



DEUTSCHE BÖRSE
GROUP

Deutsche Börse Group

From trading
floor to electronic
marketplace

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Deutsche Börse Group

We make markets work

Financial market participants from all over the world choose Deutsche Börse Group thanks to its broad business portfolio.

Deutsche Börse Group

- operates the Frankfurt Stock Exchange which, along with Xetra and floor trading, is by far the largest German securities exchange.
- has operated Tradegate Exchange, the European stock exchange for private investors, since the beginning of 2010.
- organises one of the world's largest derivatives markets via Eurex and the International Securities Exchange (ISE).
- has one of the world's leading clearing houses with Eurex Clearing.
- distributes data generated by its trading platforms and makes trading activity transparent by offering its own indices such as DAX® and STOXX® as well as financial news and market data of cooperation partners.
- offers a wide range of post-trading services such as settlement, custody and banking services through Clearstream.
- provides information technology to its own markets and to customers worldwide.

What is a securities exchange anyway?

An exchange is a marketplace where buyers and sellers come together to trade. But it is not the usual type of marketplace. Take a look around on any cash or derivatives market in the world: you will not find a trace of the goods that are being so busily traded. Instead, traders buy and sell certificated or standardised financial instruments such as shares, fixed-income securities, options and futures.



More than a German exchange

Deutsche Börse has organised securities markets since 1585. Exchanges are among the oldest trading places – but also among the most modern. Deutsche Börse has long since been more than merely a marketplace, and despite what its name may suggest, it is also more than just a German exchange. Using high performance technology, Deutsche Börse provides services to securities markets worldwide and paves the way for companies and investors to the global capital markets.

Deutsche Börse covers the entire range of products and services that are part and parcel of exchange trading: equities and derivatives trading, settlement of transactions, custody of securities, and provision of market data. Further core elements of its business model are the development, building and operation of its electronic trading systems as well as IT services for third parties.

Deutsche Börse's Xetra® system is one of the most efficient electronic trading platforms worldwide. Along with its subsidiary International Securities Exchange, the Deutsche Börse subsidiary Eurex is one of the world's leading market organisers for trading and clearing of futures and options.

Deutsche Börse also owns Clearstream International, the leading European organisation for post-trading services. Deutsche Börse Group develops its own trading systems and supervises the worldwide participant network – the largest network of any exchange in the world.

Company structure

Deutsche Börse Group comprises Deutsche Börse AG and its subsidiaries. Deutsche Börse AG also operates Frankfurter Wertpapierbörse (FWB[®], the Frankfurt Stock Exchange).

Deutsche Börse AG itself has been listed since 5 February 2001. Its value has increased roughly threefold since then. With a market capitalisation of around €9 billion (31 December 2011), the Company is one of the most highly valued exchange organisations in the world. Deutsche Börse is also included in the German blue-chip index DAX[®] and in the most important European benchmark index, EURO STOXX 50[®]. The majority of its shares are owned by international institutional investors.



How does stock trading work?

For centuries, the way in which the stock exchange conducted business remained unchanged: all participants came together, first outdoors later in an impressive building to trade by open outcry for a couple of hours per day. However, in the past 20 years, fully electronic trading systems have revolutionised the stock exchange business: trading participants can trade regardless of their location.



Trading platforms at a glance

Deutsche Börse itself does not trade actively; it organises trading by providing the infrastructure, defining rules and monitoring trading participants' compliance with regulations. Investors can choose between three trading venues to place their orders: Xetra, Frankfurt and Tradegate. With these trading venues, Deutsche Börse generates around 97 percent of trading in German equities. Therewith it is by far the largest of the German securities exchanges and generates the highest trading volume – which is why the prices of its trading venues Xetra and Frankfurt are regarded as “reference prices”.



More than an electronic stock exchange

Xetra stands for high liquidity, continuous innovation and a maximum of security. With more than 800,000 products, Xetra offers a huge variety of tradeable instruments. The independent Handelsüberwachungsstelle (HÜSt, Trading Surveillance Office) ensures that all legal requirements are fulfilled and that the interests of investors are protected.

