0	–1.1	–1.6
Development of Eurex software by Deutsche Börse Systems AG for SWX Swiss Exchange AG	6.5	4.9	1.0	0.8
Office and administrative services for Eurex Frankfurt AG by SWX Swiss Exchange AG	–6.2	–4.0	–1.6	–0.7
Transfer of revenue from Eurex fees by Eurex Zürich AG to SWX Swiss Exchange AG	n.a.[4]	n.a.[4]	–9.2	–8.4
Other transactions with other investors	–	–	0.3	–6.5
Total other investors			–3.8	–15.3

1) Disclosed in the previous year under other investors
2) The European Commodity Clearing AG is a subsidiary of European Energy Exchange AG, in which Deutsche Börse AG has a direct equity interest of 23.2 percent.
3) Contained in "liabilities from banking business"
4) Forwarded directly; not included in the income statement

51. Shareholders

The Children's Investment Fund Management (UK) L.L.P., London, UK, has informed Deutsche Börse AG in accordance with section 21 (1) of the WpHG (Wertpapierhandelsgesetz, the German Securities Trading Act) that its share of Deutsche Börse AG's voting rights has been higher than 10 percent since 10 April 2006, and that these voting rights are attributable to it in accordance with section 22 (1) sentence 1 no. 6 of the WpHG.

The Children's Investment Master Fund, George Town, Cayman Islands, a fund managed by The Children's Investment Fund Management (UK) L.L.P., has informed Deutsche Börse AG in accordance with section 21 (1) of the WpHG that its share of Deutsche Börse AG's voting rights has been higher than 10 percent since 10 April 2006. This share is included in the above-mentioned share held indirectly by The Children's Investment Fund Management (UK) L.L.P.

Mr Timothy Barakett, New York, USA, has informed Deutsche Börse AG in accordance with section 21 (1) of the WpHG that his share of Deutsche Börse AG's voting rights has been higher than 5 percent since 11 May 2005, and that these voting rights are attributable to him in accordance with section 22 (1) sentence 1 no. 6, sentences 2 and 3 of the WpHG.

Atticus Management LLC (formerly Atticus Capital, L.L.C.), New York, USA, has informed Deutsche Börse AG in accordance with section 21 (1) of the WpHG that its share of Deutsche Börse AG's voting rights has been higher than 5 percent since 11 May 2005, and that these voting rights are attributable to it in accordance with section 22 (1) sentence 1 no. 6 of the WpHG, and as of 1 January 2006 in accordance with section 22 (1) sentence 1 no. 6 sentence 2 of the WpHG. This share is included in the above-mentioned share held indirectly by Mr Timothy Barakett.

Atticus Holdings LP (formerly Atticus Capital LP), New York, USA, has informed Deutsche Börse AG in accordance with section 21 (1) of the WpHG that its share of Deutsche Börse AG's voting rights has been higher than 5 percent since 1 January 2006, and that these voting rights are attributable to it in accordance with section 22 (1) sentence 1 no. 6, and since 1 January 2008 in accordance with section 22 (1) sentence 1 no. 6, sentences 2 and 3 of the WpHG. This share is included in the above-mentioned share held indirectly by Mr Timothy Barakett.

Atticus LP Incorporated, St. Peter Port, Guernsey, has informed Deutsche Börse AG in accordance with section 21 (1) of the WpHG that its share of Deutsche Börse AG's voting rights has been higher than 5 percent since 1 January 2008, and that these voting rights are attributable to it in accordance with section 22 (1) sentence 1 no. 6, sentences 2 and 3 of the WpHG. This share is included in the above-mentioned share held indirectly by Mr Timothy Barakett.

Atticus Capital Holdings LLC, New York, USA, has informed Deutsche Börse AG in accordance with section 21 (1) of the WpHG that its share of Deutsche Börse AG's voting rights has been higher than 5 percent since 1 January 2008, and that these voting rights are attributable to it in accordance with section 22 (1) sentence 1 no. 6, sentences 2 and 3 of the WpHG. This share is included in the above-mentioned share held indirectly by Mr Timothy Barakett.

Atticus Capital LP (formerly ACM US LP), New York, USA, has informed Deutsche Börse AG in accordance with section 21 (1) of the WpHG that its share of Deutsche Börse AG's voting rights has been higher than 5 percent since 1 January 2008, and that these voting rights are attributable to it in accordance with section 22 (1) sentence 1 no. 6 of the WpHG. This share is included in the above-mentioned share held indirectly by Mr Timothy Barakett.

Atticus Management Limited, St. Peter Port, Guernsey, has informed Deutsche Börse AG in accordance with section 21 (1) of the WpHG that its share of Deutsche Börse AG's voting rights has been higher than 5 percent since 1 January 2008, and that these voting rights are attributable to it in accordance with section 22 (1) sentence 1 no. 6 of the WpHG. This share is included in the above-mentioned share held indirectly by Mr Timothy Barakett.

Atticus European Fund, Ltd., and Atticus Global Advisors, Ltd., hold at least 3 percent of Deutsche Börse AG's voting right shares which are attributable to Atticus Capital LP, New York, USA, Atticus Management Limited, St. Peter Port, Guernsey, Atticus LP Incorporated, St. Peter Port, Guernsey, Atticus Capital Holdings L.L.C., New York, USA, Atticus Holdings LP, New York, USA, and Mr Timothy Barakett in accordance with section 22 (1) sentence 1 no. 6 of the WpHG (in conjunction with section 22 (1) sentences 2 and 3).

FMR LLC (Fidelity Management & Research), Boston, USA, has informed Deutsche Börse AG in accordance with section 21 (1) of the WpHG that its share of Deutsche Börse AG's voting rights has been higher than 3 percent since 9 October 2007, and that these voting rights are attributable to it in accordance with section 22 (1) sentence 1 no. 6 and sentence 2 of the WpHG.

52. Employees

	2007	2006
Average number of employees during the year	3,052	2,935
Employed as at the balance sheet date	3,281	2,966
thereof Deutsche Börse Group without ISE	3,039	2,966
thereof International Securities Exchange Holdings Inc. (ISE)	242	–

Of the average number of employees during the year, 9 (2006: 10) were classified as Managing Directors (excluding Executive Board members), 364 (2006: 319) as senior executives and 2,679 (2006: 2,606) as employees.

There was an average of 2,854 full-time equivalent (FTE) employees during the year (2006: 2,739). Please refer also to the "Employees" section in the Group management report.

53. Events after the balance sheet date

The Company announced on 11 January 2008 that it was planning to move its employees currently stationed in Frankfurt-Hausen to neighbouring Eschborn. A new, modern building is scheduled to be completed by summer 2010 that Deutsche Börse will then rent. During the second quarter of 2008, around 1,000 employees will be transferred temporarily to an existing building in Eschborn. The move will significantly reduce Deutsche Börse's trade tax burden and lower its building occupancy expenses. The tax savings the move is expected to generate are described in more detail in the report on expected developments. Deutsche Börse is expecting its tax rate to fall from the current 31 to 33 percent to below 30 percent in 2008, and to 25 to 27 percent by 2010. The acquisition of the New York options exchange ISE and the effects of the German business tax reform are also factored into these assumptions. The Company's headquarters will continue to be in Frankfurt and its trading venue will remain the Frankfurt Stock Exchange, with floor trading in the old stock exchange situated in the center of Frankfurt/Main.

54. Date of approval for publication

Deutsche Börse AG's Executive Board approved the consolidated financial statements for submission to the Supervisory Board on 22 February 2008. The Supervisory Board is responsible for examining the consolidated financial statements and stating whether it endorses them.

Reto Francioni	Thomas Eichelmann	Frank Gerstenschläger
Michael Kuhn	Andreas Preuß	Jeffrey Tessler

Group Management Report

2007 was the most successful year so far in the history of Deutsche Börse Group. Sales revenue increased by 18 percent to €2,185.2 million. Earnings per share were up by 40 percent to €4.70.

Business and operating environment

Overview of Deutsche Börse Group

Business operations and Group structure

Deutsche Börse Group, headquartered in Frankfurt/Main, Germany, employs around 3,300 people altogether and maintains 18 branches and representative offices in 15 countries. As one of the largest marketplace organizers worldwide, Deutsche Börse Group offers its customers a broad portfolio of products and services. These cover the entire process chain from trading and clearing of equities and derivatives, transaction settlement, custody and management of securities and the provision of market information down to the development and operation of electronic systems. With its process-oriented business model, the Group improves capital market efficiency. Issuers benefit from low costs of capital, while investors enjoy high liquidity and low transaction fees.

Deutsche Börse Group is composed of Deutsche Börse AG and its subsidiaries, associates and joint ventures.

Deutsche Börse AG itself operates the Frankfurt Stock Exchange's cash market via the fully electronic Xetra trading platform and floor trading. It also sells price and reference data and develops indices.

Eurex Zürich AG, a joint venture between Deutsche Börse AG on the one hand and SWX Swiss Exchange AG on the other, and its subsidiaries operate the derivatives market and offer clearing services. On 19 December 2007, Eurex Frankfurt AG completed the acquisition of International Securities Exchange Holdings Inc. (ISE) announced on 30 April 2007. This merger enabled Eurex to extend its global liquidity network to include the US market and to expand its offering of US dollar products.

On 1 January 2007, Deutsche Börse AG and SWX Group established a joint venture for trading in structured products (certificates, investment and leverage products). Since 1 September 2007, the joint venture has been operating under the name Scoach Holding S.A.

Simplified shareholding structure of Deutsche Börse Group as at 31 December 2007

All post-trade services, such as securities custody, administration and transaction settlement, are handled by Clearstream International S.A. and its subsidiaries.

In addition, Deutsche Börse Systems AG and Clearstream Services S.A. build and operate the technological infrastructure of Deutsche Börse Group.

The chart on the previous page gives an overview of Deutsche Börse Group's principal shareholdings; its basis of consolidation is presented in full in note 2 of the notes to the consolidated financial statements.

Company management

The legal bodies of Deutsche Börse AG, as a German stock corporation, are the Annual General Meeting, the Supervisory Board and the Executive Board, each of which has its own areas of responsibility.

The Annual General Meeting resolves the appropriation of the unappropriated surplus, appoints the Supervisory Board and resolves on the approval of the acts of the Executive Board and the Supervisory Board retrospectively. In addition, it resolves corporate actions and other matters governed by the AktG (Aktiengesetz, the German Stock Corporation Act). The Supervisory Board appoints, supervises and advises the Executive Board and is directly involved in key decisions affecting the Company. Additionally, it adopts the annual financial statements together with the Executive Board. Members of the Supervisory Board are appointed for a period of three years; however, when electing members to the Supervisory Board, the Annual General Meeting may determine a shorter term of office. The Supervisory Board of Deutsche Börse AG is composed of 21 members: 14 shareholder and seven employee representatives. The Executive Board is solely responsible for managing the Company, the Chief Executive Officer coordinates the activities of the Executive Board members. As at 31 December 2007, the Executive Board of Deutsche Börse AG was composed of six members.

The compensation system and the compensation paid to the individual members of the Executive Board of Deutsche Börse AG are presented in the remuneration report. It forms part of this Group management report and accordingly has been audited by the auditors.

Reporting segments

For the purposes of corporate management and financial reporting, Deutsche Börse Group structures its business activities using the following segments: Xetra, Eurex, Clearstream, Market Data & Analytics and Information Technology. The Corporate Services segment provides internal services and covers the central functions within the Group.

Reporting segment	Business areas
Xetra	Cash market using the Xetra electronic trading system and floor trading
	Central counterparty for equities
	Trading platform for structured products (Scoach)
	Admission of securities to listing
Eurex	Eurex electronic derivatives market trading platform
	Electronic equity options trading platform ISE
	Eurex Bonds and Eurex Repo over-the-counter (OTC) trading platforms
	Central counterparty for bonds, derivatives and repo transactions
Clearstream	Custody, administration and settlement services for domestic and foreign securities
	Global securities financing services
	Investment funds services
Market Data & Analytics	Sales of price information and information distribution
	Index development and sales
Information Technology	Development, building and operation of technological infrastructures
	Provision of IT solutions
Corporate Services	Group strategy
	Responsibility for central functions

Organizational structure

Deutsche Börse Group modified its organizational structure effective 1 July 2007 (see chart on the next page). The new structure mirrors the three market areas: cash market, derivatives market and market data, and securities settlement and custody. The aim of the new structure is to even better fulfill customer requirements and improve the Group's own efficiency. The functions of the former Operations segment were integrated into the respective market areas, which are therefore responsible for the management and functional development of the systems and the operation of their markets. This new structure strengthens Deutsche Börse Group's successful integrated business model.

Internal control system

The Executive Board of Deutsche Börse Group has implemented an internal control system designed to ensure the effectiveness and profitability of the Group's operations, to avert or uncover financial damage, and thus protect all its business assets. The internal control system is also an integral part of Deutsche Börse Group's anti-fraud management. The Executive Board has put Group Compliance in charge of coordinating and organizing the internal control system throughout the Group, as well as reporting periodically to the Executive and Supervisory Boards on its effectiveness.

Deutsche Börse Group's internal control system comprises both integrated and independent controls. The managers of the individual business areas are accountable for the effectiveness of the integrated controls and ensure that risks in the business processes are identified at an early stage. They report on the effectiveness of the integrated controls at regular intervals. Implementing independent controls within the business areas is the responsibility of Internal Auditing.

In the Financial Accounting and Controlling department, the internal control system serves in particular to ensure proper bookkeeping and accounting so that the presentation of the net assets, financial position and the results of operations in single-entity and consolidated financial statements of Deutsche Börse Group and its subsidiaries is complete and correct.

Disclosures in accordance with section 315 (4) HGB

In accordance with section 315 (4) of the HGB (Handelsgesetzbuch, the German Commercial Code), Deutsche Börse AG makes the following disclosures as at 31 December 2007:

The share capital of Deutsche Börse AG amounts to €200,000,000 and is composed of 200,000,000 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.

In 2006, The Children's Investment Fund Management (UK) L.L.P., 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 Children's Investment Fund Management indirectly held 10.06 percent of the voting rights or 10,264,953 votes at that date. In the same year 2006, The Children's Investment Master Fund, George Town, Cayman Islands, a fund managed by The Children's Investment Fund Management (UK) L.L.P., 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. This share is included in the above-mentioned share held indirectly by The Children's Investment Fund Management (UK) L.L.P.

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

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

Organizational structure of Deutsche Börse Group as at 31 December 2007

Executive Committee					
R. Francioni (CEO)	T. Eichelmann (CFO)	F. Gerstenschläger (Cash)	A. Preuß (Derivatives & Market Data)	J. Tessler (Clearstream)	M. Kuhn (IT)
Corporate Center					
Cash		Derivatives & Market Data		Clearstream	
Information Technology					

Members of the Executive Board are appointed and dismissed in accordance with sections 84 and 85 of the AktG. 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 otherwise stipulated by explicit requirements of the AktG. 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' pre-emptive rights, derives from Article 4 (3) of the Articles of Association.

