DEUTSCHE BÖRSE GROUP

Interim Report

Quarter 2/2004

Deutsche Börse Group: Financial Highlights

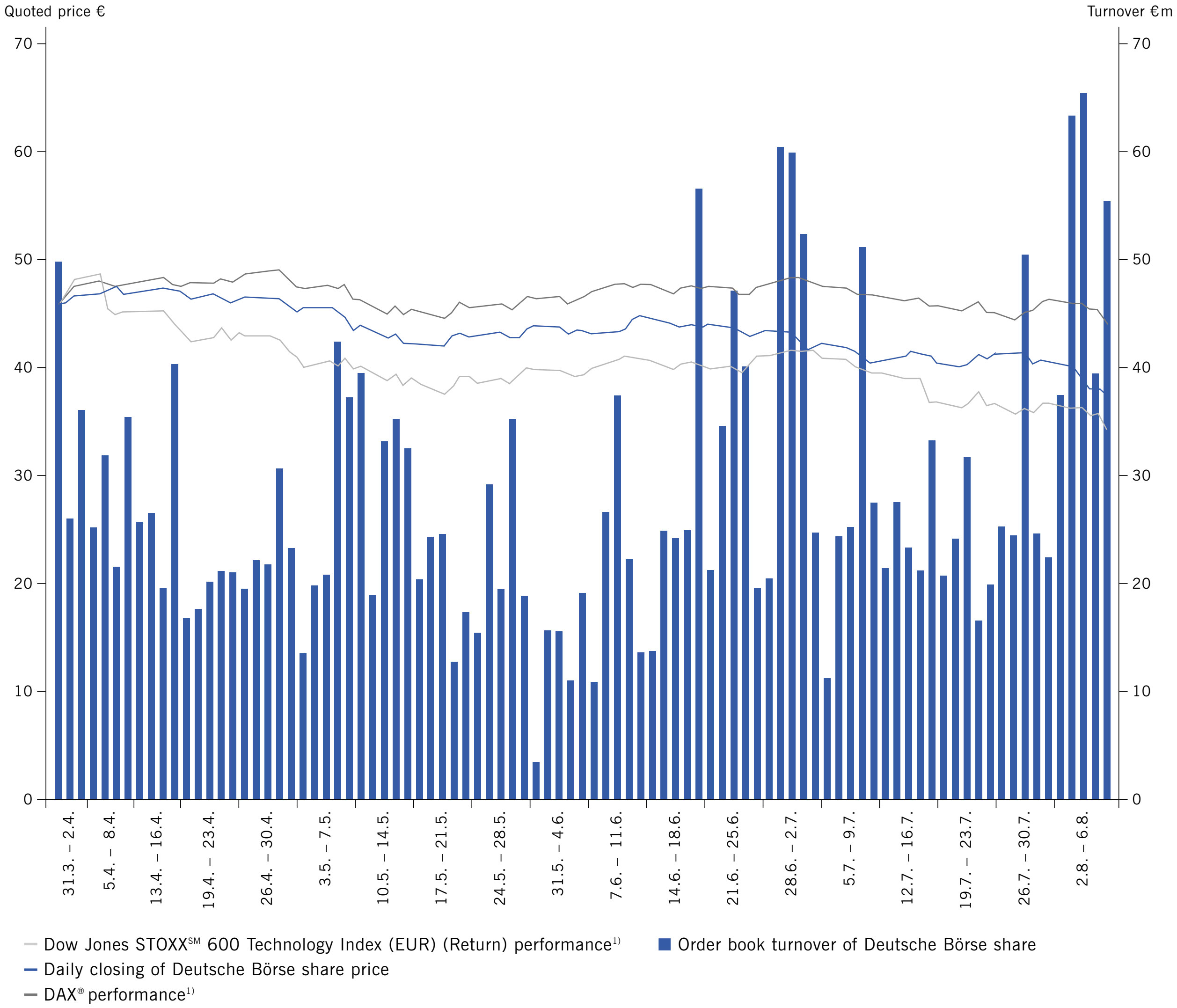
			Quarter ended		Six months ended
		30 June 2004	30 June 2003	30 June 2004	30 June 2003
Consolidated income statement					
Sales revenue	€m	359.0	351.9	738.1	702.4
Net interest income from banking business	€m	19.9	23.8	38.5	50.5
Earnings before interest, taxes and goodwill amortization and write-downs (EBITA)	€m	129.5	131.3	279.9	273.4
Earnings before interest and taxes (EBIT)	€m	112.7	115.3	245.5	241.4
Net profit for the period	€m	67.7	71.1	144.6	140.9
Consolidated cash flow statement					
Cash flows from operating activities	€m	94.1	124.3	195.0	207.9
Cash flows from investing activities	€m	–206.0	–75.0	–276.8	–425.0
Consolidated balance sheet (as at 30 June)					
Shareholders' equity	€m	2,426.4	2,247.0	2,426.4	2,247.0
Total assets	€m	10,645.2	12,027.1	10,645.2	12,027.1
Performance indicators					
Earnings per share	€	0.60	0.64	1.29	1.26
Operating cash flow per share	€	0.84	1.11	1.74	1.86
Market indicators					
Xetra					
Number of transactions	thousands	16,364	18,194	36,516	35,625
Order book turnover	€m	218,105	201,354	484,742	389,269
Participants (as at 30 June)		299	313	299	313
Floor trading					
Number of transactions	thousands	15,129	16,663	38,292	32,056
Order book turnover	€m	25,894	33,816	63,344	67,402
Eurex					
Number of contracts	thousands	263,499	259,390	553,140	524,403
Participants (as at 30 June)		410	416	410	416
Clearstream					
Number of transactions national	m	8.0	10.4	18.0	27.0
international	m	4.0	4.1	9.0	8.2
Securities deposits (as at 30 June) national	€bn	4,536	4,287	4,536	4,287
international	€bn	3,160	2,875	3,160	2,875
Deutsche Börse share price					
Opening price[1] (as at 1 April)	€	46.00	35.33	43.35	38.16
High[2]	€	48.27	46.40	51.35	46.40
Low[2]	€	41.69	35.02	41.69	31.61
Closing price (as at 30 June)	€	41.77	46.13	41.77	46.13

