



DEUTSCHE BÖRSE
GROUP

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Half-yearly financial report

Quarter 2 / 2016

Deutsche Börse Group: key figures

		30 Jun 2016	Quarter ended 30 Jun 2015	30 Jun 2016	Six months ended 30 Jun 2015
Consolidated income statement					
Net revenue (total revenue less volume-related costs)	€m	600.7	547.1	1,211.2	1,111.8
Net interest income from banking business	€m	21.1	14.1	39.7	22.5
Operating costs	€m	-316.3	-285.2	-628.5	-556.2
Earnings before interest and tax (EBIT)	€m	279.0	257.8	578.9	558.5
Net profit for the period attributable to Deutsche Börse AG shareholders	€m	183.5	168.2	382.1	368.8
Earnings per share (basic)	€	0.98	0.91	2.05	2.00
Consolidated cash flow statement					
Cash flows from operating activities excluding CCP positions	€m	-	-	519.5	475.2
Consolidated balance sheet (as at 30 June)					
Non-current assets	€m	16,362.7	15,137.0	16,362.7	15,137.0
Equity	€m	4,260.9	3,877.4	4,260.9	3,877.4
Non-current interest-bearing liabilities	€m	2,543.7	1,450.6	2,543.7	1,450.6
Performance indicators					
Employees (average FTEs for the period)		5,098	4,648	5,083	4,594
EBIT margin, based on net revenue	%	46	47	48	50
Tax rate ¹⁾	%	27.0	25.9	27.0	25.9
Gross debt / EBITDA ¹⁾		-	-	1.6	1.4
Interest coverage ratio ¹⁾	%	-	-	25.0	29.2
The shares					
Opening price	€	74.99	76.06	81.39	59.22
Closing price (as at 30 June)	€	73.54	74.25	73.54	74.25
Market indicators					
Eurex					
Number of contracts	m	465.9	454.7	933.5	870.9
Xetra and Börse Frankfurt					
Trading volume (single-counted)	€bn	331.4	395.2	698.9	807.8
Clearstream					
Value of securities deposited (average for the period)	€tr	13.1	13.4	12.9	13.3
Global Securities Financing (average outstanding volume for the period)	€bn	524.6	620.0	527.4	624.2
Transparency and stability key figures					
Proportion of companies listed in the Prime Standard (for shares) as a percentage of all listed companies ²⁾	%	91	88	91	88
Number of calculated indices		11,839	11,024	11,839	11,024
Number of sustainable index concepts		50	25	50	25
System availability of cash market trading system (Xetra®)	%	100	100	99.999	100
System availability of derivatives market trading system (T7/Eurex®)	%	99.889	100	99.944	100
Market risk cleared via Eurex Clearing (gross monthly average)	€bn	15,727	18,084	15,566	18,065

1) Adjusted for non-recurring items

2) Market capitalisation of companies listed in the Prime Standard (shares) in relation to the market capitalisation of all companies listed on the Frankfurt Stock Exchange

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Q2/2016: Deutsche Börse boosts adjusted net profit for the period by 21 per cent

Quarterly results at a glance

- Deutsche Börse Group's net revenue grew by 10 per cent in the second quarter of 2016, to €600.7 million (Q2/2015: €547.1 million). Again, the Eurex segment was the largest driver of growth.
- Operating costs amounted to €316.3 million (Q2/2015: €285.2 million). However, adjusted for non-recurring items (in particular in connection with the planned merger with London Stock Exchange Group plc, as well as the integration of acquired companies), operating costs remained stable at €275.8 million (Q2/2015: €273.4 million).
- Group earnings before interest and tax (EBIT) amounted to €279.0 million (Q2/2015: €257.8 million). Adjusted for non-recurring items, Deutsche Börse Group increased its EBIT by 19 per cent, to €325.6 million (Q2/2015: €273.5 million). Adjusted net profit for the period grew by 21 per cent to €218.5 million (Q2/2015: €180.8 million).
- Basic earnings per share amounted to €0.98 for an average of 186.8 million shares. Adjusted for non-recurring items, they amounted to €1.17 (Q2/2015: €0.91 for 184.2 million shares; adjusted: €0.98).
- This result is in line with Deutsche Börse Group's expectations for 2016.
- The sale of International Securities Exchange Holdings, Inc. (ISE) to Nasdaq, Inc., which had been agreed upon on 9 March 2016, was closed on 30 June 2016 with the payment of US\$1.1 billion in cash. The Group realised profit of €564.9 million after tax.
- The Group will use part of the funds obtained through the ISE sale to redeem US\$290 million of bonds issued, by the end of July. As a result, the key rating metric of gross debt to EBITDA will improve from 1.6 as of June 2016 to 1.4 – and thus be below the target level of 1.5.
- For financial year 2015, Deutsche Börse AG distributed a dividend of €2.25 per no-par value share to its shareholders (for financial year 2014: €2.10), equivalent to an aggregate dividend payout of €420.1 million (for financial year 2014: €386.8 million).

Material events at a glance

- In connection with the planned merger with London Stock Exchange Group plc (LSEG), Deutsche Börse AG published the Scheme Document, the Exchange Offer Document and the Prospectus of the joint holding company (temporarily called HLDCO123 PLC, HoldCo) on 1 June 2016.
- In these transaction documents, the partners point out that the recommended merger of LSEG and Deutsche Börse will not depend upon the result of the referendum in the United Kingdom. Following the UK's decision to leave the EU, the LSEG Board and Deutsche Börse's Executive Board continue to stand by the mutually decided, binding terms of the merger, and will take the appropriate actions to obtain the necessary approvals.
- By 26 July 2016, more than 60 per cent of the shareholders of Deutsche Börse AG had accepted the Exchange Offer and tendered their Deutsche Börse shares in exchange for shares of HoldCo. The final result will be announced on 28 July 2016. On 4 July, the majority of LSEG's shareholders had already approved the planned merger with Deutsche Börse in an extraordinary shareholders' meeting.
- Effective 18 July 2016, the Deutsche Börse AG current share class (ISIN DE0005810055) in the German blue chip index DAX® was replaced with the tendered share class of Deutsche Börse AG (ISIN DE000A2AA253).

Group interim management report

Fundamental information about the Group

The fundamental information about the Group described [in](#) on pages 18 to 30 of the 2015 corporate report is still valid in principle. However, there have been changes to the basis of consolidation.

Comparability of figures

Discontinued operation

The disposal of International Securities Exchange Holdings, Inc. (ISE) as of 30 June 2016 is disclosed as a discontinued operation in accordance with IFRS 5. In accordance with IFRS 5, Following IFRS 5, the Group interim management report contains financial indicators that exclude figures from discontinued operations. The previous year's figures for the second quarter and the first six months of 2015 have been adjusted accordingly.

Changes to the basis of consolidation and to segment reporting

Furthermore, the following changes to the basis of consolidation occurred compared to the second quarter of 2015:

- Effective 15 October 2015, Deutsche Börse AG acquired all shares in 360T Beteiligungs GmbH (360T) and has included the company in full in its consolidated financial statements since that date (Eurex segment).
- Effective 25 February 2016, Deutsche Börse AG sold its interest in Infobolsa S.A. Until that date, BME and Deutsche Börse had each held 50 per cent of the interests in Infobolsa S.A. and its subsidiaries (Market Data + Services segment).

Within Deutsche Börse Group, a series of organisational changes took place, affecting segment reporting:

Xetra segment

- Explicit recognition of revenue from listings (which were previously recognised under the "Other" item)

Clearstream segment

- Breakdown of custody and settlement fees into international business (ICSD), domestic business (Germany, CSD), and Investment Funds Services (prior to this, breakdown was only into custody and settlement)

Market Data + Services segment

- Merger of the Tools and Market Solutions business segments into Infrastructure Services
- Information business segment was renamed Data Services
- Reassignment of revenue from regulatory services, from Tools to Data Services
- Reassignment of EEX connection revenues to Eurex

Material related party disclosures

Detailed material related-party disclosures can be found in [note 17 of the notes to the consolidated financial statements](#).

Details on the planned merger with LSEG

On 16 March 2016, Deutsche Börse AG and LSEG announced that they had reached agreement on the terms of a recommended all-share merger of equals. On 1 June 2016, Deutsche Börse published the Scheme Document, the Exchange Offer Document and the HoldCo Prospectus concerning the planned merger with LSEG. The merger gives shareholders the opportunity to participate in the value created by a world-leading market infrastructure provider anchored in Europe.

The Combined Group will:

- offer shareholders the benefit of further accelerating the successful, complementary growth strategies on a global level.
- have a very strong balance sheet, generating attractive cash flows enabling it to implement a progressive dividend policy for its shareholders.
- offer its clients considerable benefits and services in the entire area of capital formation.
- provide access to deep, liquid and transparent markets.
- provide robust and innovative information services as well as risk and balance sheet management services.
- provide better support to its global client base in a developing regulatory environment, thanks to its client-focused and partnership-oriented approach.
- extend its global presence, creating a platform for future growth in Asia and North America.

Deutsche Börse expects to achieve pre-tax revenue synergies of at least €250 million per annum in year five post-completion (already approximately €160 million in year three) as well as cost synergies of approximately €450 million per annum in year three post-completion.

The merger will be completed via the newly established English holding company which was formed in the United Kingdom, is resident solely in the UK for tax purposes, and managed by a Board of Directors constituted in accordance with the UK Corporate Governance Code. The acquisition of LSEG by HoldCo will be effected by way of a Scheme of Arrangement (merger agreement according to English law; the "Scheme"). For the acquisition of Deutsche Börse, HoldCo has submitted a voluntary public takeover offer to all shareholders of Deutsche Börse.

Pursuant to the merger conditions, LSEG shareholders are entitled to the allotment of 0.4421 HoldCo shares in exchange for one LSEG share. Deutsche Börse shareholders are entitled to the allotment of one HoldCo share in exchange for one Deutsche Börse share.

In light of the developments following the UK referendum the parties emphasise that the agreed transaction includes all necessary mechanisms to respond to the outcome of the referendum. As already announced, in anticipation of a vote by the UK to leave the EU, the boards of Deutsche Börse and LSEG set up a Referendum Committee, chaired by the Chairman of Deutsche Börse, Joachim Faber, to make recommendations to the Combined Group board to ensure that the Combined Group will meet all regulatory requirements to secure closing of the transaction and achieve its commercial objectives.

Whether the UK is just European or a member of the EU, the merger will create a globally competitive, industry defining market infrastructure group at the service of European industry. It is clear that the agreed merger of Deutsche Börse and LSEG will deliver value to both shareholders and customers independently of the resolution of these uncertainties.

Disposal of International Securities Exchange

On 9 March 2016, Deutsche Börse AG and Nasdaq, Inc. entered into an agreement regarding the sale of International Securities Exchange Holdings, Inc. (ISE), operator of three US equity options exchanges, and ISE's holding company U.S. Exchange Holdings, Inc. to Nasdaq, for a total cash consideration of US\$1.1 billion. The transaction was closed on 30 June 2016 after all necessary regulatory approvals had been obtained during the past months.

In the context of its "Accelerate" growth strategy, Deutsche Börse Group has implemented far-reaching organisational changes and defined its financial targets. As part of that, the company is constantly assessing its future competitive positioning, profitability, innovative strength, and strategic benefits of all its shareholdings and own activities. Deutsche Börse pursues the goal of becoming the number one or number two player in every business area the company operates in – a goal that requires active management of the business portfolio. In areas where Deutsche Börse is not able to meet this goal, it evaluates other options.

Report on the economic position

The company's business operations and macroeconomic and sector-related environment have not changed significantly compared with the presentation in the [2015 corporate report \(pages 18 and 32 to 33\)](#).

There were no changes in corporate strategy and management in the second quarter of 2016. For a comprehensive presentation, please refer to the details provided in the [2015 corporate report \(pages 22 to 25\)](#).

Research and development activities

As a service provider, Deutsche Börse Group does not engage in research and development activities comparable to those of manufacturing companies. As a result, this combined management report does not contain a detailed research and development report. However, Deutsche Börse does develop and operate its own trading and clearing systems as well as system solutions designed to achieve its structural growth objectives. The company works constantly to maintain and enhance the technology leadership and stability of its electronic systems in the interests of its customers and the systemic stability of the financial markets. This is why Deutsche Börse has significantly overhauled its trading and clearing systems, which go by the trade names T7[®] and C7[®]. Other technically challenging projects include implementing the European Central Bank's plans to create a uniform, pan-European securities settlement platform (TARGET2-Securities).

Results of operations

Results of operations in the second quarter of 2016

The macro-economic framework remained unchanged during the second quarter of 2016. The European Central Bank has maintained its quantitative easing (QE) policy, and even lowered its negative interest rate on deposits by another 10 basis points, to –0.4 per cent in March. In addition, it increased the volume of its government-bond buying programme (as part of QE measures) to €80 billion per month and expanded the pool of bonds eligible for purchase. However, the cash market did not benefit from this additional market liquidity to the extent seen in the previous year; instead, other asset classes saw further investment inflows. The blue-chip indices DAX® and STOXX® failed to reach last year's levels, which also affected revenue in the cash market business, and in the Market Data + Services segment. Overall, market uncertainty influenced trading activity; volatility – as measured by the VDAX® index – was up slightly year-on-year on a quarterly average. As expected, trading volumes on the cash and derivatives markets increased around the date of the UK referendum, culminating in very high quantities on the day post-referendum. Deutsche Börse Group's systems mastered these "stress tests" without any problems and guaranteed stable, fair and transparent trading even during times of high volatility.

