

CONVENIENCE TRANSLATION

Report of the Executive Board on agenda item 7 of the Annual General Meeting of Deutsche Börse AG on 24 May 2006

The Executive Board gives a written report on the reasons for the authorizations relating to the exclusion of shareholder subscription rights with regard to agenda item 7 in accordance with section 71 (1) no. 8 sentence 5 in conjunction with section 186 (4) sentence 2 AktG as follows:

In Item 7 of the Agenda, Deutsche Börse AG is authorized to acquire own shares.

Deutsche Börse AG can generate additional funds by re-selling own shares. Besides disposal via the stock exchange or by offer to all shareholders - which ensures equal treatment of shareholders in accordance with the legal definition -, the proposed resolution also makes the company's own shares available for use as consideration in company mergers and acquisitions, in order to acquire stakes in companies or parts of companies excluding shareholders' subscription rights. This provision is designed to enable the company to react quickly and successfully to advantageous offers or other opportunities to acquire companies and stakes in companies or parts of companies on both the domestic and international markets. Frequently, negotiations result in the necessity to provide a consideration in the form of shares rather than in cash. The authorization takes account of this.

In addition, the authorization gives the company the option of partially excluding shareholders' subscription rights in the event that the shares are sold to the holders of warrants or convertible bonds. The advantage of this is that, if the authorization is used, the option and/or conversion price does not have to be reduced in accordance with the terms and conditions of options and/or convertibles for the holders of existing option rights and/or conversion rights.

Furthermore, the authorization allows for the possibility of using the shares as employee shares, or to satisfy subscription rights on shares of the company granted to employees of Deutsche Börse AG and its related companies in accordance with the stock option plan as resolved by the 2003 Annual General Meeting within the limits specified in the authorization. The 2003 Annual General Meeting resolved the following terms and conditions in relation to the stock option plan of Deutsche Börse AG:

a) Eligible beneficiaries

Eligible beneficiaries are all employees of Deutsche Börse AG and its related companies within the meaning of section 15 et seq. AktG (hereinafter also referred to as "related companies"), excluding members of the Executive Board of Deutsche Börse AG and of the management of related companies as defined by the Executive Board of Deutsche Börse AG, which acquire employee shares under the employee stock option plan of Deutsche Börse AG.

b) Issue periods and allocation of subscription rights, content of subscription rights

Subscription rights will be allocated in annual tranches together with the employee shares, beginning in 2003 until May 13, 2008. Each subscription right entitles the holder to acquire one no-par value share of Deutsche Börse AG - against payment of the issue price pursuant to c) below.

c) Issue price and performance target

In the event that the subscription right is exercised, the issue price for a share is calculated by adding a mark-up to a basic price. This issue price corresponds, at the very least, to the proportionate amount of share capital attributable to one share (section 9 (1) AktG).

The basic price is the average closing auction price, weighted by volume, of Deutsche Börse's shares in the electronic trading system of the Frankfurt Stock Exchange over the ten exchange trading days prior to the date of issue of the subscription right, but corresponds to at least the closing auction price on the day on which the subscription right is issued. The mark-up amounts to 20% of the basic price (performance target). The subscription right may only be exercised if, at any time before exercise, the quoted price of Deutsche Börse's shares in the electronic trading system of the Frankfurt Stock Exchange has amounted to at least 120% of the basic price (exercise hurdle).

d) Waiting period for initial exercise and exercise periods

The subscription rights may not be exercised until the end of the waiting period at the very earliest. The waiting period starts when the respective subscription right is issued and ends two years after issue. The right to exercise the subscription right expires at the end of the sixth anniversary of the respective issue date at the latest. Subscription rights not exercised by this date are forfeited without replacement. The subscription rights may not be exercised in the period from two exchange trading days after the end of the quarter up to and including the day on which the quarterly results are published, or in the period from two trading days after the end of the fiscal year up to and including the day on which the results for the fiscal year are published (retention period). In addition, the restrictions arising from general legal provisions, e.g. insider information legislation pursuant to the German Securities Trading Act (*Wertpapierhandelsgesetz* - WpHG), must be complied with. Further restrictions may also be imposed by the Executive Board of Deutsche Börse AG.