[1] Closing price on preceding trading day
[2] Intraday price

Stable business development in Q2

- Sales revenue up 2 percent year-on-year to €359.0 million (Q2/2003: €351.9 million) – mainly due to healthy business development at Xetra and Clearstream.
- Net interest income from banking business down 16 percent to €19.9 million (Q2/2003: €23.8 million) due to negative interest rate developments.
- Earnings before interest and taxes (EBIT) fell slightly by 2 percent to €112.7 million (Q2/2003: €115.3 million) as a result of start-up investments for the Eurex US futures exchange.
- Earnings per share totalled €0.60 for an average of 111.8 million shares (Q2/2003: €0.64 for 111.8 million shares).
- Operating cash flow per share down 24 percent year-on-year to €0.84 (Q2/2003: €1.11).
- As resolved by the Annual General Meeting, shareholders received a dividend of €0.55 per share on 20 May (2003: €0.44 per share).

Development of Deutsche Börse AG's share price in Q2



[1)] Index-linked, closing price on 31 March 2004

Sales revenue and EBIT by quarter

Sales revenue: Deutsche Börse Group's sales revenue increased by 2 percent to €359.0 million (Q2/2003: €351.9 million), mainly due to positive development at Clearstream.

EBIT: The EBIT recorded by Deutsche Börse Group amounted to €112.7 million, down slightly by 2 percent on Q2/2003 (€115.3 million).

Sales revenue by segment: Clearstream and Xetra increase sales revenue

Xetra: Sales revenue in the cash market rose by 4 percent to €52.3 million (Q2/2003: €50.4 million) despite weaker trading activity.

Eurex: Sales revenue in the derivatives market dropped by 2 percent to €101.7 million (Q2/2003: €103.9 million).

IS: The Information Services segment generated virtually stable sales revenue of €30.0 million as against the previous year (Q2/2003: €30.4 million).

IT: External sales revenue in the Information Technology segment declined by 7 percent to €30.7 million (Q2/2003: €33.0 million).

Clearstream: Gross sales revenue from commission income increased by 8 percent to €144.3 million (Q2/2003: €134.2 million).

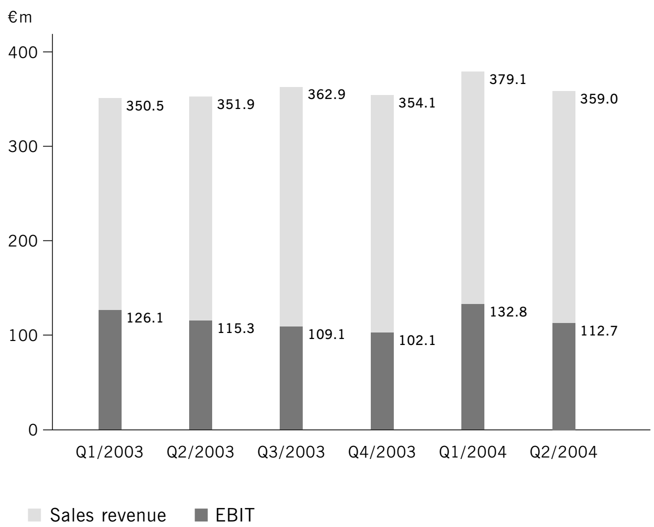
EBIT by segment: Xetra and IT record sharp increase in profits

Xetra: EBIT in the cash market rose to €18.1 million (Q2/2003: €6.9 million), primarily due to intensive cost management.

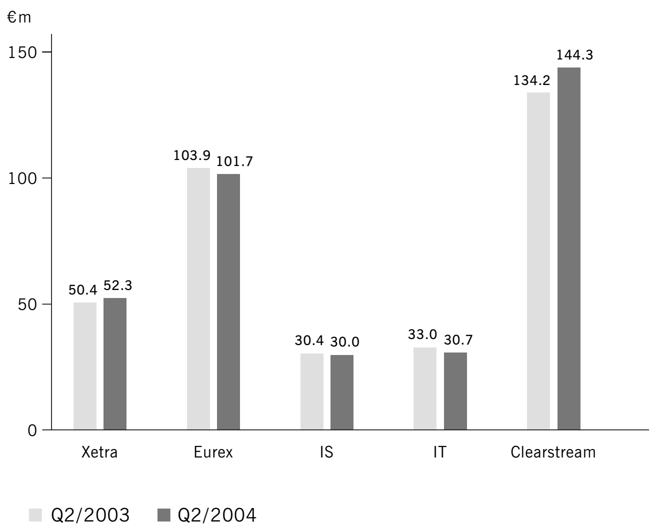
Eurex: EBIT in the derivatives market fell by 30 percent to €42.1 million (Q2/2003: €59.7 million). In particular, start-up investments for the new Eurex US futures exchange led to lower profits than in the prior-year period.

IS: Despite lower costs, EBIT dropped by 12 percent to €11.1 million (Q2/2003: €12.6 million). This was due to a year-on-year decline in income from equity investments.

Sales revenue and EBIT by quarter



Sales revenue by segment



IT: EBIT improved by 54 percent to €27.6 million (Q2/2003: €17.9 million) thanks to successful cost management, on the back of a slight increase in total sales revenue.