In this challenging market environment, Deutsche Börse Group increased its net revenue by 10 per cent, compared to Q2/2015. Net revenue comprises sales revenue plus net interest income from banking business and other operating income, less volume-related costs. As in the first quarter, the main driver of this development was the Eurex segment with a growth rate of 20 per cent, which was due mainly to the commodities business of European Energy Exchange AG (EEX) and high levels of trading activity in equity index derivatives. The Clearstream and Market Data + Services segments also increased, while the cash market business lagged the second quarter of the previous year, given the very high trading activity and considerably higher index levels present at that time. Revenue associated with changes to the scope of consolidation amounted to €17.8 million net.

Net interest income from banking business, generated in the Clearstream segment with cash customer deposits under custody, and in the Eurex segment with clearing houses, increased to €21.1 million in the second quarter of 2016 (Q2/2015: €14.1 million), mainly driven by accelerated net interest income in the Clearstream segment.

Due to non-recurring and consolidation effects, operating costs in the second quarter were higher than in the same quarter of the previous year. Non-recurring items increased by €28.7 million year-on-year, to €40.5 million. These items include mainly the costs incurred in connection with the planned merger with LSEG (€22.7 million) and, as expected, integration costs for acquired companies (€8.1 million). Costs incurred in connection with consolidation effects stood at €11.0 million in the second quarter of 2016. Excluding non-recurring items, operating costs slightly rose, additionally adjusted for consolidation effects, this item decreased by 3 per cent.

Key figures on results of operations of Deutsche Börse Group (reported)

		Quarter ended			Six months ended		
		30 Jun 2016	30 Jun 2015	Change %	30 Jun 2016	30 Jun 2015	Change %
Net revenue	€m	600.7	547.1	10	1,211.2	1,111.8	9
Operating costs	€m	316.3	285.2	11	628.5	556.2	13
EBIT	€m	279.0	257.8	8	578.9	558.5	4
Net profit for the period attributable to Deutsche Börse AG shareholders	€m	183.5	168.2	9	382.1	368.8	4
Earnings per share (basic)	€	0.98	0.91	8	2.05	2.00	3

Net income from equity investments of €–5.4 million (Q2/2015: €–4.1 million) was mainly due to a valuation allowance.

In the second quarter of 2016, EBIT increased 8 per cent year-on-year due to the development of net revenue and operating costs; adjusted for non-recurring effects, EBIT increased by 19 per cent in the second quarter of 2016.

The Group's financial result for the second quarter of 2016 amounted to €–17.8 million (Q2/2015: €–13.9 million). The increase year-on-year mainly results from higher interest expenses due to the acquisitions of 360T and STOXX in the previous year.

Results of operations in the first half of 2016

Business development in the first half of 2016 was fundamentally in line with the second quarter: strong growth rates on the derivatives market for the commodity products of EEX and equity index derivatives; equally positive business development in both the Clearstream and MD+S segments, while cash market activity lagged behind the strong performance seen in the first half of 2015.

Deutsche Börse Group's total net revenue rose by 9 per cent year-on-year. Without the consolidation effects in the amount of €39.4 million, net revenue increased by 5 per cent. Net interest income from banking business increased significantly to €39.7 million (H1/2015: €22.5 million).

During the first half of 2016, non-recurring effects recognised as part of operating costs amounted to €72.9 million (H1/2015: €22.3 million). Non-recurring effects included costs incurred in connection with the planned merger with LSEG (€38.4 million), costs incurred in connection with the integration of acquired companies (€17.8 million), fees associated with litigation (€12.4 million), and efficiency measures (€4.3 million). Consolidation activities incurred costs of €28.6 million in the first half of 2016. Excluding non-recurring items, operating costs increased by 4 per cent, additionally adjusted for consolidation effects, this item decreased slightly.

The result from equity investments for the first six months of 2016 was €–3.8 million (H1/2015: €2.9 million).

The Group's financial result for the first six months of 2016 was €–38.0 million (H1/2015: €–26.3 million). The deterioration mainly results from higher interest expenses due to the acquisitions of 360T and STOXX in the previous year.

Key figures on results of operations of Deutsche Börse Group (adjusted)

		Quarter ended			Six months ended		
		30 Jun 2016	30 Jun 2015	Change %	30 Jun 2016	30 Jun 2015	Change %
Net revenue	€m	600.7	547.1	10	1,211.2	1,111.8	9
Operating costs	€m	275.8	273.4	1	555.6	533.9	4
EBIT	€m	325.6	273.5	19	657.9	579.3	14
Net profit for the period attributable to Deutsche Börse AG shareholders	€m	218.5	180.8	21	439.8	386.4	14
Earnings per share (basic)	€	1.17	0.98	19	2.35	2.10	12

Comparison of results of operations with the forecast for 2016

Business development in the first six months of 2016 was in line with Group expectations. For details on data used for the forecast, see the [report on expected developments](#).

Deutsche Börse AG shares: key figures

		Quarter ended		Six months ended	
		30 Jun 2016	30 Jun 2015	30 Jun 2016	30 Jun 2015
Earnings per share (basic)	€	0.98	0.91	2.05	2.00
Earnings per share (basic, adjusted)	€	1.17	0.98	2.35	2.10
Opening price ¹⁾	€	74.99	76.06	81.39	59.22
High ²⁾	€	82.14	80.69	83.00	80.69
Low ²⁾	€	70.17	70.81	69.80	58.65
Closing price (as at 30 June)	€	73.54	74.25	73.54	74.25
Number of shares (as at 30 June)	m	193.0	193.0	193.0	193.0
Market capitalisation (as at 30 June)	€bn	14.2	14.3	14.2	14.3

1) Closing price on preceding trading day

2) Intraday price

Eurex segment

Q2/2016

During the second quarter of 2016, the Eurex segment increased the volumes traded in all essential business areas – financial derivatives (Eurex Exchange), commodities (EEX), foreign-exchange trading (360T) – surpassing even the high results achieved in Q2/2015. Net revenue consolidation effects for 360T Beteiligungs GmbH (consolidated since the fourth quarter of 2015), and APX Holding group (APX) (consolidated since the beginning of May 2015), amounted to €16.3 million and €3.4 million, respectively. 360T accounted for €11.7 million and APX for €1.0 million of operating costs.

European equity index derivatives were the main growth driver in the financial derivatives business on Eurex Exchange during the second quarter. The positive development was mainly due to the slightly higher market volatility, which increased the hedging needs of market participants, and the marked increase in contracts traded around the date of the referendum in the United Kingdom. Trading in interest rate derivatives, however, could not quite reach last year's level, after the European Central Bank had once again lowered its key interest rates in March, bringing the interest rate on deposits to –0.4 per cent and the main refinancing rate in the euro zone to 0 per cent. On the derivatives market, these decisions burden especially the long-term interest rate derivatives business, and reduce net interest income from banking business.

To further expand derivatives business based on the Korean KOSPI index, Eurex and Korea Exchange (KRX) have extended their partnership by the listing of Mini KOSPI 200 Index Futures during Eurex trading hours. In addition, with the introduction of the Eurex Euro STOXX 50 Futures denominated in Korean won, KRX will list a derivatives product based on a major global benchmark index for the first time. The German-Korean cooperation has proven its worth right from the beginning. Since the introduction of KOSPI products on Eurex in August 2010, a total of 129 million contracts have been traded.

On 30 June 2016, Deutsche Börse Group finalised the sale of ISE to Nasdaq; in future, accordingly, Deutsche Börse will no longer disclose any results from US options trading.

Eurex segment: key indicators

FINANCIAL KEY FIGURES	30 Jun 2016	Quarter ended 30 Jun 2015	Change	30 Jun 2016	Six months ended 30 Jun 2015	Change
	€m	€m	%	€m	€m	%
Net revenue	260.9	217.3	20	536.7	432.5	24
European equity index derivatives	115.8	94.4	23	240.3	197.2	22
European interest rate derivatives	46.3	52.2	-11	93.6	97.8	-4
European equity derivatives	10.9	10.5	4	20.8	20.4	2
Commodities (EEX)	53.5	40.1	33	108.5	80.4	35
Foreign exchange (360T)	16.3	-	-	32.1	-	-
Other (including repo business and net interest income from banking business)	18.1	20.1	-10	41.4	36.7	13
Operating costs	125.0	107.7	16	256.8	208.2	23
EBIT	129.8	107.6	21	275.1	228.9	20
EBIT (adjusted)	149.0	110.9	34	307.8	228.4	35
PERFORMANCE INDICATORS						
Financial derivatives	m contracts	m contracts	%	m contracts	m contracts	%
European derivatives ¹⁾	465.9	454.7	2	933.5	870.9	7
European equity index derivatives ²⁾	240.5	197.6	22	496.2	412.0	20
European interest rate derivatives	128.4	146.9	-13	260.1	270.8	-4
European equity derivatives ²⁾	92.8	106.2	-13	169.6	181.0	-6
Commodities³⁾⁴⁾	TWh / m t CO₂	TWh / m t CO₂	%	TWh / m t CO₂	TWh / m t CO₂	%
Electricity	1,214.0	635.3	91	2,247.8	1,422.0	58
Gas	409.0	191.6	113	954.6	435.4	119
Emissions trading	225.9	154.0	47	468.6	315.4	49
FX business	€bn	€bn	%	€bn	€bn	%
Average daily outstanding volume on 360T	60.4	57.3	5	58.9	56.1	5

1) The total shown does not equal the sum of the individual figures as it includes other traded products such as ETFs, volatility, agricultural and precious metals derivatives.

2) Dividend derivatives have been allocated to the equity index and equity derivatives.

3) Volume traded on EEX in terawatt-hours (TWh) for power and gas trading and in million CO₂ tonnes for trading in emission rights

4) Including the volumes traded on EPEX, APX/Belpex, and (since 17 February 2016) on SEEPEX and PXE (from 1 June 2016) in the power segment, as well as the volumes traded on Powernext and Gaspoint Nordic in the gas segment (Gaspoint Nordic new for 2016)

EEX group continued its growth rate of recent quarters unabated. Higher trading volumes on the power derivatives market were mainly due to the growth in the German, French and Italian markets. In the wake of the fall in oil prices, April in particular was marked by high market volatility – with the associated positive impact upon business. In April, EEX achieved a new monthly record on the power derivatives market with a volume of 416 TWh. Since June, Power Exchange Central Europe (PXE), domiciled in Prague, has been part of EEX group. Given its broad product range and the high pricing quality, EEX was also able to gain market share, more than doubling volumes traded in natural gas products on the PEGAS[®] platform. On the Dutch gas derivatives market, EEX increased volumes traded by as much as 267 per cent. Volumes traded in emission rights, which – in terms of revenue – belongs to EEX's smaller business divisions, rose by 47 per cent. EEX reported positive news on the first anniversary of the migration of agricultural products from Eurex to EEX: at the beginning of May, year-to-date trading volumes in dairy product derivatives had already surpassed the total combined volume of 2015 on EEX and Eurex.

Deutsche Börse's 360T[®] platform grew both trading volumes and market share during the reporting period. Year-on-year, daily FX volumes traded on 360T rose by 5 per cent, whilst volumes on comparable trading platforms stagnated. The increase of the average daily FX volumes traded on 360T was attributable in particular to the expansion of the client network on regional and international markets, which represents one of the strategic pillars in 360T's business development.

First half of 2016

After two successful quarters, the 2016 half-year result also improved year-on-year. The influencing factors described in the context of the quarterly results above also apply to the entire half-year. European equity index derivatives, commodity products and foreign-exchange transactions were the main drivers for the decidedly positive performance during the first half of the year.

Xetra segment

Q2/2016

During the second quarter of 2016, the European cash markets failed to reproduce 2015's record trading volumes – a development which also affected Deutsche Börse with its trading venues Xetra[®], Frankfurter Wertpapierbörse (FWB[®], the Frankfurt Stock Exchange) and Tradegate. In the previous year, the cash markets had benefited considerably from the launch of the European Central Bank's bond-buying programme (within the scope of its quantitative easing) and high market liquidity. In the second year of the QE programme, this effect diminished; investors increasingly turned towards other investment options again. At the end of the quarter, the "leave" decision from the UK referendum once again triggered markedly higher trading volumes. In total, order executions increased slightly, compared to Q2/2015. However, lower valuation multiples of listed companies – and thus lower index levels – led to a decline of trading volumes year-on-year, with Xetra and the Frankfurt Stock Exchange down 16 per cent each. Only Tradegate saw increased trading volumes, rising by 5 per cent.

The volumes of exchange-traded funds (ETFs) also declined year-on-year. However, fund assets under management in ETFs amounted to €358.2 billion (Q2/2015: €336.6 billion), an increase of 6 per cent. In Q2/2016, trading volumes in this segment were down by 17 per cent, to €40.6 billion (Q2/2015: €48.8 billion). With a market share of 32 per cent (Q2/2015: 33 per cent), Deutsche Börse maintained its position as Europe's biggest marketplace for ETFs.

Low interest rates combined with general uncertainty drove the demand for Xetra-Gold[®] as an investment asset to an all-time high. At the end of the second quarter of 2016, 81.7 tonnes of gold (30 June 2015: 59.3 tonnes) were stored in the vaults of Deutsche Börse – a 38 per cent increase in inventory as against the prior-year balance sheet date. Given a Xetra price of €38.25 (30 June 2016), this corresponds to a cash equivalent of the stored gold of approx. €3.1 billion (30 June 2015: €2.0 billion). Of all tradable ETCs, Xetra-Gold is the most actively traded security by far. In the second quarter of 2016, the order book turnover on Xetra totalled €650.7 million – a market share of 40 per cent for ETCs.