The Executive Board is furthermore 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' pre-emptive rights, derives from Article 4 (4) of the Articles of Association.

In addition, the Executive Board is authorized until 10 May 2012 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 €6,000,000 (authorized share capital IV). In the process, shareholders must be granted pre-emptive rights unless the Executive Board makes use of the authorization granted to it to disapply the shareholders' pre-emptive rights with the approval of the Supervisory Board. The Executive Board is authorized, with the approval of the Supervisory Board, to eliminate fractions from the shareholders' pre-emptive rights. The Executive Board is additionally authorized, subject to the approval of the Supervisory Board, to disapply shareholders' pre-emptive rights in order to issue up to 900,000 new shares per financial year to members of the Executive Board and employees of the Company as well as to members of the executive boards or management and employees of its affiliated companies within the meaning of sections 15 et seqq. of the AktG. Full authorization derives from Article 4 (7) 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 €6,000,000 by issuing up to 6,000,000 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 7 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 €60,000,000 by issuing up to 60,000,000 no-par value registered contingent shares (contingent 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. They 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 Executive Board is authorized to acquire up to 10 percent of the share capital as at the date of the Annual General Meeting on 11 May 2007 as treasury shares. However, the shares acquired, together with any shares acquired for other reasons that are held by or allocated to the Company in accordance with sections 71a et seqq. of the AktG, may at no time exceed 10 percent of the Company's share capital. The authorization to acquire treasury shares is valid until 31 October 2008 and may be exercised in full or in part on one or more occasions by the Company. However, it may also be exercised by dependent companies, by companies in which the Company holds a majority interest, or by third parties on its or their behalf. The Executive Board may elect to acquire the shares 1) on the stock exchange, 2) via a public tender offer addressed to all shareholders or via a public request for offers of sale addressed to the Company's shareholders, 3) by issuing tender rights to shareholders, or 4) through the use of derivatives (put or call options or a combination of both). The full and exact wording of the authorization to acquire treasury shares, and particularly the permissible uses to which they may be put, can be found in item 8 of the agenda of the Annual General Meeting of 11 May 2007.

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 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 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 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 US$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 required 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. In the terms of this facility agreement, a person or group of persons have control if they coordinate their actions and/or if they have the opportunity to govern the business of the Company or to determine the composition of the majority of the Executive Board.

- On 22 October 2007, Deutsche Börse AG concluded a facility agreement with a consortium of 15 banks for a bridge loan of US$700,000,000 and €1,000,000,000 for the purposes of financing part of the acquisition of ISE Holdings. 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 required 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. In the terms of this facility agreement, a person or group of persons have control if they coordinate their actions and/or have the opportunity to govern the business of Deutsche Börse AG or Eurex Frankfurt AG or to determine the composition of the majority of the Executive Board.
- As part of the acquisition of ISE, it was agreed that no person or group may directly or indirectly acquire more than 40 percent of the shares in ISE or control over the voting rights attached to more than 20 percent of the shares in ISE without the prior approval of the US Securities and Exchange Commission (SEC). Otherwise, the requisite number of ISE shares must be transferred to a trust so as to comply with the limits.
- Members of Deutsche Börse AG's Executive Board have a special right of termination in the event of a change of control. According to the agreements with all 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, the German Securities Trading Act) its ownership of more than 50 percent of the 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, the German Reorganization and Transformation Act).

In addition to the above-mentioned agreements, Deutsche Börse AG and its subsidiaries are party to further agreements that are subject to a change of control provision in the event of a takeover offer. However, in the opinion of Deutsche Börse AG, they are not material within the meaning of section 315 (4) HGB.

The compensation agreements entered into with the members of the Executive Board in the event of a takeover offer can be found in the remuneration report.

Strategy and internal management control

Strategy

In recent years, Deutsche Börse Group has developed into one of the largest exchange organizations in the world and achieved sustained increases in its enterprise value. The strategy that has enabled the Company to achieve its leading position will continue to be pursued. In this context, Deutsche Börse Group will continue to target organic growth, but will also consider external opportunities for development if these appear likely to be commercially worthwhile.

The foundation for this ongoing growth is the Group's integrated business model. With the aim of offering customers efficient and cost-effective services, the model is based on two key pillars:

- The integration of different financial market services such as trading, clearing, settlement, administration and custody
- The provision of these services for different asset classes such as equities, bonds, funds and derivatives

The efficiency of the business model is reflected on the one hand by the fact that Deutsche Börse Group is one of the providers of trading, clearing and settlement services with the most attractive prices, and on the other in the profitability of the Company. Deutsche Börse Group is one of the most profitable companies in its sector, with an EBITA margin (earnings before interest, tax and goodwill impairment) of 62 percent in the year under review.

The organic growth targeted by Deutsche Börse Group is influenced by the following factors:

- The performance of the financial markets in line with general economic conditions (e.g. increase in volatility in the cash market)
- Structural changes in the financial markets (e.g. increasing use of derivatives by investment funds)
- The Company's ability to innovate (e.g. constant introduction of new products and services)

While the Company cannot affect the performance of the financial markets, since these evolve in line with general economic conditions, it is able to exert an influence on the latter two factors in part or in full and to continue to reduce its dependence on the factors outside its control.

In order to take advantage of opportunities for external growth, Deutsche Börse Group constantly monitors and assesses the possibilities which arise. The successful merger with ISE shows that the Company is open to cooperation and business combinations in various forms, provided that these create value for the Company and its shareholders.

Internal management control

Deutsche Börse Group's internal management control system is primarily based on the performance indicators EBITA, costs, return on shareholders' equity and interest cover ratio (the ratio of consolidated EBITDA to interest expense).

Deutsche Börse Group manages its EBITA via revenue and costs. 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 (performance of the financial markets, structural changes and the Company's ability to innovate). Net interest income from banking business is dependent on the development of Clearstream's international settlement business on the one hand and the development of short-term interest rates in the euro zone and the US on the other. Own expenses capitalized comprise development costs for internally generated computer software. Other operating income results mainly from operating the Eurex Zürich derivatives market for SWX Swiss Exchange AG.

With regard to costs, the Company distinguishes between fee and commission expenses from banking business, staff costs, depreciation, amortization and impairment losses (excluding goodwill impairment) and other operating expenses. Fee and commission expenses from banking business are a variable cost component whose amount depends on the development of the international settlement and custody business at Clearstream. 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 share price, since they also include changes in the provisions and payments in respect of the stock option plan that was terminated in 2006 and the stock bonus plan for members of the Executive Board and senior executives that was launched in 2007. The depreciation, amortization and impairment losses for intangible assets, property, plant and equipment, and investment property (excluding goodwill) 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 include fee and commission expenses from banking business, the operation of the floor trading system and various license fees, among other items.

In November 2006, Deutsche Börse Group announced its cost target for the year under review: to close financial year 2007 with a moderate, to a large extent inflation-driven increase in costs of 3 to 5 percent. However, costs in 2007 were negatively impacted by exceptional expenses, in particular by provisions for the stock option plan, which were higher than expected, by severance payments and by provisions for restructuring costs. These exceptional expenses amounted to around €170 million in total and thus accounted for the increase in total costs in the year under review by 21 percent over the previous year. Total costs amounted to €1,323.5 million in 2007 (2006: €1,092.4 million).

In September 2007, Deutsche Börse Group announced a restructuring and efficiency program aimed at further optimizing operating costs. In the financial years 2008 to 2010, the program is expected to generate successively increasing cost savings, from 2010 onwards these are expected to amount to €100 million p.a., while investments in future growth should remain constant. In the year under review, provisions of some €50 million were recognized for the restructuring costs required to achieve the savings. Further details on the restructuring and efficiency program are provided in the report on expected developments on pages 30 to 33.

The return on shareholders' equity after taxes is another key performance indicator underlying Deutsche Börse Group's strategy. It represents the ratio of after-tax earnings to the average equity available to the Company in 2007. Last year, this ratio increased to 39.4 percent (2006: 30.1 percent), due to the significant growth in earnings.

In September 2007, Deutsche Börse Group resolved a revised financing concept for the acquisition of ISE with the aim of further improving the capital structure and resuming its share buy-back program. The financing concept provides for the issue of debt securities and hybrid instruments totalling around €1.5 billion. The aim in targeting an interest cover ratio (ratio of consolidated EBITDA to interest cost on financial liabilities) of at least 16 for Deutsche Börse Group and at least 25 for Clearstream, and complying with specific capital adequacy measures for Clearstream, is to maintain Clearstream's current 'AA' rating. Further information on the program is presented in the "Financial assets" section (see page 20).

Economic environment

The macroeconomic environment continued to develop positively in the past financial year. According to current estimates, real GDP in the OECD countries rose by an average of 2.7 percent (2006: 3.2 percent). At the same time, 2007 was dominated by substantial volatility on the financial markets, increased commodity prices and the continuing weak dollar. According to figures published by the World Bank, the global economy grew by 3.6 percent, falling slightly short of market expectations.

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

The German economy continued its strong growth in the year under review, though the pace of growth in the first half of 2007 was somewhat slower than in the previous year. Domestic demand, which had risen in 2006, remained at a lower level in the first six months of 2007 due to the VAT increase that took effect on 1 January 2007, among other things. However, thanks to a buoyant export market and the economic upswing in the second half of the year, the German economy performed better overall in 2007 than the Company had expected. Over the year as a whole, real GDP was up by 2.5 percent year-on-year.

At the European level as well, brisk investment activity and greater demand from export markets provided momentum to the economy. In 2007, according to current estimates, 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 0.5 percentage points over the course of the year to 4.0 percent.

From summer 2007 onwards, the capital markets were impacted by the increased awareness of US subprime credit risk ("subprime crisis"), which lead to a more general repricing of all credit risks. Nevertheless, the US economy grew faster than economists had expected in the year under review. Real GDP is expected to have grown by 2.2 percent in 2007 overall (2006: 2.9 percent). This decrease against the previous years is primarily attributable to the decline in private consumption and residential construction. To counter the risk of an economic downturn and a possible recession, the Federal Reserve cut the federal funds rate over the course of the year to 4.25 percent (end of 2006: 5.25 percent).

In spite of the turmoil caused by the subprime crisis, the financial markets performed well over the year in view of the economic growth, though they did experience much greater volatility.

While equity markets recorded gains in the first half of the year on the back of a positive economic outlook, they stagnated in the second half of 2007 under the weight of the subprime crisis and rising commodity prices. For example, Germany's blue-chip index DAX reached an all-time high of 8,106 points on 16 July and gained 22 percent during the year to reach 8,067 points, in spite of a dip in the second half. In general, the equity markets were affected by structural growth, a significantly greater volatility and much higher trading volumes than in previous years.

Growth of trading activity on selected European cash markets

		2007 billions	Change 2007 vs. 2006 %
Deutsche Börse Group – Xetra[1]	€	2,443	+53
Bolsas y Mercados Españoles[1]	€	1,666	+45
London Stock Exchange[1) 2)]	£	2,150	+42
Euronext[1) 3)]	€	3,305	+39
Borsa Italiana[1) 2)]	€	1,575	+37
OMX	€	1,043	+34

Source: World Federation of Stock Exchanges, own calculations
1) Trading volume in electronic trading (single-counted)
2) Part of the London Stock Exchange Group
3) Part of NYSE Euronext

On the derivatives markets, the turmoil in the international financial markets that unleashed considerable volatility on the Asian exchanges right at the start of 2007 led to a sharp rise in the volumes of equity and equity index derivatives traded. Trading in these products increased further as the year progressed, initially due to the higher valuation of the equity markets and, from August onwards, as a result of the uncertainty generated by the subprime crisis. The trading volume of interest rate derivatives remained consistently high in 2007. Short-term interest rate products benefited most from the tense situation on the money market as a consequence of the subprime crisis.

Growth of trading activity on selected derivatives markets

Traded contracts	2007 millions	Change 2007 vs. 2006 %
CBOE	944	+40
Deutsche Börse Group – ISE	805	+36
Euronext.Liffe	949	+30
CME Group	2,805	+27
Deutsche Börse Group – Eurex	1,900	+24

Source: The exchanges listed

According to the Bank for International Settlements, the face value of bonds issued internationally on the bond markets – a relevant figure for Deutsche Börse Group's custody business – increased by 19 percent to €14.6 trillion between June 2006 and June 2007. In the same period, the face value of securities issued domestically rose by only 4 percent. The higher volume of bond issuance is primarily due to the low interest rates (by long-term standards) and the resulting attractive financing opportunities for issuers. As in 2006, the trend towards the issue of international securities continued in the year under review. After rising by 46 percent in the first two quarters, the net issue volume of bonds issued internationally fell year-on-year in the third quarter as a result of the turbulence in the financial markets.

Development of bond markets

	2007 € trillions	Growth rate %
Bonds outstanding[1]		
international	14.6	19
domestic	31.2	4
Net issue volume[2]		
international	1.4	46
domestic	1.0	3

Source: Bank for International Settlements, as of end of June 2007
1) As of 30 June 2007, growth compared with 30 June 2006
2) First six months of 2007, growth compared with first six months 2006

Overview of business development

In 2007, Deutsche Börse Group achieved by far the best results in its history. The financial market environment, which was dominated by uncertainty, growing volatility and therefore increased trading activity during the year, contributed to this positive outcome. As a result of the scalability of its business model, Deutsche Börse Group was able to report most of the additional sales revenue generated as additional earnings.

Sales revenue in the year under review went up by 18 percent to €2,185.2 million (2006: €1,854.2 million). Total costs in the year under review rose by 21 percent to €1,323.5 million (2006: €1,092.4 million) as a result of exceptional expenses. Nevertheless, consolidated profit improved substantially: EBITA reached a new record figure of €1,345.9 million (2006: €1,029.1 million), an increase of 31 percent.

Deutsche Börse Group achieved a 36 percent growth in net income, which rose to €911.7 million (2006: €668.7 million). In addition to the substantially higher EBITA, the increased net financial result also had a positive effect on net income. Adjusted for execeptional, non-taxable income, the tax rate amounted to some 36 percent as in the previous year.

The improvement in earnings per share by 40 percent to €4.70 (2006: €3.36) was even more impressive. An additional factor here was the lower average number of shares outstanding following the share buy-backs.

Deutsche Börse Group's key performance figures

	2007 €m	2006 €m	Change %
Sales revenue	2,185.2	1,854.2	18
Total costs	1,323.5	1,092.4	21
EBITA	1,345.9	1,029.1	31
Net income	911.7	668.7	36
Earnings per share (€)	4.70	3.36	40

In 2007, the third quarter was the best during the reporting period in terms of sales revenue and earnings (see table below).