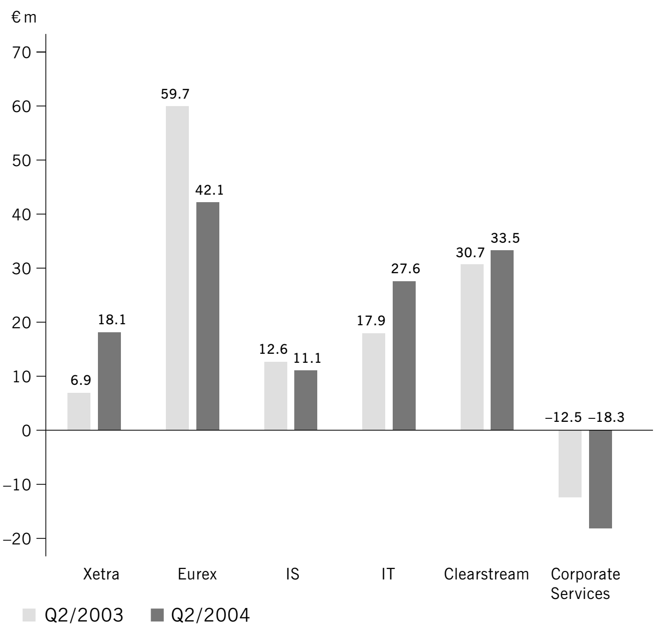
Clearstream: EBIT grew by 9 percent to €33.5 million (Q2/2003: €30.7 million) due to an increase in sales revenue, while costs fell slightly.

Corporate Services: Net costs totalled €18.3 million (Q2/2003: €12.5 million).

Xetra: EBIT increases despite weaker trading activity

- Despite a fall in trading activity, the Xetra segment recorded a slight increase in sales revenue to €52.3 million in Q2/2004 (Q2/2003: €50.4 million).
- Costs cut by a total of 15 percent to €39.4 million (Q2/2003: €46.3 million) after the amortization period of Xetra® releases expires and network costs were further reduced.
- As a result, EBIT climbed to €18.1 million (Q2/2003: €6.9 million).

EBIT by segment



Trading activity declined in the second quarter due to continued low volatility and the sustained sideways movement of key indices. The 16.4 million transactions recorded in the Xetra order book represent a fall of 10 percent year-on-year (Q2/2003: 18.2 million transactions). The number of contract notes in floor trading on the FWB® Frankfurter Wertpapierbörse (the Frankfurt Stock Exchange) decreased by 8 percent to 5.6 million (Q2/2003: 6.1 million). However, the segment's sales revenue increased year-on-year as the launch of the central counterparty (CCP) for the cash market in April 2003 led to clearing and settlement fees being suspended for a time as part of a "fee holiday".

	Xetra transactions		Xontro contract notes in Frankfurt floor trading	
	2004 thous.	2003 thous.	2004 thous.	2003 thous.
Q1	20,152	17,431	8,353	5,741
Q2	16,364	18,194	5,603	6,138
Total H1	**36,516**	**35,625**	**13,956**	**11,875**

The volume of funds under management in the XTF® segment for exchange-traded index funds reached a new record of €14.4 billion at the end of Q2/2004 – a year-on-year increase of 60 percent (Q2/2003: €9.0 billion). Compared with its European competitors, the segment's market share was 54.3 percent in Q2/2004. Turnover fell slightly by 6 percent to €8.5 billion (Q2/2003: €9.0 billion) in line with the trend of weaker trading activity. Demand for the ETFs on fixed-income bonds launched at the beginning of 2003 is continuing to grow. The volume of funds under management for the five listed bond-based ETFs amounted to €1.8 billion at the end of the quarter, up 80 percent year-on-year. The trend towards the internationalization of the segment is continuing: 42 percent of the trading volume was generated by orders from abroad (Q2/2003: 32 percent).

Four companies successfully floated on the Frankfurt Stock Exchange: Deutsche Postbank AG, Wincor Nixdorf AG, MIFA Mitteldeutsche Fahrradwerke AG and Epigenomics AG. Three of these four issuers chose to join the Prime Standard. Deutsche Postbank was the first major company to have its share price determined on the Xetra pan-European trading platform, followed by Epigenomics. During the course of the four IPOs, investors bought shares with a total value of € 2.1 billion (free float).

Eurex: Further increase of contract volumes

- Eurex sales revenue fell 2 percent at €101.7 million (Q2/2003: €103.9 million).
- Costs increased year-on-year, mainly due to start-up costs for Eurex US.
- As a result, EBIT dropped 30 percent to €42.1 million (Q2/2003: €59.7 million).

The trading volume on the futures market continued to increase in the second quarter of 2004. 263.5 million contracts represent year-on-year growth of 2 percent (Q2/2003: 259.4 million). Open interest contracts amounted to 58.8 million at the end of June, up 23 percent (end of June 2003: 48.0 million contracts). Overall, Eurex achieved a new trading record of 553.1 million contracts in the first half of 2004. However, the expiration of Eurex's contract with CBOT at the end of January 2004 led to a drop in sales revenue that was only partially offset by the overall increase in the trading volume. As a result, sales revenue in Q2 was 2 percent down year-on-year.

Trading volume	Q2/2004 Contracts in thous.	Q2/2003 Contracts in thous.	Change %
Stock options	52,382	48,868	+7
Index products (incl. XTF)	67,342	64,238	+5
Capital market products	134,775	146,285	–2
Total Q2	**263,499**	**259,390**	**+2**
Total H1	**553,140**	**524,403**	**+6**

While costs remained stable at the parent company Eurex, start-up investments for Eurex US – in particular networks, marketing activities and incentive programs – led to an increase in total costs for the period under review. This was reflected in EBIT, which fell by 30 percent.

On 24 May, four new equity options on the MDAX® securities Beiersdorf AG, Depfa Bank Plc, Hypo Real Estate Holding AG and Puma AG were introduced. On 24 June, only one day after Deutsche Postbank AG was listed in the Prime Standard segment of the Frankfurt Stock Exchange, Eurex introduced equity options on Postbank. A total of 159 stock options are now tradable on Eurex. Stock options are one of the exchange's fastest growing product groups. In the first six months of 2004, more than 114 million stock options contracts were traded on Eurex, an increase of approximately 26 percent in comparison to the same period in 2003 (90.8 million contracts).

As of 19 July, Eurex expanded its European derivatives product range to include a future on the Dow Jones Italy Titans 30 index. The index contains the thirty largest and most liquid Italian shares.

