

Regarding agenda item 6: Report of the Executive Board in accordance with section 203 (2) sentence 2 in conjunction with section 186 (4) sentence 2 of the AktG

The authorisation proposed under agenda item 6 is intended to create authorised capital of up to EUR 19,000,000.00 which if utilised would generally entitle shareholders to an – as a rule indirect – subscription right. However, the proposed resolution provides that in the event Authorised Capital II is utilised, the Executive Board be authorised, subject to the Supervisory Board's consent, to exclude the subscription rights in certain cases.

This shall initially apply in the event of a cash capital increase, albeit limited to a maximum of up to 10 per cent of the share capital existing as at the date on which the authorisation enters into effect by virtue of registering the amendment to the Articles of Incorporation in the commercial register or – if this amount is lower – the share capital existing as at the date of its exercise. If during the term of this authorisation and until such time as it is exercised, other authorisations to issue or sell shares in the Company or to issue rights entitling or obligating the holder to subscribe for shares in the Company are exercised and subscription rights thereby excluded pursuant to or in analogous application of section 186 (3) sentence 4 of the AktG, this shall be applied toward the aforementioned 10 per cent threshold.

The authorisation is furthermore subject to the proviso that the issue price of the new shares does not fall substantially short of the stock exchange price of the Company's shares already listed. This authorisation aims to make use of the option of a less stringent exclusion of subscription rights pursuant to section 203 (1) and (2) of the AktG in conjunction with section 186 (3) sentence 4 of the AktG. This option serves the interests of the Company and to achieve the best possible price when the shares are issued. The option to exclude subscription rights which the law provides in section 186 (3) sentence 4 of the AktG, makes it possible for management to react quickly, flexibly and cost-effectively to opportunities presenting themselves as a result of market conditions prevailing in a given case. This allows the equity base to be optimally strengthened in the interest of the Company and all its shareholders. By avoiding the time and cost-intensive settlement of subscription rights, equity requirements can be covered on very short notice as market opportunities present themselves in the short term and new shareholders can be attracted domestically and abroad.

Depending on the prevailing situation on the capital markets in a given case, it may be preferable to issue new shares without being tied to the restrictions of section 186 (1) and (2) of the AktG. It is true that section 186 (2) of the AktG permits the subscription price to be published up until the third-to-last day of the subscription period. However, volatility on the equities markets also creates a market risk extending over a period of several days, which results in discounts being applied as a safety margin when the subscription price is set. Even when subscription rights are granted, there is no certainty that they will be exercised, and this can jeopardise the successful placement with third parties or be associated with additional expense. Finally, because the subscription period as prescribed by section 186 (1) sentence 2 of the AktG is at least two weeks, having granted subscription rights would prevent the Company from being able to react quickly in response to favourable or unfavourable market conditions and would expose it to declining share prices during the subscription period, which could mean less favourable terms for the Company in raising equity. The ability to optimally strengthen the equity base in the interest of the Company and all its shareholders is particularly important for the Company because it must be able to leverage its market opportunities quickly and flexibly and be able to cover any capital requirements arising as a result on very short notice where necessary. The sale price, and thus the funds accruing to the Company for the new shares, will track the stock exchange price of the shares already listed and will not be substantially (probably not more than 3 per cent, but in any case not more than 5 per cent) lower than the current stock exchange price. In view of the fact that all the shares thus far issued by the Company are admitted to the regulated market of the Frankfurt Stock Exchange, those shareholders interested in maintaining their respective equity interest may, as it currently stands, assuming the authorisation is exercised under exclusion of subscription rights in accordance with section 186 (3) sentence 4 of the AktG, purchase additional shares in the Company via the stock exchange.

The authorisation also provides that, in case of certain capital increases against contributions in kind, subscription rights may be excluded. Such exclusion serves to facilitate the acquisition of companies, parts of companies or equity interests in companies or other assets against the grant of shares. In the event the acquisition by way of capital increase against contributions in kind results in tax savings for the seller or if for other reasons the seller is more interested in the acquisition of shares in the Company than in cash consideration, the option here proposed strengthens the bargaining position of the Company. In certain cases, it may also

be expedient to offer the seller new shares in the Company as consideration due to the special interests of the Company. The Authorised Capital II enables the Company to react swiftly and flexibly to opportunities and to acquire companies, parts of companies, equity interests in companies or other assets against issue of new shares in appropriate individual cases. The proposed authorisation makes it possible in certain instances to achieve optimal financing for acquisitions using new shares and to strengthen Deutsche Börse Aktiengesellschaft's equity base. The management will only exercise its option to implement a capital increase against contributions in kind by exercising the authorisation under the exclusion of shareholders' subscription rights from Authorised Capital II if the value of the new shares and the value of the consideration paid for the companies, parts of companies, equity interests or other assets to be acquired are reasonably proportionate to each other. The issue price of the new shares to be issued shall generally be based on the stock exchange price. This will prevent any economic disadvantage for the shareholders excluded from the subscription right. Given all of the foregoing circumstances, the authorisation to exclude shareholders' subscription rights to the extent described is necessary, expedient, appropriate and in the interests of the Company.

The authorisation to exclude shareholders' subscription rights for fractional amounts serves to ensure a practicable subscription ratio with respect to the amount of each capital increase. Without the exclusion of subscription rights for fractional amounts, the technical implementation of the capital increase, particularly in the case of capital increases by round numbers, and the exercise of subscription rights would be considerably more complicated. The new shares that are excluded from shareholders' subscription rights as floating fractional shares will be liquidated either via their sale on the stock exchange or otherwise at the most favourable terms possible for the Company.

This authorisation allows new shares to be issued without subscription rights only if the total number of new shares represent, in total, a notional interest in the share capital of no more than 10 per cent as at the date on which the authorisation enters into effect by virtue of registering the amendment to the Articles of Incorporation in the commercial register or, if the share capital is lower as at the date on which this authorisation is exercised, 10 per cent of the share capital on that date. This limits the extent to which shares can be issued without subscription rights. This also protects shareholders from any potential dilution of their existing

holdings. A deeming clause (whereby certain other share and rights issues count towards the subscription rights exclusion threshold) also ensures that the Executive Board does not exceed the 10 per cent threshold by (also) exercising other authorisations to issue shares in the Company or to issue rights entitling or obligating the holder to subscribe for shares in the Company and shareholders' subscription rights are thereby excluded.


There are no specific plans to utilise Authorised Capital II at the present time. The Executive Board will carefully review in each case whether the utilisation of Authorised Capital II is in the interests of the Company and hence of the shareholders. The Executive Board will report to the Annual General Meeting each time it utilises Authorised Capital II and, if applicable, provide specific grounds for excluding subscription rights.

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The Executive Board


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