Employees
As at 31 December 2007, Deutsche Börse Group had 3,281 employees (31 December 2006: 2,966). The increase was mainly attributable to the acquisition of ISE, the launch of an IT development center in Prague and the creation of the Scoach trading platform for structured products.

Employees by segment

	31 Dec. 2007	31 Dec. 2006
Xetra	167	182
Eurex	282	173
Clearstream	925	931
Market Data & Analytics	199	200
Information Technology	1,216	1,049
Corporate Services	492	431
Total Deutsche Börse Group	3,281	2,966

Deutsche Börse Group had an average of 3,052 employees (2006: 2,935) in 2007. There was an average of 2,854 full-time equivalent (FTE) employees during the year (2006: 2,739).

In the course of the year, 223 employees left Deutsche Börse Group, resulting in a staff turnover rate of less than 7 percent, more or less equivalent to that in previous years.

Sales revenue per employee rose by 5 percent during the reporting period and amounted to €766 thousand (2006: €677 thousand). Staff costs per employee rose by 31 percent to €198 thousand (2006: €151 thousand), largely due to higher costs related to the stock option plan for Executive Board members and senior executives of Deutsche Börse AG and its subsidiaries.

As at 31 December 2007, Deutsche Börse Group employed people at 18 locations worldwide. The key countries and regions are:

Employees per country/region

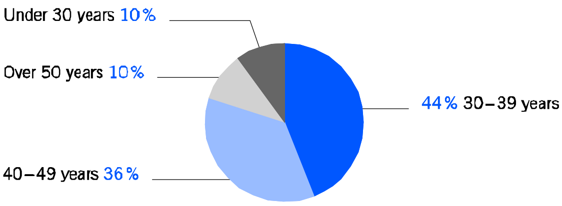
	31 Dec. 2007	%
Germany	1,586	48.3
Luxembourg	1,095	33.4
United Kingdom	110	3.4
Rest of Europe	168	5.1
North America	295	9.0
Asia	23	0.7
Middle East	4	0.1
Total Deutsche Börse Group	3,281	

Key figures by quarter

	Q1 2007 €m	Q1 2006 €m	Q2 2007 €m	Q2 2006 €m	Q3 2007 €m	Q3 2006 €m	Q4 2007 €m	Q4 2006 €m
Sales revenue	543.1	464.7	542.5	491.1	561.9	432.0	537.7	466.4
Total costs	313.3	266.1	311.9	259.1	274.5	257.2	423.8	310.0
EBITA	300.3	257.0	321.8	291.4	368.3	255.0	355.5	225.7
Net income for the period	192.3	162.0	210.7	185.8	238.2	175.1	270.5	145.8
Earnings per share (€)	0.98	0.81	1.09	0.93	1.23	0.88	1.40	0.74

The average age of Deutsche Börse Group's employees at the end of the year under review was 39.2 years. The employee age structure as at 31 December 2007 was as follows:

Deutsche Börse Group employees' age structure



The average length of service at the end of the year under review was 9.1 years. The following table illustrates the length of service of the Group's employees as at 31 December 2007:

Employees' length of service

	31 Dec. 2007	%
Less than 5 years	908	27.7
5 to 15 years	1,852	56.4
More than 15 years	521	15.9
Total Deutsche Börse Group	3,281	

As at 31 December 2007, the percentage of graduates among Deutsche Börse Group's employees was 55 percent. This figure is calculated on the basis of the number of employees holding a degree from a university, a 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 3.5 days per employee in staff training.

Environmental protection
Deutsche Börse Group treats the environment with great care in all its activities as a matter of course. Deutsche Börse's normal business activities, which cover the entire value chain of a securities transaction, do not entail any direct environmental risk. Environmental protection measures therefore relate to the infrastructure of its office buildings in Frankfurt and Luxembourg, to the selection and monitoring of suppliers and to motivating employees to act in an environmentally responsible manner in the workplace.

In Luxembourg, the Clearstream subgroup once again received a quality label for environmentally responsible waste management. The label is awarded by Luxembourg's Ministry for the Environment and the Chambre des Métiers (Chamber of Trades) in recognition of companies that implement the waste management concept issued by the two Luxembourg institutions in their day-to-day operations.

The Frankfurt headquarters to which Deutsche Börse AG moved in 2000, as well as the buildings for the Luxembourg subsidiary Clearstream International S.A. that opened in 2003, were all designed to take advantage of state-of-the-art energy-saving concepts. In the year under review, a further improvement in the Group's energy consumption was achieved by introducing the free-cooling system, which has already proven its worth in the Clearstream buildings, in Frankfurt as well. In order to use energy more efficiently, outside air is used to cool offices and data centers in spring and autumn.

At its Frankfurt headquarters, Deutsche Börse Group also emphasized its commitment to environmental protection by participating in the ÖKOPROFIT initiative (the acronym stands for ecological project for integrated environmental technology).

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 has therefore been omitted. The Group's product and services development activities are described in more detail in the report on expected developments.

Deutsche Börse shares

Deutsche Börse's share price rose by 95 percent in the course of 2007 and closed the year at €135.75 (2006: €69.71) on the last trading day. The low for the year was €68.91 in the course of 5 January 2007 and the intraday high for the year was €136.32 on 6 December 2007.

Following the resolution adopted by the Annual General Meeting on 11 May 2007, Deutsche Börse AG implemented a capital increase from retained earnings. It increased the capital by €100 million to €200 million on 8 June 2007 by issuing one new share ("bonus share") for each existing share. The quotation of the shares was changed as of the start of trading on 11 June 2007.

The excellent performance, the prospect of continuous capital market growth and market expectations that stock exchange consolidation will continue all contributed to the sustained and widespread interest in Deutsche Börse AG shares among national and in particular international investors. As at 31 December 2007, the proportion of non-German shareholders remained high at 82 percent. The proportion of institutional investors also remained high: as in 2006, they accounted for 98 percent of the Company's shares at the end of the year under review.

Results of operations, financial position and net assets

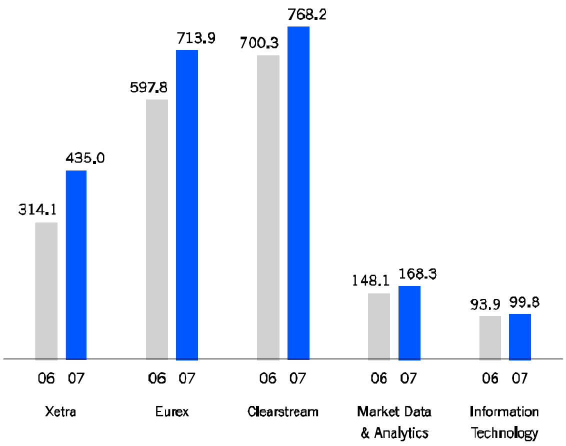
Results of operations

Deutsche Börse Group achieved a further improvement in its operating results in 2007. Sales revenue increased by 18 percent to €2,185.2 million (2006: €1,854.2 million) and thus exceeded the Company's expectations. All Group segments contributed to this increase in sales revenue with significant, predominantly double-digit growth rates. The high level of market uncertainty following the subprime crisis had a positive impact on trading activity in the cash and derivatives markets. The initiatives implemented during the year under review to make trading on Xetra and Eurex faster, more efficient and more cost-effective for market participants also increased trading volumes. Due to the large number of new issues on the primary market for bonds and a sharp rise in the number of securities transactions, there was also a further increase in sales revenue from the Group's post-trading services in the Clearstream segment.

Alternative trading platforms that have emerged in the context of introducing the EU Markets in Financial Instruments Directive (MiFID) had no negative effect on the Group's business activities in the year under review.

Sales revenue by segment

€ millions



In addition to sales revenue, Deutsche Börse Group's total revenue includes net interest income from banking business, own expenses capitalized and other operating income. Net interest income in the year under review rose by 53 percent to €230.8 million (2006: €150.7 million), reflecting increased settlement activities in Clearstream's international settlement business, exceptionally high cash balances and higher interest rates. Own expenses capitalized rose by 13 percent in 2007 to €25.1 million (2006: €22.2 million) due to the slight increase in development activities. Other operating income increased in the reporting year from €85.8 million to €223.4 million, mainly due to the sale of land and buildings in Luxembourg (see "Net assets").

Deutsche Börse Group's total costs increased by 21 percent to €1,323.5 million in the year under review (2006: €1,092.4 million), mainly as a result of one-time factors. More specifically, the increase was largely due to the following items:

- One-time expenses of around €50 million for the efficiency and restructuring program resolved in the third quarter
- Expenses of around €18 million relating, amongst others, to the departure of two members of the Company's Executive Board
- One-time expenses of around €10 million relating to projects such as the acquisition of ISE and the development and introduction of the new organizational structure on 1 July 2007
- An impairment loss of around €4 million recognized on software in the second quarter

In addition, variable costs, in particular fee and commission expenses from banking business, were higher year-on-year due to the strong business performance in the Clearstream segment.

Staff costs were a further cost driver. These rose by 36 percent to €566.2 million, due primarily to two factors:

- Higher costs relating to the stock option plan for the Executive Board and senior executives of Deutsche Börse AG and its subsidiaries. In 2007, Deutsche Börse's share price rose by 95 percent, thus significantly outperforming the Dow Jones STOXX 600 Technology (Return) (EUR) benchmark index. The total expense for the stock option plan therefore increased to €140.6 million (2006: €71.9 million).
- The record number of employees, representing over 50 percent of the workforce, who took part in the Group Share Plan. Expenses for the Group Share Plan amounted to around €12.0 million. Under this plan, employees bought more than 220,000 shares in total at a discount of up to 40 percent on the issue price. In addition, the Company granted them one bonus share for every ten shares subscribed.

Both the stock option plan and the Group Share Plan are presented in detail in note 47 of the notes to the consolidated financial statements.

Deutsche Börse Group increased EBITA (earnings before interest, taxes and goodwill impairment) by 31 percent year-on-year to €1,345.9 million (2006: €1,029.1 million). The EBITA margin rose to 62 percent (2006: 56 percent). All business areas and in particular the Eurex, Clearstream and Xetra segments, contributed to the increase in earnings.

EBITA and profitability by segment

	2007		2006	
	EBITA €m	EBITA margin %	EBITA €m	EBITA margin %
Xetra	250.1	57	179.0	57
Eurex	443.2	62	392.7	66
Clearstream	379.4	49	324.3	46
Market Data & Analytics	88.3	52	58.7	40
Information Technology	100.2	20[1]	93.8	21[1]
Corporate Services	87.6	–	–23.9	–
Reconciliation	–2.9	–	4.5	–
Total	1,345.9	62	1,029.1	56

[1] EBITA / (internal + external sales revenue)

The improved earnings situation as against the previous year is primarily due to the organic growth in sales revenue in all areas. EBITA was negatively impacted by an adjustment to the equity method-accounted investment in U.S. Futures Exchange LLC (USFE, formerly named Eurex US) in the second quarter of the year under review. However, the Company was able to more than offset this effect through exceptional income from the sale of a plot of land in Luxembourg at the beginning of 2007 and of the office buildings "The Square" at the end of November 2007.

Cost overview

	2007 €m	2006 €m	Change %
Fee and commission expenses from banking business	161.6	141.4	14
Consumables used			
Staff costs	566.2	414.9	36
Depreciation, amortization and impairment losses (other than goodwill)	126.0	130.4	–3
Other operating expenses	469.7	405.7	16
Total	1,323.5	1,092.4	21

Xetra segment

Business activities in the Xetra cash market segment continued to develop extremely positively in 2007. Trading volumes both on the Xetra electronic trading system and in floor trading again rose significantly as against the already strong performance in the previous year. The main growth drivers were the increased volatility in the market and structural changes, in particular the growth of algorithmic trading.

The number of transactions on the Xetra electronic trading system rose by 64 percent year-on-year to 176.3 million. The trading volume (single-counted) was 53 percent higher at €2,443.0 billion. The development of business on Xetra is largely dependent on the trading activities of institutional investors and banks' own-account trading. A number of factors had a positive effect on the Xetra trading volume: temporary uncertainty in the financial markets – due among other things to volatility in the Asian stock markets in the first quarter and the US subprime crisis that erupted in the third quarter –, rising company profits and the increase in the levels of the leading indices over the year. 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 particularly noteworthy here. The proportion of algorithmic trading rose again in the year under review, accounting on average for around 39 percent of the total Xetra trading volume (2006: 34 percent). The largest 10 trading participants accounted for 52 percent, the largest 20 for 69 percent of the trading volumes on Xetra, showing no significant change compared with 2006. Measured in terms of the order book volume, the largest market participant had a market share of 7 percent (2006: 8 percent).

In floor trading, the trading volume (single-counted) increased by 7 percent to €109.5 billion. Trading volumes on the floor of Frankfurter Wertpapierbörse (the Frankfurt Stock Exchange) are mostly dependent on orders from private investors. Trading volumes on the stock exchange floor fell slightly during the first half of 2007, but then recovered at the end of the period. Due to the general economic uncertainty and increased volatility of the DAX benchmark index and other indices, trading activity picked up considerably during the normally relatively quiet third quarter, rising by 41 percent year-on-year. In the fourth quarter, trading activity settled again at the previous year's level.

The joint venture for structured products established by Deutsche Börse AG and SWX Group, which has been operating since 1 September under the name Scoach, can look back on a very successful year. Trading volumes increased by 50 percent year-on-year to €98.5 billion. Due to the structure of the joint venture, half of Scoach's profits go to SWX Group.

The XTF segment for exchange-traded index funds increased its trading volume by 63 percent in the year under review to €108.9 billion (2006: €66.7 billion). With the largest offering of all European exchanges, Deutsche Börse was able to maintain its position as leading market place in Europe for trading ETFs.