Eurex US receives approvals from regulators

In April, the Netherlands regulator granted Dutch participants the approval to trade on Eurex US. In May, Eurex US participants based in the United Kingdom received approval to trade on Eurex US and in July, Spanish, Italian and French participants also received approval to trade on Eurex US. Market participants from 15 countries can now access Eurex US: Austria, Belgium, Denmark, Finland, France, Germany, Gibraltar, Ireland, Italy, Spain, Sweden, Switzerland, the Netherlands, USA and the United Kingdom. Currently, a total of 33 European member firms are connected to Eurex US.

In May The Clearing Corporation (CCorp) and Eurex Clearing finalized the terms of their Global Clearing Link and requested that the Commodity Futures Trading Commission take action to permit implementation of the first phase of the Global Clearing Link. Subject to the receipt of all required regulatory approvals, it is anticipated that the Global Clearing Link will be implemented in two phases. Phase I will enable CCorp clearing participants to clear European benchmark derivatives traded on Eurex. In Phase II, members of Eurex Clearing will be able to clear US and European benchmark products traded at Eurex US, and use one common collateral pool to portfolio-margin European and US products.

On 12 July, Eurex US implemented a package of incentive programs to further enhance trading activity in US Treasury Futures. The incentive programs have been very well received. Average daily volume has increased to 41,000 contracts and open interest levels have risen to 58,000 contracts, from just 17,895 on 30 June.

Information Services: Sustained market recovery

- Segment sales revenue fell slightly to €30.0 million (Q2/2003: €30.4 million).
- Costs down by 6 percent to €20.8 million (Q2/2003: €22.0 million) due to lower investment in application development and data center services.
- EBIT dropped to €11.1 million (Q2/2003: €12.6 million) following a year-on-year decline in income from equity investments.

The slight recovery felt in Q1/2004 continued in Q2, although lower market volatility meant that sales revenue from share price information did not quite match the previous year's level. The launch of new products is also expected to have an effect on sales revenue in the third quarter.

StatistiX®, the data warehouse operated by Information Services, was named "Best real-time data warehouse" by The Data Warehousing Institute (TDWI) in America. StatistiX currently gathers data from 18 sources. It consolidates, aggregates and formats this data, and processes up to 1,000 messages per second on the basis of the CEF (Consolidated Exchange Feed) real-time data flow. StatistiX grows by around 3.5 gigabytes every day, thus processing around 160 million data records every 24 hours.

Holger Wohlenberg became the new Managing Director of Information Services on 15 July 2004. Wohlenberg, who holds a doctorate in business studies, joins the segment from Deutsche Bank AG, where he was Managing Director of the Global Corporate Finance department. In future, CFO Mathias Hlubek will be the Executive Committee member responsible for the Information Services area.

Clearstream: Further growth and business developments in Q2/2004

- Sales revenue increased by 8 percent to €144.3 million (Q2/2003: €134.2 million) mainly due to growth in the area of custody business.
- Net interest income from banking business down by 16 percent to €19.9 million (Q2/2003: €23.8 million) due to lower average interest rates.
- Cost efficiency programs continued to deliver and costs were reduced by a further 3 percent.
- EBIT increased by 9 percent to €33.5 million (Q2/2003: €30.7 million).

In the custody business, the value of assets under custody increased by 7 percent year-on-year, to reach €7.7 trillion. This growth can be seen in both the German domestic instruments, where custody value went up by 6 percent, and international assets which achieved a 10 percent gain, mostly thanks to strong primary market activity. All together, the custody business sales increased by 7 percent to reach €92.3 million. Other key initiatives on the custody international side are the introduction of a primary market settlement service for Deutsche Bank's Eurobond issuance business with average daily settlement volumes reaching €2.4 billion.

Average overnight cash funds went up by 8 percent so as to reach €3.5 billion. However, average blended interest rates have gone down from 2.6 percent in Q2/2003 to 1.7 percent year-on-year, thus accounting for the decrease in net interest income from banking business.

Average cash funds and value of securities deposited	Q2/2004 €bn	Q2/2003 €bn
Average cash funds	3,518	3,245
Values of securities deposited	7,696	7,162
thereof:		
Clearstream Banking S.A., international	2,849	2,618
Clearstream Banking AG, international	311	257
Clearstream Banking AG, domestic	4,536	4,287

Further growth in the custody business can be expected from Clearstream's new Vestima+ service for the investment funds industry, which is set to be launched in October 2004. Vestima+ is targeting order processing difficulties within the industry by implementing a centralized architecture. The new service will provide a single solution for multiple fund markets and enable customers to select their preferred settlement routes and custody providers. The key evolution is an open order-routing platform that delivers high straight-through processing (STP) rates and for the first time, customers can select wherever they wish to settle and whether to use or not Clearstream's centralized settlement and custody services.

Even before the launch of Vestima+, key industry players started moving assets in order to operate on the new Vestima+ fund order-routing platform. This contributed to a substantial investment funds business gain and volumes under custody increased by 44 percent to €77.8 billion in Q2/2004.

The total number of settlement transactions processed by Clearstream fell by 17 percent from 14.5 million in Q2/2003 to 12.0 million year-on-year. In the wake of the market downturn, international transactions settlement volumes fell by 3 percent to 4.0 million. The German domestic settlement in CCP-eligible instruments fell by 56 percent to 0.9 million after the phased launch of the equity central counterparty (CCP 1.0) in mid-April 2003. All together, sales revenue in the stock exchange settlement and OTC settlement business increased by 11 percent to €28.6 million, thanks to the benefits of the New German Settlement Model introduction by Clearstream in Q4/2003 and to the implementation of a new international settlement pricing model that protects sales against EUR/USD fluctuations.

Transactions	Q2/2004 €m	Q2/2003 €m
Clearstream Banking S.A., international	2.9	3.3
Clearstream Banking AG, international	1.1	0.8
Clearstream Banking AG, domestic	8.0	10.4
thereof:		
stock exchange transactions not eligible for CCP	4.2	4.2
transactions eligible for CCP	0.9	2.1
OTC transactions	2.8	4.1
Total	**12.0**	**14.5**

The development of the tripartite Repo business was also positive. At the end of Q2/2004, the average outstanding amount totalled €83.3 billion, with revenue from tripartite Repo business up by 46 percent year-on-year. The introduction of a competitive pricing scheme in June 2004 will also contribute to further business development of the tripartite Repo product.

