



DEUTSCHE BÖRSE  
GROUP

# Interim Report

## Quarter 3/2003



DEUTSCHE BÖRSE GROUP: FINANCIAL HIGHLIGHTS

|  |               | 30 Sep. 2003 | Quarter ended<br>30 Sep. 2002 | 30 Sep. 2003 | Nine months ended<br>30 Sep. 2002 |       |
|--|---------------|--------------|-------------------------------|--------------|-----------------------------------|-------|
| <b>Consolidated income statement</b>                   |               |              |                               |              |                                   |       |
| Sales revenue  | €m            | 362.9        | 355.7                         | 1,065.3      | 765.9                             |       |
| Net interest income from banking business              | €m            | 22.3         | 32.6                          | 72.8         | 32.6                              |       |
| Earnings before interest and taxes (EBIT)              | €m            | 109.1        | 87.9                          | 350.5        | 255.3                             |       |
| DVFA/SG earnings                                       | €m            | 54.6         | 38.5                          | 195.5        | 162.8                             |       |
| <b>Consolidated cash flow statement</b>                |               |              |                               |              |                                   |       |
| Cash flows from operating activities                   | €m            | 147.6        | 169.0                         | 355.5        | 349.1                             |       |
| Cash flows from investing activities                   | €m            | -33.1        | -1,583.6                      | 76.5         | -1,667.0                          |       |
| <b>Consolidated balance sheet (as at 30 September)</b> |               |              |                               |              |                                   |       |
| Shareholders' equity                                   | €m            | 2,291.8      | 2,083.4                       | 2,291.8      | 2,083.4                           |       |
| Total assets   | €m            | 9,685.0      | 9,369.5                       | 9,685.0      | 9,369.5                           |       |
| <b>Performance indicators</b>                          |               |              |                               |              |                                   |       |
| DVFA/SG earnings per share                             | €             | 0.49         | 0.34                          | 1.75         | 1.53                              |       |
| DVFA/SG cash flow per share                            | €             | 1.22         | 1.26                          | 3.68         | 2.96                              |       |
| <b>Market indicators</b>                               |               |              |                               |              |                                   |       |
| <b>Xetra</b>   |               |              |                               |              |                                   |       |
| Number of transactions                                 | thousands     | 18,485       | 17,211                        | 54,110       | 43,728                            |       |
| Order book turnover                                    | €m            | 225,335      | 222,903                       | 614,604      | 695,305                           |       |
| Participants (at 30 September)                         |               | 311          | 381                           | 311          | 381                               |       |
| <b>Floor trading</b>                                   |               |              |                               |              |                                   |       |
| Number of transactions                                 | thousands     | 19,979       | 21,216                        | 52,035       | 68,018                            |       |
| Order book turnover                                    | €m            | 34,000       | 36,351                        | 101,402      | 123,148                           |       |
| <b>Eurex</b>   |               |              |                               |              |                                   |       |
| Number of traded contracts                             | thousands     | 257,019      | 229,678                       | 781,422      | 597,469                           |       |
| Participants (at 30 September)                         |               | 413          | 429                           | 413          | 429                               |       |
| <b>Clearstream</b>                                     |               |              |                               |              |                                   |       |
| Number of transactions                                 | national      | m            | 9.1                           | 18.0         | 36.1                              | 50.0  |
|  | international | m            | 4.0                           | 3.6          | 12.2                              | 11.7  |
| Securities deposits (at 30 September)                  | national      | €bn          | 4,345                         | 4,140        | 4,345                             | 4,140 |
|  | international | €bn          | 2,953                         | 2,747        | 2,953                             | 2,747 |
| <b>Deutsche Börse share price<sup>1)</sup></b>         |               |              |                               |              |                                   |       |
| Opening price <sup>2)</sup>                            | €             | 46.13        | 43.10                         | 38.16        | 43.21                             |       |
| High   | €             | 49.20        | 44.35                         | 49.20        | 51.51                             |       |
| Low  | €             | 41.71        | 32.71                         | 31.61        | 32.71                             |       |
| Closing price  | €             | 43.80        | 33.80                         | 43.80        | 33.80                             |       |