Cash market: Trading volume (single-counted)

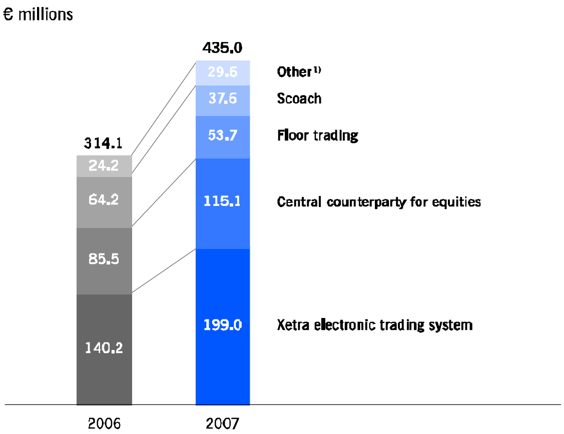
	2007 €bn	2006 €bn	Change %
Xetra	2,443.0	1,592.9	+53
Floor[1]	109.5	102.4	+7
Scoach[2]	98.5	65.6	+50

1) Excluding certificates and warrants; they are shown in the row for the Scoach joint venture

2) The joint venture was set up on 1 January 2007; pro-forma figures for 2006

All in all, the Xetra segment increased its sales revenue by 38 percent to €435.0 million (2006: €314.1 million). In addition to income from trading, the central counterparty for equities (CCP) operated by Eurex Clearing AG, income from cooperation agreements and listing fees also contributed to this growth. The sales revenue generated by the central counterparty is primarily dependent on the activity level on the Xetra trading system. To stimulate growth in highly price-sensitive trading volumes, Eurex Clearing AG reduced its fixed fees for equity trades in Xetra and on the floor of the Frankfurt Stock Exchange in summer 2007. Income from cooperation agreements mainly stems from systems operation for the Irish Stock Exchange and the Vienna Stock Exchange. As of mid 2008, Xetra will take over systems operation for the Bulgarian Stock Exchange, from which it will generate additional income. Listing fees are generated on the basis of the number of companies newly admitted to listing and the total number of companies quoted.

Breakdown of sales revenue in the Xetra segment



1) Including income from listing and cooperation agreements

The 32 percent rise in costs to €215.6 million (2006: €163.9 million) is mainly attributable to additional costs incurred as a result of the consolidation of the joint venture with SWX Group. Marketing expenses and investments in the software releases Xetra 9.0 and CCP 4.0 were also up on the comparable expenses for 2006.

As sales revenue rose sharply, the Xetra segment improved profitability significantly in financial year 2007 despite higher costs. EBITA in the Xetra segment rose by 40 percent year-on-year to €250.1 million (2006: €179.0 million), producing an EBITA margin of 57 percent (2006: 57 percent).

Eurex segment

The joint venture between Deutsche Börse AG and SWX Swiss Exchange AG can look back on an extremely successful financial year in which sales revenue grew by 19 percent to €713.9 million (2006: €597.8 million). As in 2006, the main revenue drivers were equity index derivatives with a 52 percent share and interest rate derivatives with a 35 percent share of total sales revenue.

Trading activity in the segment increased by 24 percent year-on-year to reach 1,900 million contracts traded (2006: 1,527 million), a new record level. Equity index derivatives made the largest contribution to this growth with an increase of 55 percent in contract volumes in the year under review. The 10 (20) largest trading participants contributed 30 percent (49 percent) to the contract volumes in the year under review compared with 35 percent (52 percent) in 2006.

Contract volumes in the derivatives market

	2007 m contracts	2006 m contracts	Change %
Equity index derivatives	753.6	487.4	+55
Equity derivatives	374.5	308.1	+22
Interest rate derivatives	771.7	731.2	+6
Total[1]	1,899.9	1,526.8	+24

1) Due to rounding, the total does not equal the sum of the individual figures shown.

The structural growth drivers mentioned in the 2006 report continued to have a significant effect on the segment's growth in 2007:

- Thanks to the new European legal and administrative framework (UCITS III), investment funds may also increasingly use derivatives.
- Market players are now making more use of derivatives to hedge financial market 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 (similar to algorithmic trading on Xetra).
- Assets managed by hedge funds with very high levels of trading activity have grown.

The uncertainty that dominated capital markets worldwide and the high and at the same time volatile index levels also had a positive impact on trading volumes. In addition, the raise of the key interest rate by the European Central Bank in June 2007 and traders' expectations regarding future interest rate movements resulted in a strong increase in interest rate derivatives, in particular in the period from June to August 2007 (38 percent increase compared with the same period in 2006).

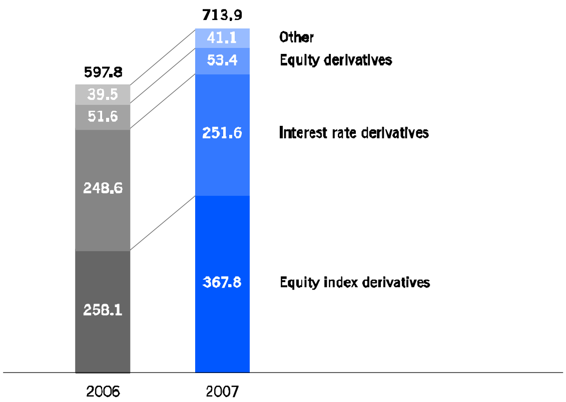
In addition to these external factors, new products and services provided by the segment help boost trading by market participants. A series of futures on individual equities, equity options and equity index options were introduced in the year under review.

On 1 February 2007, Eurex launched a program to increase proprietary trading. This provides for volume rebates for on-exchange transactions involving Eurex's major product groups. As expected, the price reductions resulted in a decline in sales revenue per contract. However, Eurex was able to offset this effect through the dynamic growth in volumes.

1 August 2007 saw the start of the "Trader Development Program", a two-year initiative that aims to attract new traders in promising regions. Participants in this program do not pay any fees for transactions up to a limit of 2 or 3 million contracts.

Breakdown of sales revenue in the Eurex segment

€ millions



Due to higher provisions for the stock option plan, increased costs for network and application development and system performance enhancements, as well as project costs for the acquisition of ISE, the segment's total costs were 20 percent higher year-on-year at €338.6 million (2006: €281.6 million).

Overall, EBITA for the Eurex segment grew by 13 percent to €443.2 million (2006: €392.7 million). Eurex therefore achieved an EBITA margin of 62 percent (2006: 66 percent). In the second quarter 2007, EBITA was negatively impacted by an adjustment to the equity method-accounted investment in USFE, held by U.S. Exchange Holdings, a subsidiary of Deutsche Börse AG. The proportionate equity interest for the 27.71 percent share in USFE amounted to US$10.5 million at the beginning of the year. USFE's losses were deducted in full from the proportionate equity interest. In 2006, additional income amounting to about €24 million and a reimbursement of non-recoverable input tax in the amount of €15.3 million had a positive effect on the EBITA of the segment.

On 19 December 2007, Eurex received the approval of the US Securities and Exchange Commission (SEC) to acquire ISE and was thus able to complete the transaction before the end of the year. The ISE shareholders had already approved the sale of the company on 27 July 2007. As it took place near the end of the year under review, the merger did not have any significant or business-related effects on the 2007 results.

Clearstream segment

In 2007, a key factor driving Clearstream's business activities was the strong growth in custody and settlement business involving both domestic and international securities. In the custody business, the overall average value of securities deposited with Clearstream, which is the factor that determines deposit fees, rose 14 percent to €10.5 trillion (2006: €9.2 trillion), thereby exceeding the €10 trillion mark for the first time. Due to the higher valuations on the equity market and an increasing number of domestic securities, the average value of domestic securities deposited increased by 14 percent to €5.7 trillion (2006: €5.0 trillion), while the value of international securities deposited climbed 15 percent to €4.8 trillion (2006: €4.2 trillion) due to brisk activity on the underlying primary markets.

In its settlement business, Clearstream increased the overall number of settlement transactions by 18 percent in financial year 2007 to 123.1 million (2006: 104.7 million). Compared with 2006, settlement of OTC securities transactions in international and in domestic markets increased by 21 percent to 48.2 million transactions; in the case of on-exchange transactions, Clearstream recorded a rise of 16 percent to 74.9 million transactions. The growth in on-exchange transactions is due to the considerable uncertainty and volatility in the capital markets.

The strategically important global securities financing business recorded an increase in the average volume outstanding in December 2007 of 21 percent to €365.8 billion (December 2006: €301.2 billion). The offering in this area includes triparty repo, collateral management and securities lending products.

Average daily cash balances showed a significant increase year-on-year, rising by 50 percent to €5.60 billion (2006: €3.74 billion). The increase is due primarily to growth in the underlying transaction settlement business.

Clearstream segment: Key indicators

	2007	2006	Change
Custody[1]	€bn	€bn	%
Value of securities deposited (average value during the year)	10,504	9,203	14
international	4,783	4,170	15
domestic	5,721	5,033	14
Settlement[1]	m	m	%
Securities transactions	123.1	104.7	18
international	33.9	29.8	14
domestic	89.2	74.9	19
Global Securities Financing	€bn	€bn	%
Average outstanding volume in December	365.8	301.2	21
Average daily cash balances	€m	€m	%
Total	5,596	3,740	50
Euro	2,523	1,530	65
US dollars	1,642	1,403	17
Other currencies	1,431	807	77

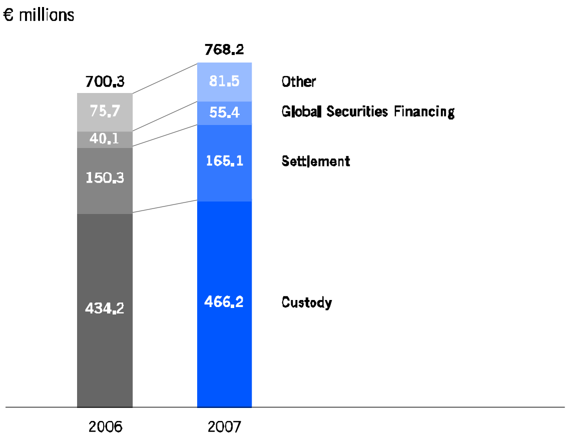
1) Figures differ from information shown in previous periods due to a new statistical reporting method.

In 2007, the Clearstream segment increased its sales revenue by 10 percent to €768.2 million (2006: €700.3 million) and its net interest income from banking business by 54 percent to €230.6 million (2006: €150.1 million).

Staff costs went up due to the provisions made for the restructuring program and the stock option plan. This, together with a volume-driven rise in fee and commission expenses, made costs in the Clearstream segment rise by 16 percent to €641.8 million (2006: €552.6 million).

As a result, EBITA rose by 17 percent to €379.4 million (2006: €324.3 million), while the EBITA margin improved to 49 percent (2006: 46 percent).

Breakdown of sales revenue in the Clearstream segment



Market Data & Analytics segment

Sales revenue in the Market Data & Analytics segment continued to develop positively in 2007, rising by 14 percent to €168.3 million (2006: €148.1 million).

The segment generated 77 percent and therefore the majority of its sales revenue from the distribution of real-time data from the cash and derivatives markets operated by Deutsche Börse Group (2006: 79 percent). In addition to growth in established markets and with existing customers, the initiatives to attract customers in new markets also had an impact on the segment's revenues.

The growth was supported further by increases in sales of data packages, particularly higher-value products, and newly launched products and services. With its offerings in the context of the EU Markets in Financial Instruments Directive (MiFID), Market Data & Analytics also contributes to the Group's sales revenue growth. 60 customers have already been connected to the MiFID OTC post-trade transparency service and have published their post-trade data via Deutsche Börse Group.

Deutsche Börse Group increased its interest in Avox Ltd. to 77 percent in July 2007. The subsidiary specializing in data cleansing continued to expand its data services in the year under review.

The increase in other operating income in the Market Data & Analytics segment to €16.2 million (2006: €1.2 million) is mainly attributable to the sale of an interest in International Index Company Ltd.

Driven by the encouraging business development, the costs of data purchasing and the development of new products and services increased. The overall costs of the segment, however, rose by only 9 percent, as among other things the CEF data feeds have now been fully written off (€117.8 million in 2007 compared with €107.6 million in 2006).

As a result, the segment's EBITA increased by 50 percent to €88.3 million (2006: €58.7 million) and the EBITA margin rose substantially to 52 percent (2006: 40 percent).

Information Technology segment

External sales revenue in the Information Technology segment increased by 6 percent in the year under review to €99.8 million. The rise in revenue is attributable primarily to U.S. Futures Exchange L.L.C., whose trading platform and infrastructure continue to be operated by Deutsche Börse's IT segment as external business following the sale of the majority interest in mid 2006. Higher transaction volumes in floor trading and in Eurex trading also contributed to the increase in sales revenue.

The internal sales revenue generated from business with other segments within Deutsche Börse Group rose by 16 percent to €397.9 million (2006: €344.5 million), due to extended project activity.

In financial year 2007, the Information Technology segment invested more heavily in network and systems capacity to be able to process higher trading volumes quickly and reliably. The segment's total costs rose by 14 percent to €415.2 million (2006: €364.2 million), in particular as a result of higher depreciation and amortization charges. EBITA for the Information Technology segment improved by 7 percent in the year under review to €100.2 million (2006: €93.8 million).

Development of profitability

The Group's return on shareholders' equity increased to 39.4 percent in the year under review (2006: 30.1 percent). This was principally due to the growth in earnings.

The weighted average cost of capital (WACC) after taxes amounted to 6.5 percent in the year under review (2006: 8.2 percent). Deutsche Börse AG's cost of equity reflects the return on a risk-free alternative investment plus a premium for general market risk, and takes account of the specific risk of Deutsche Börse shares compared with the market as a whole, known as the beta. The cost of debt represents the terms on which Deutsche Börse AG is able to raise long-term debt finance.

Deutsche Börse's cost of capital

	2007 %	2006 %
Risk-free interest rate[1]	4.1	3.8
Market risk premium	4.8	5.0
Beta[2]	1.1	1.2
Cost of equity[3] (after tax)	9.3	9.9
Cost of debt[4] (before tax)	3.8	3.7
Tax shield[5] 36%	1.4	1.4
Cost of debt (after tax)	2.5	2.3
Equity ratio[6] (annual average)	58.6	77.0
Debt ratio[7] (annual average)	41.4	23.0
WACC (after tax)	6.5	8.2
WACC (before tax)	7.1	8.5

1) Average return on ten-year German federal government bonds
2) Statistical measure of the sensitivity of the price of an individual share to changes in the entire market. A beta of 1.0 means that the performance of the share moves strictly parallel to the reference market as a whole. A beta above 1.0 denotes greater volatility than the overall market and a beta below 1.0 less volatility.
3) Risk-free interest rate + (market risk premium x beta)
4) Interest rate on the €499.8 million corporate bond issued by Deutsche Börse Finance S.A. as well as minor effects from the bridge financing obtained in December for the ISE acquisition
5) Denotes and quantifies the reduction in tax paid that arises from the deductibility of interest payments on debt and is factored into the calculation of the cost of capital
6) 1 – debt ratio
7) (Total noncurrent liabilities + tax provisions + other current provisions + other bank loans and overdrafts + other current liabilities + trade payables + payables to associates + payables to other investors) / (total assets – financial instruments of Eurex Clearing AG – current liabilities from banking business – cash deposits by market participants); basis: average balance sheet items in the fiscal year

Deutsche Börse Group's profitability is also demonstrated by its return on capital employed (ROCE). This pre-tax figure measures the sustainable earnings generated from operating activities in relation to the capital employed in the business.