Connectivity business also improved continuously, due to the rollout of CreationOnline, an interactive browser interface, in September 2002. The average number of online queries per month has risen by nearly 270 percent since Q2/2003. The gain in Connectivity sales amounts to €1.3 million, with total revenue adding up to €11.1 million (Q2/2003: €9.8 million).

By end-June, Clearstream implemented the first phase of the new automated Daytime Bridge service with Euroclear. The 'Bridge' is an electronic communications link which facilitates the efficient settlement of securities transactions between counterparties in Clearstream Banking Luxembourg and Euroclear Bank.

The first phase delivers improvements in settlement efficiency levels and enables customers to reduce their costs by having more opportunities to settle Bridge transactions that failed during the overnight process. Additionally, this phase allows for better interaction with domestic markets across different time zones. The second phase, set for November 2004, will provide an additional improvement of interoperability between the two international central securities depositories (ICSDs).

Information Technology: EBIT up thanks to ongoing cost management

- External sales revenue generated by the IT segment fell 7 percent to €30.7 million (Q2/2003: €33.0 million).
- Intensive cost management an ongoing success, with costs down €9.5 million.
- EBIT up 54 percent to €27.6 million (Q2/2003: €17.9 million).

After Deutsche Börse's joint venture with CBOT came to an end, no further external revenue was generated with this partner. However, this was offset by roughly the same amount of internal revenue following the start-up of the Eurex US futures exchange. Adjusted for this effect, the IT segment increased external revenue by 18 percent primarily due to new contracts with Deutsche WertpapierService Bank AG (dwpbank) and the European Energy Exchange AG (EEX).

Intensive cost management, in particular in the purchasing of external services and in operating costs, led to a further reduction in development and IT operating costs. These cost savings were immediately reflected in a sharp increase in EBIT.

The market for IT finance solutions showed a small improvement in the second quarter. entory was able to exploit the upturn in demand for fixed-price projects in particular, increasing its sales revenue by 8 percent. Financial institutions and industrial companies were primarily interested in solutions for industrialization and improving the efficiency of their business processes. entory's higher-end positioning as a specialist in business process management enabled it to optimally serve the needs of the market.

Consolidated Income Statement

for the period 1 January to 30 June 2004

		Quarter ended		Six months ended
	30 June 2004	30 June 2003	30 June 2004	30 June 2003
	€m	€m	€m	€m
Sales revenue	359.0	351.9	738.1	702.4
Net interest income from banking business	19.9	23.8	38.5	50.5
Own expenses capitalized	13.5	17.3	24.1	31.8
Other operating income	14.0	19.8	27.7	33.8
	406.4	**412.8**	**828.4**	**818.5**
Fee and commission expenses from banking business	–28.7	–29.1	–57.9	–58.6
Consumables used	–8.1	–10.9	–15.9	–18.7
Staff costs	–83.3	–86.4	–167.3	–163.6
Depreciation and amortization expense	–47.3	–49.3	–93.4	–94.3
Goodwill amortization	–16.8	–16.0	–34.4	–32.0
Other operating expenses	–110.6	–109.1	–215.3	–212.8
Income from equity investments	3.9	3.7	4.1	3.7
Impairment losses on noncurrent financial assets	–2.8	–0.4	–2.8	–0.8
Earnings before interest and taxes (EBIT)	**112.7**	**115.3**	**245.5**	**241.4**
Net financial result	–2.7	–2.5	–4.0	–1.8
Earnings before tax from ordinary activities (EBT)	**110.0**	**112.8**	**241.5**	**239.6**
Income tax expense	–46.6	–41.5	–102.3	–98.5
Minority interests	4.3	–0.2	5.4	–0.2
Net profit for the period	**67.7**	**71.1**	**144.6**	**140.9**
Earnings per share (€)	**0.60**	**0.64**	**1.29**	**1.26**

Consolidated Balance Sheet

as at 30 June 2004

	30 June 2004 €m	31 Dec. 2003 €m	30 June 2003 €m
ASSETS			
Noncurrent assets			
Intangible assets	1,464.4	1,536.1	1,629.1
Property, plant and equipment	264.7	328.6	308.1
Financial assets and investment property	579.8	485.5	484.2
Miscellaneous and deferred tax assets	21.1	31.6	31.2
	2,330.0	2,381.8	2,452.6
Current assets			
Current receivables and securities from banking business	6,509.7	4,047.3	7,322.8
Other receivables and other assets	255.0	263.3	272.2
Restricted bank balances	1,036.0	1,048.4	1,304.2
Other cash and bank balances	514.5	548.1	675.3
	8,315.2	5,907.1	9,574.5
Total assets	10,645.2	8,288.9	12,027.1
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Subscribed capital	111.8	111.8	111.8
Share premium	1,330.2	1,330.2	1,330.2
Retained earnings	833.2	760.2	651.5
Revaluation surplus	6.6	3.8	12.6
Unappropriated surplus	144.6	135.0	140.9
	2,426.4	2,341.0	2,247.0
Minority interests	12.0	12.3	13.6
Provisions and Liabilities			
Noncurrent provisions			
Provisions for pensions and other employee benefits	71.0	68.4	66.3
Deferred tax liabilities	72.8	92.3	101.5
Other noncurrent provisions	38.1	40.4	42.1
	181.9	201.1	209.9
Current provisions			
Tax provisions	107.1	162.2	130.1
Other current provisions	46.8	36.2	36.6
	153.9	198.4	166.7
Noncurrent liabilities			
Interest-bearing liabilities	500.9	503.2	503.7
Other noncurrent liabilities	4.9	7.1	8.6
	505.7	510.3	512.3
Current liabilities			
Liabilities from banking business	6,222.6	3,899.9	7,250.7
Other bank loans and overdrafts	0.2	5.0	0.1
Other commercial paper	0	0	159.1
Trade payables	84.4	108.2	93.1
Payables to other investors	9.7	5.4	9.9
Cash deposits by market participants	946.6	901.1	1,270.1
Other current liabilities	101.8	106.2	94.6
	7,365.3	5,025.8	8,877.6
Total provisions and liabilities	8,206.8	5,935.6	9,766.5
Total shareholders' equity and liabilities	10.645.2	8.288.9	12.027.1