Every trading day from 9 a.m. to 5.30 p.m., you can buy and sell the most important German and international shares on Xetra, as well as exchange-traded funds (ETFs), exchange-traded commodities (ETCs), exchange-traded notes (ETNs) and corporate bonds. In Frankfurt, state-of-the-art Xetra technology is also used for trading in funds, corporate bonds, certificates and options.

For institutional and private investors, floor trading via Xetra Frankfurt Specialist is a useful addition to the fully electronic Xetra platform as this is where less liquid shares and most bonds are traded. And it enables you to trade on the reference market from 8 a.m. until 8 p.m.

With long trading hours from 8 a.m. until 10 p.m. and order types with intelligent control and real-time data free of charge, Tradegate Exchange is an exchange suited to the needs of private investors.



How does Xetra's electronic trading work?

In November 1997, Deutsche Börse embarked on a new era in exchange history establishing Xetra[®]. With Xetra, Deutsche Börse has since provided regulated and controlled exchange trading with integrity, stability and safety for all trading participants.



Up to 107 million transactions per day

High liquidity, security and ongoing innovation are the decisive benefits offered by Xetra®. Deutsche Börse's electronic trading system works at extremely low cost, regardless of the trader's location. On Xetra, buy and sell orders of licensed traders are collected in a centralised, fully electronic order book. In continuous trading, Xetra initiates an automatic plausibility check on every buy and sell order. If a matching order exists, the transaction is executed immediately.

Xetra is one of the most efficient and flexible trading infrastructures worldwide. On its first day of operation, 221 market participants in seven countries began trading in the system and closed a total of 4,934 trades. Today, some 240 market participants in 18 countries are connected to the system. At peak times, Xetra processes up to 107 million transactions per day. Some 97 percent of DAX® shares are traded on Xetra in Germany. Since June 1999, Deutsche Börse has been calculating all indices on the basis of Xetra prices. Xetra and the other trading systems were developed by Deutsche Börse IT.

www.xetra.com

Core competence IT

Information technology is the key to success on the competitive international financial marketplace. Today, successful exchanges are much more than market organisers: they are technology service providers. Here lies one of the core competences of Deutsche Börse. It is a leading international integrated service provider for the development and operation of software for exchanges and market participants. Banks also place their trust in Deutsche Börse and either allow their own systems to be operated in Deutsche Börse's data centres or use its worldwide network. The Group's systems are characterised by their speed, absolute reliability and high availability even at peak times. Currently, the Information Technology business area operates 31 trading platforms worldwide.

www.deutsche-boerse.com/it



How do securities change hands?

Whether you deal through your bank or place your order online, a complex chain of services is triggered every time you buy or sell securities. The transaction itself – be it via the fully electronic Xetra[®] system or the Xetra specialists in Frankfurt – is just the beginning.



Management of securities transactions

The trading floor certainly presents a captivating show to the spectator. But like any good performance, the exchange's success is largely due to the people behind the scenes. Only a lesser part of the value added can be attributed to actual trading, while the major part is generated by a far more complicated process: the management of transactions and deposited securities. Once a deal is concluded, the individual transactions are entered into the books and money is settled against securities. Further steps involve crediting the amount to the client's account and the central custody of securities delivered between trading parties. With its international network of depositories, Clearstream covers over 50 markets worldwide. Apart from its main business centres in Luxembourg, Frankfurt/Eschborn, Prague and Singapore, Clearstream has offices in Dubai, Hong Kong, London, New York and Tokyo.



Clearstream International – a 100 percent subsidiary of Deutsche Börse – is Europe’s leading provider of these post-trade services for shares and bonds in domestic and international markets. Clearstream ensures that cash and securities are promptly and effectively delivered between trading parties and is also responsible for the custody and administration of securities deposited with it.