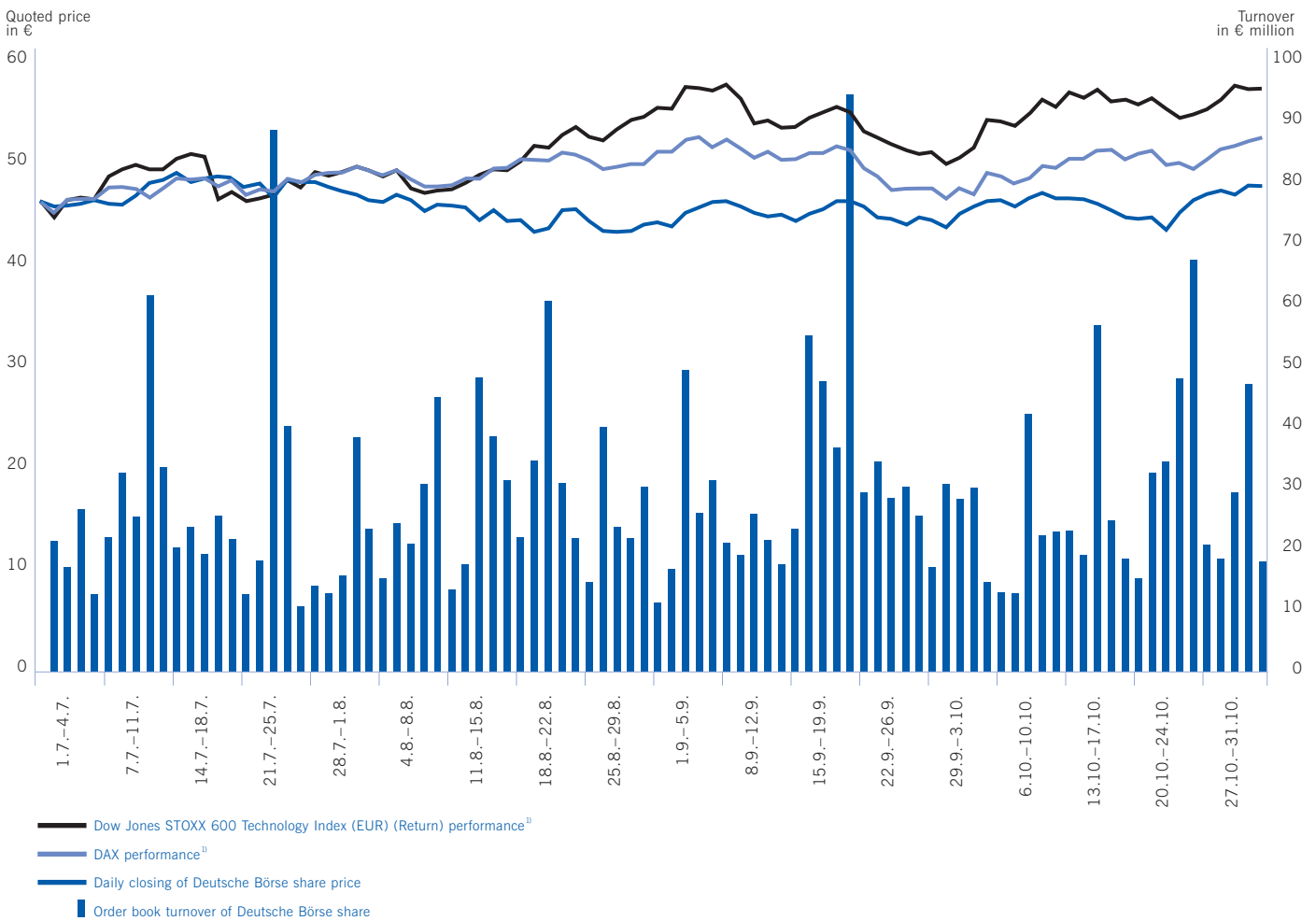
<sup>1)</sup> Xetra intraday data

<sup>2)</sup> Closing price on preceding trading day

**Positive business development continues in Q3**

- Sales revenue totals €362.9 million, up 2 percent on the prior-year quarter (Q3/2002: €355.7 million), in which Clearstream International S.A. was fully consolidated for the first time.
- Net interest income from banking activities drops 32 percent to €22.3 million (Q3/2002: €32.6 million) due to negative interest developments.
- Earnings before interest and taxes (EBIT) amount to €109.1 million, an increase of 24 percent (Q3/2002: €87.9 million).
- Interim DVFA/SG earnings per share total to €0.49 for an average of 111.8 million shares (Q3/2002: €0.34 for 111.8 million shares).
- DVFA/SG cash flow per share up 3.2 percent to €1.22 as against the prior-year period (Q3/2002: €1.26).
- Exceptional impairment loss on the goodwill from the acquisition of entory of €10.0 million has a negative effect on results for the Information Technology segment.

**Stable development of Deutsche Börse AG's share price in Q3**



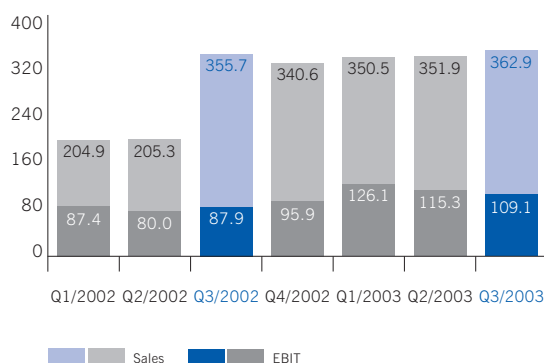
### Sales revenue and EBIT by quarter

**Sales revenue:** Deutsche Börse Group's sales revenue rose slightly to €362.9 million (Q3/2002: €355.7 million), after the results from Clearstream International S.A. in Q3/2002 had been fully consolidated for the first time.

**EBIT:** The EBIT recorded by Deutsche Börse Group amounted to €109.1 million, up 24 percent on Q3/2002 (€87.9 million).

### Sales revenue and EBIT by quarter

in € millions



### Sales revenue by segment

**Xetra:** Sales revenue in the cash market rose by 11 percent to €59.6 million (Q3/2002: €53.5 million).

**Eurex:** Sales revenue in the futures market grew by 7 percent to €103.8 million (Q3/2002: €97.3 million).

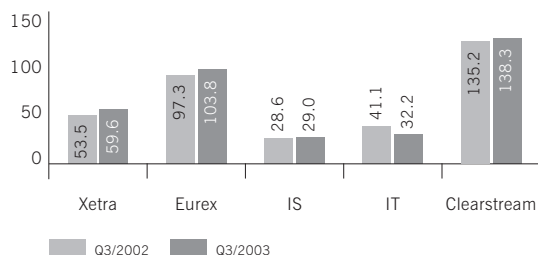
**IS:** The Information Services segment generated relatively stable sales revenue of €29.0 million as against the previous year (Q3/2002: €28.6 million).

**IT:** External sales revenue in the Information Technology segment dropped by 22 percent to €32.2 million (Q3/2002: €41.1 million).

**Clearstream:** Gross sales revenue from brokerage business rose slightly to €138.3 million (Q3/2002: €135.2 million).

### Sales revenue by segment

in € millions



### EBIT by segment

**Xetra:** EBIT in the cash market rose to €27.2 million (Q3/2002: €1.4 million), particularly because after the successful implementation of the Equity CCP project costs decreased and transaction revenue increased.

**Eurex:** EBIT in the futures market declined by 8 percent to €51.7 million (Q3/2002: €56.2 million). In particular, project costs for the establishment of the new Eurex US futures exchange led to lower profits than in the prior-year period.

**IS:** Lower costs allowed IS to increase EBIT by 57 percent to €8.8 million (Q3/2002: €5.6 million).

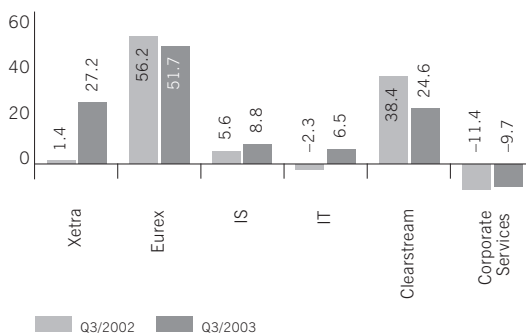
**IT:** Despite falling revenue and an exceptional impairment loss in relation to entory in the amount of €10.0 million, cost management led to a significant increase in EBIT in the Information Technology segment as against the prior-year period to €6.5 million (Q3/2002: €-2.3<sup>1)</sup> million after an exceptional impairment loss amounting to €33.0 million).

**Clearstream:** EBIT declined by 36 percent to €24.6 million, primarily due to lower interest income and a reduction in own expenses capitalized (Q3/2002: €38.4 million).

**Corporate Services:** Net costs declined by 15 percent to €9.7 million (Q3/2002: €11.4 million).

### EBIT by segment

in € millions



<sup>1)</sup> This figure contains the IT and Xlaunch segments, which were amalgamated with effect from Q1/2003.

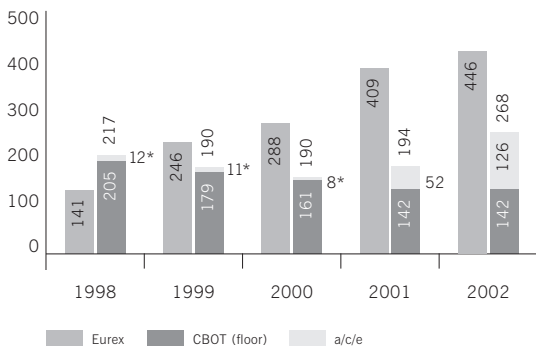
## Growth in North America with Eurex US

According to current scheduling, the new U.S. Futures Exchange L.L.C. (Eurex US) will be launched in Chicago on 1 February 2004 as a subsidiary of Eurex, the largest futures exchange in the world. In mid-2002, Eurex reduced the term of its agreements with CBOT to the end of January 2004, initiating the process of setting up a new exchange under its own management. Eurex US will be the first fully electronic exchange for trading US dollar derivatives in the USA.

**Large market potential.** With the launch of Eurex US in the coming year, Eurex will complete the move from being a service provider for the American market to being a full-service provider for a marketplace for derivatives on US dollar underlyings. The potential for Eurex US is vast, as the new exchange is taking over the Eurex market model, which has already proved itself to be a growth driver for the European futures market: within just four years, trading in bond futures and options on Eurex has tripled from 141 to 446 million contracts and is currently almost twice as large as the corresponding US market, despite the fact that the underlying market is the same size.