Consolidated Cash Flow Statement

for the period 1 January to 30 June 2004

		Six months ended
	30 June 2004	30 June 2003
	€m	€m
Net profit for the period excluding minority interests	139.2	141.1
Depreciation and amortization expense	127.8	127.1
Increase in noncurrent provisions	0.3	6.0
Deferred tax income	–5.7	–0.4
Other non-cash expense	1.3	0.7
Change in working capital, net of non-cash items	–68.6	–68.0
Net loss on disposal of property, plant and equipment	0.7	1.4
Cash flows from operating activities	**195.0**	**207.9**
Payments to acquire noncurrent assets	–42.4	–85.2
Payments to acquire noncurrent financial instruments	–1.4	–65.3
Net increase in available-for-sale current receivables, securities and liabilities from banking business with an original term greater than three months	–233.0	–534.6
Proceeds from disposal of noncurrent assets	0	260.1
Cash flows from investing activities	**–276.8**	**–425.0**
Purchase of treasury shares	–4.6	0
Proceeds from the sale of treasury shares	+4.6	0
Net cash paid to minority shareholders	0	–9.7
Net proceeds from short-term financing	0	–132.8
Repayment of long-term borrowings	–1.2	–3.0
Proceeds from long-term financing	0	497.5
Dividends paid	–61.4	–49.2
Cash flows from financing activities	**–62.6**	**302.8**
Net change in cash and cash equivalents	**–144.4**	**85.7**
Cash and cash equivalents as at beginning of period	362.1	104.8
Cash and cash equivalents as at end of period	**217.7**	**190.5**
Operating cash flow per share (€)	**1.74**	**1.86**
Interest and income received from noncurrent financial assets	89.2	11.2
Interest paid	–99.2	–13.0
Income tax paid	–163.2	–92.9

Consolidated Statement of Changes in Shareholders' Equity

for the period 1 January to 30 June 2004

	30 June 2004 €m	Six months ended 30 June 2003 €m
Subscribed capital		
Balance as at 1 January	111.8	111.8
Balance as at 30 June	**111.8**	**111.8**
Share premium		
Balance as at 1 January	1,330.2	1,330.2
Balance as at 30 June	**1,330.2**	**1,330.2**
Treasury shares		
Balance as at 1 January	0	0
Cost of buy-back	–4.6	0
Sale of treasury shares	4.6	0
Balance as at 30 June	**0**	**0**
Retained earnings		
Balance as at 1 January	760.2	631.2
Appropriations from unappropriated surplus incl. any IAS adjustments	73.5	20.8
Increase in carrying amount of equity-accounted investments taken directly to equity	–0.3	0
Exchange rate differences	–0.2	–0.5
Balance as at 30 June	**833.2**	**651.5**
Revaluation surplus		
Balance as at 1 January	3.8	9.0
Remeasurement of financial instruments	3.7	5.2
Deferred taxes on remeasurement of financial instruments	–0.9	–1.6
Balance as at 30 June	**6.6**	**12.6**
Unappropriated surplus		
Balance as at 1 January	135.0	70.0
Dividends paid	–61.4	–49.2
Net profit for the period	144.5	140.9
Appropriation to retained earnings incl. any IAS adjustments	–73.5	–20.8
Balance as at 30 June	**144.6**	**140.9**
Shareholders' equity as at 30 June	**2,426.4**	**2,247.0**

Notes to the interim financial statements

1. Accounting policies

These interim financial statements were prepared in accordance with the International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) issued by the International Accounting Standards Board (IASB), and their interpretation by the International Financial Reporting Interpretations Committee (IFRIC – the successor to the former Standing Interpretation Committee, SIC). The interim financial statements comply with the Company's significant accounting policies that were applied to the consolidated financial statements for the financial year ended 31 December 2003.

These financial statements do neither reflect the "Improvements to International Accounting Standards" nor the revised versions of IAS 32 and IAS 39 as published by the IASB in December 2003 nor the newly published IFRSs, which have been passed by the IASB since December 2003.

The comparative figures for the "Other cash and bank balances" item as at 30 June 2003 as well as cash flows from investing activities for the first half of 2003 have been adjusted to show the net increase in current receivables, securities and liabilities from banking business with an original maturity of more than three months as investing activities. This presentation is consistent with the definition of "Other cash and bank balances" in the consolidated financial statements as at 31 December 2003.

2. Group structure

There have been no changes in the Group structure in the second quarter of 2004.

3. Seasonal influences

The Group's revenues are influenced more by the volatility and the level of transactions in the capital markets than by seasonal factors. Owing to a concentration of costs for projects coming to completion in the fourth quarter, net income in the fourth quarter tends to be lower than in the first three quarters of the year.

4. Total assets

The consolidated total assets of the Group are strongly influenced by the level of liabilities from banking business and, to a lesser extent, cash deposits by market participants. The level of these two items, both of which reflect customer cash balances, can vary widely on a daily basis according to customers' needs or actions.

5. Dividends

The dividend per share was increased by 25 percent for the 2003 financial year to €0.55 (previous year: €0.44), and was paid on 20 May 2004 to shareholders who held dividend rights when the Annual General Meeting adopted the resolution on 19 May 2004. The total dividend payout of €61.5 million corresponded to a distribution ratio of 25 percent of the net profit for the 2003 financial year (previous year: 21 percent of the net profit for the 2002 financial year).