Clearstream processes more than 10 million transactions per month, involving over 850,000 securities. All in all, around €11 trillion worth of shares, bonds and funds are in the company’s custody deposits – this is around four times the German gross national product.

Clearstream has evolved with the markets during its 40-year history. During this period, physical certificates have been immobilised and in mostly dematerialised: counterparties nowadays rarely exchange paper shares. The development of sophisticated IT systems allows Clearstream to deliver asset services (i.e. corporate actions, income and tax), real-time settlement and collateral management services on a global basis and in a multi-currency environment.

www.clearstream.com

What's the deal?

The shares of over 11,000 national and international companies are listed on the Frankfurt Stock Exchange. Over 1,000 exchange-traded funds (ETFs), as well as exchange-traded commodities (ETCs) and exchange-traded notes (ETNs) are tradeable on Xetra, also 23,000 fixed-income securities like bonds, mortgage bonds and debentures, almost 3,000 investment funds and over 770,000 structured products such as certificates and warrants.



Made-to-measure capital markets

Market segments offer companies customised conditions for raising equity and debt capital. They also make it easier for investors to find their way around the capital market. The equity market of the Frankfurt Stock Exchange comprises three different segments:

Entry Standard

This segment, which is part of the Open Market, offers quick, low-cost access to the capital market with little formal requirements, to young issuers in particular, but also to more established ones. Since the beginning of 2011, companies seeking debt capital can easily raise it by placing bonds in the Entry Standard.

General Standard

Here, the minimum legal requirements apply; these provisions are binding for all issuers at the Frankfurt Stock Exchange. General Standard is particularly suitable for companies which address national investors and opt for a cost-efficient listing.

Prime Standard

In this segment, issuers have to comply with transparency requirements that go beyond those of the General Standard and fulfil the information needs of international investors (e.g. interim reports).



Tradeable instruments

More than 800,000 financial instruments are traded on the Frankfurt Stock Exchange – more than at any other European financial centre. Both platforms – fully electronic Xetra® system and Frankfurt trading floor – offer optimum order execution, with the highest level of transparency and liquidity.

Shares

The shares of over 11,000 companies from more than 130 countries are listed on the Frankfurt Stock Exchange.

Bonds

The Frankfurt Stock Exchange has the most extensive offering of bonds in Europe, including all major foreign bonds and a large range of German jumbo mortgage bonds.



Exchange-traded funds (ETFs)

In April 2000, Deutsche Börse launched XTF[®], a segment for exchange-traded funds. These funds track the performance of an underlying index on a virtually 1:1 basis. The underlying indices can be national or international equity indices, and also commodity, real-estate or bond indices. This allows investors to acquire a basket of securities with one single exchange transaction. They can trade index funds continuously, like shares, without a front-end load.

Exchange-traded commodities (ETCs)

ETCs are securities based on commodities or commodities baskets. They are suitable for investors who want to invest in but not physically receive or store commodities. With currently around 218 ETCs on the Xetra trading venue, Deutsche Börse offers the largest range in the euro area. The most successful ETC by far is Xetra-Gold[®], a physically backed debt instrument.

Exchange-traded notes (ETNs)

ETNs have been offered on Xetra since the end of 2009. ETNs are exchange-traded bonds which track the development of specific market indicators. These can be volatility indices, foreign currencies or equity indices.

Mutual funds

In May 2006, trading with actively managed mutual funds was launched on the Frankfurt trading floor; these had previously been sold largely via banks subject to a front-end load. Investors can now trade around 3,000 mutual funds in real-time and without a front-end load. Since December 2008, funds have been traded on Xetra, which offers optimum execution of orders at the lowest transaction costs and no broker's commission.

Certificates and warrants

Trading in these so-called structured products is operated on the Scoach trading platform, a Deutsche Börse and Swiss Exchange cooperation. Since May 2008, the securities traded via Scoach are traded on Xetra technology.

Real estate investment trusts (REITs)

REITs are listed companies who are active in the real estate sector. The Frankfurt Stock Exchange lists REITs in a separate trading and listing segment “Deutsche Börse REITs”, which was launched in November 2007.