## Eurex market model accelerates growth

Trading volume in bond futures and options  
in million contracts



\* 1998 to August 2000 volume: Project A

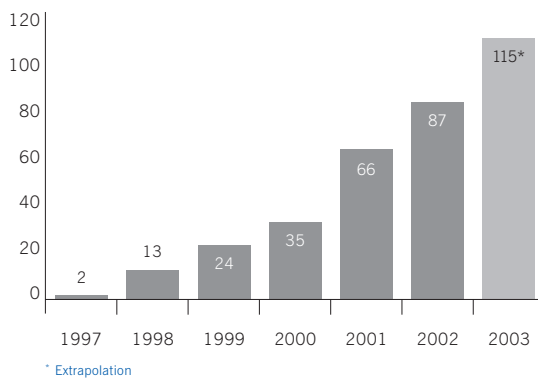
At the same time, Eurex US trading fees will be significantly lower than current levels in the USA: the vast majority of trades should cost US\$0.20 or less per contract and no trade should cost more than US\$0.30 per contract. Taken in the aggregate, trading participants will probably save more than US\$100 million per annum as a result.

Eurex is not only the most actively traded futures market in the world today but also the global leader in terms of cost from the participants' point of view. At the same time, thanks to its superior levels of efficiency, Eurex generates significantly higher profits than other European or American futures markets.

The US market is already an important sales market for Eurex: more than 70 trading participants from roughly 100 locations are linked to the platform; in recent years, the trading volume has steadily increased. US investors currently account for around 25 percent of high-volume European benchmark products. US customers have played a major role in making futures and options on the Dow Jones EURO STOXX 50 the most successful European index products today.

## US traders increasingly accessing European markets via Eurex

Trading volume of US members  
in million contracts



\* Extrapolation

**20 hour non-stop trading.** Eurex US will offer continuous trading and clearing of US dollar- and euro-denominated futures and futures options to customers around the world, from 8.00pm to 4.00pm Chicago time. The range of products includes:

- futures and options for 2, 5 and 10 year treasury notes
- futures and options for 30 year treasury bonds
- contracts for 2, 5 and 10 year European interest derivatives (the most liquid global derivatives)
- futures on DAX and Dow Jones EURO STOXX 50 (the most liquid European index derivatives)

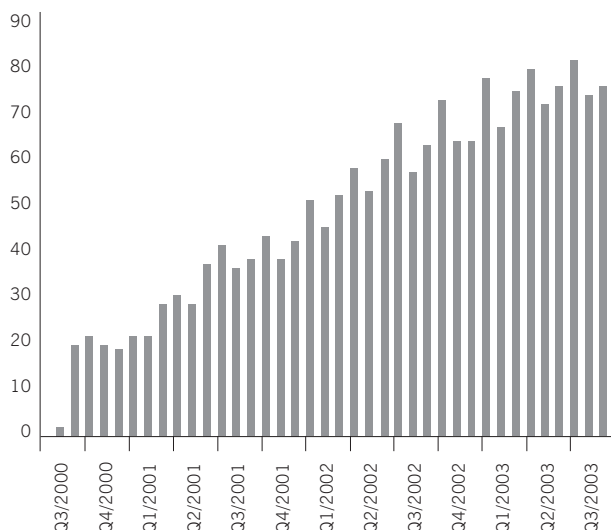
The Clearing Corporation (previously The Board of Trade Clearing Corporation) will act as the American clearing partner and will settle all trades on Eurex US. Eurex will have a 15 percent interest in The Clearing Corporation; American market participants will hold the remaining 85 percent. Eurex intends to establish a similar partnership with its customers on the trading side. A significant portion of the capital of the new exchange has been put aside for this purpose. The financial industry should be well represented in the governance of Eurex US.

Thus, Eurex US is creating new opportunities in trading and clearing around the world and will accelerate growth in the entire financial industry.

**State-of-the-art technology.** The launch of Eurex US represents a quantum leap in technology and efficiency for the American market: the Eurex US trading system will be based on the system infrastructure and network of the a/c/e platform, which already handles more than 80 percent of trading in derivatives in US capital market products. a/c/e users can continue to utilize their existing infrastructure with only minimal implementation expenditure and low running costs. The new trading platform will offer additional functions, allowing customers to implement new trading strategies as well as to integrate OTC markets. This will give rise to additional growth opportunities for participants.

### Eurex operates the leading electronic platform for US treasury futures

Share of US treasury futures traded on Eurex technology in percent



**Integration with the global Eurex network.** Eurex US offers trading participants in the USA and all customers of The Clearing Corporation access to the global Eurex network, with 413 participants at over 700 locations and the most liquid derivatives in the world. More tradable products mean more business opportunities for customers.

**More efficient access to market data.** To coincide with the launch of Eurex US, the Information Services segment will establish a central distribution system for US futures data, the Consolidated Exchange Feed (CEF) Chicago, and link this with the Frankfurt CEF. American customers can access all data from the Frankfurt CEF in real time via the Chicago CEF; the same applies for German customers and the Chicago CEF. In addition, trading participants receive the same access to all available market data in the public order book; prices are set by automatic matching.

### Xetra: Healthy business development

- Xetra segment sales revenue in Q3/2003 totals €59.6 million, an increase of 11 percent as against Q3/2002 (€53.5 million), due to the introduction of the equity central counterparty (Equity CCP) and corresponding transaction revenue.
- Costs decline by a total of €34.2 million to €35.9 million (Q3/2002: €70.1 million) due to the discontinuation of development costs for the Equity CCP, lower operating costs – including changes in internal prices oncharged – as well as the end of depreciation and amortization.
- EBIT therefore increases by more than average to €27.2 million (Q3/2002: €1.4 million).

Sales revenue in the Xetra segment in Q3/2003 was broken down into trading in the Xetra electronic system (48 percent), Frankfurt floor trading (22 percent), Equity CCP transactions including settlement services (19 percent) as well as other sources of revenue (11 percent).

Xetra order book trading continued its positive development: the 18.5 million transactions recorded correspond to growth of 7 percent year-on-year (Q3/2002: 17.2 million). With 7.3 million settlement notes, floor trading at the Frankfurt Stock Exchange continued to decline (Q3/2002: 7.8 million), albeit not as heavily as in previous quarters. In fact, September was a relatively good month, with a total of 6.8 million Xetra transactions and 2.6 million Xontro settlement notes on the floor of the Frankfurt Stock Exchange.

Order book revenue in the XTF segment for index funds traded on the stock market came to €9.3 billion in Q3/2003, up 27 percent year-on-year (Q3/2002: €7.3 billion). The XTF segment managed to further expand its European market lead: its market share rose to around 63 percent in Q3/2003. At the end of Q3/2003, the total funds invested in XTFs amounted to €9.2 billion. The key revenue drivers were DAX and Dow Jones EURO STOXX 50 products, which generated revenue on a par with an average DAX stock.

At the end of September, the cooperation between issuers and lead brokers for certificates and warrants was successfully launched under the title “Deutsche Börse Smart Trading”. The market for these investment instruments is constantly expanding, and “Deutsche Börse Smart Trading” is driving this growth with attractive conditions and high standards of transparency, fairness and reliability.

As of 17 November, the “Dutch Stars” will be added to the Xetra European Stars quality segment, which until now has contained the seven Dutch securities in the DJ EURO STOXX 50 and Fortis

(which has a Belgian ISIN). All 25 securities of the key Dutch index AEX 25 will therefore be liquidly tradable in the Xetra segment. Five market experts, including three market makers from the Netherlands, will support the Dutch Stars, guaranteeing rapid execution of orders and fair prices.