6. Segment results

Sales revenue		Quarter ended		Six months ended
	30 June 2004	30 June 2003	30 June 2004	30 June 2003
	€m	€m	€m	€m
Xetra	52.3	50.4	117.5	96.3
Eurex	101.7	103.9	208.6	208.3
Information Services	30.0	30.4	59.2	63.9
Clearstream	144.3	134.2	290.3	265.7
Information Technology	30.7	33.0	62.5	68.2
Total sales revenue	**359.0**	**351.9**	**738.1**	**702.4**
Internal revenue Information Technology	**45.1**	**40.5**	**89.2**	**89.3**
Analysis of Clearstream sales revenue (gross commission income)				
Custody	92.3	86.5	181.0	171.3
Settlement	28.6	25.8	62.3	51.3
Other	23.4	21.9	47.0	43.1
Total	**144.3**	**134.2**	**290.3**	**265.7**

Net interest income from banking business	30 June 2004 €m	Quarter ended 30 June 2003 €m	30 June 2004 €m	Six months ended 30 June 2003 €m
Gross interest income	31.4	40.2	63.7	85.4
Interest expense	–11.5	–16.4	–25.2	–34.9
Net interest income from banking business	**19.9**	**23.8**	**38.5**	**50.5**

Earnings before interest and taxes (EBIT)	30 June 2004 €m	Quarter ended 30 June 2003 €m	30 June 2004 €m	Six months ended 30 June 2003 €m
Xetra	18.1	6.9	51.9	11.3
Eurex	42.1	59.7	95.6	122.6
Information Services	11.1	12.6	21.3	25.5
Clearstream	33.5	30.7	64.6	55.8
Information Technology	27.6	17.9	44.5	42.3
Corporate Services	–18.3	–12.5	–27.6	–16.1
Reconciliation	–1.4	–	–4.8	–
Total EBIT	**112.7**	**115.3**	**245.5**	**241.4**

Earnings before tax from ordinary activities (EBT)	30 June 2004 €m	Quarter ended 30 June 2003 €m	30 June 2004 €m	Six months ended 30 June 2003 €m
Xetra	18.1	8.0	51.9	13.1
Eurex	43.2	59.6	97.5	123.9
Information Services	11.2	12.7	21.4	25.6
Clearstream	33.4	32.9	64.5	58.1
Information Technology	27.2	16.2	44.1	40.8
Corporate Services	–21.7	–16.6	–33.1	–21.9
Reconciliation	–1.4	–	–4.8	–
Total EBT	**110.0**	**112.8**	**241.5**	**239.6**

Investments (excluding financial instruments)		Quarter ended		Six months ended
	30 June 2004	30 June 2003	30 June 2004	30 June 2003
	€m	€m	€m	€m
Xetra	1.0	0.4	3.3	1.6
Eurex	6.1	4.8	12.6	9.5
Information Services	0.2	1.1	0.4	1.2
Clearstream	9.2	13.8	15.9	19.6
Information Technology	3.2	3.2	5.2	10.0
Corporate Services	5.4	20.4	10.8	43.3
Reconciliation	–2.9	–	–7.8	–
Total investments (excluding financial instruments)	**22.2**	**43.7**	**40.4**	**85.2**

Depreciation and amortization expense (excluding goodwill amortization)		Quarter ended		Six months ended
	30 June 2004	30 June 2003	30 June 2004	30 June 2003
	€m	€m	€m	€m
Xetra	5.9	9.7	11.8	18.2
Eurex	7.2	5.1	13.3	9.9
Information Services	2.7	2.5	5.6	5.2
Clearstream	18.8	16.5	37.4	29.6
Information Technology	7.7	11.1	16.0	22.1
Corporate Services	6.4	4.4	12.2	9.3
Reconciliation	–1.4	–	–2.9	–
Total depreciation and amortization expense (excluding goodwill amortization)	**47.3**	**49.3**	**93.4**	**94.3**

Goodwill amortization		Quarter ended		Six months ended
	30 June 2004	30 June 2003	30 June 2004	30 June 2003
	€m	€m	€m	€m
Eurex	–0.4	0	0	0
Information Services	0.2	0.2	0.4	0.4
Clearstream	15.2	15.2	30.5	30.4
Information Technology	1.8	0.6	3.5	1.2
Total goodwill amortization	**16.8**	**16.0**	**34.4**	**32.0**

7. Earnings per share

In accordance with IAS 33, earnings per share are calculated by dividing the result for the period by the weighted average number of shares outstanding. As at 30 June 2004, there were no outstanding options or rights to purchase shares that potentially could have diluted the earnings per share.

As described in Note 8, 81,899 stock options were issued under the 2004 Tranche of the Group Share Plan as at 30 June 2004. A further 142,219 stock options issued under the 2003 Tranche of the Plan were also outstanding at this date. As the share price has not yet reached the option strike price of €51.84 for the 2004 Tranche, or the strike price of €54.79 for the 2003 Tranche, no options are treated as dilutive under IAS 33, "Earnings per Share".

	Quarter ended		Six months ended	
	30 June 2004	30 June 2003	30 June 2004	30 June 2003
Number of shares outstanding as at beginning of period	111,802,880	111,802,880	111,802,880	111,802,880
Number of shares outstanding as at 30 June	111,802,880	111,802,880	111,802,880	111,802,880
Weighted average number of shares outstanding	111,802,880	111,802,880	111,802,880	111,802,880
Net profit for the period (€m)	67.7	71.1	144.6	140.9
Earnings per share (€)	0.60	0.64	1.29	1.26
Dividends paid (€m)	61.5	49.2	61.5	49.2
Dividend per share (€)	0.55	0.44	0.55	0.44

Subject to the agreement of the Supervisory Board, the Executive Board is authorized to increase the subscribed share capital as described in note 23 of the 2003 consolidated financial statements.

8. Group Share Plan

Under the 2004 Tranche of the Group Share Plan, eligible employees could buy up to 200 shares of Deutsche Börse AG (dependent on their basic salary) at a discount of between 20 and 40 percent, depending on the individual employee's performance assessment and length of service with the Group. Shares must be held at least two years. For each share bought, the employee received one stock option. The issue price of this option consists of the strike price, which corresponds to the average volume-weighted price of the Deutsche Börse share in the closing auctions in the Xetra trading system on the ten trading days prior to the date of grant of the stock options (i.e. 30 June 2004), plus a premium amounting to 20 percent of the strike price. Options cannot be exercised in the first two years and expire without compensation if they are not exercised within six years.