How are the shares doing?

DAX[®] is the benchmark for the German stock market and an important sentiment barometer for the German economy as a whole. The 30 standard shares which make up this blue-chip index constitute 82 percent of the turnover on the Frankfurt Stock Exchange. In total, Deutsche Börse calculates and distributes around 8,600 indices.



Information generates trading

In order to be successful on the capital market, investors require up-to-date information from a reliable source. Share prices give an accurate reflection of a company's, an industry's or even a country's, economic development. Deutsche Börse collects financial data where it is generated – on the electronic platforms of its own trading systems, at its cooperation partners, via its own news agencies and directly at official sources. The market data, indices and statistics collected in this way render transparent what happens on the markets.

The indices DAX®, DivDAX®, MDAX®, TecDAX® und SDAX® are among Deutsche Börse's most important sources of market information. STOXX Ltd., a leading global index provider and a subsidiary of Deutsche Börse AG covers global markets with its index services. The composition of all indices is based on clear, rule-based criteria.

DAX

Blue-chip index. Comprises the 30 largest and most liquid equities in the Prime Standard segment and is the most trusted underlying instrument for certificates and warrants in Germany. Ranks in the TOP 5 of the most popular underlyings worldwide.

DivDAX

Strategy index. Comprises the 15 DAX companies with the highest dividend yield.

MDAX

Mid-cap index. Comprises the 50 largest equities from classic sectors of the Prime Standard segment of the Frankfurt Stock Exchange.

TecDAX

Technology index. Comprises the 30 largest equities from technology sectors of the Prime Standard segment of the Frankfurt Stock Exchange.

SDAX

Small-cap index. Comprises the 50 largest equities from classic sectors of the Prime Standard segment of the Frankfurt Stock Exchange.

EURO STOXX 50

European blue-chip equity index. Comprises the 50 largest equities with the highest turnover in the countries participating in the European Monetary Union. Ranks in the TOP 5 of the most popular underlyings worldwide.

www.deutsche-boerse.com/mda

www.dax-indices.com

www.stoxx.com



Do you know futures?

Unlike the cash market, where transactions are settled immediately after conclusion, participants on the derivatives markets trade contracts on transactions to be settled in the future. Options and futures allow investors to protect their investments against price fluctuations. Speculation in futures and options tempts with prospects of high returns for low investments, but caution is recommended: you can just as easily lose all your money!



Eurex: one of the world's leading market organisers for futures contracts

Eurex, the futures and options exchange, is a subsidiary of Deutsche Börse. In 2011, around 2.8 billion contracts were traded on Eurex, making it one of the world's largest international market organisers for the trading and settlement of futures and options on equities and equity indices, as well as of interest rate derivatives. In individual products – such as the futures on long- and medium-term German government bonds – Eurex now enjoys a market share of over 90 percent in Europe.

What makes Eurex so successful? Eurex focused on electronic trading combined with an international network right from the start. Today, over 430 market participants in 32 countries are connected to the Eurex® trading system, which was developed by Deutsche Börse IT. It remains extremely stable even at peak times, and processes orders in milliseconds.

At the end of 2007, Eurex merged with the New York based options exchange International Securities Exchange (ISE), creating one of the largest transatlantic marketplaces for derivatives.



Derivatives market

Market for options and futures. In contrast to trading in shares and bonds, transactions in derivatives trading – such as delivery, acceptance and payment – are not completed until an agreed point in the future has been reached.

Option

Financial instrument which gives the buyer the right to buy or sell an underlying (for example a share) within a certain period of time and at a price determined in advance.

Call

Buy option with which the buyer can profit disproportionately from rising prices.

Put

Sell option with which the buyer can hedge against the risk of falling prices.

Future

Financial instrument by which the buyer is obliged to buy or sell an underlying (for example a share), at a certain time and at a price determined in advance.