Xetra segment: key indicators

	Quarter ended			Six months ended		
	30 Jun 2016	30 Jun 2015	Change	30 Jun 2016	30 Jun 2015	Change
FINANCIAL KEY FIGURES	€m	€m	%	€m	€m	%
Net revenue	41.1	45.1	-9	84.5	94.3	-10
Trading	26.7	30.4	-12	55.6	64.4	-14
Central counterparty for equities	6.8	7.4	-8	14.1	15.2	-7
Listing	3.6	3.2	13	6.5	6.5	0
Other	4.0	4.1	-2	8.3	8.2	1
Operating costs	23.6	18.2	30	43.9	36.0	22
EBIT	18.3	24.8	-26	41.4	56.6	-27
EBIT (adjusted)	20.4	29.0	-30	45.1	60.9	-26
PERFORMANCE INDICATORS	€bn	€bn	%	€bn	€bn	%
Trading volume (order book turnover, single-counted)						
Xetra®	320.6	382.3	-16	676.5	777.4	-13
Börse Frankfurt	10.8	12.9	-16	22.4	30.4	-26
Tradegate Exchange	17.6	16.8	5	35.4	40.8	-13

At the end of Q2/2016, the Deutsche Börse Venture Network, which was launched last year, grew to 87 growth companies and 166 investors. The programme aims to improve the financing opportunities available to start-up growth enterprises. Deutsche Börse Venture Network connects high-growth, start-up companies with international investors, to help these companies raise capital – including a potential initial public offering (IPO) – and to help them build a comprehensive network. For the specific promotion of fintech companies in their seed and growth phases, Deutsche Börse had already launched a fintech hub in Frankfurt in April, to drive the start-up and investment culture in Germany. In the meantime, four start-ups have moved into their offices in the fintech hub, provided free of charge by Deutsche Börse.

First half of 2016

Second-quarter performance in the Xetra segment mirrored the overall development during the first half of 2016: year-on-year, however, cash market participants traded less, and the volumes on Deutsche Börse Group's trading venues did not reach the very high levels of 2015, once the effect of the ECB's QE programme had eased off. Accordingly, net revenue in the first half of 2016 also fell behind year-on-year.

Clearstream segment**Q2/2016**

While the Clearstream segment was able to slightly increase its share in securities under custody in the International Central Securities Depository (ICSD) business, the domestic CSD business declined year-on-year given the general development on the German cash markets.

In the international business, the value of securities held in custody increased slightly, while the number of transactions remained stable year-on-year. Cash customer deposits were up 6 per cent on average compared to the previous year. Net interest income from the banking business rose considerably year-on-year for two reasons: on the one hand, Clearstream now recharges negative interest to its customers for all balances, on the other hand rebounding interest rates in the US also contributed to the increase in net interest income.

The domestic CSD business closely reflects the business development on the German cash market: the lower trading activity led to a decline in settlement volumes and – compared to the previous year – lower index levels, which ultimately translated into a reduction in value of the assets under custody.

The Investment Funds Services business development was slightly positive year-on-year in terms of custody volumes, however, settlement volumes went down by 10 per cent.

In the Global Securities Financing (GSF) business, the average outstanding volume decreased by 15 per cent. After the ECB provided plenty of liquidity on the market as part of its quantitative easing programme, volumes declined considerably, in particular with regard to the GC Pooling® product. Simultaneously, orders shifted towards smaller lending volumes with higher pricing, leading to an overall increase in net revenue for the GSF business.

Clearstream segment: key indicators

	Quarter ended			Six months ended		
	30 Jun 2016	30 Jun 2015	Change	30 Jun 2016	30 Jun 2015	Change
FINANCIAL KEY FIGURES	€m	€m	%	€m	€m	%
Net revenue	192.8	188.4	2	380.1	379.2	0
International business (ICSD)	101.1	99.3	2	199.6	199.6	0
Domestic business (CSD)	27.5	30.5	-10	57.0	63.5	-10
Investment Funds Services	30.5	31.9	-4	59.7	63.5	-6
Global Securities Financing	18.0	17.4	3	35.1	34.0	3
Net interest income from banking business	15.8	9.3	70	28.7	18.6	54
Operating costs	111.9	106.0	6	218.2	205.6	6
EBIT	80.8	82.4	-2	162.1	173.6	-7
EBIT (adjusted)	97.1	89.8	8	190.9	189.0	1
PERFORMANCE INDICATORS						
International business (ICSD)	€ trillion	€ trillion	%	€ trillion	€ trillion	%
Value of securities deposited (average value)	6.8	6.7	1	6.7	6.6	2
Domestic business (CSD)	€ trillion	€ trillion	%	€ trillion	€ trillion	%
Value of securities deposited (average value)	4.4	4.9	-10	4.4	4.9	-9
Investment Funds Services	€ trillion	€ trillion	%	€ trillion	€ trillion	%
Value of securities deposited (average value)	1.9	1.8	3	1.8	1.8	4
Global Securities Financing	€bn	€bn	%	€bn	€bn	%
Outstanding volume (average value)	524.6	620.0	-15	527.4	624.2	-16
Net interest income from banking business	€bn	€bn	%	€bn	€bn	%
Outstanding volume (daily average value) ¹⁾	13.5	12.8	6	13.2	13.0	1

1) Contains amounts that are or were restricted by EU and US sanctions of around €1.5 billion in Q2/2016 (Q2/2015: €1.5 billion) and €1.5 billion in H1/2016 (H1/2015: €1.5 billion)

First half of 2016

Business development in the first half of 2016 did not differ significantly from the segment's performance in the second quarter: the international business grew slightly, the funds market remained stable while both the domestic CSD business and Clearstream's GSF volumes suffered from the macroeconomic environment, more precisely, due to lower trading activity on the German cash market and the ECB's monetary policy. Customer cash balances, which had dropped year-on-year in the first quarter, have increased in the second quarter.

Market Data + Services segment**Q2/2016**

Revenue grew by 26 per cent in the Index business area, driven – amongst other factors – by the 22 per cent increase in trading volume of STOXX and Deutsche Börse index contracts in the Eurex segment. Assets under management in ETFs, however, declined by 5 per cent, reflecting lower index levels. New innovative products – optimising the range of structured products offered in this segment – were launched successfully and added to net revenue.

Net revenue in the Data Services business area (formerly known as Information) rose by 12 per cent – firstly, due to the ongoing development of licensing models, including the introduction of a new licensing type (for contracts for differences, CFDs). Secondly, a positive non-recurring effect arose from the release of provisions. In response to regulatory requirements, the segment is working at broadly expanding its range of reporting solutions, which are being bundled in the Regulatory Reporting Hub, to be rolled out to clients in 2017 or 2018.

Current Infrastructure Services business is stable. The decline in net revenue results from the deconsolidation of Infobolsa S.A. in the first quarter of 2016.

First half of 2016

The segment's business divisions were restructured at the beginning of this year: since 1 January 2016, the three business areas Data Services, Index, and Infrastructure Services have replaced the former business areas Information, Index, Tools and Market Solutions.

Business developments for the first half of 2016 have shown a mixed picture so far. In the MD+S segment, net revenue declined in the first quarter; in Q2, however, the segment was able to increase its revenue year-on-year and thus achieved slight growth for the first half of 2016.

The index business grew in both quarters, though with higher growth levels in Q2. One-off Data Services revenue was considerably lower in the first half of the year; excluding this non-recurring effect, revenue increased slightly in the first six months. Non-recurring effects, such as the change of settlement terms for some contracts, are the reason for slightly lower results at Infrastructure Services, whereas current business remained stable.

Market Data + Services segment: key indicators

FINANCIAL KEY FIGURES	30 Jun 2016	Quarter ended 30 Jun 2015	Change	30 Jun 2016	Six months ended 30 Jun 2015	Change
	€m	€m	%	€m	€m	%
Net revenue	105.9	96.3	10	209.9	205.8	2
Data Services ¹⁾	42.7	38.2	12	84.0	84.5	-1
Index	30.2	23.9	26	59.1	51.8	14
Infrastructure Services ²⁾	33.0	34.2	-4	66.8	69.5	-4
Operating costs	55.8	53.3	5	109.6	106.4	3
EBIT	50.1	43.0	17	100.3	99.4	1
EBIT (adjusted)	59.1	43.8	35	114.1	101.0	13

1) Until 31 December 2015 "Information"

2) Until 31 December 2015 "Tools" and "Market Solutions"

Financial position

Cash flow

Deutsche Börse Group generated cash flows from operating activities before changes in reporting date-related CCP positions of €519.5 million in the first half of 2016 (H1/2015: €475.2 million).

The increase in cash flows from operating activities was primarily attributable to the decrease in working capital by €81.8 million (H1/2015: €-15.6 million). This decrease mainly results from a rise in current liabilities.

Deutsche Börse Group made tax payments in the amount of €169.6 million in the first half of 2016 (H1/2015: €105.8 million).

Including the changes in the CCP positions, cash flows from operating activities were €1,309.1 million (H1/2015: €478.2 million). The change in CCP positions compared to the first six months of 2015 was due to GC Pooling transactions that were not delivered as at the reporting date (US\$869.5 million). These could not be delivered on due date (31 December 2015) and were only delivered on 4 January 2016 because a clearing participant failed to provide the necessary cash in good time.

Cash inflows from investing activities amounted to €783.9 million in H1/2016 (H1/2015: cash outflows of €339.5 million). The increase can primarily be attributed to the following changes:

- In the second quarter of 2016, ISE was sold for a price of US\$1,100.0 million, respectively €989.6 million. The disposal of interest in ISE led to cash inflows totalling €916.2 million (adjusted for cash funds held by the disposed entities in the amount of €13.0 million, cash outflows from hedging activities, as well as further adjustments). The transaction ultimately generated capital gains after tax amounting to €564.9 million; this is described in more detail in [note 2](#).
- The disposal of the Infobolsa group led to cash inflows of €1.1 million (adjusted for the cash funds held by the disposed entities in the amount of €7.1 million).
- During the period under review, cash inflows from the sale or maturity of financial instruments with an original term of more than three months amounted to €14.6 million (H1/2015: €210.2 million).
- Deutsche Börse Group acquired financial instruments with an original term of more than three months for a total value of €80.9 million (H1/2015: €516.4 million).
- At €77.3 million, investments in intangible assets and property, plant and equipment were roughly in line with the previous year's level (2015: €66.9 million).

Cash outflows from financing activities of €518.5 million were recorded in the first half of 2016 (H1/2015: cash outflows of €258.0 million). These were mainly attributable to the €420.1 million dividend payment for financial year 2015 (H1/2015: €386.8 million). In addition, €400.0 million of commercial paper was issued (H1/2015: €885.0 million) and €495.0 million repaid on maturity (H1/2015: €570.0 million).

As a result, cash and cash equivalents as at 30 June 2016 amounted to €23.0 million (30 June 2015: €-188.2 million). Other cash and bank balances amounted to €1,498.3 million (30 June 2015: €838.4 million).

Capital management

Deutsche Börse Group generally aims to distribute dividends equivalent to between 40 and 60 per cent of adjusted net profit for the period attributable to Deutsche Börse AG shareholders. In recent years (where the Group's net profit was lower), the dividend payout ratio was kept at the upper end of this range, in order to distribute stable dividends to shareholders. Given that the Group's profit targets were raised in July 2015 in connection with the announcement of the "Accelerate" growth strategy, the company aims for a dividend payout ratio in the middle of the range between 40 and 60 per cent going forward.

Moreover, until 2012 the company distributed a part of freely available funds to shareholders, via share buy-backs. Since 2013, these funds have been used predominantly to support the company's development, as well as to fulfil credit rating and regulatory capital requirements. Against the background of the growth strategy announced in July 2015, the company anticipates that in future, freely available funds will increasingly be applied not only to support the Group's organic growth, but also to complementary external growth options – as already seen in 2015, with the acquisition of STOXX (including Indexium) and 360T.

Customers of the company expect to have conservative interest coverage and debt/equity ratios and to maintain strong credit ratings. Deutsche Börse Group therefore continues to pursue its objective of achieving an interest coverage ratio (ratio of EBITDA to interest expenses from financing activities) of at least 16 at Group level in order to meet the rating agencies' current requirements for an "AA" rating for Deutsche Börse AG. Deutsche Börse Group met this objective in H1/2016, achieving an interest coverage ratio of 25.0 (H1/2015: 29.2). This figure is based on a relevant interest expense of €28.8 million and an adjusted EBITDA of €719.2 million. In addition, Deutsche Börse aims to achieve a ratio of interest-bearing gross debt to EBITDA of no more than 1.5 at Group level. This performance indicator also plays a material role in determining the parent company's rating (currently "AA"). In June 2016, the Group slightly exceeded the target ratio, at 1.6. This figure is based on gross debt of €2,243.7 million and an adjusted EBITDA of €356.4 million. Gross debt consists entirely of interest-bearing liabilities of €2,243.7 million while no commercial paper was outstanding at the end of the second quarter. The Group will use part of the funds obtained through the ISE sale to redeem issued bonds in the amount of US\$290 million by the end of July. As a result, the key ratio of gross debt to EBITDA, which is essential for the company's rating, will improve from 1.6 per June 2016 to 1.4, thus below the target level of 1.5.