The difference between ROCE and the cost of capital is equal to the relative value added, which rose in the reporting year to 43.5 percent (2006: 36.7 percent). Absolute value added is calculated by multiplying this figure by capital employed. This rose by 41 percent to €1,171.5 million (2006: €841.7 million).

Return on Capital Employed (ROCE)

	2007 €m	2006 €m
EBITA	1,345.9	1,029.1
Intangible assets	1,865.9	1,475.2
+ Equity investments[1)]	76.2	44.0
+ Cumulative depreciation and goodwill impairment[1)]	186.4	186.4
+ Trade receivables and other non-interest-bearing current assets[1)]	1,582.9	1,238.2
– Non-interest bearing provisions[1)]	646.2	425.8
– Non-interest bearing liabilities[1)]	373.5	223.6
= Capital employed	2,691.7	2,294.3
ROCE: EBITA as % of capital employed	50.0	44.9
Relative value added (%)	43.5	36.7
Absolute value added (€m)	1,171.5	841.7

1) Annual averages

Financial position

Cash flow

Deutsche Börse Group generated cash flow from operating activities of €839.6 million in 2007 (2006: €843.4 million). The slight decrease in cash flow from operating activities against the previous year is primarily attributable to an increase of €266.5 million in receivables and other assets (2006: €48.4 million). This increase can be explained by a rise in technical closing date receivables from the CCP business amounting to €246.4 million. On 2 January 2008, this position showed a balance of only €2.5 million.

The cash outflow from investment activities rose, primarily due to payments for the acquisition of ISE, to €1,753.2 million (2006: outflow of €269.8 million). Cash used in investments in intangible assets and property, plant and equipment was slightly higher year-on-year at €79.7 million (2006: €69.2 million).

There were net cash inflows of €927.0 million from financing activities (2006: outflow of €592.1 million), chiefly from short-term financing in the context of the ISE acquisition. There were outflows in financing activities due to the dividend payment of €329.8 million for financial year 2006 and the purchase of own shares under the Group's capital management program, which was launched in 2005 and continued in September 2007.

As a result, cash and cash equivalents amounted to €1,040.2 million at the end of the year under review (2006: €1,026.8 million). Strong cash flows from operating activities ensure Group liquidity. Free cash flow, i.e. cash flows from operating activities less payments to acquire intangible assets and property, plant and equipment, was a bit lower year-on-year at €759.9 million (2006: €774.2 million). Due to the positive cash flow and adequate credit lines, as in 2007 no liquidity bottlenecks are expected to occur in financial year 2008.

In addition to the above mentioned metrics, the Company uses off-balance sheet operating leases, mainly within the scope of the "sale and lease back" transaction for the Clearstream International S.A. buildings in Luxembourg.

Cash flow statement (condensed)

	2007 €m	2006 €m
Cash flows from operating activities	839.6	843.4
Cash flows from investing activities	–1,753.2	–269.8
Cash flows from financing activities	927.0	–592.1
Cash and cash equivalents as at 31 December	1,040.2	1,026.8

Capital management program

Under its capital management program, Deutsche Börse distributes funds not required for the Group's operating business to its shareholders. Deutsche Börse Group aims to achieve a dividend distribution ratio of 40 to 60 percent of its net income for the year and to make further distributions in the form of share buy-backs. These measures are subject to special investment needs and capital requirements. The program is the result of an intensive review of capital requirements, which considers the Group's capital needs from legal, regulatory, credit rating and economic capital perspectives. To ensure the continued success of the Clearstream segment, which is active in securities custody and settlement, the Company aims to maintain Clearstream Banking S.A.'s strong "AA" credit rating. Furthermore, Deutsche Börse AG needs to maintain a strong credit profile for the benefit of its subsidiary Eurex Clearing AG. Customers of these business areas require a service provider with a conservative interest cover and debt/equity ratio and the ability to secure a strong credit rating. Deutsche Börse Group's primary objective is therefore to ensure that the interest cover ratio (ratio of EBITDA to interest cost) does not fall below 16 at Group level and 25 in the Clearstream subgroup and to ensure that tangible equity (equity in accordance with IFRS less goodwill) is at least €700 million at Clearstream International S.A. and at least €250 million at Clearstream Banking S.A. Additional aims include maintaining the subordinated profit participation rights with a volume of €150 million issued by Clearstream Banking S.A. to Deutsche Börse AG.

Following the announcement of the acquisition of ISE by Eurex Frankfurt AG on 30 April 2007, Deutsche Börse AG temporarily suspended its share buy-back program. On 17 September 2007, Deutsche Börse AG resolved a revised financing concept for the transaction. It is no longer necessary to use a significant amount of the profits earned in the year under review to finance the transaction due to the higher proportion of debt and hybrid capital that will now be used for this purpose.

The amended financing concept and the strong business performance in financial year 2007 enabled Deutsche Börse AG to resume the share buy-back program as of 20 September 2007. After returning around €1.4 billion to its shareholders in the form of share buy-backs and dividends in 2005 and 2006, Deutsche Börse Group paid a dividend for financial year 2006 amounting to €329.8 million and repurchased a further 4.1 million shares at a total price of €395.0 million in 2007. As at the balance sheet date of 31 December 2007, a total of €2.1 billion had been distributed to shareholders since the capital management program was launched.

Of the 32.5 million shares repurchased between 2005 and 2007, the Company cancelled 23.6 million shares in total. A further 0.8 million shares were acquired by employees under the terms of the Group Share Plan (see note 47 of the notes to the consolidated financial statements). As at 31 December 2007, the remaining 8.1 million shares were held by the Company as treasury shares.

Deutsche Börse Group analyzes its plans to continue holding and perform significant investments both on an individual basis and as part of its regular planning process. It also reviews its capital requirements on an ongoing basis as part of the planning process.

Financing of the acquisition of ISE

As described above in the "Capital management program" section, the acquisition of ISE by Eurex Frankfurt AG was financed on the one hand using profits earned. On the other, Deutsche Börse Group raised debt capital in the form of a syndicated credit facility amounting to €1.0 billion and US$0.7 billion. The credit facility was arranged for a term of one year and with the option to extend it for a further year. However, the Company expects to refinance the credit facility in 2008 by issuing long-term debt securities and hybrid capital.

Dividend

For financial year 2007, Deutsche Börse AG plans to continue its progressive dividend policy and will propose to the Annual General Meeting that a dividend of €2.10 per share be paid for the last financial year (with payment to be made in May 2008) – this represents an increase of 24 percent over the previous year (2006: €1.70). Based on this proposal, the distribution ratio is 44 percent of net income (2006: 50 percent). Adjusted for extraordinary income from the sale of buildings in Luxembourg, which will take initial effect in the single-entity financial statements of Deutsche Börse AG in 2008, the distribution ratio is 51 percent. With 191.9 million shares in issue carrying dividend rights for financial year 2007, this would therefore result in a total distribution of €403.0 million (2006: €329.8 million).

Credit ratings

Deutsche Börse AG regularly has its creditworthiness reviewed by the rating agency Standard & Poor's, while Clearstream Banking S.A. is rated by Fitch and Standard & Poor's. In April 2007, Deutsche Börse terminated its cooperation with Moody's rating agency to reduce the number of ratings and the associated costs. Moody's had given Deutsche Börse an "Aa1" long-term credit rating.

In May 2007, the rating agency Standard & Poor's put Deutsche Börse's "AA" rating on creditwatch with "developing implications". Following the publication of the new financing plan for the acquisition of ISE and of the amended capital management program, Standard & Poor's removed the rating from this watch list at the end of September 2007 and confirmed the "AA" rating for Deutsche Börse AG and its subsidiary Clearstream Banking S.A. There were no other changes.

Ratings of Deutsche Börse AG

	Long-term	Short-term	Last updated
Standard & Poor's	AA	A–1+	27 September 2007

Ratings of Clearstream Banking S.A.

	Long-term	Short-term	Last updated
Fitch	AA	F1+	1 May 2007
Standard & Poor's	AA	A–1+	27 September 2007

Net assets

Deutsche Börse Group's noncurrent assets amounted to €4,183.8 million as at 31 December 2007 (2006: €1,907.6 million). Goodwill of €1,956.9 million (2006: €1,069.9 million) represented the largest part of these noncurrent assets. The increase compared with the previous year is attributable to the acquisition of ISE and the consolidation of Scoach, the joint venture for structured products between Deutsche Börse AG and SWX Group.

The other intangible assets, which amounted to €1,326.8 million as at 31 December 2007, also stem from the acquisition of ISE. Among other things, this balance sheet item comprises member relationships and the exchange license. In addition, Deutsche Börse Group invests primarily in trading and settlement systems, which are capitalized as software and amortized over the expected useful life. As at 31 December 2007, the balance sheet showed software with a residual carrying amount of €127.3 million (2006: €129.8 million).

In 2007, Deutsche Börse Group sold its plots of land and buildings in Luxembourg. In the second quarter, it generated exceptional income of €9.4 million from the sale of a plot of land. Additionally, in the fourth quarter of 2007, it sold the Luxembourg office buildings of its subsidiary Clearstream International S.A. to the real estate company IVG Immobilien AG, Bonn, for around €350 million. At the same time as the sale, the Clearstream subgroup concluded a lease agreement with the building's new owner. The selling price exceeded the carrying amount of around €230 million by €120.6 million.

Deutsche Börse Group holds securities from banking business amounting to €514.9 million (2006: €283.4 million) as financial assets. The increase is mainly due to investments in noncurrent financial assets.

Noncurrent assets were offset by equity amounting to €2,690.2 million (2006: €2,283.3 million) and noncurrent liabilities, mainly from deferred tax liabilities, of €771.4 million (2006: €646.4 million). In previous years long-term debt included a corporate bond. As at balance sheet date 31 December 2007, due to its remaining term of only about five months, this bond is now included in other current liabilities. To finance the ISE transaction, the Company also raised a bridge loan of €1.0 billion and US$0.7 billion, which is expected to be refinanced in 2008 by issuing long-term debt securities and hybrid instruments in the same amount. The bridge loan has an initial term of one year, with the option to extend it for a further year. The interest payments on the loan are based on the interbank reference rates Euribor and US dollar LIBOR, plus an agreed margin. Due to repayments made in December 2007, the loan amounted to €1.0 billion and US$0.53 billion as at 31 December 2007. Details of additional refinancing options for Deutsche Börse Group are presented in note 44 of the notes to the consolidated financial statements.

Overall, Deutsche Börse Group invested €79.7 million in intangible assets and property, plant and equipment in the year under review, 15 percent more than in the previous year (2006: €69.2 million). The investments were spread throughout all segments of Deutsche Börse Group.

Working capital

Working capital is current assets less current liabilities, excluding technical closing date balance sheet items. Current assets thus amounted to €660.8 million. As Deutsche Börse Group collects fees for most of its services directly after the end of the month, the trade receivables included in the current assets of €235.5 million as at 31 December 2007 (2006: €183.2 million) were relatively low when compared with the sales revenue. The current liabilities of the Group amounted to €1,269.7 million. For this reason, the Group had negative working capital of €608.9 million at the end of 2007 (2006: €–277.9 million). Excluding the corporate bond falling due in May 2008, the negative working capital amounted to €109.1 million. This reduction in negative working capital was mainly due to a technical closing date related rise in receivables from the CCP business of €246.4 million.

Technical closing date balance sheet items

The balance sheet items "current receivables and securities from banking business" and "liabilities from banking business" are technical closing date items that were strongly correlated in the year under review, and fluctuated between approximately €8 billion and €12 billion. These amounts mainly represent customer balances within Clearstream's international settlement business.

The balance sheet item "financial instruments of Eurex Clearing AG" relates to the function of Eurex Clearing AG: since the latter acts as the central counterparty for Deutsche Börse Group's various markets, its financial instruments are carried in the balance sheet at their fair value. The financial instruments of Eurex Clearing AG are described in detail in notes 3 and 44 of the notes to the consolidated financial statements and in the risk report below. On the quarterly balance sheet dates in 2007, the total value of these financial instruments varied between €60 billion and €80 billion.

Market participants linked to Eurex Clearing provide collateral partly in the form of cash deposits, which are subject to daily adjustments. The cash deposits are generally invested on a secured basis overnight by Eurex Clearing AG and reported in the balance sheet under "restricted bank balances". The total value of cash deposits on the respective 2007 quarterly balance sheet dates varied between €1 billion and €4 billion in the year under review.

Risk report

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

Risk management: Organization and methodology

The Executive Board is responsible for the management of all risks. Deutsche Börse Group's risk management organization is decentralized. The market areas are responsible for identifying risks and report these promptly to Group Risk Management, a central function unit with Group-wide responsibilities. Group Risk Management assesses all new and existing risks. It also reports on a monthly and, if necessary, on an ad hoc basis to the Executive Board. Risk control is performed in the market areas, i.e. in the areas where the risks occur.

In 2007, Deutsche Börse Group strengthened its risk management organization, for example by recruiting further employees to the central function unit Group Risk Management. Risk control in the Clearstream market areas was expanded by introducing "Operational Risk Representatives", who are responsible for identifying and controlling operational risks in their area.

The risk management system 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, assessed (i.e. quantified in financial terms to the greatest possible extent), reported to the Executive Board together with suitable recommendations and controlled.

Deutsche Börse Group has developed its own corporate risk structure and distinguishes between operational, financial, business and project risks (see chart on page 24).

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

Group-wide risk management instruments

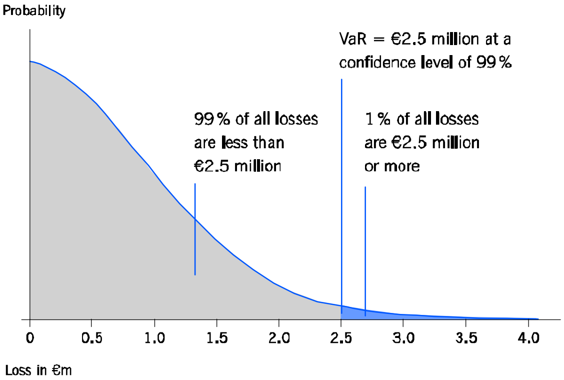
Deutsche Börse Group gives considerable attention to its risk mitigation process and ensures that appropriate measures are taken to avoid, reduce and transfer or intentionally accept risk.

Deutsche Börse Group has installed a standardized approach for measuring and reporting all 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 management actions.

The VaR quantifies existing and potential risks. It denotes the maximum cumulative loss Deutsche Börse Group could face if certain independent loss events materialized over a specific time horizon for a given probability. Deutsche Börse Group's models are based on a one-year time horizon, 99 percent confidence level and assumption of uncorrelated events. In addition, the VaR is calculated at a confidence level of 99.9 percent to determine the Basel II regulatory capital requirements for the Clearstream subgroup companies.