Since 3 November, Xetra trading has been ending at 5.30pm on exchange trading days. The earlier close of trading, which had been demanded in particular by foreign market participants and institutional investors, should concentrate even more liquidity in Xetra, as institutional investors who account for a major proportion of trading in Xetra will shift their respective trading activities forward. At the same time, floor trading at the Frankfurt Stock Exchange will continue to offer its usual standards of execution after 5.30pm and will act as the reference for private investor trading in Germany during this period. We do not expect to see a major impact on Xetra segment revenue as a result.

Liquidity in Xetra, measured by the Xetra Liquidity Measure (XLM), has risen by 27 percent for the market as a whole since the introduction of the central counterparty for shares in March 2003. Market efficiency has therefore improved by around €20 million per month.

### Increasing number of transactions in Xetra, slight reduction in floor trading transactions

in thousands

|              | Xetra transactions |               | Xontro contract notes in Frankfurt floor trading |               |
|--------------|--------------------|---------------|--|---------------|
|              | 2003               | 2002          | 2003   | 2002          |
| Q1           | 17,431             | 13,033        | 5,741  | 9,234         |
| Q2           | 18,194             | 13,484        | 6,137  | 7,841         |
| Q3           | 18,474             | 17,210        | 7,287  | 7,796         |
| <b>Total</b> | <b>54,099</b>      | <b>43,727</b> | <b>19,165</b>                                    | <b>24,871</b> |

### Eurex: Growth continued

- Eurex sales revenue up by 7 percent to €103.8 million (Q3/2002: €97.2 million).
- Costs up €15.4 million on the prior-year quarter, chiefly due to investments in setting up Eurex US.
- EBIT down 8 percent to €51.6 million year-on-year as a result (Q3/2002: €56.2 million).

In September, around 100 million contracts were traded on the futures exchange within a single month for the third time. In total, 257.0 million contracts were traded in Q3/2003; this corresponds to an increase of 12 percent year-on-year (Q3/2002: 229.7 million). Open interest contracts amounted to 57.1 million at the end of September, an increase of 24 percent (Q3/2002: 45.9 mil-

lion contracts). This is proof that the Eurex market model and its unrivaled price/performance ratio are continuing to gain in attractiveness on the market.

The most actively traded products in the bonds area remained the Euro Bund Future with 63.4 million contracts (up 13.3 percent) and the Euro Bobl Future with 38.3 million contracts (up 17.3 percent). The option on the Dow Jones EURO STOXX 50 European benchmark index achieved a new record result of 6.8 million contracts in September (previous record: 6.2 million in March 2003). The Eurex Bonds electronic trading platform generated €18.6 billion (single count) in September, a new record result (previous record: €18.4 billion in October 2002).

Trade in Dutch stock options was increasingly lively, with Eurex exceeding its Q3/2002 result by 68.7 percent at 2.2 million contracts, achieving a market share averaging 13.9 percent and of up to 29.7 percent on individual days. Open interest contracts amounted to 1.9 million at the end of September, as against 0.2 million in the previous year.

Eurex Clearing, which provides clearing services for the cash and futures markets, will cut clearing and settlement fees for equity trades in Xetra and on the floor of the Frankfurt Stock Exchange by up to 8 percent, as of 1 January 2004. By doing so, Eurex Clearing is passing on efficiency gains arising from the introduction of the equity central counterparty to customers and further extending its price lead among its European competitors.

### Growing Eurex contract volume

in thousands of contracts

|                            | Quarter ending |                | Change in % |
|----------------------------|----------------|----------------|-------------|
|                            | 30 Sep. 2003   | 30 Sep. 2002   |             |
| Equity products            | 50,346         | 33,888         | +49         |
| Index products (incl. XTF) | 64,057         | 67,006         | -4          |
| Bond products              | 142,616        | 128,784        | +11         |
| <b>Total Q3</b>            | <b>257,019</b> | <b>229,678</b> | <b>-12</b>  |

### Information Services: Stable revenue despite difficult market situation

- Sales revenue stable as against the previous year at €29.0 million (Q3/2002: €28.6 million).
- Costs decline by €4.4 million year-on-year. The reasons for this include successful cost management and the exceptional impairment loss of €3.9 million on Xebos that affected the corresponding quarter of 2002.
- EBIT up 57 percent to €8.8 million (Q3/2002: €5.6 million).

The ongoing market weakness had a delayed impact on sales revenue in the most important sector of Information Services. Sales in the Real-time Information business, which generates around 75 percent of IS revenue by marketing price information, have declined slightly since Q4/2002. The key factor here is the decline in business with major customers in Germany and Switzerland. However, newly acquired potential from investment banks was able to partly offset this drop. Total IS sales revenue in fact rose slightly thanks to the strength of the index business. This field is benefiting from constant growth in the products available. The month of September was particularly successful.

Infobolsa Deutschland has been contributing to sales revenue since the start of the year. This information provider is a subsidiary of Infobolsa S.A. Madrid, a joint venture between Deutsche Börse AG and Bolsa de Madrid. Infobolsa markets the "NetStation" financial information system, which covers national and international market data and can be expanded to include additional information and functions. NetStation can be used as a fixed terminal or as a variable application. Infobolsa also supplies financial information directly via a data feed to other applications, such as the BMW mobile Internet service, which started operation in September. Drivers of the new BMW 7 series are now able to access the latest price information for German shares, international stock indices and charts from inside their vehicle.

Information Services will duplicate its central distribution system, the Consolidated Exchange Feed (CEF), in the USA, for the launch of Eurex US: the Chicago CEF will supply US futures data as of the launch of the new exchange. The Chicago CEF will be linked with the Frankfurt CEF: American customers will be able to access all data from the Frankfurt CEF via the Chicago CEF in a matter of seconds, and vice versa.

### Drop in real-time information data packages due to market conditions

in thousands

|                                 | Q3<br>2003 <sup>1)</sup> | Q2<br>2003 | Q1<br>2003 | Q3<br>2002 |
|---------------------------------|--------------------------|------------|------------|------------|
| Cash market Germany             | 115                      | 120        | 121        | 133        |
| Eurex                           | 114                      | 116        | 117        | 122        |
| STOXX                           | 57                       | 58         | 57         | 60         |
| Regional German stock exchanges | 68                       | 70         | 71         | 77         |
| Other                           | 38                       | 37         | 37         | 52         |
| <b>Total</b>                    | <b>392</b>               | <b>401</b> | <b>403</b> | <b>444</b> |

<sup>1)</sup> Extrapolation

### Information Technology: Strict cost management an ongoing success

- External sales revenue generated by the IT segment down 22 percent to €32.2 million (Q3/2002: €41.1 million).
- Intensive cost management an ongoing success, with costs falling by €18.5 million.
- EBIT totals €6.5 million (Q3/2002: €-2.3 million<sup>1)</sup>); this includes an exceptional impairment loss charged against the goodwill from the acquisition of Deutsche Börse's subsidiary entory in the amount of €10.0 million (Q3/2002: €33.0 million).

Deutsche Börse's IT segment is still operating in a difficult market environment. In addition to a decline in the number of application development commissions for the Xontro system, the ongoing structural crisis in the German financial market has led to further IT budget cuts and project cancellations at banks in particular. This led to a drop in income in Q3/2003.

Development and IT operating costs were reduced significantly and were able to offset the drop in sales revenue thanks to the leveraging of synergy effects as part of the integration of Clearstream and ongoing cost management, particularly with regard to purchasings from external service providers.

entory AG and Staffware GmbH – a leading supplier in the business process management environment – have entered into a strategic partnership to provide the German-speaking banking market with efficient business process management solutions. Instead of developing completely new IT environments when business processes change, banks can model and optimize their existing systems environments with the help of the two partners. This offers the banks multiple benefits: their business processes can be made more flexible and efficient in their existing infrastructures, offering huge opportunities for cost savings.