Moreover, to ensure the continued success of the Clearstream segment, which is active in securities custody and settlement, the company aims to retain Clearstream Banking S.A.'s strong "AA" credit rating. Deutsche Börse AG also needs to maintain a strong credit profile to support activities at its Eurex Clearing AG subsidiary.

For financial year 2015, Deutsche Börse AG has paid a dividend of €2.25 per no-par value share on 12 May 2015 (2015 for financial year 2014: €2.10). The adjusted distribution ratio was 55 per cent (2015 for financial year 2014: 58 per cent).

Net assets

As at 30 June 2016, Deutsche Börse Group's non-current assets amounted to €16,362.7 million (30 June 2015: €15,137.0 million). They consisted primarily of intangible assets and financial assets as well as of financial instruments of its central counterparties. Intangible assets primarily included goodwill of €2,719.2 million (30 June 2015: €2,344.7 million) and other intangible assets of €870.0 million (30 June 2015: €1,108.2 million). Non-current receivables and securities from banking business of €1,676.9 million (30 June 2015: €1,774.0 million) accounted for the largest part of financial assets, which amounted to €2,002.1 million as at the balance sheet date (30 June 2015: €2,047.2 million). Non-current assets were matched by equity of €4,260.9 million (30 June 2015: €3,877.4 million). Non-current liabilities totalling €13,299.9 million (30 June 2015: €11,229.9 million) mainly related to financial instruments of the central counterparties amounting to €10,212.0 million (30 June 2015: €9,031.3 million), which are reported separately from the current financial instruments of the central counterparties due to a maturity of more than three months, interest-bearing liabilities of €2,543.7 million (30 June 2015: €1,450.6 million) as well as deferred tax liabilities of €226.2 million (30 June 2015: €478.8 million).

Among other things, changes in current liabilities were the result of the increase in liabilities from banking business to €18,876.3 million (30 June 2015: €14,134.5 million) and the decrease of market participants' cash deposits to €29,175.1 million (30 June 2015: €30,268.9 million). Commercial paper amounting to nominally €0 million was outstanding as at the end of the second quarter of 2016 (30 June 2015: €375.0 million).

Report on post-balance sheet date events

Deutsche Börse AG sold its wholly owned subsidiary Market News International, Inc. (MNI) to Hale Global – the purchase agreement was signed on 1 July 2016. Hale Global is a leading provider of macroeconomic and markets intelligence for global fixed income and foreign-exchange market professionals. Details of the deal are subject to a confidentiality agreement.

By divesting its news business, Deutsche Börse further strengthens its focus on growth areas defined in the group-wide "Accelerate" growth strategy, which constitutes organisational and portfolio changes to support the achievement of the Group's new strategic and financial targets. In 2015, MNI contributed less than 1 per cent to the Group's net revenue.

Risk report

Deutsche Börse Group provides detailed information on its operating environment, strategy, principles, organisation, processes, methods and concepts of its risk management in its [2015 financial report on pages 76 to 98](#). The assessment of operational, financial, business and project-related risks did not change significantly in the period under review.

Operational risks for Deutsche Börse Group relate to availability, processing, material goods, as well as litigation and business practice. Further information concerning operational risk and the measures to mitigate them can be found in [Deutsche Börse Group's corporate report 2015 on pages 85 to 90](#).

In its [2012 corporate report](#), Deutsche Börse Group informed about proceedings, Peterson vs Clearstream Banking S.A., the first Peterson proceeding, initiated by various plaintiffs seeking turnover of certain customer positions held in Clearstream Banking S.A.'s securities omnibus account with Citibank NA, and asserting direct claims against Clearstream Banking S.A. for damages of US\$250 million. That matter was settled between Clearstream Banking S.A. and the plaintiffs and the direct claims against Clearstream Banking S.A. were abandoned.

In July 2013, the US court ordered turnover of the customer positions to the plaintiffs, ruling that these were owned by Bank Markazi, the Iranian central bank. Bank Markazi appealed, and the decision was affirmed on 9 July 2014. The remedy sought by Bank Markazi in the Supreme Court of the United States was rejected. Once the funds are turned over, a related case, Heiser vs Clearstream Banking S.A., also seeking turnover of the same assets, will be dismissed.

On 30 December 2013, a number of US plaintiffs from the first Peterson case, as well as other US plaintiffs, filed a complaint targeting turnover of certain blocked assets that Clearstream Banking S.A. holds as a custodian in Luxembourg. In 2014, the defendants in this action, including Clearstream Banking S.A., moved to dismiss the case. On 19 February 2015, the US court issued a decision granting the defendants' motions and dismissing the lawsuit. Plaintiffs have the right to appeal the decision to the competent US court of appeals. On 6 March 2015, the plaintiffs appealed the decision to the Second Circuit Court of Appeals.

On 2 April 2014, Clearstream Banking S.A. was informed that the United States Attorney for the Southern District of New York has opened a grand jury investigation against Clearstream Banking S.A. due to Clearstream Banking S.A.'s conduct with respect to Iran and other countries subject to US sanction laws. Clearstream Banking S.A. is cooperating with the US attorney.

A dispute has arisen between MBB Clean Energy AG (MBB), the issuer of a bond eligible in Clearstream Banking AG, and end investors. MBB issued a first tranche of the bond in April 2013 and a second tranche of the bond in December 2013. The global certificates for the two tranches of the bond were delivered into Clearstream Banking AG by the paying agent of the issuer. The dispute relates to the non-

payment of the second tranche of the bond with a nominal value of €500 million and the purported lack of validity of the bond. Clearstream Banking AG's role in the dispute on the purported lack of validity of the MBB Clean Energy AG bond is primarily to safekeep the global note, deposited by the paying agent of the issuer, as national central securities depository. At this stage, it is unclear if and to what extent potential damages exist and if so who would ultimately be responsible. Insolvency proceedings have meanwhile been opened in respect of the issuer, MBB Clean Energy AG.

Deutsche Börse Group is exposed to financial risks mainly in the form of credit risk and liquidity risk in the financial institutions of the Clearstream Holding group and Eurex Clearing AG. In addition, the Group's cash investments and receivables are subject to credit risk. The majority of cash investments involve short-term transactions that are collateralised, thus minimising liquidity risk as well as market price risk from cash investments. Market price risk is immaterial for the entire Group. Further information on financial risks can be found on [pages 91 to 96 of the 2015 financial report](#).

Business risk reflects the sensitivity of the Group to macroeconomic developments and its vulnerability to event risk, such as regulatory initiatives or changes in the competitive environment. In addition, it includes the Group's strategic risk, which relates to the impact of risk on the business strategy and any resulting adjustment to the strategy. Furthermore, external factors such as a lack of investor confidence in the financial markets may impact financial performance. Further information concerning business risks can be found on [pages 96 and 97 of the 2015 financial report](#).

Currently, the Group is pursuing several major projects. These are constantly monitored to identify risks at an early stage and enable appropriate countermeasures to be taken. Further information concerning project risks can be found in the [2015 financial report on page 97](#).

The Group evaluates its risk situation on an ongoing basis. Taking into account the stress test calculations performed, the required economic capital and earnings at risk as well as the risk management system, which it considers to be effective, the Executive Board of Deutsche Börse AG is of the opinion that the risk-bearing capacity of the Group is sufficient. A significant change in the Group's risk profile cannot be identified by the Executive Board at present.

Report on opportunities

Deutsche Börse Group's management of opportunities aims to identify and assess opportunities as early as possible and to initiate appropriate measures in order to take advantage of opportunities and transform them into business success. At present, the Executive Board cannot identify any significant change in the Group's opportunities that were described in detail in the [2015 corporate report on pages 98 to 105](#). The implementation of products and services identified as growth opportunities is based on the "Accelerate" growth strategy, which is described in more detail in the corporate report.

Report on expected developments

The report on expected developments describes how Deutsche Börse Group is expected to perform in financial year 2016. 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. In turn, these are subject to known and unknown opportunities, risks and uncertainties. Numerous factors influence the Group's success, its business strategy and financial results. Many of these factors are outside the company's control. Should opportunities, risks, or uncertainties materialise or one of the assumptions made turn out to be incorrect, the actual development of the Group could deviate either positively or negatively from the expectations and assumptions contained in the forward-looking statements and information contained in this report on expected developments.

Deutsche Börse Group is not planning any fundamental change to its operating policies in the coming years.

Development of results of operations

For the remainder of financial year 2016, Deutsche Börse Group does not expect any material deviation from the forecasts for its operating environment made in its 2015 consolidated financial statements.

Depending upon the development of the business environment, the performance of cyclical as well as structural drivers of growth, and the success of new products and functionality, Deutsche Börse Group anticipates net revenue to increase between 5 and 10 per cent during the forecast period. Net revenue growth expected during the forecast period is based on pro-forma net revenue of approximately €2,264 million achieved in 2015. This figure comprises net revenue (as reported) of €2,367.4 million, plus approximately €56 million to annualise the effects of full consolidation of the APX Holding group (part of EEX Group) and of 360T Beteiligungs GmbH (360T). Moreover, revenue is reduced by approximately €159 million due to the sale of ISE, Infobolsa S.A. (Infobolsa), and Market News International Inc. (MNI). Should the business environment develop less favourably than described in the [2015 financial report](#) – in which case clients would reduce their business activities, especially in the Group's business areas which depend upon trading – Deutsche Börse Group would continue to consider itself capable of remaining profitable, thanks to a successful business model as well as cost discipline. Moreover, within the scope of its "Accelerate" growth strategy, in 2015 Deutsche Börse Group introduced principles for managing operating costs. The core element of these principles is to ensure the scalability of the Group's business model. To this end, the Group continuously manages operating costs relative to the development of net revenue. Accordingly, the lower end of the net revenue growth range during the

forecast period and the following years, of approximately 5 per cent, would imply stable operating costs compared to the previous year. If net revenue reaches the upper end of the range of around 10 per cent, operating costs would be permitted to rise by up to 5 per cent per annum during the period under review and the following years. Operating costs expected during the forecast period are based on pro-forma operating costs of some €1,188 million in 2015. This figure comprises operating costs (as reported) of €1,248.8 million in 2015, plus €47 million to annualise the effects of full consolidation of APX Holding group, Indexium AG and 360T Beteiligungs GmbH. Moreover, operating costs were reduced by €108 million due to the sale of ISE, Infobolsa and MNI.

Given the expected increase in net revenue of between 5 and 10 per cent, with operating costs rising in a – corresponding – range between 0 and 5 per cent, the Group anticipates a growth rate of between approximately 10 and 15 per cent per annum (excluding non-recurring effects) for EBIT and net profit for the period attributable to Deutsche Börse AG shareholders during the forecast period.

The assumptions on which the forecast is based, together with the reconciliation of pro-forma revenue and operating costs, are set out on [pages 106 to 112 of the 2015 financial report](#).

Development of the Group's financial position

The company expects cash flows from operating activities to remain clearly positive in the future; these are Deutsche Börse Group's main financing instrument. The company plans to invest amounts of around €150 million per year in intangible assets and property at Group level. The investments will serve primarily to develop new products and services in the Eurex and Clearstream segments and enhance existing ones. The total mainly comprises investments in the trading infrastructure and risk management functionalities.

Within the framework of a programme to optimise its capital structure, Deutsche Börse Group generally aims to distribute dividends equivalent to between 40 and 60 per cent of adjusted net income for the period, attributable to Deutsche Börse AG's shareholders. In recent years (where the Group's net profit was lower), the dividend payout ratio was kept at the upper end of this range, in order to preserve a stable distribution to shareholders. Given that the Group's profit targets were raised in July 2015, in connection with the announcement of the "Accelerate" growth strategy, the company aims for a dividend payout ratio in the middle of the range between 40 and 60 per cent going forward.

Moreover, until 2012 the company distributed a part of freely available funds to shareholders, via share buy-backs. Since 2013, these funds have been used predominantly to support the company's development, as well as to fulfil credit rating and regulatory capital requirements. Against the background of the growth strategy "Accelerate", the company anticipates that in future, freely available funds will increasingly be applied not only to support the Group's organic growth, but also to complementary external growth options.