Based on the example in the following chart, 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 consequently a 1 percent probability of a loss incurred through one or more incidents within the next year which, in total, will be equal to or greater than the VaR calculated.

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 performed for every single risk on the basis of historical data (such as market data, default, claim, or outage history) or risk scenarios. This distribution may be a lognormal distribution (often used for operational risk on account of processing errors) or 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 simulation: 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 corresponds to the VaR estimate.

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 2007, the total VaR of the Group represented less than half of its 2007 EBITA. The VaR is further reduced when the risk mitigation provided by Deutsche Börse Group's customized insurance program is also considered.

Risk structuring and assessment
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 provision of services by Deutsche Börse Group. 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 as well as from legal risks and risks associated with business practices. For Deutsche Börse Group, the main operational risks lie in the disruption to the uninterrupted and smooth delivery of its core products. In particular, these include the Xetra and Eurex cash and derivatives market trading systems, as well as the CCP, CASCADE and Creation clearing and settlement systems.

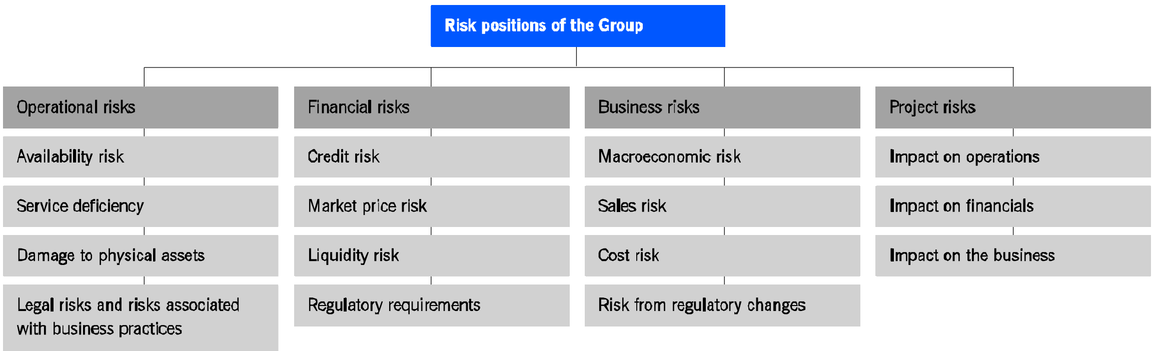
Operational risks that Deutsche Börse Group does not wish to retain and that can be insured at a reasonable price are transferred by taking out insurance policies. All insurance policies are coordinated centrally, thereby ensuring that uniform risk/cost benefit insurance cover is in place for the entire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

(a) Availability risk
Availability risk results from the fact that resources essential to Deutsche Börse Group's service offering could fail, thereby making it impossible to deliver services on time or at all. This risk constitutes the greatest operational risk for Deutsche Börse Group. Possible triggers include hardware and software failures, operator and security errors, and physical damage to the data centers.

For instance, it cannot be ruled out that, in the unlikely case of a lengthy outage of the Eurex trading system while the market is very volatile, market participants might try to make claims against Deutsche Börse Group.

In particular, Deutsche Börse Group 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/service providers), 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.

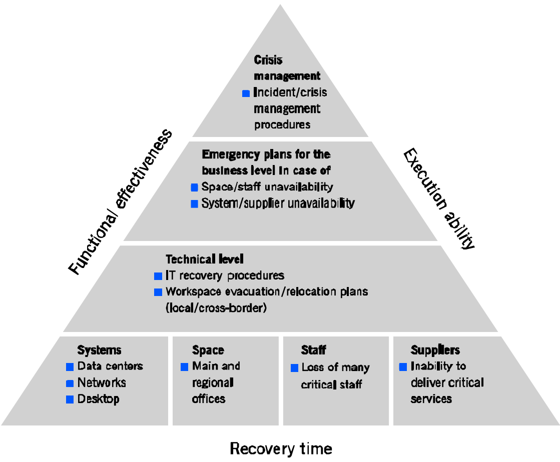
Risk system of Deutsche Börse Group



These BCM arrangements are regularly tested according to the three following dimensions (see also the chart below):

- 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

Three dimensions of business continuity management



Service availability of Deutsche Börse Group's main products was again over 99.9 percent in 2007 and thus complied with the high standards specified for their reliability. No significant losses were incurred in the year under review.

(b) Risk of service deficiency
In contrast to availability risk, the occurrence of processing errors does not prevent Deutsche Börse Group 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. As a result, Deutsche Börse Group remains exposed in certain business segments, e.g. in the custody area, to the risk of inadequate handling of customer instructions. 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. Losses occurring as a result of processing errors are more frequent than losses resulting from the non-availability of resources. No significant losses occurred as a result of processing errors in 2007.

(c) Damage to physical assets
This category includes the risks due to accidents and natural hazards, as well as terrorism and sabotage. No significant losses occurred as a result of damage to physical assets in 2007.

(d) Legal risks and risks associated with business practices
Legal risks include losses that could arise as a result of non- or inappropriate compliance with new or existing laws, losses from inadequate contract terms or from court decisions not adequately observed in customary business practice, as well as risks from fraud. Risks associated with business practices include losses resulting from money laundering, violations of competition regulations, or a breach of banking secrecy. Deutsche Börse Group has established a Group Compliance function that seeks to protect the Group from any prejudice that may result from failures 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
- Compliance with 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 material losses occurred as a result of legal risks or risks associated with business practices in the year under review.

Financial risks

Deutsche Börse Group is exposed to financial risks mainly in the form of credit risk in the companies within the Clearstream subgroup, Eurex Clearing AG and the treasury business. 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 risk

Credit risk consists of the risk that a counterparty will default and cannot meet its liabilities against Deutsche Börse Group in full or at all.

The companies within the Clearstream subgroup extend loans to their customers in order to increase the efficiency of securities transaction settlement. However, these lending operations cannot be compared with those of other credit institutions. Firstly, the loans are extended solely on an extremely short-term basis. Secondly, they are extended only for the purposes of increasing the efficiency of securities transaction settlement and are largely collateralized and granted to customers with very good credit ratings. Furthermore, credit lines granted can be revoked at any time.

The companies within the Clearstream subgroup are also exposed to credit risk in their securities lending activities. All lending transactions are fully collateralized. Only selected bonds are permitted as collateral. The minimum rating permitted for these issues is A+ or A–1+ for issuers of short-term bonds without an issue rating.

The creditworthiness of potential customers is assessed before entering into a business relationship. The companies in the Clearstream subgroup establish customer-specific credit lines on the basis of both regular reviews of the customer's creditworthiness and ad hoc analyses as required.

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 26 November 2007 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 unfavorable price movement possible (worst-case loss) for the positions held in the account (additional margin). Margin calculations are performed separately for clearing members' own accounts and the accounts of their customers.

The method of calculating the additional margin is known as risk-based margining and is essentially a VaR approach. First of all, 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 margins, 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. Moreover, 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 can be closed out or settled in cash. The shortfall and costs incurred in such a closure or cash settlement 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 would be 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 section's cash investments. Deutsche Börse Group reduces this risk by spreading it across a number of counterparties with exclusively good credit ratings, by defining investment limits for each counterparty and by largely making short-term, collateralized investments. The Group 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 or borrowing as a result of fluctuations in interest rates and foreign exchange rates as well as through corporate transactions. In 2007, 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 solely 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 Group's existing pension plans).

(c) Liquidity risk
Deutsche Börse Group 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 the Treasury section and managed with the help of a limit system. Extensive credit lines are available – as described in note 44 in the notes to the consolidated financial statements – to provide cover in extreme situations. In the reporting year, Deutsche Börse Group had excess liquidity as a result of which no liquidity bottlenecks occurred.

(d) Regulatory requirements
The Clearstream subgroup, Clearstream Banking S.A., Clearstream Banking AG, as well as Eurex Clearing AG must meet the equity and liquidity requirements specified by the national supervisory authorities. All companies consistently achieved these ratios throughout 2007.

Business risks

The business risk reflects the relative sensitivity of the Group 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 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 Group's business model, which currently spans operating systems for cash and derivatives markets as well as settlement and custody services for both nationally and internationally traded equities and bonds. A regular review of macroeconomic assumptions is performed.

(b) Revenue and cost risk and risk from regulatory evolution
Deutsche Börse Group's earnings position may also be adversely affected by external threats – either changes in the competitive and business environment or changes such as the evolution of the regulatory environment. For each of the three major segments of the Group (Eurex,

Clearstream and Xetra), scenarios are established around the most significant risk events and quantitatively assessed. The respective departments of Deutsche Börse Group 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: orders are placed in an open order book, meaning that it is visible to all parties, and automatically executed. Because of the crucial unique selling proposition from the market perspective, the business risk of losing substantial institutional liquidity is very low. Deutsche Börse Group 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, Eurex and Clearstream segments, a substantial proportion of sales revenue is accounted for by a few key accounts. However, the fact that the key accounts for the trading systems differ from those of Clearstream, the settlement and custody organization, leads to diversification and thus partly offsets the dependencies on specific key accounts at Group level.

Project risks

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 (operational, financial and business risk). These risks are assessed by Group Risk Management as described in the above sections and are addressed in the early stages of major projects. None of the projects planned and implemented in 2007 triggered a change in the overall risk profile of Deutsche Börse Group. Risks connected with the delivery of projects, such as budget risk, quality/scope risk or deadline risk, are separately monitored by the Planning Methodology & Investment Controlling section and are reported on a monthly basis to the Executive Board.

Effects of the US mortgage crisis (subprime crisis)
No company in Deutsche Börse Group is affected by the mortgage crisis directly, e.g. by having invested in subprime securities. The potential indirect effects to which the Group or one of its subsidiaries might be exposed in the future are offset by the following measures:

(a) Customers of Deutsche Börse Group might default on their payments. The Group only permits cash investments with prime-rated counterparties that have an excellent credit standing; there are no unsecured investments at other counterparties or customers. The Clearstream subgroup has identified customers that could possibly be substantially affected by the crisis and monitors them continuously. The companies in the Clearstream subgroup have cancelled unsecured credit lines for high-risk customers. As the central counterparty, Eurex Clearing AG is exposed to the credit risk of its clearing participants. High-risk clearing participants are monitored on an ongoing basis.

(b) Securities pledged in favour of Deutsche Börse Group could suffer a fall in prices surpassing the safety margins. This could result in a loan being unsecured. The Group's cash investments are collateralized in a large majority of cases by papers issued by state issuers or agencies. The Clearstream subgroup has identified securities held by customers that were issued by special-purpose entities (conduits). These securities have been excluded from use as loan collateral. In addition, structured securities classified as excessively risky are no longer permitted as collateral in lending transactions. Eurex Clearing AG's collateralization regulations allow, in addition to government bonds, only selected industry bonds denominated in euros or Swiss francs. Issues by conduits were not accepted or pledged at any time. Safety margins on bonds from excessively high-risk issuers have been increased.

(c) The liquidity of Deutsche Börse or its subsidiaries could decrease if banks withdraw credit lines granted to Deutsche Börse or its subsidiaries. Daily and intraday liquidity is monitored continually by the Treasury and Credit sections.

No effect on the liquidity of Deutsche Börse Group or its subsidiaries has been observed.

Regulatory environment

On 1 January 2007, Deutsche Börse Group implemented the minimum requirements for risk management (MaRisk) for credit institutions and financial services providers published by the German Federal Financial Supervisory Authority (BaFin) on 20 December 2005 at its subsidiaries Clearstream Banking AG and Eurex Clearing AG on schedule.

The EU Markets in Financial Instruments Directive (MiFID) introduces new requirements for Europe's entire financial sector. Its goal is to stimulate competition between investment companies and exchanges within the European Economic Area (EEA) by creating a homogeneous legal framework. Deutsche Börse Group has implemented the regulations affecting it. In order to position itself successfully in the intensified competitive environment, the Group offers market participants a wide range of new services so that these can tap new areas of business in the future and at the same time comply with their MiFID requirements without significant investment.

The Basel II regulatory equity requirements have been implemented at the Clearstream subgroup companies and at Eurex Clearing AG. Having received regulatory approval from the CSSF (Commission de Surveillance du Secteur Financier), the Clearstream subgroup companies have been using the Advanced Measurement Approach (AMA) since 1 January 2008 to calculate their capital requirements in relation to operational risks. Eurex Clearing AG has used the Basic Indicator Approach since 1 January 2007 to calculate its capital requirements in relation to operational risks.

Summary

In 2007, Deutsche Börse Group identified all new risks that arose at an early stage and took appropriate measures to counter these risks. These measures did not change the risk profile of Deutsche Börse Group and its subsidiaries.

Outlook

Based on the market environment – including the ongoing subprime crisis – and Deutsche Börse Group's business model, the Executive Board considers the risks for the Group to be limited and manageable. There is no reason to believe that the Group's risk situation will undergo significant change.

Further enhancements to the risk management organization and systems are scheduled for 2008. The Advanced Measurement Approach is to be implemented throughout Deutsche Börse Group after its introduction in the Clearstream subgroup led to improvements. It is also planned to expand the stress tests in the credit risk area.

Report on post-balance sheet date events

On 11 January 2008, the Company announced that it was planning to move its employees currently stationed in Frankfurt-Hausen to neighboring Eschborn. A new, modern building is scheduled to be completed by summer 2010 that Deutsche Börse will then rent. During the second quarter of 2008, around half of the Group's employees working in Frankfurt/Main will move temporarily to an existing building in Eschborn. The move will significantly reduce Deutsche Börse's trade tax burden and lower its building occupancy expenses. The tax savings the move is expected to generate are described in more detail in the report on expected developments. The Company's headquarters will continue to be in Frankfurt/Main and floor trading will remain in the old stock exchange situated in the center of Frankfurt.

In the context of the announcement of the preliminary annual results on 19 February 2008, the company published the plan to cancel 5 million treasury shares by the Annual General Meeting in May 2008. The number of shares is thus reduced from 200 million to 195 million.

Report on expected developments

The report on expected developments describes the expected development of Deutsche Börse in 2008 and 2009. It contains statements and information on events in the future. These forward-looking statements and information are based on the Company's expectations and assumptions at the time of publication of this report on expected developments. These expectations and assumptions 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. Many of these factors are outside the Company's control. Should one of the risks or uncertainties arise or one of the assumptions made turn out to be incorrect, the actual development of the Company could deviate in either a positive or a negative way from the forward-looking statements and information in this report.