<sup>1)</sup> This figure contains the IT and Xlaunch segments, which were amalgamated with effect from Q1/2003.



### Clearstream: Focus on efficiency for customers

- Commission income increases by 2 percent to €138.3 million (Q3/2002: €135.2 million).
- Net interest income from banking business down by 32 percent to €22.3 million due to lower average interest rates (Q3/2002: €32.6 million).
- EBIT decreases to €23.9 million year-on-year, compared with €38.4 million in Q3/2002, due to lower interest income and a reduction of own work capitalized.

The total number of settlement transactions processed by Clearstream fell by 39 percent, from €21.5 million in Q3/2002 to €13.1 million in Q3/2003. While international transactions increased by 13 percent, domestic transactions strongly decreased (-49 percent) following the introduction of the Equity CCP, the central counterparty for the German cash market. Within only six months after its launch, the Equity CCP's effective netting efficiency reached almost 90 percent on CCP trades.

In the custody business, the value of assets under custody increased by 6 percent year-on-year, to reach €7.3 trillion. The custody value of German domestic instruments went up 5 percent while the international asset values deposited with Clearstream Banking S.A. achieved a 7 percent gain due to both new security issues and net asset inflows.

Average overnight cash funds increased by 7 percent due to higher transaction volumes, indicating a slight market recovery. However, average interest rates on cash balances continued to fall, from 3.6 percent in Q3/2002 to 2.4 percent in Q3/2003, leading to a decrease in net interest income.

Net revenues from securities financing amounted to €6.6 million in Q3/2003, an increase of 22 percent year-on-year (Q3/2002: €5.2 million). Apart from the insourcing of the credit exposure previously syndicated, this is due to an increase in the tripartite repo market by 49 percent and new customers of Xemac, where a new borrowing and lending program attracts new business. The program, called BAMBL (Bond Advanced Management for Borrowing and Lending), puts German federal securities at the disposal of market participants, applying lending fees only if the borrowed securities are not returned by the end of the first daytime settlement cycle. It is the first building block in a comprehensive series of services that Deutsche Börse Group is developing for its customers to improve the settlement of cross-border transactions.

Euroclear Bank and Clearstream International will develop a new, automated daytime "bridge" between the two international central securities depositories (ICSDs). The bridge is an electronic communications link which facilitates the efficient settlement of securities transactions between counterparties in Clearstream Banking and Euroclear Bank. This new development will supplement the existing electronic nighttime bridge and will replace the manually operated daytime bridge that currently links the two ICSDs. The automated daytime bridge will substantially improve the existing infrastructure, specifically by extending instruction deadlines, allowing same-day bridge transactions. The bridge will be implemented new automated daytime in two phases in 2004.

### Average cash funds and value of securities deposited

in € billions

|   | Q3<br>2003 | Q3<br>2002 |
|---|------------|------------|
| Average cash funds                      | 3,036      | 2,839      |
| Values of securities deposited          | 7,298      | 6,886      |
| Clearstream Banking S.A., international | 2,695      | 2,513      |
| Clearstream Banking AG, international   | 258        | 234        |
| Clearstream Banking AG, domestic        | 4,345      | 4,140      |

### Transactions

in millions

|   | Q3<br>2003  | Q3<br>2002  |
|---|-------------|-------------|
| Clearstream Banking S.A., international | 2.8         | 2.6         |
| Clearstream Banking AG, international   | 1.2         | 0.9         |
| Clearstream Banking AG, domestic        | 9.1         | 18.0        |
| <b>Total</b>                            | <b>13.1</b> | <b>21.5</b> |

## CONSOLIDATED BALANCE SHEET as at 30 September 2003

|  | 30 Sep. 2003<br>€m | 31 Dec. 2002<br>€m | 30 Sep. 2002<br>€m |
|--|--------------------|--------------------|--------------------|
| <b>ASSETS</b>                                      |                    |                    |                    |
| <b>Noncurrent assets</b>                           |                    |                    |                    |
| Intangible assets                                  | 1,577.9            | 1,696.4            | 1,703.5            |
| Property, plant and equipment                      | 316.2              | 320.9              | 299.8              |
| Financial assets                                   | 473.8              | 639.1              | 650.5              |
| Miscellaneous and deferred tax assets              | 32.0               | 22.0               | 18.0               |
|  | <b>2,399.9</b>     | <b>2,678.4</b>     | <b>2,671.8</b>     |
| <b>Current assets</b>                              |                    |                    |                    |
| Receivables and securities from banking business   | 5,664.4            | 3,085.0            | 5,997.2            |
| Other receivables and other assets                 | 296.4              | 229.0              | 267.2              |
| Financial instruments                              | 0                  | 0                  | 0                  |
| Restricted bank balances                           | 721.2              | 303.7              | 123.7              |
| Other cash and bank balances                       | 603.1              | 248.1              | 309.6              |
|  | <b>7,285.1</b>     | <b>3,865.8</b>     | <b>6,697.7</b>     |
| <b>Total assets</b>                                | <b>9,685.0</b>     | <b>6,544.2</b>     | <b>9,369.5</b>     |
| <b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>        |                    |                    |                    |
| <b>Shareholders' equity</b>                        |                    |                    |                    |
| Subscribed capital                                 | 111.8              | 111.8              | 111.8              |
| Share premium                                      | 1,330.2            | 1,330.2            | 1,330.2            |
| Legal reserve and other retained earnings          | 651.5              | 631.2              | 471.4              |
| Revaluation surplus                                | 2.7                | 9.0                | 7.2                |
| Unappropriated surplus                             | 195.6              | 70.0               | 162.8              |
|  | <b>2,291.8</b>     | <b>2,152.2</b>     | <b>2,083.4</b>     |
| <b>Minority interests</b>                          | <b>13.1</b>        | <b>23.1</b>        | <b>10.1</b>        |
| <b>Provisions and liabilities</b>                  |                    |                    |                    |
| <b>Noncurrent provisions</b>                       |                    |                    |                    |
| Provision for pensions and other employee benefits | 70.5               | 64.5               | 75.6               |
| Deferred tax liabilities                           | 96.1               | 99.3               | 100.0              |
| Other noncurrent provisions                        | 43.5               | 37.9               | 40.1               |
|  | <b>210.1</b>       | <b>201.7</b>       | <b>215.7</b>       |
| <b>Current provisions</b>                          |                    |                    |                    |
| Tax provisions                                     | 148.7              | 124.1              | 152.1              |
| Other current provisions                           | 28.2               | 28.6               | 32.9               |
|  | <b>176.9</b>       | <b>152.7</b>       | <b>185.0</b>       |
| <b>Noncurrent liabilities</b>                      |                    |                    |                    |
| Interest-bearing liabilities                       | 502.2              | 9.2                | 10.7               |
| Other noncurrent liabilities                       | 7.9                | 8.3                | 32.4               |
|  | <b>510.1</b>       | <b>17.5</b>        | <b>43.1</b>        |
| <b>Current liabilities</b>                         |                    |                    |                    |
| Liabilities from banking business                  | 5,426.8            | 3,257.9            | 6,100.5            |
| Other commercial paper                             | 109.7              | 288.1              | 428.7              |
| Trade payables                                     | 91.9               | 122.9              | 92.1               |
| Payables to other investors                        | 10.0               | 6.2                | 6.6                |
| Cash deposits by Eurex participants                | 724.4              | 217.2              | 78.6               |
| Other current liabilities                          | 120.2              | 104.7              | 125.7              |
|  | <b>6,483.0</b>     | <b>3,997.0</b>     | <b>6,832.2</b>     |
| <b>Total provisions and liabilities</b>            | <b>7,380.1</b>     | <b>4,368.9</b>     | <b>7,276.0</b>     |
| <b>Total shareholders' equity and liabilities</b>  | <b>9,685.0</b>     | <b>6,544.2</b>     | <b>9,369.5</b>     |