In total, some 32 percent of eligible employees subscribed for a total of 81,899 shares under the 2004 Tranche. In this context, on 30 June 2004 Deutsche Börse Group issued 81,899 stock options to employees at an issue price of €51.84. The options were issued to reflect an average expected vesting period of four years. The total cost of the options, amounting to approximately €0.5 million, are amortized to staff costs over the vesting period, i.e. over the next eight quarters starting in Q3/2004.

9. Treasury shares

In March 2004, the Company bought back 100,000 treasury shares on the market at a total cost of €4.6 million. As at 31 March 2004, this amount was eliminated against shareholders' equity in the balance sheet. In June 2004, the Company sold on 81,899 of these shares to employees for €2.5 million under the 2004 Tranche of the Group Share Plan. Also in June 2004, the remaining 18,101 shares were resold on the market for €0.8 million, which meant that the Company no longer held any treasury shares on its books as at 30 June 2004. As at this date, the cost of the repurchase in March 2004 was charged to equity, and the revenue shortfall of €1.3 million resulting from the transaction was recorded under staff costs.

10. Shareholdings of members of the Executive and Supervisory Boards

The Company has been notified of the following holdings of Deutsche Börse AG shares as at 30 June 2004.

	Shareholding as at 30 June 2004
Executive Board	
Werner G. Seifert	0
André Roelants	0
Rudolf Ferscha	18,290
Matthias Ganz	0
Mathias Hlubek	5,000
Michael Kuhn	0
Supervisory Board	
Dr. Rolf-E. Breuer	0
Manfred Zaß	0
David Andrews	0
Herbert Bayer	0
Udo Behrenwaldt	0
Birgit Bokel	0
Mehmet Dalman	0

	Shareholding as at 30 June 2004
Uwe E. Flach	0
Hans-Peter Gabe	310
Dr. Manfred Gentz	0
Harold Hörauf[1)]	0
Prof. Dr. Dr. Dr. h.c. mult. Klaus J. Hopt	0
Sandra S. Jaffee[1)]	0
Dr. Stefan Jentzsch	2,700
Lord Peter Levene of Portsoken	0
Hessel Lindenbergh	0
Silke Martinez Maldonado	0
Friedrich von Metzler	0
Alessandro Profumo	0
Sadegh Rismanchi	100
Dr. Herbert Walter	0
Otto Wierzcimok	351
Johannes Witt	200

[1)] Left the Supervisory Board in the first half of 2004. The shareholdings of former Supervisory Board members relate to the date on which they left the Supervisory Board.

Under the Group's stock option plan implemented in February 2001, management receives "virtual" options each year. The value of the options is calculated based on the change in the value of the Company's shares compared with the Dow Jones STOXX 600 Technology Index (EUR) (Return). The options are exercisable after between three and five years and the options' value is only payable in cash. No other shares or stock options have been granted to management.

11. Material transactions with companies classified as related parties

		Quarter ended		Six months ended
	30 June 2004	30 June 2003	30 June 2004	30 June 2003
	€m	€m	€m	€m
Operation of the floor trading system by BrainTrade GmbH for Deutsche Börse AG	3.4	4.7	7.5	8.3
Services provided by Deutsche Börse Systems AG:				
Operation and development of Xontro for BrainTrade GmbH	4.9	5.1	11.0	10.5
Development of Eurex software to Swiss Exchange (SWX)	2.0	2.2	3.7	4.9
Operation of Xetra and Eurex software as well as provision of office and administrative services for European Energy Exchange AG	1.8	1.3	3.4	2.2
Specific service agreements for the provision of office and administrative services:				
by Eurex Zürich AG to Swiss Exchange (SWX)	8.2	5.7	15.4	11.7
by Swiss Exchange (SWX) to Eurex Zürich AG	3.3	2.6	3.3	3.8

12. Employees

		Quarter ended		Six months ended
	30 June 2004	30 June 2003	30 June 2004	30 June 2003
Average number of employees during the period	3,254	3,242	3,256	3,259
Employees as at the balance sheet date	3,247	3,230	3,247	3,230

There was an average of 3,090 full-time equivalent (FTE) employees during the second quarter of 2004 (Q2/2003: 3,049).

13. Contingent liabilities

On 31 March 2003, Clearstream Banking AG, Frankfurt, received a "Statement of Objections" from the Competition Directorate General of the European Commission.

No provision has been recognized in the consolidated financial statements for this potential liability. On 2 June 2004, the Commission decided not to impose a fine.

14. Events after the balance sheet date

Cedel International S.A. merged with Clearstream International S.A. as at 1 July 2004.

The Executive Board
Deutsche Börse AG
Frankfurt/Main, 9 August 2004

Werner G. Seifert	Rudolf Ferscha	Matthias Ganz
Mathias Hlubek	Michael Kuhn	

Contact
Investor Relations
E-mail: ir@deutsche-boerse.com
Fax: +49-(0)69-2 11-1 43 21

Additional copies of this Interim Report and the Annual Report 2003 may be obtained from the Publications Hotline

Tel: +49-(0)69-2 11-1 15 10
Fax: +49-(0)69-2 11-1 15 11

or may be downloaded from the Internet at www.deutsche-boerse.com

DAX®, Eurex®, Eurex Bonds®, FWB® Frankfurter Wertpapierbörse, MDAX®, StatistiX®, Xetra®, Xontro® and XTF® are registered trademarks of Deutsche Börse AG. Dow Jones STOXX℠ and Dow Jones EURO STOXX 50℠ are registered trademarks of STOXX Ltd.

Published by
Deutsche Börse AG
60485 Frankfurt/Main
Germany

Reproduction – in whole or in part – only with the written permission of the publisher

August 2004
Order number: 1010-1762

Company Register: Frankfurt/Main HRB 32 23 2