Development of operating environment

Deutsche Börse expects economic growth to slow slightly in both 2008 and 2009 in the regions relevant to the Company's business. Given the fall in property prices, the deteriorating situation in the labor market and the decline in investment, economic growth in the US is expected to decrease sharply to less than 2 percent. The US Federal Reserve has already lowered the federal fund rate from 4.25 percent to 3.00 percent in two separate moves in January 2008, in an effort to counter this slowdown. Should US economic growth stagnate, the federal fund rate is expected to be cut further.

A slowdown in US economic growth is likely to impact negatively on growth in the euro zone as well. In addition, the strong euro could lead to a decline in exports and private consumption could stagnate. In light of this combination of factors, the Company expects growth in Europe to fall to around 2 percent.

Given the deterioration in economic fundamentals, Deutsche Börse anticipates high volatility in the financial markets, i.e. sharp fluctuations in equity prices or index levels. However, as corporate profits remain high and equity market valuations are attractive from a long-term perspective, a protracted downturn in the markets is not expected. Coupled with temporary uncertainty in the financial markets, the business environment for Deutsche Börse appears to be positive overall. This was already in evidence at the beginning of 2008: in January, the number of transactions on the electronic Xetra trading system doubled compared with the prior-year month (+106 percent), when trading had already been very brisk. In the same period, Eurex increased the number of contracts traded in the derivatives market by 57 percent to around 207.4 million, a new monthly record. However, trading volumes are expected to normalize in the course of financial year 2008.

The risks to the financial market developments outlined above include a long-term recession and a slump in corporate profits. The Company currently considers the likelihood of these risks occurring, either individually or together, and negatively impacting the development of the financial markets during the forecast period to be low.

The Company is not expecting any significant change in its business policy in the forecast period. On the basis of its successful business model that covers the entire process chain for securities transactions and the most prominent investment classes, Deutsche Börse 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. With its scalable trading platforms, Deutsche Börse believes it is also very well positioned to compete with other providers of trading and settlement services. Furthermore, the Company does not expect the various steps towards consolidation that have already been undertaken or targeted in the stock exchange sector to impact negatively on its market position.

Development of results of operations

Based on the assumptions outlined above regarding the development of the financial markets and on its successful business model, Deutsche Börse is forecasting further growth in sales revenue for both 2008 and 2009. ISE, which in 2008 will be consolidated for its first full year, structural changes in the financial markets, and new products and services will all contribute to this growth. In connection with the restructuring and efficiency program announced in September 2007, which aims to generate savings of €50 million in 2008, €75 million in 2009 and €100 million a year as of 2010, the Company expects EBITA to grow faster than sales revenue. For 2008, the Company is therefore forecasting record EBITA of over €1,345.9 million.

In addition, the plan announced in January 2008 to relocate some of the employees currently stationed in Frankfurt to neighboring Eschborn will significantly reduce the tax rate and thus improve after-tax earnings. Following the move, the acquisition of ISE and the effects of the business tax reform in Germany, Deutsche Börse expects a tax rate of less than 30 percent for 2008. It anticipates a rate of 27 percent for 2009 and a rate of 25 to 27 percent for 2010.

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 continue to depend on equity market trends, equity market volatility and structural changes relating to trading activity. On average, equity market volatility increased slightly in 2007 due to temporary spikes. At the beginning of 2008, volatility was at a very high level over a longer period. Continued high volatility may provide the Xetra segment with additional momentum for growth in the forecast period, as trading is particularly brisk during such market phases. 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 an increase in algorithmic trading as a proportion of Xetra's trading volume. An extended range of products and services will provide further momentum for growth in the cash market. For example, Xetra Release 9.0 will migrate trading in warrants and certificates to the Xetra platform. These products will then be available to trading participants throughout Europe. As part of the release, Xetra's processing and data distribution times will also be further shortened so as to offer customers a best-in-class trading system.

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. Here, the Company still expects structural growth factors to be more significant. These factors were explained in more detail in the "Results of operations" section. In addition to the existing portfolio of products and services, ISE will be a further growth driver. Through this acquisition completed on 19 December 2007, Eurex is significantly expanding its liquidity network in the US and trading in US dollar products. Eurex and ISE participants gain access to a larger number of highly liquid products in various asset classes and currencies. The merger also provides the potential for growth through the cross-selling of existing products and the joint development of innovative new products. In their first joint initiative, the partners are developing a new electronic options trading system for ISE, which is scheduled to start operations at the beginning of 2011. In the context of the ISE acquisition, intangible assets in the amount of €1,345.1 million including goodwill in the amount of €882.0 million were included in the consolidated balance sheet. In case of a clearly negative business development at ISE – and an impairment test held in that connection – the need could arise to fully or partially write-off the intangible assets or goodwill. Due to the positive competitive position and growth perspectives of ISE, the Company estimates that this risk is extremely marginal in the forecast period.

Clearstream segment

The Clearstream segment will continue to generate the majority of its sales revenue through the settlement and custody of international bonds. Deutsche Börse predicts that the volume of fixed-income securities issued internationally will continue to grow faster than that of securities issued nationally. However, a substantial hike in long-term interest rates could impact Clearstream's business overall, as issuing activity would be expected to abate. In terms of customer structure, the Company expects consolidation in the financial sector to continue and customers in Clearstream's domestic and international business to merge. These larger customers would receive larger rebates, which could lead to a decline in average fees. As Deutsche Börse faces especially intense competition in the areas of settlement and custody of international bonds, loss of market share and a consequent reduction in Clearstream's sales revenue could occur. For the forecast period, however, the Company does not expect any loss of market share. It also does not expect TARGET2 Securities, the European Central Bank's planned securities settlement platform, to impact negatively on its results of operations. This assessment is based firstly on the fact that this project has yet to be approved by the European Union finance ministers, and secondly on the preliminary project timetable, in which a launch is only scheduled for 2013.

As part of the Clearstream segment's upgraded product and service offering, the Company's plan for the forecast period is to expand the new settlement service for investment funds (Central Facility for Funds, CFF) and offer it beyond Luxembourg and Belgium, the two markets already connected. CFF enables synchronous exchange of cash and securities between fund distributors and transfer agents, thus offering the standards of settlement that have long prevailed in relation to other investment instruments.

Deutsche Börse expects net interest income from banking business to remain slightly below the 2007 level during the forecast period. This estimate is based on the assumption that, in spite of increasing business activity, cash deposits from customers will decline due to improved liquidity management. A reduction in short-term interest rates is foreseeable.

Market Data & Analytics segment

Based on the forecasted financial market developments, the Company anticipates that it will be possible to further increase demand for financial market data of the Market Data & Analytics segment. Additional growth is expected to come from the continuous expansion of the product range in all areas of the segment.

Development of pricing models

For the forecast period, Deutsche Börse anticipates sustained price pressure in some of its business areas, such as in Xetra's electronic trading activities. The Company's objective is to mitigate this price pressure by continually improving its products and services and offering selective incentives in price-elastic business. For example, during the period under review, Xetra and Eurex significantly increased their system capacity while keeping costs stable and offered price incentives for own-account trading in the derivatives market. In spite of this, it is to be expected that average sales revenue per chargeable unit will decline slightly over the long term in some areas.

Regulatory framework

Regulatory changes of relevance to Deutsche Börse stem from the European Markets in Financial Instruments Directive (MiFID) on the one hand and the European Code of Conduct for clearing and settlement of shares on the cash market on the other.

MiFID is designed to foster transparent and fair competitive conditions for all participants and improve investor protection. To achieve this, MiFID defined strict pre-trading and post-trading transparency rules for on-exchange and OTC equity trading, which have been in force since 1November 2007. In addition, investment service companies are now obliged to offer their customers best execution of orders, i.e. execution at the best possible price.

Deutsche Börse sees the new directive as an opportunity to expand its service range and tap new areas of business: the Company has introduced a host of new services in the cash market and market data areas, which are expected to generate additional sales revenue in the forecast period. Deutsche Börse considers itself to be excellently positioned with its transparent and deep liquidity pool of securities that are tradable on its platforms – even against the backdrop of the new best execution obligations. The Company does not anticipate the potential market entry of banks or other 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 aimed at creating a standard and cost-effective European framework for cross-border equity trading, clearing and settlement. Deutsche Börse contributed to the development of the Code, which was introduced in its entirety in 2007. It covers the following areas: price transparency, access and interoperability, as well as the organization of services and separate accounting. Deutsche Börse already met many of the requirements in the Code of Conduct before it was introduced and therefore does not now expect it to materially affect the Company's business model, revenue or cost structure.

Cost management

In September 2007, the Company announced an extensive restructuring and efficiency program that aims to generate savings of €100 million per year. In 2008, costs are already expected to be €50 million lower than in financial year 2007. Including the costs of ISE, the Company expects total costs of around €1,280 million in 2008. The full effects of the program will accrue from 2010 onwards. However, it will not limit planned investments in future growth in any way. Deutsche Börse intends to continue expanding through new products and markets. In combination with structural growth trends in all business areas, this offers shareholders the prospect of continued earnings growth.

Development of the financial position

The Company expects operating cash flow to remain positive. As part of its cash flow from investing activities, Deutsche Börse plans to invest around €80 million per year in intangible assets and property, plant and equipment in the forecast period (2007: €79.7 million). These investments will serve primarily to develop new and enhance existing products and services in the Xetra, Eurex and Clearstream segments.

Under the capital management program, Deutsche Börse aims to distribute the full amount of its profit to shareholders in the forecast period – subject to investment plans. For financial years 2008 and 2009, it intends to continue its progressive dividend policy and distribute 40 to 60 percent of net income for the year to shareholders. The remaining funds are earmarked for the continued repurchase of own shares.

Remuneration Report

Remuneration Report

Since the German Corporate Governance Code was introduced in 2002, Deutsche Börse Group has disclosed the remuneration of the members of its Executive Board on an individualized basis. The VorstOG (Gesetz über die Offenlegung der Vorstandsvergütungen, the German Act on Disclosure of Executive Board Remuneration) came into force on 11 August 2005. The provisions of the VorstOG were required to be initially applied to annual and consolidated financial statements for the financial year beginning 1 January 2006. The Institut Deutscher Wirtschaftsprüfer (IDW, the Institute of Public Auditors in Germany) published a commentary on these provisions in 2006 and, in IDW ERS HFA 20, promulgated a purely expense-based approach to the presentation of total remuneration for executive board members including, in particular, long-term incentive components ("timing of expense recognition approach"). Consequently, in its 2006 annual report, Deutsche Börse Group departed from the approach it had taken in the past (the accrual principle) and presented the long-term incentive components on an expense basis in line with the IDW's commentary.

In 2007, the Deutsche Rechnungslegungs Standards Committee e.V. (DRSC, the Accounting Standards Committee of Germany) published German Accounting Standard (GAS) 17 "Reporting on Executive Body Remuneration" on the implementation of the VorstOG (near final standard dated 7 December 2007). GAS 17 must be initially applied for financial years beginning after 31 December 2007 and requires companies to adopt a different approach from that of the IDW: the "definitive increase in net worth" approach.

To increase transparency and ensure better comparability of the different presentations of executive board remuneration that still persist at listed companies, Deutsche Börse Group decided that it would adopt in full the provisions requiring to be adopted in 2008 prematurely for the 2007 reporting year. Comparatives were restated in accordance with the "definitive increase in net worth" approach. The main differences are in total remuneration, as a result of the change in the disclosure of long-term incentive components. Presentation in conformity with GAS 17 shows the financial year in which the activity for which the long-term incentive components were granted was performed.

Performance-related remuneration for the Executive Board

The guideline for the appropriate remuneration 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 remuneration 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 taxable contributions towards private pensions, taxable lump-sum telephone allowances and/or the use of company cars, while the variable component consists of performance-related remuneration and long-term incentive elements (Stock Bonus Plan, SBP). The SBP enables the Company to grant company shares as part of variable, performance-related remuneration in addition to cash. The SBP replaces the previous 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 basic remuneration. It is reviewed on a regular basis, at least once every two years. The performance-related variable remuneration component is determined annually by the Personnel Committee. Its amount depends, among other things, on company-specific goals being achieved such as the implementation of company-wide projects or specific targets being reached (e.g. specific cost targets, the overall situation of the Company) as well as on the Executive Board members meeting their individual goals. In addition, the achievements of the Executive Board members in various categories such as analytical skills, social skills, productivity, or leadership quality are taken into account. Two thirds of the performance-related remuneration is paid in cash and one third is transferred to the Stock Bonus Plan.

The table presented below shows the amount of expenses for the fixed and variable remuneration, and entitlements under share-based payment arrangements granted in the year under review. Prior-year figures are given in brackets.

The figures relating to long-term incentive components in 2007 relate to shares from the SBP, while the figures for 2006 relate to phantom stock options from the stock option plan in place until then.

Executive Board remuneration for 2007 (prior-year figures in brackets)

	Non-performance-related remuneration[1]	Performance-related remuneration[2]	Long-term incentive components[3]		Total
			2007: No. of SBP shares (2006: Phantom stock options)	Value on grant date	
	€ thousands	€ thousands	Number	€ thousands	€ thousands
Reto Francioni	717.1	1,683.1	6,753	883.5	3,283.7
	(703.7)	(1,171.0)	(29,070)	(1,002.3)	(2,877.0)
Thomas Eichelmann[4]	3,043.5[5]	–	–	–	3,043.5
	(–)	(–)	(–)	(–)	(–)
Frank Gerstenschläger[6]	389.5	625.0	2,303	301.3	1,315.8
	(–)	(–)	(–)	(–)	(–)
Michael Kuhn	520.2	1,166.4	4,666	610.5	2,297.1
	(480.7)	(900.0)	(20,930)	(721.7)	(2,102.4)
Andreas Preuß[7]	571.9	1,675.0	5,525	722.9	2,969.8
	(419.6)	(825.0)	(16,570)	(571.3)	(1,815.9)
Jeffrey Tessler	568.7	933.3	4,175	546.2	2,048.2
	(553.3)	(1,000.0)	(16,279)	(561.3)	(2,114.6)
Total	**5,810.9**	**6,082.8**	**23,422**	**3,064.4**	**14,958.1**
	(2,157.3)	**(3,896.0)**	**(82,849)**	**(2,856.6)**	**(8,909.9)**

Remuneration of Executive Board members who left the Board on 7 March 2007

	€ thousands	€ thousands	Number	€ thousands	€ thousands
Matthias Ganz	128.6	–[8]	–[8]	–[8]	128.6
	(481.3)	(900.0)	(20,930)	(721.7)	(2,103.0)
Mathias Hlubek	148.2	–[8]	–[8]	–[8]	148.2
	(624.8)	(1,150.0)	(23,256)	(801.9)	(2,576.7)
Total	**276.8**	**–[8]**	**–[8]**	**–[8]**	**276.8**
	(1,106.1)	**(2,050.0)**	**(44,186)**	**(1,523.6)**	**(4,679.7)**

1) The non-performance-related remuneration comprises the fixed salary and other taxable salary components such as taxable contributions towards private pensions, taxable lump-sum telephone allowances/living expenses and company car arrangements.
2) Differences between the amounts included in the total remuneration for 2006 and the amounts actually pledged are included in the total remuneration for 2007.
3) In accordance with section 314 (1) no. 6a sentence 4 of the HGB (German Commercial Code), the number of pre-emptive rights and other forms of share-based payment and their fair value must be disclosed at the grant date. The prior-year figures have been restated accordingly. As the grant date for the 2007 tranche is in the first two months of 2008, the SBP shares were measured at their fair value on the balance sheet date. See the explanations under "Stock Bonus Plan".
4) Appointed to the Executive Board on 1 July 2007
5) This includes a one-time non-performance-related special bonus of €2,725.0 thousand as compensation for lost bonus payments, among others.
6) Appointed to the Executive Board on 1 April 2007
7) Appointed to the Executive Board on 1 April 2006
8) The Executive Board members who left the Board during the reporting year, Matthias Ganz and Mathias Hlubek, received severance payments of €7,500.0 thousand and €9,100.0 thousand respectively in line with their severance commitments. These payments also covered, in particular, bonus entitlements and long-term incentive components.