**CONSOLIDATED INCOME STATEMENT**  
for the period 1 January to 30 September 2003

|   | 30 Sep. 2003 | Quarter ended<br>30 Sep. 2002 | 30 Sep. 2003   | Nine months ended<br>30 Sep. 2002 |
|---|--------------|-------------------------------|----------------|-----------------------------------|
|   | €m           | €m                            | €m             | €m                                |
| Sales revenue   | 362.9        | 355.7                         | 1,065.3        | 765.9                             |
| Net interest income from banking business               | 22.3         | 32.6                          | 72.8           | 32.6                              |
| Own expenses capitalized                                | 12.3         | 41.1                          | 44.1           | 74.5                              |
| Other operating income                                  | 20.2         | 17.1                          | 54.0           | 45.6                              |
|   | <b>417.7</b> | <b>446.5</b>                  | <b>1,236.2</b> | <b>918.6</b>                      |
| Commission expense from banking business                | -27.6        | -34.2                         | -86.2          | -34.2                             |
| Staff costs   | -79.9        | -82.7                         | -243.5         | -158.3                            |
| Depreciation expense                                    | -49.9        | -46.4                         | -144.2         | -91.7                             |
| Goodwill amortization                                   | -26.0        | -48.8                         | -58.0          | -51.0                             |
| Other operating expenses                                | -125.6       | -145.6                        | -357.1         | -364.8                            |
| Income from equity investments                          | 0.1          | 0.6                           | 3.8            | 40.6                              |
| Write-downs of noncurrent financial assets              | 0.3          | -1.5                          | -0.5           | -3.9                              |
| <b>Earnings before interest and taxes (EBIT)</b>        | <b>109.1</b> | <b>87.9</b>                   | <b>350.5</b>   | <b>255.3</b>                      |
| Net financial income                                    | -1.4         | 4.3                           | -3.2           | 21.3                              |
| <b>Profit before tax from ordinary activities (EBT)</b> | <b>107.7</b> | <b>92.2</b>                   | <b>347.3</b>   | <b>276.6</b>                      |
| Income tax expense                                      | -53.5        | -53.3                         | -152.0         | -113.9                            |
| Minority interests                                      | 0.4          | -0.4                          | 0.2            | 0.1                               |
| <b>Net profit for the period and DVFA/SG earnings</b>   | <b>54.6</b>  | <b>38.5</b>                   | <b>195.5</b>   | <b>162.8</b>                      |
| <b>DVFA/SG earnings per share (€)</b>                   | <b>0.49</b>  | <b>0.34</b>                   | <b>1.75</b>    | <b>1.53</b>                       |

**CONSOLIDATED CASH FLOW STATEMENT**  
for the period 1 January to 30 September 2003

|   | Nine months ended |                 |
|---|-------------------|-----------------|
|   | 30 Sep. 2003      | 30 Sep. 2002    |
|   | €m                | €m              |
| Net profit for the period including minority interests                                | 195.3             | 162.7           |
| Depreciation and amortization expense   | 202.7             | 146.6           |
| Increase in noncurrent provisions   | 11.6              | 3.9             |
| Deferred taxes income and expense   | -1.8              | 14.3            |
| Other non-cash income and expense   | 3.5               | -12.8           |
| <b>DVFA/SG cash flow</b>  | <b>411.3</b>      | <b>314.7</b>    |
| Change in working capital, net of non-cash items                                      | -56.0             | 33.9            |
| Net loss on disposal of property, plant and equipment                                 | 0.2               | 0.5             |
| <b>Cash flow from operating activities</b>  | <b>355.5</b>      | <b>349.1</b>    |
| Payments to acquire noncurrent assets   | -118.3            | -124.8          |
| Payments to acquire subsidiaries  | 0                 | -1,558.4        |
| Payments to acquire noncurrent financial instruments                                  | -70.3             | -8.0            |
| Proceeds from disposal of noncurrent assets   | 265.1             | 24.2            |
| <b>Cash flow from investing activities</b>  | <b>76.5</b>       | <b>-1,667.0</b> |
| Net proceeds from capital increase  | 0                 | 390.8           |
| Net cash paid to minority shareholders  | -9.7              | 0               |
| Net (repayment of)/proceeds from short-term financing                                 | -183.1            | 426.0           |
| Repayment of long-term borrowings   | -5.0              | -90.0           |
| Proceeds from long-term financing   | 498.0             | 0               |
| Dividends paid  | -49.2             | -37.0           |
| <b>Cash flow from financing activities</b>  | <b>251.0</b>      | <b>689.8</b>    |
| <b>Net change in cash and cash equivalents</b>  | <b>683.0</b>      | <b>-628.1</b>   |
| Cash and cash equivalents at beginning of period <sup>1)</sup>                        | 104.8             | 1,062.0         |
| First-time consolidation of current receivables and liabilities from banking business | 0                 | -182.6          |
| <b>Cash and cash equivalents at end of period<sup>1)</sup></b>                        | <b>787.8</b>      | <b>251.3</b>    |
| <b>DVFA/SG cash flow per share (€)</b>  | <b>3.68</b>       | <b>2.96</b>     |
| Interest and income received from noncurrent financial assets                         | 14.3              | 35.7            |
| Interest paid   | -16.0             | -14.2           |
| Income tax paid   | -129.2            | -80.1           |

<sup>1)</sup> Excluding Eurex participants' cash deposits

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
for the period 1 January to 30 September 2003

|  | 30 Sep. 2003   | Nine months ended<br>30 Sep. 2002 |
|--|----------------|-----------------------------------|
|  | €m             | €m                                |
| <b>Subscribed capital</b>  |                |                                   |
| Balance as at 1 January  | 111.8          | 102.8                             |
| Issue of new shares  | 0              | 9.0                               |
| <b>Balance as at 30 September</b>  | <b>111.8</b>   | <b>111.8</b>                      |
| <b>Share premium</b>   |                |                                   |
| Balance as at 1 January  | 1,330.2        | 945.5                             |
| Issue of new shares  | 0              | 388.8                             |
| Cost of capital increase   | 0              | -7.0                              |
| Deferred taxes on cost of capital increase   | 0              | 2.9                               |
| <b>Balance as at 30 September</b>  | <b>1,330.2</b> | <b>1,330.2</b>                    |
| <b>Retained earnings</b>   |                |                                   |
| Balance as at 1 January  | 631.2          | 446.3                             |
| Appropriations from unappropriated surplus (incl. any IAS adjustments)               | 20.8           | 23.0                              |
| Adjustments from deferred taxes  | 0              | 0.8                               |
| Measurement of interest rate swaps   | 0              | 3.8                               |
| Increase in carrying amount of equity-accounted investments taken directly to equity | 0              | -2.4                              |
| Exchange rate differences  | -0.5           | -0.1                              |
| <b>Balance as at 30 September</b>  | <b>651.5</b>   | <b>471.4</b>                      |
| <b>Revaluation surplus</b>   |                |                                   |
| Balance as at 1 January  | 9.0            | 5.7                               |
| Remeasurement of noncurrent financial assets   | -9.0           | 3.6                               |
| Deferred taxes on remeasurement of noncurrent financial assets                       | 2.7            | -2.1                              |
| <b>Balance as at 30 September</b>  | <b>2.7</b>     | <b>7.2</b>                        |
| <b>Unappropriated surplus</b>  |                |                                   |
| Balance as at 1 January  | 70.0           | 60.0                              |
| Dividends paid   | -49.1          | -37.0                             |
| Net profit for the period  | 195.3          | 162.8                             |
| Minority interests   | 0.2            | 0                                 |
| Appropriation to retained earnings (incl. any IAS adjustments)                       | -20.8          | -23.0                             |
| <b>Balance as at 30 September</b>  | <b>195.6</b>   | <b>162.8</b>                      |
| <b>Shareholders' equity as at 30 September</b>                                       | <b>2,291.8</b> | <b>2,083.4</b>                    |