Underlying

Instrument on which futures and options contracts are based, such as equities, bonds, indices, currencies or commodities.

www.eurexgroup.com

Eurex Clearing: guaranteeing a secure financial market

Eurex Clearing AG was founded in 1998 as a 100 percent subsidiary of Eurex Frankfurt AG. As a central counterparty, the European clearing house is responsible for clearing transactions in the cash and derivatives market. In 2011, Eurex made clearing orders worth an average of €9.2 trillion per month.

What exactly is a central counterparty?

When a transaction is agreed, Eurex Clearing automatically acts as a buyer for every seller and as a seller for every buyer – thus serving as a central counterparty. This means that the clearing house assumes the risk should one of the trading parties default.

More safety for all trading participants

Eurex Clearing guarantees that all contracts traded are settled, and has established a multi-level collateral system for this purpose. It calculates the total risk (margin) for every clearing member and guarantees it by depositing collateral in the form of cash or securities. The system thus covers not only potential losses calculated on the basis of current prices, but also potential future price risks.

Every clearing member provides collateral at least once a day so that none of the orders are guaranteed under and in addition to this, pays into a clearing fund. The clearing house thus has a sufficient security cushion, should one of the clearing members become insolvent.

www.eurexclearing.com



Company history: the milestones

- 1585** First assembly of Frankfurt merchants to fix exchange rates – birth of the Frankfurt Stock Exchange
- 1625** First stock exchange price list with twelve sorts of money
- 1820** First share – Oesterreichische Nationalbank (Austrian central bank) – in Frankfurt
- 1879** Stock exchange moves to Rahmhof, a forerunner of the current home of the trading floor
- 1945** Resumption of unofficial trading after seven months of closing, resumption of official trading only after the German currency reform in 1948
- 1958** Listing of first foreign share
- 1988** Introduction of DAX®, the benchmark index for German blue chips
- 1992** Renaming of the Frankfurter Wertpapierbörse AG to Deutsche Börse AG
- 1997** Launch of Xetra®, the fully electronic trading system
- 1998** Foundation of Eurex, the world's first cross-border futures market



- 2000** Merger of Deutsche Börse Clearing AG with Cedel International S.A. to form Clearstream International S.A.
- 2001** IPO of Deutsche Börse AG
- 2002** Complete acquisition of Clearstream International S.A.; listing of Deutsche Börse AG in the leading share index DAX
- 2003** New segmentation of the cash market with the market segments Prime Standard and General Standard
- 2005** Foundation of the Entry Standard for small and mid-cap companies
- 2006** Foundation of Scoach by SIX Group AG and Deutsche Börse, a European exchange for structured products
- 2007** Reopening of the modernised main trading hall of the Frankfurt Stock Exchange after five months of renovation; acquisition of International Securities Exchange Holdings, Inc. (ISE)
- 2009** Increase of the interest in the index provider STOXX Ltd. to 50 percent plus one share
- 2011** Migration of the floor trading to Xetra technology (Xetra Frankfurt Specialist Trading)
- 2012** Full acquisition of the derivatives exchange Eurex



Websites of Deutsche Börse Group

Deutsche Börse AG

Deutsche Börse Group's corporate website provides you with information on central areas such as investor relations, corporate responsibility, career opportunities and media relations. The website addresses our shareholders, journalists, job seekers and everyone interested in Deutsche Börse Group. Furthermore, it also uses Facebook, Google+, Twitter and Youtube.

www.deutsche-boerse.com

Frankfurt Stock Exchange (Frankfurter Wertpapierbörse)

The investor portal of Deutsche Börse addresses especially private investors, investment consultants and portfolio managers. It provides market news, prices, indices and data on new listings. The "Basics Overview" offers a glossary of stock market terms and background information on exchange trading. Market indicators, such as the development of commodities, currencies and indices provide information on the most common underlyings of many financial derivatives. Under "Services", investors can register for real-time data and a sample account, among other things.