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

There is a temporary severance commitment for the Chief Executive Officer until 2008 in the event that his appointment is revoked without good cause. The amount of the severance payment depends on the remuneration for the remainder of the agreed period of service until 31 October 2008 and amounts to at least 1.5 times the total annual remuneration (comprising fixed salary, bonus and part of the phantom stock options or shares) received in the last full calendar year.

Retirement benefit agreements ("direct commitments") have been entered into individually with all members 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 60 [1] or 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.[2] Pensions are paid to newly appointed Executive Board members from the age of 55 onwards at the earliest.[3]
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 in the event of death and four times the annual fixed salary in a single sum in the event of total invalidity.
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 current remuneration of the old contract of service, or all income as defined by the Einkommensteuergesetz (German Income Tax Act) resulting from regular commercial, advisory, or professional activity relating to non-independent employment is offset in the full amount against the pension to be granted. Remuneration is not offset if the Executive Board member is over 60 or 63.
Pension measurement basis	The pension amounts to 30 percent of the most recent fixed salary paid and rises by five percentage points per reappointment period to a maximum of 50 percent.
Form of payment	As a rule, the benefit is granted in the form of a pension. The Executive Board member in question may notify Deutsche Börse AG in writing no later than six months before commencement of the insured event whether he or she wishes to draw the benefits under the retirement benefit agreement in the form of a monthly pension, a one-off capital payment, or five part-payments. In such cases, Deutsche Börse AG decides on the form of payment to the Executive Board member, taking the Board member's notification into account.
Surviving dependents' pensions	In the event of death during the period of active service or following entitlement to receive a pension (see above), the 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 and 25 percent respectively 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 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.

1) This rule applies to Executive Board members Reto Francioni and Jeffrey Tessler.
2) In accordance with this agreement, this applies to Mathias Hlubek as from 2011 and to Matthias Ganz as from 2008.
3) This new rule applies to Executive Board members Andreas Preuß and Thomas Eichelmann.

The pension expense comprises the current service cost and the past service cost. The following amounts were added to provisions and recognized as pension expense in the year under review:

Pension expense

	2007 € thousands	2006 € thousands
Reto Francioni	1,213.6	1,552.5
Thomas Eichelmann [1]	44.4	–
Frank Gerstenschläger [2]	393.1	–
Michael Kuhn	185.6	775.4
Andreas Preuß	518.8	407.2
Jeffrey Tessler	1,196.3	818.4
Total	**3,551.8**	**3,553.5**

1) Appointed to the Executive Board on 1 July 2007
2) Appointed to the Executive Board on 1 April 2007

Change-of-control arrangements
On the basis of their contracts of service, the members of the Executive Board are entitled to severance payments if in the event of a change of control, the contract of service is terminated within six months or if the member of the Executive Board, provided that no incident has been caused by his fault justifying the termination of his service agreement for cause, resigns his position because, as a result of the change of control, his position as a member of the Executive Board is subject to significant limitations.

The payments in the event of a change of control for the Executive Board members active at the end of the year 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 phantom stock options are settled on the date the member leaves the Executive Board. If a member of the Executive Board resigns, only 50 percent of the phantom stock options are paid out. The entitlement to shares from the Stock Bonus Plan remains in force and is settled in accordance with the provisions of the Stock Bonus Plan after the end of the waiting period.

Phantom stock option plan
Deutsche Börse AG established a phantom stock option plan following its IPO on 5 February 2001 that ran until the end of 2006 and also applied to Executive Board members. The options issued have a maximum term of five years and a vesting period of three years. After the end of the vesting period, the options can be exercised in 14-day exercise windows until the end of each quarter in each case. 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) and the mean closing prices 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 on which the exercise windows begin (1 February, 1 May, 1 August and 1 November).

Phantom stock options were issued annually on 1 February. The Supervisory Board's Personnel Committee determined the number of options to be granted to each Executive Board member based on the individual performance of the respective Board member. See note 47 in the notes to the consolidated financial statements for details of the measurement of the stock option plan for the Executive Board.

The total expense for the options recognized in the year under review and the carrying amount of the provisions recognized for the options at the balance sheet date are shown in the table below. As in the previous year, there were no exercisable options on the balance sheet date.

Phantom stock option plan (prior-year figures in brackets)

	Expense recognized € thousands	Carrying amount at balance sheet date € thousands
Reto Francioni	2,488.9 (589.0)	3,077.9 (589.0)
Thomas Eichelmann[1]	– (–)	– (–)
Frank Gerstenschläger[2]	– (–)	– (–)
Michael Kuhn	8,505.6 (3,906.6)	10,620.9 (4,287.5)
Andreas Preuß	1,418.7 (335.7)	1,754.4 (335.7)
Jeffrey Tessler	4,736.5 (1,402.6)	6,393.1 (1,656.6)
Total	**17,149.7** **(6,233.9)**	**21,846.3** **(6,868.8)**

1) Appointed to the Executive Board on 1 July 2007
2) Appointed to the Executive Board on 1 April 2007

Stock Bonus Plan
The Stock Bonus Plan (SBP) replaces the phantom stock option plan of recent years. The Stock Bonus Plan makes it possible to grant not just cash but also shares of Deutsche Börse AG as a variable remuneration component, thus giving beneficiaries a greater share in the Company's success and strengthening their ties with the Company.

For the year under review, for the first time, the members of the Executive Board will receive one third of their variable remuneration converted into shares of Deutsche Börse AG as a long-term incentive component ("number of SBP shares"). The number of SBP shares is calculated by dividing the amount of the individual and performance-based bonus (one third of the variable remuneration) of each Executive Board member by the market price of the Company (closing auction price of Deutsche Börse shares in electronic trading on the Frankfurt Stock Exchange) on the date the bonus is determined. Neither the converted bonus nor the number of shares will be paid at the time the bonus is determined; this is not done before the end of a two-year waiting period. On expiry of the waiting period, the original number of SBP shares is first converted into a payment claim.

This is done by multiplying the current market price on that day (closing auction price of Deutsche Börse shares in electronic trading on the Frankfurt Stock Exchange) by the number of SBP shares. The Company then has the option to settle the payment claim for the Executive Board member in cash or shares.

For the year under review it is assumed that all Executive Board members active at the balance sheet date with the exception of Thomas Eichelmann will receive SBP shares. In accordance with IFRS 2, the total number of SBP shares is measured at fair value on the grant date. As the grant date is in 2008, the number of SBP shares was measured at fair value at the 2007 balance sheet date and it was assumed that all Executive Board members had received 100 percent of their bonus as variable remuneration. A modified Black-Scholes option pricing model (Merton model) was used to measure the number of SBP shares from the 2007 tranche. The model does not take exercise hurdles into account. It is based on the following valuation parameters:

		Tranche 2007 [1]
Term until		31 Jan. 2010
Risk-free interest rate	%	4.15
Volatility	%	28.1
Deutsche Börse AG share price	€	135.75
Dividend yield	%	1.8
Exercise price	€	0.0
Fair value	€	130.83

1) Valuation parameters and fair value at the balance sheet date 31 December 2007

The expense from the 2007 Stock Bonus Plan incurred in the year under review is presented together with the carrying amount at the balance sheet date in the table below. It is calculated by spreading the value at the grant date (or balance sheet date) in the table "Executive Board remuneration for 2007" (see page 36) over three years (from February 2007):

2007 Stock Bonus Plan

	Expense recorded € thousands	Carrying amount at balance sheet date € thousands
Reto Francioni	270.0	270.0
Thomas Eichelmann [1]	–	–
Frank Gerstenschläger [2]	92.1	92.1
Michael Kuhn	186.5	186.5
Andreas Preuß	220.9	220.9
Jeffrey Tessler	166.9	166.9
Total	**936.4**	**936.4**

1) Appointed to the Executive Board on 1 July 2007
2) Appointed to the Executive Board on 1 April 2007

The following table shows the changes in the number of SBP shares assumed for the year under review.

Shares from the 2007 tranche of the Stock Bonus Plan

	Balance as at 31 Dec. 2006	Projected no. of SBP shares for 2007	Settlement in SBP shares	No. of expired SBP shares	Projected balance as at 31 Dec. 2007
Reto Francioni	0	6,753	0	0	6,753
Thomas Eichelmann [1]	0	0	0	0	0
Frank Gerstenschläger [2]	0	2,303	0	0	2,303
Michael Kuhn	0	4,666	0	0	4,666
Andreas Preuß	0	5,525	0	0	5,525
Jeffrey Tessler	0	4,175	0	0	4,175
Total	0	23,422	0	0	23,422

1) Appointed to the Executive Board on 1 July 2007
2) Appointed to the Executive Board on 1 April 2007

Former members of the Executive Board or their surviving dependents
Former members of the Executive Board or their surviving dependents received remuneration of €922 thousand in 2007 (2006: €661 thousand) in the year under review. The actuarial present value of the pension obligations (DBO) at the balance sheet date was €30,251 thousand in the year under review (2006: €26,031 thousand). The increase is due to the fact that two members of the Executive Board left the Company during the year under review and their pensions were immediately added to the pension obligations.

For the two Executive Board members who left the Company in 2007, the basis of assessment used is 35 percent of the most recent fixed salary paid.

Remuneration of the Supervisory Board
Supervisory Board members received a ratable fixed remuneration for their services in 2007, depending on their length of service in the year under review. As in the previous year, the fixed remuneration for membership was €96 thousand per annum for the Chairman, €72 thousand for a Deputy Chairman and €48 thousand for each other member. In addition, membership of the Supervisory Board's Strategy, Technology, Personnel, Nomination, Clearing and Settlement, and Audit and Finance Committees is remunerated: 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. The members of the Nomination Committee have waived their entitlement to half of their remuneration for their work on the Committee in 2007.

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 more than nine to ten years as calculated by the Deutsche Bundesbank (Germany's 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 been effective since 2003, under which the members of the Supervisory Board had 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.

Supervisory Board remuneration[1]

	Membership period		Non-performance-related remuneration		Performance-related remuneration	
	2007	2006	2007 € thousands	2006 € thousands	2007 € thousands	2006 € thousands
Kurt F. Viermetz	full year	full year	161.0	156.0	32.0	32.0
David Andrews	1 Jan.– 3 June	full year	49.0	98.0	16.0	32.0
Herbert Bayer	full year	full year	68.0	68.0	32.0	32.0
Udo Behrenwaldt	full year	full year	68.0	68.0	32.0	32.0
Richard Berliand[2]	full year	full year	68.0	68.0	32.0	32.0
Birgit Bokel	full year	full year	68.0	61.3	32.0	32.0
Hans-Peter Gabe	full year	full year	68.0	68.0	32.0	32.0
Dr Manfred Gentz	full year	full year	88.0	88.0	32.0	32.0
Richard M. Hayden	full year	full year	91.3	88.0	32.0	32.0
Craig Heimark	full year	full year	73.8	68.0	32.0	32.0
Dr Konrad Hummler	11 Sep. – 31 Dec.	–	22.7	–	10.7	–
Hermann-Josef Lamberti	full year	full year	78.0	78.0	32.0	32.0
Silke Martinez Maldonado	–	1 Jan. – 24 May	–	28.3	–	13.3
Friedrich Merz	full year	full year	68.0	68.0	32.0	32.0
Friedrich von Metzler	full year	full year	71.3	68.0	32.0	32.0
Roland Prantl	full year	24 May – 31 Dec.	48.0	32.0	32.0	21.3
Alessandro Profumo[3]	1 Jan. – 17 Oct.	full year	40.0	48.0	26.7	32.0
Sadegh Rismanchi	full year	full year	68.0	68.0	32.0	32.0
Gerhard Roggemann	full year	full year	79.7	68.0	32.0	32.0
Dr Erhard Schipporeit	full year	full year	68.0	68.0	32.0	32.0
Dr Herbert Walter	full year	full year	68.0	68.0	32.0	32.0
Otto Wierczimok	full year	full year	68.0	68.0	32.0	32.0
Johannes Witt	full year	full year	68.0	68.0	32.0	32.0
Total			**1,550.8**	**1,561.6**	**661.4**	**674.6**

1) See note 47 in the notes to the consolidated financial statements for details of the long-term incentive components
2) On instructions received from the Supervisory Board member Mr Richard Berliand, his remuneration was directly paid to JP Morgan Securities Ltd.
3) On instructions received from the Supervisory Board member Mr Alessandro Profumo, his remuneration was directly paid to UniCredito Italiano S.p.A.

Audit Opinion

We have audited the consolidated financial statements prepared by Deutsche Börse AG, Frankfurt/Main, comprising the balance sheet, the income statement, statement of changes in equity, cash flow statement and the notes to the consolidated financial statements, together with the group management report for the business year from 1 January to 31 December 2007. The preparation of the consolidated financial statements and the group management report in accordance with IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a (1) HGB are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated 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 (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 consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group 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 consolidated financial statements and the group management report are examined primarily on a random test basis within the scope of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and group 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 consolidated financial statements comply with IFRS, as adopted by the EU, the additional requirements of German commercial law pursuant to § 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Frankfurt/Main, 25 February 2008

KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Becker	Bors
Wirtschaftsprüfer	Wirtschaftsprüfer

Responsibility Statement by the Executive Board

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Frankfurt/Main, 22 February 2008
Deutsche Börse AG

Reto Francioni   Thomas Eichelmann   Frank Gerstenschläger

Michael Kuhn   Andreas Preuß   Jeffrey Tessler