## 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 comply with the significant accounting policies of the company as presented in these Notes. The same accounting policies and valuation methods were used as in the consolidated financial statements for the year ended 31 December 2002.

### 2. Group structure

There have been no changes in the group structure in Q3/2003.

### 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 Eurex 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. Commercial paper liabilities

On 30 September 2003, Deutsche Börse AG had €109.7 million of commercial paper outstanding, all of which had a time to maturity of less than three months.

### 6. Noncurrent interest-bearing liabilities

A Debt Issuance Program was established in May 2003. This program, under which Deutsche Börse AG and Deutsche Börse Finance S.A. can issue up to €2.0 billion in debt, offers an opportunity for flexible long-term financing at favorable terms. For tranches issued by Deutsche Börse Finance S.A., Deutsche Börse AG acts as guarantor.

On 23 May 2003, the first five year tranche of nominal €500 million was issued by Deutsche Börse Finance S.A. under this program, resulting in a net cash inflow of €497.5 million. The bond pays a coupon of 3.375 percent p.a. and matures on 23 May 2008. This first tranche will be used to refinance the acquisition of Clearstream International.

### 7. Dividends

The dividend per share for fiscal year 2002 was increased by 22 percent to €0.44 (previous year: €0.36) and was paid to shareholders on 15 May 2003. The total dividend payout of €49.2 million corresponded to a distribution ratio of 21 percent of net profit for the year (previous year: 18 percent).

## 8. Segment results

In the following segmental analysis the Information Technology segment contains amounts formerly allocated to the IT and Xlaunch segments. The Clearstream TEC activities are also included in this segment. From Q1/2003 the IT segment harmonized its pricing to the Xetra, IS, and Clearstream segments. In Q3/2003, this reduced the cost base of IS and Clearstream by €0.8 million and €0.6 million, respectively. The Integriertes Aktienbuch (IAB) activities were removed from Information Technology and contributed to Deutsche Börse Computershare GmbH (DBCS). On the basis of the new, extended business model, DBCS is allocated to the Xetra segment. The Corporate Services segment was expanded to include the corresponding activities of the Clearstream subgroup acquired in July 2002. Comparative 2002 figures for the Clearstream segment reflect only the period from 1 July 2002, as Clearstream International was not consolidated prior to this date. The Information Services segment was previously reported as Information Products.

### Sales revenue

|  | 30 Sep. 2003<br>€m | Quarter ended<br>30 Sep. 2002<br>€m | 30 Sep. 2003<br>€m | Nine months ended<br>30 Sep. 2002<br>€m |
|--|--------------------|-------------------------------------|--------------------|---|
| Xetra  | 59.6               | 53.5                                | 155.9              | 160.5                                   |
| Eurex  | 103.8              | 97.3                                | 312.1              | 244.6                                   |
| Information Services   | 29.0               | 28.6                                | 92.9               | 91.2                                    |
| Clearstream  | 138.3              | 135.2                               | 404.0              | 135.2                                   |
| Information Technology   | 32.2               | 41.1                                | 100.4              | 134.4                                   |
| <b>Total sales revenue</b>   | <b>362.9</b>       | <b>355.7</b>                        | <b>1,065.3</b>     | <b>765.9</b>                            |
| <b>Internal revenue Information Technology</b>                         | <b>54.2</b>        | <b>61.9</b>                         | <b>143.5</b>       | <b>166.4</b>                            |
| <b>Analysis of Clearstream sales revenue (gross commission income)</b> |                    |                                     |                    |   |
| Custody  | 91.4               | 85.3                                | 262.7              | 85.3                                    |
| Settlement   | 26.1               | 33.0                                | 91.0               | 33.0                                    |
| Other  | 20.4               | 25.0                                | 63.6               | 25.0                                    |
| Consolidation adjustment   | 0.4                | -8.1                                | -13.3              | -8.1                                    |
| <b>Total</b>   | <b>138.3</b>       | <b>135.2</b>                        | <b>404.0</b>       | <b>135.2</b>                            |

### Net interest income from banking business

|  | 30 Sep. 2003<br>€m | Quarter ended<br>30 Sep. 2002<br>€m | 30 Sep. 2003<br>€m | Nine months ended<br>30 Sep. 2002<br>€m |
|--|--------------------|-------------------------------------|--------------------|---|
| Gross interest income                            | 36.7               | 59.8                                | 122.1              | 59.8                                    |
| Interest expense                                 | -14.4              | -27.2                               | -49.3              | -27.2                                   |
| <b>Net interest income from banking business</b> | <b>22.3</b>        | <b>32.6</b>                         | <b>72.8</b>        | <b>32.6</b>                             |

### Earnings before interest and taxes (EBIT)

|                          | 30 Sep. 2003<br>€m | Quarter ended<br>30 Sep. 2002<br>€m | 30 Sep. 2003<br>€m | Nine months ended<br>30 Sep. 2002<br>€m |
|--------------------------|--------------------|-------------------------------------|--------------------|---|
| Xetra                    | 27.2               | 1.4                                 | 38.5               | 17.3                                    |
| Eurex                    | 51.7               | 56.2                                | 174.3              | 119.9                                   |
| Information Services     | 8.8                | 5.6                                 | 34.3               | 27.3                                    |
| Clearstream              | 24.6               | 38.4                                | 80.4               | 38.4                                    |
| Information Technology   | 6.5                | -2.3                                | 48.8               | 32.5                                    |
| Settlement <sup>1)</sup> | -                  | -                                   | -                  | 39.0                                    |
| Corporate Services       | -9.7               | -11.4                               | -25.8              | -19.1                                   |
| <b>Total EBIT</b>        | <b>109.1</b>       | <b>87.9</b>                         | <b>350.5</b>       | <b>255.3</b>                            |

<sup>1)</sup> Including earnings from the 50 percent investment in Clearstream International S.A. and the dividend on the investment in Cedel International S.A.

### Profit before tax from ordinary activities (EBT)

|                          | 30 Sep. 2003<br>€m | Quarter ended<br>30 Sep. 2002<br>€m | 30 Sep. 2003<br>€m | Nine months ended<br>30 Sep. 2002<br>€m |
|--------------------------|--------------------|-------------------------------------|--------------------|---|
| Xetra                    | 28.0               | 1.4                                 | 41.1               | 17.3                                    |
| Eurex                    | 52.8               | 57.4                                | 176.7              | 123.5                                   |
| Information Services     | 8.7                | 5.7                                 | 34.3               | 27.4                                    |
| Clearstream              | 22.1               | 39.6                                | 80.2               | 39.6                                    |
| Information Technology   | 6.3                | -2.2                                | 47.1               | 32.9                                    |
| Settlement <sup>1)</sup> | -                  | -                                   | -                  | 39.0                                    |
| Corporate Services       | -10.2              | -9.7                                | -32.1              | -3.1                                    |
| <b>Total EBT</b>         | <b>107.7</b>       | <b>92.2</b>                         | <b>347.3</b>       | <b>276.6</b>                            |

<sup>1)</sup> Including earnings from the 50 percent investment in Clearstream International S.A. and the dividend on the investment in Cedel International S.A.