e) Non-transferability and expiration of subscription rights

The subscription rights granted are not transferable and cannot be pledged. They may only be exercised by the beneficiaries themselves – except in the case of the beneficiary's death. The subscription rights granted may only be exercised if the eligible beneficiary is in an unterminated employment relationship with Deutsche Börse AG or one of its related companies. Special regulations, which may be structured in different ways, may apply in the event of death or total disability, occupational incapacity, retirement, or the ending of the employment relationship not due to termination, or in the event that a company or a business division ceases to belong to Deutsche Börse AG or one of its related companies.

- f) Determination of further details relating to the granting of subscription rights and the issue of shares

The Executive Board is authorized, with the consent of the Supervisory Board, to determine further details concerning the granting of subscription rights and the issue of shares in the terms and conditions of subscription. The same applies to the stipulation of anti-dilution regulations. Subscription rights may also be fulfilled by the transfer of own shares in Deutsche Börse AG or by cash payment. The conditions of subscription set out above may be altered for participants from other countries, in particular in order to bring them into line with the national law of the country in question.

In accordance with section 4 (4) and (5) of the Articles of Association, the company has created an Authorized Capital II and a Conditional Capital I to enable it to issue employee shares and fulfill employee subscription rights. Since it can make economic sense to use own shares rather than a capital increase or payment in cash, the authorization is intended to grant the company the freedom to use this option. Furthermore, a price risk that might otherwise materialize can also be effectively controlled by the use of the own shares acquired. Shareholder subscription rights must also be excluded accordingly, in the event that own shares acquired are used to satisfy employee subscription rights in accordance with the Deutsche Börse AG stock option plan resolved by the 2003 Annual General Meeting.

Finally, the management is to be given the option of selling any own acquired shares outside of the stock exchange in return for cash payment and excluding shareholders' subscription rights. This is subject to the proviso that the shares are sold in return for cash payment at a price that does not fall substantially below the quoted price of the company's shares. This authorization makes use of the option for a less stringent exclusion of subscription rights as provided for in section 71 (1) no. 8 AktG in conjunction with section 186 (3) sentence 4 AktG. The fact that the shares can only be sold at a price that does not fall substantially below the quoted price of the company's shares takes shareholders' anti-dilution concerns into account. The final sale price for the own shares shall be fixed in a timely manner prior to the sale. The Executive Board shall ensure

that any discount on the quoted price is as low as possible, taking into account the market condition prevailing at the time of placement. The discount on the quoted price at the point in time at which the authorization is used shall not, under any circumstances, exceed 5% of the current quoted price. This authorization is subject to the proviso that the shares sold excluding shareholders' subscription rights in accordance with section 186 (3) sentence 4 AktG do not exceed a total of 10% of the company's share capital either at the point in time at which the authorization becomes effective or at the time at which it is exercised. All shares issued from Authorized Capital excluding shareholders' subscription rights in accordance with section 186 (3) sentence 4 AktG during the period in which this authorization is effective shall be included in the calculation of this limit. The calculation shall also include those shares issued in order to satisfy bonds with conversion and option rights or with an obligation to exercise conversion or option rights, provided that the bonds are issued excluding shareholders' subscription rights in accordance with section 186 (3) sentence 4 AktG during the period in which this authorization is effective. This limitation, together with the fact that the issue price has to be based on the quoted prices, is designed to give appropriate consideration to the financial and voting right interests of the shareholders. In principle, the shareholders have the option of maintaining their stake by purchasing Deutsche Börse shares via the stock exchange. This authorization is in the interests of the company because it provides it with greater flexibility. It provides the company with the option, for example, of selling own shares to institutional investors or of targeting new groups of investors.

Frankfurt/Main, March 2006

Deutsche Börse AG
Executive Board

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Dr. Reto Francioni, Chief Executive Officer

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Mathias Hlubek

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Dr. Matthias Ganz

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Dr. Michael Kuhn

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Jeffrey Tessler