Consolidated income statement

for the period 1 January to 30 June 2016

	Note	Quarter ended 30 Jun 2016 €m	(restated) Quarter ended 30 Jun 2015 €m	Six months ended 30 Jun 2016 €m	(restated) Six months ended 30 Jun 2015 €m
Sales revenue		644.8	596.1	1,303.2	1,213.8
Net interest income from banking business		21.1	14.1	39.7	22.5
Other operating income	4	5.8	4.6	10.4	9.8
Total revenue		671.7	614.8	1,353.3	1,246.1
Volume-related costs		-71.0	-67.7	-142.1	-134.3
Net revenue (total revenue less volume-related costs)		600.7	547.1	1,211.2	1,111.8
Staff costs		-140.9	-128.9	-283.5	-254.1
Depreciation, amortisation and impairment losses		-31.8	-27.0	-62.8	-55.0
Other operating expenses	5	-143.6	-129.3	-282.2	-247.1
Operating costs		-316.3	-285.2	-628.5	-556.2
Result from equity investments		-5.4	-4.1	-3.8	2.9
Earnings before interest and tax (EBIT)		279.0	257.8	578.9	558.5
Financial income		1.0	-2.9	1.2	16.5
Financial expense		-18.8	-11.0	-39.2	-42.8
Earnings before tax (EBT)		261.2	243.9	540.9	532.2
Other tax		-0.4	-0.4	-0.7	-0.8
Income tax expense		-71.0	-63.7	-145.1	-137.8
Net profit for the period from continuing operations		189.8	179.8	395.1	393.6
Net profit for the period from discontinued operations		563.6	6.9	570.4	28.6
Net profit for the period		753.4	186.7	965.5	422.2
Net profit for the period attributable to Deutsche Börse AG shareholders		747.1	175.1	952.5	397.4
Net profit for the period attributable to non-controlling interests		6.3	11.6	13.0	24.8
Earnings per share (basic) (€)		4.00	0.95	5.10	2.16
from continuing operations		0.98	0.91	2.05	2.00
from discontinued operations		3.02	0.04	3.05	0.16
Earnings per share (diluted) (€)		4.00	0.95	5.10	2.16
from continuing operations		0.98	0.91	2.05	2.00
from discontinued operations		3.02	0.04	3.05	0.16

Consolidated statement of comprehensive income

for the period 1 January to 30 June 2016

	Note	Quarter ended 30 Jun 2016 €m	(restated) Quarter ended 30 Jun 2015 €m	Six months ended 30 Jun 2016 €m	(restated) Six months ended 30 Jun 2015 €m
Net profit for the period reported in consolidated income statement		753.4	186.7	965.5	422.2
Items that will not be reclassified to profit or loss:					
Changes from defined benefit obligations	8	-31.7	44.8	-56.3	11.5
Deferred taxes		8.6	-11.9	15.4	-3.1
		-23.1	32.9	-40.9	8.4
Items that may be reclassified subsequently to profit or loss:					
Exchange rate differences from continuing operations	8	-10.1	49.1	-2.8	11.7
Exchange rate differences from discontinued operations		-139.4	-97.1	-200.7	94.3
Remeasurement of cash flow hedges		0.7	0.7	1.4	1.4
Remeasurement of other financial instruments		85.8	-5.0	90.7	0.5
Deferred taxes from continuing operations		-39.1	0.6	-39.6	-1.0
Deferred taxes from discontinued operations	8	123.5	24.4	147.2	-50.8
		21.4	-27.3	-3.8	56.1
Other comprehensive income after tax		-1.7	5.6	-44.7	64.5
Total comprehensive income		751.7	192.3	920.8	486.7
thereof Deutsche Börse AG shareholders		745.9	180.6	908.4	461.4
thereof non-controlling interests	8	5.8	11.7	12.4	25.3
Total comprehensive income attributable to the shareholders of Deutsche Börse AG					
thereof continuing operations		198.2	246.4	391.5	389.3
thereof discontinuing operations		547.7	-65.8	516.9	72.1

Consolidated balance sheet

as at 30 June 2016

Assets	Note	30 Jun 2016 €m	31 Dec 2015 €m	30 Jun 2015 €m
NON-CURRENT ASSETS				
Intangible assets	6			
Software		206.3	225.4	201.1
Goodwill		2,719.2	2,898.8	2,344.7
Payments on account and construction in progress		172.8	152.5	143.6
Other intangible assets		870.0	1,356.3	1,108.2
		3,968.3	4,633.0	3,797.6
Property, plant and equipment	6			
Fixtures and findings		35.8	40.3	37.1
Computer hardware, operating and office equipment		64.3	68.7	59.2
Payments on account and construction in progress		1.7	0.7	3.9
		101.8	109.7	100.2
Financial assets	7			
Investments in associates and joint ventures		31.6	38.5	34.1
Other equity investments		274.5	219.4	209.8
Receivables and securities from banking business		1,676.9	2,018.6	1,774.0
Other financial instruments		18.4	32.3	27.9
Other loans		0.7	0.2	1.4
		2,002.1	2,309.0	2,047.2
Financial instruments of the central counterparties		10,212.0	7,175.2	9,031.3
Other non-current assets		11.8	11.7	11.8
Deferred tax assets		66.7	148.3	148.9
Total non-current assets		16,362.7	14,386.9	15,137.0
CURRENT ASSETS				
Receivables and other current assets				
Financial instruments of the central counterparties		160,286.9	126,289.6	169,848.8
Receivables and securities from banking business		18,268.3	10,142.9	13,160.6
Trade receivables		414.2	554.1	538.2
Receivables from related parties		2.0	4.7	1.2
Income tax receivables		98.7	94.2	86.5
Other current assets		880.8	1,022.3	402.6
Assets held for sale ¹⁾		1.7	0	0
		179,952.6	138,107.8	184,037.9
Restricted bank balances		29,175.1	26,870.0	30,270.1
Other cash and bank balances		1,498.3	711.1	838.4
Total current assets		210,626.0	165,688.9	215,146.4
Total assets	11	226,988.7	180,075.8	230,283.4

Equity and liabilities

	Note	30 Jun 2016 €m	31 Dec 2015 €m	30 Jun 2015 €m
EQUITY	8			
Subscribed capital		193.0	193.0	193.0
Share premium		1,326.0	1,326.0	1,249.0
Treasury shares		-315.5	-315.5	-443.0
Revaluation surplus		5.6	-5.3	-6.4
Accumulated profit		2,910.4	2,357.9	2,514.8
Shareholders' equity		4,119.5	3,556.1	3,507.4
Non-controlling interests		141.4	139.0	370.0
Total equity		4,260.9	3,695.1	3,877.4
NON-CURRENT LIABILITIES				
Provisions for pensions and other employee benefits	9	204.2	140.7	141.9
Other non-current provisions		110.8	131.7	103.8
Deferred tax liabilities		226.2	581.3	478.8
Interest-bearing liabilities		2,543.7	2,546.5	1,450.6
Financial instruments of the central counterparties		10,212.0	7,175.2	9,031.3
Other non-current liabilities		3.0	10.0	23.5
Total non-current liabilities		13,299.9	10,585.4	11,229.9
CURRENT LIABILITIES				
Tax provisions		295.2	316.7	325.0
Other current provisions		104.8	174.5	97.6
Financial instruments of the central counterparties		159,747.1	126,006.5	169,132.5
Liabilities from banking business		18,876.3	11,681.4	14,134.5
Other bank loans and overdrafts		18.6	42.2	6.1
Trade payables		210.8	372.8	372.4
Liabilities to related parties		1.1	1.8	4.8
Cash deposits by market participants		29,175.1	26,869.0	30,268.9
Other current liabilities		998.9	330.4	834.3
Total current liabilities		209,427.9	165,795.3	215,176.1
Total liabilities		222,727.8	176,380.7	226,406.0
Total equity and liabilities	11	226,988.7	180,075.8	230,283.4

1) Including operating activities of Market News International Inc.

Consolidated cash flow statement

for the period 1 January to 30 June 2016

	Note	Six months ended	
		30 Jun 2016 €m	30 Jun 2015 €m
Net profit for the period		965.5	422.2
Depreciation, amortisation and impairment losses	6	67.1	67.2
(Decrease)/increase in non-current provisions		-14.2	1.0
Deferred tax (income)/expense	8	-10.7	2.1
Other non-cash (income)		-2.6	-2.1
Changes in working capital, net of non-cash items:		81.8	-15.6
Increase in receivables and other assets		-15.3	-65.4
Increase in current liabilities		98.1	52.5
Increase in non-current liabilities		-1.0	-2.7
Net (gain)/loss on disposal of non-current assets		-567.4	0.4
Cash flows from operating activities excluding CCP positions		519.5	475.2
Changes from liabilities from CCP positions		630.5	-205.8
Changes in receivables from CCP positions		159.1	208.8
Cash flows from operating activities		1,309.1	478.2
Payments to acquire intangible assets		-58.3	-53.6
Payments to acquire property, plant and equipment		-19.0	-13.3
Payments to acquire non-current financial instruments		-80.9	-516.4
Payments to acquire investments in associates and joint ventures		0	-2.0
Payments to acquire subsidiaries, net of cash acquired		4.3	36.1
Effects of the disposal of (shares in) subsidiaries, net of cash disposed		917.3	-5.2
Net decrease in current receivables and securities from banking business with an original term greater than three months		14.6	210.2
Proceeds from disposals of available-for-sale non-current financial instruments		5.9	4.7
Cash flows from investing activities		783.9	-339.5

	Note	Six months ended	
		30 Jun 2016	30 Jun 2015
		Mio. €	Mio. €
Payments to non-controlling interests		-3.4	-35.7
Repayment of long-term financing		0	-150.5
Repayment of short-term financing		-495.0	-570.0
Proceeds from short-term financing		400.0	885.0
Dividends paid		-420.1	-386.8
Cash flows from financing activities		-518.5	-258.0
Net change in cash and cash equivalents		1,574.5	-119.3
Effect of exchange rate differences		27.9	-0.4
Cash and cash equivalents as at beginning of period		-1,579.4	-68.5
Cash and cash equivalents as at end of period	13	23.0	-188.2
Additional information to payments reflected within cash flows from operating activities:			
Interest income and other similar income		90.6	92.1
Dividends received		2.1	2.0
Interest paid		-82.4	-77.6
Income tax paid		-169.6	-105.8

Consolidated statement of changes in equity

for the period 1 January to 30 June 2016

	Note	Six months ended		thereof included in total comprehensive income	
		30 Jun 2016 €m	30 Jun 2015 €m	30 Jun 2016 €m	30 Jun 2015 €m
Subscribed capital					
Balance as at 1 January		193.0	193.0		
Balance as at 30 June		193.0	193.0		
Share premium					
Balance as at 1 January		1,326.0	1,249.0		
Balance as at 30 June		1,326.0	1,249.0		
Treasury shares					
Balance as at 1 January		-315.5	-443.0		
Balance as at 30 June		-315.5	-443.0		
Revaluation surplus					
Balance as at 1 January	8	-5.3	-15.9		
Changes from defined benefit obligations		-56.3	11.5	-56.3	11.5
Remeasurement of other financial instruments		90.7	0.5	90.7	0.5
Remeasurement of cash flow hedges		1.4	1.4	1.4	1.4
Deferred taxes		-24.9	-3.9	-24.9	-3.9
Balance as at 30 June		5.6	-6.4		
Accumulated profit					
Balance as at 1 January	2, 8	2,357.9	2,446.6		
Dividends paid		-420.1	-386.8	0	0
Net profit for the period attributable to Deutsche Börse AG shareholders		952.5	397.4	952.5	397.4
Exchange rate differences and other adjustments		-127.8	108.6	-202.9	105.5
Deferred taxes		147.9	-51.0	147.9	-51.0
Balance as at 30 June		2,910.4	2,514.8		
Shareholders' equity as at 30 June		4,119.5	3,507.4	908.4	461.4

	Note	thereof included in total comprehensive income			
		Six months ended		Six months ended	
		30 Jun 2016 €m	30 Jun 2015 €m	30 Jun 2016 €m	30 Jun 2015 €m
Shareholders' equity (brought forward)		4,119.5	3,507.4	908.4	461.4
Non-controlling interests					
Balance as at 1 January		139.0	322.4		
Changes due to capital increases	8	-9.8	22.3	0	0
Changes due to share in net income of subsidiaries for the period	8	13.0	24.8	13.0	24.8
Exchange rate differences and other adjustments		-0.8	0.5	-0.6	0.5
Total non-controlling interests as at 30 June		141.4	370.0	12.4	25.3
Total as at 30 June		4,260.9	3,877.4	920.8	486.7

Notes to the interim financial statements

Basis of preparation

1. Accounting policies

Deutsche Börse AG (“the company”) is incorporated as a German public limited company (“börsennotierte Kapitalgesellschaft”) and is domiciled in Germany. The company’s registered office is in Frankfurt/Main.

The interim financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRSs) and the related interpretations issued by the Financial Reporting Standards Interpretations Committee (IFRIC), 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 part of the implementation into EU law, the mandatory application of the amendments to IFRS 10, IFRS 12 and IAS 28 (related to the consolidation exemption for investment entities) has been postponed. These amendments have no impact on the presentation of the financial statements; accordingly, the interim financial statements are also consistent with IFRSs in the version published by the International Accounting Standards Board (IASB).

In addition to the standards and interpretations applied as at 31 December 2015, the following amendments and interpretations were applied for the first time:

- Amendments to IFRS 11 “Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations” (May 2014)
- Amendments to IAS 16 and IAS 38 “Clarifications of Acceptable Methods of Depreciation and Amortisation” (May 2014)
- Amendments from the “Annual Improvements to IFRSs 2012–2014 Cycle” (September 2014)
- Amendments to IAS 1 “Presentation of Financial Statements – Disclosure Initiative” (December 2014)

Furthermore, IAS 34 (“Interim Financial Reporting”) was applied. The income tax expense for the interim reporting period was calculated using a forecast effective Group tax rate of 27 per cent. The nominal tax rates used when calculating the Group tax rate ranged between 12.5 and 45 per cent. Deferred tax assets were recognised for tax loss carry-forwards at the end of the interim reporting period where these can be expected to be realised within the next five tax periods.

In accordance with the provisions of the Wertpapierhandelsgesetz (WpHG, German Securities Trading Act), these interim financial statements are supplemented by a Group interim management report. Both parts of the report were subject to a review by the external auditors (“prüferische Durchsicht”).

2. Group structure

Effective 1 January 2016, Indexium AG, Zurich, Switzerland, merged with STOXX Ltd., Zurich, Switzerland. Deutsche Börse AG held an interest of 100 per cent in both entities. According to the merger agreement from 3 June 2016, all assets and liabilities of Indexium AG were passed on to STOXX Ltd. Indexium AG was deleted from the commercial register as at 24 June 2016. Indexium AG was deleted upon entry of the merger into the Commercial Register.