Those who want to keep informed about the latest developments on the stock exchange can also make use of the Xetra app for iPhones. The portal mobil.boerse-frankfurt.de optimises the information for screen display on all mobile phones and smartphones. The website is also present on Facebook, Twitter, Xing and Youtube.

www.boerse-frankfurt.com

Tradegate

Tradegate Exchange is Europe's exchange for private investors. Information on the current market situation, Tradegate's products and its extensive range of services are available on the website.

www.tradegate.de

Scoach

Scoach is the trading platform for investment and leverage products. The website offers private investors and issuers a broad range of services: a product search, news on the market and product development, reports and analyses along with background knowledge and various tools to help with investment decisions.

www.scoach.com

International Securities Exchange

The International Securities Exchange (ISE) is the New York-based derivatives exchange for the US market. The website keeps you up-to-date on its product portfolio, current events and company news. For members, the site also offers access to market information, support, blogs and trainings. ISE is also present on Twitter.

www.ise.com

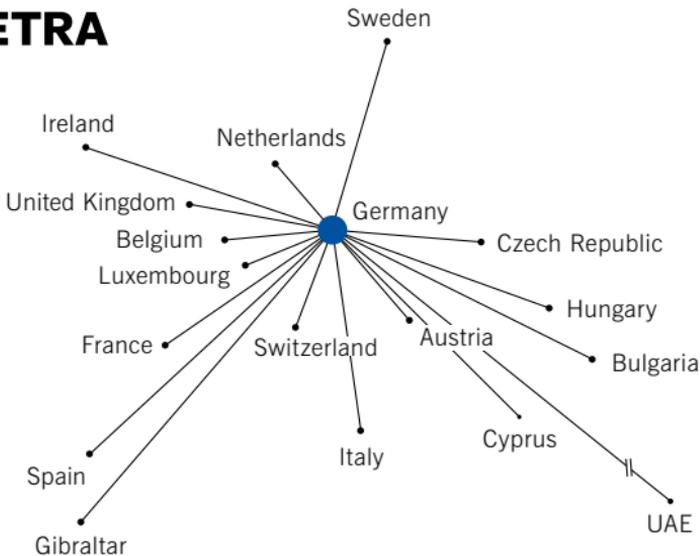


Xetra screen

The Xetra[®] screen displays all the information required for conducting electronic trading in shares. Traders can select a security via mouse click and enter their buy or sell order in the window provided, along with additional details such as volume and (where applicable) price limit and validity constraints. In continuous trading, Xetra initiates an automatic plausibility check on every buy and sell order. If a matching order exists, the transaction is executed immediately and the participant receives simultaneous confirmation. In so-called auctions, Xetra calculates the price for all outstanding orders which yield the highest turnover. In addition, Designated Sponsors (banks that are in charge of individual shares) enter binding buy and sell offers into the system. This also gives small investors a better chance of placing a successful order at any time.

Xetra[®]: worldwide network in 18 countries

XETRA



Want to find out more about the exchange?

If you want to find out more on the capital market, you can visit the modernised trading floor of the Frankfurt Stock Exchange or request brochures and booklets.

The visitors centre of the Frankfurt Stock Exchange

- The basics of exchange trading, including a presentation of Xetra and Deutsche Börse Group's structure and organisation, are explained Monday to Friday at 10 a.m., 11 a.m. and 2 p.m. on request in German or English.
- A 1.5 hour VIP tour can be booked for the opening bell in the morning at 7.45 a.m., or in the afternoon at 12 noon and 3.30 p.m. The VIP tour costs €125 (plus VAT) and includes a guide for the group.

Both programmes include a visit to the gallery with a view of the trading floor.

- You can also follow the activity on the trading floor from the visitors centre at 10.30 a.m. and 12.30 p.m. Monday to Friday at no charge.

Please note that you are required to book by phone at least one working day in advance. A VIP tour needs to be booked at least three working days in advance. Please do not forget to bring valid photo identification.

The publications hotline

Information and product brochures of Deutsche Börse Group can be ordered free of charge.

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