The board of directors of the Spanish stock exchange operator Bolsas y Mercados Españoles Sociedad Holding de Mercados y Sistemas Financieros, S.A., Madrid, Spain, (BME) approved the acquisition of Deutsche Börse AG's interest in Infobolsa S.A., Madrid, Spain, on 25 February 2016. BME also assumed Deutsche Börse AG's interest in the wholly owned subsidiaries of Infobolsa S.A. as part of the transaction, including Difubolsa, Serviços de Difusão e Informação de Bolsa, S.A., Lisbon, Portugal; Infobolsa Deutschland GmbH, Frankfurt/Main, Germany; and Open Finance, S.L., Madrid, Spain. Until now, Deutsche Börse AG and BME have each held an interest of 50 per cent in the shares of Infobolsa S.A.. BME paid a purchase price of €8.2 million in cash to Deutsche Börse AG.

With the signature of the partnership agreement from 16 March 2016, Deutsche Börse AG founded DB1 Ventures GmbH, Frankfurt/Main, Germany, – which was recorded in the commercial register on 2 May 2016 – and took over 25,000 shares of a price of €1.00 per share. The new company was established on 2 May 2016. With Deutsche Börse AG as the sole shareholder, there is a presumption of control in accordance with IFRS 10. The subsidiary has been included in full in the consolidated financial statements since the first quarter of 2016.

Effective 31 May 2016, European Energy Exchange, Leipzig, Germany, (EEX) acquired another 47.78 per cent of the voting shares of Cleartrade Exchange Pte. Limited, Singapore, and therefore increased its interest in the company to 100 per cent. Deutsche Börse Group paid a consideration of £1.00 plus an earn-out component. The company continues to be included in full in the consolidated financial statements.

In order to expand the energy derivatives market in Central and Eastern Europe, EEX acquired a stake of 66.67 per cent in Power Exchange Central Europe a.s., Prague, Czech Republic, (PXE) for a purchase price of €4.4 million (effective 31 May 2016). After final approval from the Czech National Bank on 16 June 2016, EEX gained control over PXE within the meaning of IFRS 10. Since then, the company has been fully included in the consolidated financial statements. The acquired goodwill of €1.7 million mainly reflects expected revenue synergies to be generated by facilitated cross-border trading.

EMCC European Market Coupling GmbH i.L., Hamburg, Germany, was wound up by means of partner resolution dated 15 June 2014. EEX held a stake of 20 per cent in this company, which was wound up as at 15 June 2016.

In order to open up the Danish gas trade market, EEX acquired another 50 per cent of the shares of Gaspoint Nordic A/S, Brøndby, Denmark, for a purchase price of €700,000, thereby increasing its interest in the company to 100 per cent, effective 1 July 2016. In July, the shares were transferred to Powernext SA, Paris, France. Since the effective date, Gaspoint Nordic A/S has been no longer recognised as an associate, but has been included in full in the consolidated financial statements as a wholly owned subsidiary of Powernext SA, in which Deutsche Börse AG indirectly holds a stake of 55.19 per cent.

Deutsche Börse AG and Hale Global have entered into an asset deal, i.e. sale agreement regarding the business of Market News International Inc., New York, USA, (MNI) and its subsidiaries – MNI Financial and Economic Information (Beijing) Co. Ltd., Beijing, China, (MNI Beijing) and Need to Know News, LLC, Chicago, USA. The transaction was closed on 8 July 2016. This transaction was made within the context of the asset deal, meaning that Deutsche Börse AG directly or indirectly retains its 100 per cent interest in the companies listed above, with the exception of the shares held in MNI Beijing. However, the sale of the stake in MNI Beijing is still subject to the approval of the Chinese authorities. The disposed non-current assets were disclosed under the held-for-sale category.

Discontinued operation

Effective 30 June 2016, Deutsche Börse AG sold International Securities Exchange Holdings, Inc. (ISE), New York, USA, and its parent company, U.S. Exchange Holdings, Inc., Chicago, USA, to Nasdaq, Inc. against a cash payment of US\$1.1 billion. Nasdaq, Inc. also assumed Deutsche Börse AG's interests in the wholly-owned subsidiaries of ISE as part of the transaction, including International Securities Exchange, LLC, New York, USA; ETC Acquisition Corp., New York, USA; ISE Gemini, LLC, New York, USA; Longitude LLC, New York, USA; and Longitude S.A., Luxembourg. Deutsche Börse AG held an interest of 100 per cent in the entities listed above.

The disposal of ISE as of 30 June 2016 is disclosed as a discontinued operation in accordance with IFRS 5. Previous year's figures for the second quarter and the first six months of 2015 have been adjusted accordingly. The following table shows the composition of income from discontinued operation amounting to €563.6 million for the second quarter of 2016 (Q2/2015: €6.9 million), and amounting to €570.4 million for the first six months of 2016 (H1/2015: €28.6 million):

Income from discontinued operations

	30 Jun 2016 €m	Quarter ended 30 Jun 2015 €m	30 Jun 2016 €m	Six months ended 30 Jun 2015 €m
Sales revenue	68.3	78.7	149.3	140.8
Other operating income	568.9	0	568.9	0
Volume-related costs	-34.4	-42.7	-77.4	-69.4
Net revenue	602.8	36.0	640.8	71.4
Operating costs	-31.0	-22.5	-58.9	-44.5
Result from equity investments	0	0.1	0.6	-1.7
Earnings before interest and tax (EBIT)	571.8	13.6	582.5	25.2
Financial income	0.5	-3.9	0.7	14.2
Earnings before tax (EBT)	572.3	9.7	583.2	39.4
Income tax expense	-8.7	-2.8	-12.8	-10.8
Net profit for the period from discontinued operations	563.6	6.9	570.4	28.6
Deferred taxes	123.5	24.4	147.2	-50.8
Exchange rate differences	-139.4	-97.1	-200.7	94.3
Other comprehensive income after tax from discontinued operations	-15.9	-72.7	-53.5	43.5
Total comprehensive income from discontinued operations	547.7	-65.8	516.9	72.1

Net change in cash and cash equivalents from discontinued operations comprised the following items:

Cash flow statement from discontinued operations

	30 Jun 2016	Six months ended 30 Jun 2015
	€m	€m
Cash flows from operating activities	-0.9	25.3
Cash flows from investing activities	-26.9	-4.9
Cash flows from financing activities	0	0
Net change in cash and cash equivalents	-27.8	20.4

The transaction's accounting profit is based on the following calculation:

Gain from disposal of ISE

	30 Jun 2016 €m
Proceeds from disposal	989.6
Hedging result and further adjustments	-60.4
Cash disposed	-13.0
Proceeds from disposal, net of cash disposed	916.2
Assets and liabilities disposed	
Goodwill	153.8
Miscellaneous intangible assets	486.0
Property, plant & equipment	7.8
Financial assets	45.4
Other non-current assets	63.5
Receivables and other current assets	148.6
Deferred tax liabilities	-184.2
Other non-current liabilities	-6.1
current liabilities	-161.5
P&L effects from currency translation	-206.0
Total assets and liabilities disposed	347.3
Gain on disposal	568.9

3. Seasonal influences and valuations

The Group's revenues are influenced more by the volatility and the transaction volume on the capital markets than by seasonal factors. Owing to a concentration of costs for projects only coming to completion in the fourth quarter, costs in the fourth quarter tend to be higher than in the first three quarters of the financial year.

Consolidated income statement disclosures

4. Other operating income (continued operation)

Composition of other operating income

	Quarter ended		Six months ended	
	30 Jun 2016 €m	30 Jun 2015 €m	30 Jun 2016 €m	30 Jun 2015 €m
Rental income from sublease contracts	0.2	0.1	0.5	0.4
Income from agency agreements	0.1	0.1	0.2	0.1
Income from impaired receivables	0.3	1.1	1.0	2.0
Miscellaneous	5.2	3.3	8.7	7.3
Total	5.8	4.6	10.4	9.8

5. Other operating expenses (continued operation)

Composition of other operating expenses

	Quarter ended		Six months ended	
	30 Jun 2016 €m	30 Jun 2015 €m	30 Jun 2016 €m	30 Jun 2015 €m
Costs for IT service providers and other consulting services	76.4	51.8	138.5	99.5
IT costs	24.2	27.0	48.1	49.8
Premises expenses	16.3	17.1	33.2	33.1
Non-recoverable input tax	10.4	10.3	22.8	21.0
Travel, entertainment and corporate hospitality expenses	6.0	6.0	11.7	11.7
Advertising and marketing costs	-0.8	3.9	0.9	7.8
Insurance premiums, contributions and fees	3.7	3.7	6.8	7.1
Non-wage labour costs and voluntary social benefits	3.4	3.4	6.7	6.3
Cost of agency agreements	0.9	1.3	1.8	2.7
Supervisory Board remuneration	1.4	1.3	2.0	2.2
Miscellaneous	1.7	3.5	9.7	5.9
Total	143.6	129.3	282.2	247.1

Costs for IT service providers and other consulting services relate mainly to expenses in connection with software development. These costs also contain costs of strategic and legal consulting services as well as of audit activities.

Consolidated balance sheet disclosures

6. Intangible assets and property, plant and equipment

As at 30 June 2016, intangible assets amounted to €3,968.3 million (31 December 2015: €4,633.0 million).

This item primarily consists of goodwill in the amount of €2,719.2 million (31 December 2015: €2,898.8 million), other intangible assets (licences, trade names and customer relationships) in the amount of €870.0 million (31 December 2015: €1,356.3 million), internally developed software in the amount of €174.8 million (31 December 2015: €191.6 million) as well as payments on account and construction in progress of €172.8 million (31 December 2015: €152.5 million).

The decline in goodwill in the amount of €179.6 million is mainly related to the disposal of International Securities Exchange Holdings, Inc. (ISE), New York, USA, operator of three US equity options exchanges, and ISE's holding company U.S. Exchange Holdings, Inc., New York, USA. For details on transaction, please refer to [note 2](#).

The decline of other intangible assets in the amount of €486.3 million was mainly due to the sale of the ISE group (see [note 2](#)).

The €16.8 million decline in internally developed software is largely due to the above-mentioned change in the basis of consolidation (see [note 2](#)) totalling €20.3 million as well as disposals of €2.8 million, which were mainly related to the asset deal with MNI (see [note 2](#)). This was offset by depreciation and write-downs totalling €26.4 million, as well as additions and reclassifications from assets under construction in the aggregate amount of €31.9 million, plus currency translation effects.

The €20.3 million increase in assets under construction comprises additions of €43.1 million and €22.6 million in reclassifications to internally developed software.

Property, plant and equipment totalled €101.8 million as at 30 June 2016 (31 December 2015: €109.7 million).

7. Financial assets

Financial assets amounted to €2,002.1 million as at 30 June 2016 (31 December 2015: €2,309.0 million). €341.7 million of this decrease mainly relates to receivables and securities from banking business.

Due to the unsatisfactory economic development of a company in which Deutsche Börse AG holds an interest, an impairment loss totalling €6.1 million was recognised in the first six months of 2016.

8. Equity

In financial year 2016, equity increased by €565.8 million to €4,260.9 million (31 December 2015: €3,695.1 million). It includes the net profit for the period attributable to Deutsche Börse AG shareholders of €952.5 million and the dividend in the amount of €420.1 million distributed by Deutsche Börse AG that had an offsetting effect.

The increase of €10.9 million in the revaluation surplus is mainly due to the changes in defined benefit obligations and the revaluation of an existing subsidiary.

Exchange rate differences and deferred taxes thereon recognised directly in equity in the total amount of €–55.6 million had an impact on the change in equity.

There were no material changes to non-controlling interests in the reporting period.

9. Pension provisions

Pension provisions are measured using the projected unit credit method in accordance with IAS 19 on the basis of actuarial reports. As at 30 June 2016, the discount rate for pension plans and other employee benefits was 1.50 per cent in Germany and Luxembourg (31 December 2015: 2.20 per cent; 30 June 2015: 2.20 per cent); in Switzerland, the discount rate used was unchanged as against year-end 2015, at 0.80 per cent (30 June 2015: 1.10 per cent).

10. Interest-bearing liabilities

The euro and US dollar bonds issued by Deutsche Börse AG have a carrying amount of €2,543.7 million (31 December 2015: €2,546.5 million) and a fair value of €2,741.4 million (31 December 2015: €2,679.9 million).

11. Total assets

The decline in consolidated total assets by €3.2 billion to €227.0 billion as at 30 June 2016 (31 March 2016: €230.2 billion) depends to a significant extent on the financial instruments of the central counterparties, receivables and liabilities from banking business as well as cash deposits by market participants. The level of these items can vary widely on a daily basis according to customers' needs and actions.

12. Fair value hierarchy

Financial assets and liabilities that are measured at fair value are allocated to the following three hierarchy levels: financial assets and liabilities are allocated to level 1 if there is a quoted price for identical assets and liabilities in an active market that can be accessed by the entity. They are allocated to level 2 if the inputs on which fair value measurement is based are observable either directly or indirectly; these inputs must be based on market expectations. Financial assets and liabilities are allocated to level 3 if the fair value is determined on the basis of unobservable inputs.

As at 30 June 2016, financial assets and liabilities measured at fair value were allocated to the hierarchy levels 1 to 3 as follows:

Fair value hierarchy

	Fair value as at 30 Jun 2016 €m	thereof attributable to:		
		Level 1 €m	Level 2 €m	Level 3 €m
Recurrently carried at fair value				
ASSETS				
Financial assets held for trading				
Derivatives				
Non-current financial instruments of the central counterparties	10,212.0	0	10,212.0	0
Current financial instruments of the central counterparties	159,367.7	0	159,367.7	0
Current receivables and securities from banking business	22.3	0	22.3	0
Total	169,602.0	0	169,602.0	0
Available-for-sale financial assets				
Equity instruments				
Other equity investments	214.5	207.9	0	6.6
Total	214.5	207.9	0	6.6
Debt instruments				
Other financial instruments	18.4	18.4	0	0
Non-current receivables and securities from banking business	1,676.9	1,676.9	0	0
Current receivables and securities from banking business	461.2	461.2	0	0
Total	2,156.5	2,156.5	0	0
Total assets	171,973.0	2,364.4	169,602.0	6.6
LIABILITIES				
Financial liabilities held for trading				
Derivatives				
Non-current financial instruments of the central counterparties	10,212.0	0	10,212.0	0
Current financial instruments of the central counterparties	158,827.9	0	158,827.9	0
Liabilities from banking business	2.2	0	2.2	0
Other current liabilities	3.9	0	0	3.9
Contingent purchase price components				
Other non-current liabilities	1.0	0	0	1.0
Other current liabilities	0.1	0	0	0.1
Total liabilities	170,885.5	0	170,880.5	5.0

As at 30 June 2015, financial assets and liabilities measured at fair value were allocated to the hierarchy levels 1 to 3 as follows:

Fair value hierarchy

	Fair value as at 30 Jun 2015 €m	thereof attributable to:		
		Level 1 €m	Level 2 €m	Level 3 €m
Recurrently carried at fair value				
ASSETS				
Financial assets held for trading				
Derivatives				
Non-current financial instruments of the central counterparties	9,031.3	0	9,031.3 ¹⁾	0
Current financial instruments of the central counterparties	169,155.6	0	169,155.6 ¹⁾	0
Current receivables and securities from banking business	15.3	0	15.3	0
Total	178,202.2	0	178,202.2	0
Available-for-sale financial assets				
Equity instruments				
Other equity investments	7.3	0	0	7.3
Total	7.3	0	0	7.3
Debt instruments				
Other financial instruments	27.0	27.0	0	0
Non-current receivables and securities from banking business	1,774.0	1,774.0	0	0
Current receivables and securities from banking business	512.1	512.1	0	0
Total	2,313.1	2,313.1	0	0
Total assets	180,522.6	2,313.1	178,202.2	7.3
LIABILITIES				
Financial liabilities held for trading				
Derivatives				
Non-current financial instruments of the central counterparties	9,031.3	0	9,031.3 ¹⁾	0
Current financial instruments of the central counterparties	168,438.9	0	168,438.9 ¹⁾	0
Liabilities from banking business	18.1	0	18.1	0
Other current liabilities	6.0	0	0	6.0
Contingent purchase price components				
Other non-current liabilities	9.3	0	0	9.3
Total liabilities	177,503.6	0	177,488.3	15.3

1) Classification adjusted

During the first half of 2016, the value of an investment reported in level 2 was transferred to level 1. Due to the stock exchange listing of this company, prices were available on active markets in March 2016.

Financial assets and financial liabilities listed in levels 2 and 3 are measured as follows.

The derivatives listed in level 2 comprise forward foreign exchange transactions. The fair value of the forward foreign exchange transactions is determined on the basis of the forward foreign exchange rates for the remaining period to maturity as at the balance sheet date.

The equity investments allocated to level 2 are measured on the basis of current, comparable market transactions.

The fair value of the financial instruments held by central counterparties allocated to level 2 is determined by market transactions for identical or similar assets in markets that are not active and by option pricing models based on observable market prices.

As at the balance sheet date, the items allocated to level 3 and their measurements were as follows:

Development of financial instruments in level 3

	Assets	Liabilities		Total
	Other equity investments €m	Other non-current liabilities €m	Other current liabilities €m	€m
Balance as at 1 Jan 2016	6.1	-4.3	-6.2	-4.4
Additions	0	-1.0	0	-1.0
Disposals	-0.4	0	0	-0.4
Reclassification	0	4.3	-4.3	0
Unrealised capital gains recognised in income	0	0	6.5	6.5
Other operating income	0	0	6.5	6.5
Changes recognised in the revaluation surplus	0.9	0	0	0.9
Balance as at 30 Jun 2016	6.6	-1.0	-4.0	1.6

The value of an equity investment listed in level 3 is reviewed annually by the issuer, who may initiate transactions. In the first half of 2016, fair value measurement led to a €0.9 million gain recognised directly in equity.

Furthermore, in the first six months of 2016, there was an outflow of €0.4 million of this item which resulted from a partial disposal of an equity fund. The fair value of this fund is calculated on the basis of the net asset value determined by the issuer.

“Other non-current liabilities” saw an increase of €1.0 million in the first six months of 2016. This increase relates to a contingent purchase price component. In addition, the fair value of a second contingent purchase price component was allocated to “other current liabilities” in March 2016. In the first six months of 2016, the reassessment of the probability that the obligation would be utilised resulted in other operating income of €4.2 million. These two purchase price components are measured on the basis of internal discounted cash flow models, which discount the expected future payment obligations to the measurement date using interest rates that are appropriate to the risk.

Additionally, derivatives from an incentive programme with a carrying amount of €3.9 million were allocated to “other current liabilities” of level 3 at the beginning of the reporting period. The financial instruments are regularly measured at fair value through profit and loss using an internal model at the quarterly reporting dates. As at the balance sheet date, there was a positive effect of €2.3 million recognised in profit or loss. The model takes into account the criteria underlying the conditional repayment of the grant made by Eurex Clearing AG. The criteria include, in particular, non-financial indicators such as the expected number of customers in a specific market segment as well as expected trading

volumes. They are continuously monitored, while taking into account possible adjustments. In order to do this, customer information is also used. Since this is an internal model, the parameters can differ from those of the settlement date. However, the derivative financial instrument will not exceed an amount of €7.0 million. This amount arises if the beneficiaries of the incentive programme fulfil the conditions and a repayment of the contribution is not taken into consideration.

The fair value of other financial assets and liabilities not measured at fair value is determined as follows: the euro and US dollar bonds issued by Deutsche Börse AG have a fair value of €2,741.4 million (31 December 2015: €2,679.9 million) and are reported under interest-bearing liabilities. The fair value of the euro bonds in the amount of €2,460.5 million is calculated on the basis of the quoted values of the bonds, and the fair value of the US dollar bonds in the amount of €280.9 million represents the present value of the cash flows relating to the private placements on the basis of market inputs. Consequently, the euro bonds are to be allocated to level 2 and the US dollar bonds to level 3.

The carrying amounts of the following items represent a reasonable approximation of their fair value:

- unlisted equity instruments whose fair value generally cannot be reliably determined on a continuous basis and which are reported under the “financial assets” item; these are carried at cost less any impairment losses
- other loans, which are reported under “financial assets”
- other receivables and other assets as well as current receivables from banking business, to the extent that these are measured at amortised cost
- restricted bank balances
- cash and other bank balances
- cash deposits by market participants
- other current liabilities

Other disclosures

13. Reconciliation to cash and cash equivalents

Reconciliation to cash and cash equivalents

	30 Jun 2016 €m	1 Jan 2016 €m
Restricted bank balances	29,175.1	26,870.0
Other cash and bank balances	1,498.3	711.1
Financial instruments of the central counterparties (netted)	539.8	283.1
less bank loans and overdrafts	-18.6	-42.2
	31,194.6	27,822.0
Reconciliation to cash and cash equivalents		
Current receivables and securities from banking business	18,268.3	10,142.9
less loans to banks and customers with an original maturity of more than three months	-927.0	-931.6
less available-for-sale debt instruments	-461.5	-62.3
Current liabilities from banking business	-18,876.3	-11,681.4
Current liabilities from cash deposits by market participants	-29,175.1	-26,869.0
	-31,171.6	-29,401.4
Cash and cash equivalents	23.0	-1,579.4

14. Earnings per share

Under IAS 33, earnings per share are calculated by dividing the net profit for the period attributable to Deutsche Börse AG shareholders by the weighted average number of shares outstanding.

Diluted earnings per share are determined by adding the number of potentially dilutive ordinary shares that may be acquired under the share-based payment programmes to the average number of shares. In order to calculate the number of potentially dilutive ordinary shares, the exercise prices were adjusted by the fair value of the services still to be provided.

When determining diluted earnings per share, all stock bonus plan (SBP) and long-term sustainable investment (LSI) tranches for which cash settlement has not been resolved are assumed to be equity-settled – regardless of the actual accounting in accordance with IFRS 2.

There were the following potentially dilutive rights to purchase shares as at 30 June 2016:

Calculation of the number of potentially dilutive ordinary shares

Tranche	Exercise price €	Adjustment of the exercise price according to IAS 33 ¹⁾ €	Average number of outstanding options 30 Jun 2016	Average price for the period ²⁾ €	Number of potentially dilutive ordinary shares 30 Jun 2016
2014 ³⁾	0	13.43	44,783	75.40	36,805

1) According to IAS 33.47 (a) for share options and other share-based payment arrangements, the issue price and the exercise price shall include the fair value of any goods or services to be supplied to the entity in the future under the share option or other share-based payment arrangement.

2) Volume-weighted average price of Deutsche Börse AG shares on Xetra for the period 1 January to 30 June 2016.

3) This relates to rights to shares under the Share Bonus Plan and the Long-term Sustainable Instrument for senior executives. As the 2014 tranche options will only be granted in future financial years, the number indicated for the balance sheet date may change subsequently.

As the volume-weighted average share price was higher than the adjusted exercise prices for the 2014 tranche, these options are considered dilutive under IAS 33 as at 30 June 2016.

Calculation of earnings per share (basic and diluted)

	Quarter ended 30 Jun 2016	(restated) Quarter ended 30 Jun 2015	Six months ended 30 Jun 2016	(restated) Six months ended 30 Jun 2015
Number of shares outstanding as at beginning of period	186,723,986	184,186,855	186,723,986	184,186,855
Number of shares outstanding as at end of period	186,723,986	184,186,855	186,723,986	184,186,855
Weighted average number of shares outstanding	186,723,986	184,186,855	186,723,986	184,186,855
Number of potentially dilutive ordinary shares	119,587	87,106	36,805	24,243
Weighted average number of shares used to compute diluted earnings per share	186,843,573	184,273,961	186,760,791	184,211,098
Net profit for the period attributable to Deutsche Börse AG shareholders (€m)	747.1	175.1	952.5	397.4
from continued operations (€m)	183.5	168.2	382.1	368.8
from non-continued operations (€m)	563.6	6.9	570.4	28.6
Earnings per share (basic) (€)	4.00	0.95	5.10	2.16
from continued operations (€)	0.98	0.91	2.05	2.00
from non-continued operations (€)	3.02	0.04	3.05	0.16
Earnings per share (diluted) (€)	4.00	0.95	5.10	2.16
from continued operations (€)	0.98	0.91	2.05	2.00
from non-continued operations (€)	3.02	0.04	3.05	0.16

As at 30 June 2016, 89,194 options were excluded from the calculation of the weighted average number of potentially dilutive shares, as their effect during the period is not dilutive.

15. Segment reporting (continued operation)

Composition of sales revenue by segment

	30 Jun 2016 €m	Quarter ended 30 Jun 2015 €m	30 Jun 2016 €m	Six months ended 30 Jun 2015 €m
External sales revenue				
Eurex	269.3	219.2	553.8	443.0
Xetra	46.5	51.3	95.9	108.5
Clearstream	227.1	224.9	448.8	451.3
Market Data + Services	101.9	100.7	204.7	211.0
Total external sales revenue	644.8	596.1	1,303.2	1,213.8
Internal sales revenue				
Clearstream	1.9	2.0	3.8	4.1
Market Data + Services	10.0	9.1	21.3	19.0
Total internal sales revenue	11.9	11.1	25.1	23.1

Net interest income from banking business

	Quarter ended 30 Jun 2016 €m	(restated) Quarter ended 30 Jun 2015 €m	Six months ended 30 Jun 2016 €m	(restated) Six months ended 30 Jun 2015 €m
Gross interest income				
Eurex	38.1	43.9	76.1	69.8
Clearstream	11.8	9.4	23.4	19.3
Total gross interest income	49.9	53.3	99.5	89.1
Interest expense				
Eurex	-32.8	-39.1	-65.1	-65.9
Clearstream	4.0	-0.1	5.3	-0.7
Total interest expense	-28.8	-39.2	-59.8	-66.6
Total	21.1	14.1	39.7	22.5

Net revenue

	Quarter ended 30 Jun 2016 €m	(restated) Quarter ended 30 Jun 2015 €m	Six months ended 30 Jun 2016 €m	(restated) Six months ended 30 Jun 2015 €m
Eurex	260.9	217.3	536.7	432.5
Xetra	41.1	45.1	84.5	94.3
Clearstream	192.8	188.4	380.1	379.2
Market Data + Services	105.9	96.3	209.9	205.8
Total	600.7	547.1	1,211.2	1,111.8

Operating costs

	30 Jun 2016 €m	Quarter ended 30 Jun 2015 €m	Six months ended 30 Jun 2016 €m	Six months ended 30 Jun 2015 €m
Eurex	125.0	107.7	256.8	208.2
Xetra	23.6	18.2	43.9	36.0
Clearstream	111.9	106.0	218.2	205.6
Market Data + Services	55.8	53.3	109.6	106.4
Total	316.3	285.2	628.5	556.2

Earnings before interest and tax (EBIT)

	Quarter ended 30 Jun 2016 €m	(restated) Quarter ended 30 Jun 2015 €m	Six months ended 30 Jun 2016 €m	(restated) Six months ended 30 Jun 2015 €m
Eurex	129.8	107.6	275.1	228.9
Xetra	18.3	24.8	41.4	56.6
Clearstream	80.8	82.4	162.1	173.6
Market Data + Services	50.1	43.0	100.3	99.4
Total	279.0	257.8	578.9	558.5

Investment in intangible assets and property, plant and equipment

	30 Jun 2016	Quater ended	30 Jun 2016	Six months ended
	€m	30 Jun 2015	€m	30 Jun 2015
		€m		€m
Eurex	13.0	13.7	23.2	27.1
Xetra	3.0	0.2	4.1	0.6
Clearstream	16.0	16.9	30.8	35.1
Market Data + Services	5.3	0.8	8.9	2.4
Total	37.3	31.6	67.0	65.2

16. Financial liabilities and other risks

Interest-bearing liabilities

The following payment obligations arose from the interest-bearing liabilities as at 30 June 2016:

Expected payment obligations from interest-bearing liabilities

	Expected payment obligations ¹⁾ at	
	30 Jun 2016	30 Jun 2015
	€m	€m
Up to 1 year	60.9	36.3
1 to 5 years	1,635.6	955.3
More than 5 years	1,169.1	642.8
Total	2,865.6	1,634.4

1) The expected payment obligations in US dollars were translated into euros at the applicable forward rate.

Other risks

Peterson vs Clearstream Banking S.A., Citibank NA et al. ("Peterson I") and Heiser vs Clearstream Banking S.A.

In its [2012 corporate report](#), Deutsche Börse Group informed about proceedings, Peterson vs Clearstream Banking S.A., the first Peterson proceeding, initiated by various plaintiffs seeking turnover of certain customer positions held in Clearstream Banking S.A.'s securities omnibus account with its US depository bank, Citibank NA, and asserting direct claims against Clearstream Banking S.A. for damages of US\$250 million. That matter was settled between Clearstream Banking S.A. and the plaintiffs and the direct claims against Clearstream Banking S.A. were dismissed.

In July 2013, the US court ordered turnover of the customer positions to the plaintiffs, ruling that these were owned by Bank Markazi, the Iranian central bank. Bank Markazi appealed, and the decision was affirmed on 9 July 2014. The remedy sought by Bank Markazi in the Supreme Court of the United States was rejected. Once the funds are turned over, a related case, Heiser vs Clearstream Banking S.A., also seeking turnover of the same assets, will be dismissed.

Peterson vs Clearstream Banking S.A. (“Peterson II”)

On 30 December 2013, a number of US plaintiffs from the first Peterson case, as well as other US plaintiffs, filed a complaint targeting certain blocked assets that Clearstream Banking S.A. holds as a custodian in Luxembourg. In 2014, the defendants in this action, including Clearstream Banking S.A., moved to dismiss the case. On 19 February 2015, the US court issued a decision granting the defendants’ motions and dismissing the lawsuit. On 6 March 2015, the plaintiffs appealed the decision to the Second Circuit Court of Appeals.

Criminal investigations against Clearstream Banking S.A.

On 2 April 2014, Clearstream Banking S.A. was informed that the United States Attorney for the Southern District of New York has opened a grand jury investigation against Clearstream Banking S.A. due to Clearstream Banking S.A.’s conduct with respect to Iran and other countries subject to US sanction laws. Clearstream Banking S.A. is cooperating with the US attorney.

Dispute between MBB Clean Energy AG and end investors

A dispute has arisen between MBB Clean Energy AG (MBB), the issuer of a bond eligible in Clearstream Banking AG, and end investors. MBB issued a first tranche of the bond in April 2013 and a second tranche of the bond in December 2013. The global certificates for the two tranches of the bond were delivered into Clearstream Banking AG by the paying agent of the issuer. The dispute relates to the non-payment of the second tranche of the bond with a nominal value of €500 million and the purported lack of validity of the bond. Clearstream Banking AG’s role in the dispute on the purported lack of validity of the MBB Clean Energy AG bond is primarily to safekeep the global note, deposited by the paying agent of the issuer as national central securities depository. At this stage, it is unclear if and to what extent potential damages exist and if so who would ultimately be responsible. Insolvency proceedings have meanwhile been opened in respect of the issuer, MBB Clean Energy AG.

In addition to the matters described above and in prior disclosures, Deutsche Börse Group is from time to time involved in various legal proceedings that arise in the ordinary course of its business. Deutsche Börse Group recognises provisions for litigation and regulatory matters when it has a present obligation from an event in the past, an outflow of resources with economic benefit to settle the obligation is probable and it is possible to reliably estimate the amount. In such cases, there may be an exposure to loss in excess of the amounts accrued. When these conditions are not met, Deutsche Börse Group does not recognise a provision. As a litigation or regulatory matter develops, Deutsche Börse Group evaluates on an ongoing basis whether the requirements to recognise a provision are met. Deutsche Börse Group may not be able to predict what the eventual loss or range of loss related to such matters will be. Deutsche Börse Group does not believe, based on currently available information, that the results of any of these various proceedings will have a material adverse effect on its financial statements as a whole.

Tax risks

Due to its business activities in various countries, Deutsche Börse Group is exposed to tax risks. A process has been developed to recognise and evaluate these risks, which – in the first place – are recognised depending on the probability they will arise. In a second step, these risks are measured on the basis of their expected value. In case it is more probable than not that the risks will arise, a tax provision is recognised. Deutsche Börse Group continuously reviews if the preconditions for the recognition of corresponding tax provisions are met.

17. Material business transactions with related parties

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

Business relationships with related parties

The following table shows transactions entered into within the scope of business relationships with non-consolidated companies of Deutsche Börse AG during the first six months of 2016. All transactions were concluded at prevailing market terms.

Transactions with related parties¹⁾

	Amount of the transactions revenues as of second quarter 30 Jun		Amount of the transactions expenses as of second quarter 30 Jun		Amount of the transactions revenues as of first half of the year		Amount of the transactions expenses as of first half of the year		Outstanding balances receivables as at 30 Jun		Outstanding balances liabilities as at 30 Jun	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
Associates	3.0	2.5	-2.9	-2.0	6.2	5.3	-5.2	-4.5	2.6	1.5	-0.6	-1.9
Joint venture	0.3	0	0	0	0.3	0	0	0	0	1.0	0	0
Other shareholdings	0	0	-0.6	0	0	0	-0.6	0	0	0	-0.6	0
Total sum of business transactions	3.3	2.5	-3.4	0	6.5	5.3	-5.8	-4.5	2.6	2.5	-1.2	-1.9

1) The table was adjusted by removing the selection criterion of outstanding balances being material. The previous year's figures were adjusted accordingly.

Monetary business relationships with key management personnel

Key management personnel are persons who directly or indirectly have authority and responsibility for planning, directing and controlling the activities of Deutsche Börse Group. The Group defines the members of the Executive Board and the Supervisory Board as key management personnel for the purposes of IAS 24.

European Commodity Clearing Luxembourg S.à r.l., Luxembourg, (ECC Luxembourg), – a subsidiary of European Commodity Clearing AG and therefore a member of the EEX group – entered into an agency agreement for the exercise of the managing director function with IDS Lux S.à r.l., Luxembourg. The subject of the agreement is to provide a natural person for the function of managing director in the management of ECC Luxembourg. In addition to this position as managing director of ECC Luxembourg, this person is also a member of the key management personnel at IDS Lux S.à r.l. During the first half of 2016, ECC Luxembourg paid approximately €7.0 thousand for these management services.

Moreover, a member of the advisory board of STOXX Ltd., Zurich, Switzerland, also holds a key management position within law firm Lenz & Staehelin AG, Geneva, Switzerland. Deutsche Börse Group reported expenses to this law firm of approximately €630.0 thousand in the first half of 2016.

On the board of directors of EEX AG's subsidiary Powernext SA, Paris, France, representatives of Powernext SA's other shareholders hold key positions. These shareholder representatives also hold key positions in Powernext SA's shareholder companies, GRTgaz, Bois-Colombes, France, parent company of 3GRT, Tarascon, France, and EDEV S.A., Courbevoie, France. During the first six months of 2016, Powernext rendered development and maintenance services for customised software solutions in the area of market coupling and balancing, as well as in connection with an electronic trading platform for 3GRT. The company generated €252.0 thousand in revenue with these services during the first half of 2016.

The board of directors and the executive board of LuxCSD S.A., an associate from Deutsche Börse Group's perspective, each comprise two members of management of fully consolidated subsidiaries within Deutsche Börse Group who are maintaining a leading position within these subsidiaries, too. LuxCSD holds business transactions with Clearstream Banking S.A., Clearstream Services S.A., Clearstream International S.A. and Clearstream Banking AG. Within the scope of these transactions there have been expenses in the amount of €897.8 thousand and revenue in the amount of €442.0 thousand during the first six months of 2016.

Furthermore, an executive board member of Clearstream Banking AG concurrently holds an executive position within Deutsche Börse Commodities GmbH, an associate of Deutsche Börse Group. In the first half of 2016, Deutsche Börse Group generated approximately €841.0 thousand in revenue as well as €3,569.0 thousand in expenses with Deutsche Börse Commodities GmbH.

Moreover, a member of the supervisory board of 360 Treasury Systems AG and of Deutsche Börse Asia Holding Pte. Ltd. is also a member of the supervisory board of Tradegate AG Wertpapierhandelsbank, which is an associate of Deutsche Börse Group. In the first half of 2016, Deutsche Börse Group generated approximately €2,795.0 thousand in revenue as well as €215.0 thousand in expenses with Tradegate AG Wertpapierhandelsbank.

One member of Eurex Frankfurt AG's executive board was the Chief Executive Officer of Deutsche Börse Cloud Exchange GmbH until February 2016, another associate of Deutsche Börse Group. In the first half of 2016, Deutsche Börse Group generated approximately €317.0 thousand in revenue with Deutsche Börse Cloud Exchange GmbH.

Two members of Deutsche Börse AG's Executive Board are members of the supervisory board of China Europe International AG (CEINEX) as well. The AG is a joint venture of Shanghai Stock Exchange Ltd., China Financial Futures Exchange and Deutsche Börse AG. In the first half of 2016, Deutsche Börse Group generated approximately €338.0 thousand in revenue and €5.0 thousand in expenses with CEINEX.

Other business relationships with key management personnel

Selected executives of Deutsche Börse Group subsidiaries also hold key management positions within the Clearstream pension fund ("association d'épargne-pension", ASSEP). This defined benefit plan, established in favour of Luxembourg staff of Clearstream International S.A., Clearstream Banking S.A., as well as Clearstream Services S.A., is funded through cash payments to the ASSEP under Luxembourg law.

18. Employees (continued operation)

Employees

	30 Jun 2016	Quarter ended 30 Jun 2015	30 Jun 2016	Six months ended 30 Jun 2015
Average number of employees during the period	5,098	4,648	5,083	4,594
Employed as at the balance sheet date	5,116	4,730	5,116	4,730

The increase in the number of employees results largely from changes to the basis of consolidation (518 employees). Since new jobs were created in connection with strategically important projects, the number of employees increased by 319 persons year-on-year as at the balance sheet date.

There was an average of 4,730 full-time equivalent (FTE) employees during the second quarter of 2016 (Q2/2015: 4,354).

19. Events after the balance sheet date

Deutsche Börse AG sold its wholly-owned subsidiary Market News International, Inc. (MNI) to Hale Global – the purchase agreement was signed on 1 July 2016. Hale Global is a leading provider of macroeconomic and markets intelligence for global fixed income and foreign-exchange market professionals. Details of the deal are subject to a confidentiality agreement.

By divesting its news business, Deutsche Börse further strengthens its focus on growth areas defined in the group-wide “Accelerate” growth strategy, which constitutes organisational and portfolio changes to support the achievement of the Group’s new strategic and financial targets. In 2015, MNI has contributed less than 1 percent to the Group’s net revenues.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group in accordance with German accepted accounting principles, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Frankfurt/Main, 27 July 2016

Deutsche Börse AG
The Executive Board



Carsten Kengeter



Andreas Preuß



Gregor Pottmeyer



Hauke Stars



Jeffrey Tessler

Review report

To Deutsche Börse Aktiengesellschaft, Frankfurt/Main

We have reviewed the condensed interim consolidated financial statements – comprising the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated cash flow statement, consolidated statement of changes in equity and selected explanatory notes – together with the interim group management report of Deutsche Börse Aktiengesellschaft, Frankfurt/Main, for the period from 1 January to 30 June 2016 that are part of the semi annual financial report according to § 37 w WpHG (“Wertpapierhandelsgesetz”: “German Securities Trading Act”). The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and in accordance with the IFRS for interim financial reporting as issued by the International Accounting Standards Board (IASB), and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the company’s management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material aspects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and in accordance with the IFRS for interim financial reporting as issued by the IASB, and that the interim group management report has not been prepared, in material aspects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor’s report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and in accordance with the IFRS for interim financial reporting as issued by the IASB, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Frankfurt/Main, 27 July 2016

KPMG AG Wirtschaftsprüfungsgesellschaft

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Financial calendar

27 July 2016
Half-yearly financial report

28 October 2016
Q3/2016 results