### Investments (excluding financial investments)

|                          | 30 Sep. 2003<br>€m | Quarter ended<br>30 Sep. 2002<br>€m | 30 Sep. 2003<br>€m | Nine months ended<br>30 Sep. 2002<br>€m |
|--------------------------|--------------------|-------------------------------------|--------------------|---|
| Xetra                    | 0.3                | 14.2                                | 1.9                | 27.9                                    |
| Eurex                    | 3.6                | 4.1                                 | 13.1               | 18.5                                    |
| Information Services     | 1.5                | 2.2                                 | 2.7                | 7.0                                     |
| Clearstream              | 2.5                | -                                   | 22.1               | -                                       |
| Information Technology   | 11.4               | 25.6                                | 21.4               | 33.9                                    |
| Corporate Services       | 13.9               | 36.0                                | 57.2               | 37.0                                    |
| <b>Total investments</b> | <b>33.2</b>        | <b>82.1</b>                         | <b>118.4</b>       | <b>124.3</b>                            |

### Depreciation

|                           | 30 Sep. 2003<br>€m | Quarter ended<br>30 Sep. 2002<br>€m | 30 Sep. 2003<br>€m | Nine months ended<br>30 Sep. 2002<br>€m |
|---------------------------|--------------------|-------------------------------------|--------------------|---|
| Xetra                     | 6.7                | 8.6                                 | 24.9               | 25.3                                    |
| Eurex                     | 7.7                | 3.9                                 | 17.6               | 11.0                                    |
| Information Services      | 2.3                | 5.9                                 | 7.5                | 10.1                                    |
| Clearstream               | 18.7               | 0.5                                 | 48.3               | 0.5                                     |
| Information Technology    | 9.4                | 24.3                                | 31.5               | 38.5                                    |
| Corporate Services        | 5.1                | 3.2                                 | 14.4               | 6.3                                     |
| <b>Total depreciation</b> | <b>49.9</b>        | <b>46.4</b>                         | <b>144.2</b>       | <b>91.7</b>                             |

An exceptional impairment loss of €2.7 million was charged in Q3/2003 relating to Eurex software.



## Goodwill amortization

|                                    | 30 Sep. 2003<br>€m | Quarter ended<br>30 Sep. 2002<br>€m | 30 Sep. 2003<br>€m | Nine months ended<br>30 Sep. 2002<br>€m |
|------------------------------------|--------------------|-------------------------------------|--------------------|---|
| Information Services               | 0.2                | 0                                   | 0.6                | 0                                       |
| Clearstream                        | 15.2               | 15.2                                | 45.6               | 15.2                                    |
| Information Technology             | 10.6               | 33.6                                | 11.8               | 35.8                                    |
| <b>Total goodwill amortization</b> | <b>26.0</b>        | <b>48.8</b>                         | <b>58.0</b>        | <b>51.0</b>                             |

The goodwill amortization expense includes an exceptional write-down of €10.0 million (Q3/2002: €33.0 million) charged against the goodwill recorded on the acquisition of entory AG.

## 9. 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 September 2003, there were no outstanding options or rights to purchase shares that potentially could have diluted the earnings per share.

As described in note 10, 146,469 stock options issued to staff effective 30 June 2003 remained outstanding on 30 September 2003. As the share price has not yet reached the option strike price of €54.79, these options are not considered dilutive under IAS 33, "Earnings per Share", issued by the IASB.

|   | 30 Sep. 2003 | Quarter ended<br>30 Sep. 2002 | 30 Sep. 2003 | Nine months ended<br>30 Sep. 2002 |
|---|--------------|-------------------------------|--------------|-----------------------------------|
| Number of shares outstanding at beginning of period | 111,802,880  | 111,802,880                   | 111,802,880  | 102,760,000                       |
| Number of shares outstanding at end of period       | 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  | 106,204,907                       |
| DVFA/SG earnings (€m)                               | 54.6         | 38.5                          | 195.5        | 162.8                             |
| DVFA/SG earnings per share (€)                      | 0.49         | 0.34                          | 1.75         | 1.53                              |
| Dividends paid (€m)                                 | 0            | 0                             | 49.2         | 37.0                              |
| Dividend per share (€)                              | 0            | 0                             | 0.44         | 0.36                              |

Subject to the agreement of the Supervisory Board, the Executive Board is authorized to increase the subscribed share capital by the following amounts:

|                             | Amount<br>in € | Date of<br>authorization<br>by shareholders | Expiry date<br>of authorization | Existing shareholders' subscription rights may<br>be suspended for fractional amounts and/or<br>if the share issue is:  |
|-----------------------------|----------------|---|---------------------------------|---|
| Authorized share capital I  | 41,104,000     | 3 May 2001                                  | 31 Dec. 2005                    | <ul style="list-style-type: none"> <li>■ Against non-cash contributions for the purpose of acquiring companies, parts of companies or stakes in companies.</li> </ul>   |
| Authorized share capital II | 14,797,440     | 14 May 2003                                 | 13 May 2008                     | <ul style="list-style-type: none"> <li>■ For cash at an issue price not significantly lower than the stock exchange price up to a maximum amount of 10 percent of the nominal capital.</li> <li>■ To issue new shares to employees or subsidiaries' employees under a group share plan up to a maximum of 3,000,000 shares.</li> <li>■ Against non-cash contributions for the purpose of acquiring companies, parts of companies or stakes in companies.</li> </ul> |

## 10. Group Share Plan

Following approval at the Annual General Meeting on 14 May 2003, the Company has established a new Group Share Plan (GSP) for employees other than Executive Board members and senior executives, who are already covered by the phantom stock option program described in the 2002 Annual Report. Under the GSP Tranche 2003, non-executive employees could buy up to 200 shares of the Company (dependant on basic salary) at a discount of between 20 and 40 percent, depending on the individual employee's performance assessment and length of service. Shares must be held at least two years. For each share bought, the employee received one stock purchase option. The issue price of this option consists of the exercise price, which corresponds to the average volume-weighted price of the Company's 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 but at a minimum to the closing auction price on the date of grant of the stock options (i.e. 30 June 2003), plus a premium amounting to 20 percent of the exercise 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 50 percent of eligible employees subscribed for a total of 147,569 shares under the GSP. These shares were purchased in the market during the first two weeks of July 2003. The difference between the average purchase price and the average subscription price paid by employees, amounting to some €2.7 million, was charged to staff costs in Q2/2003.

As at 30 September 2003, 146,469 stock options with a strike price of €54.79 remained outstanding. As of the date of grant, being 30 June 2003, the options were valued in accordance with the guidelines given by the IASB in Exposure Draft 2, "Share Based Payment". In particular, the valuation assumes an average expected option life of four years. The total cost of the options, amounting to approximately €1.0 million, are amortized to staff costs over the vesting period, i.e. over the eight quarters starting in Q3/2003.

## 11. 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 September 2003.

| Shareholding<br>as at 30 Sep. 2003 |        | Shareholding<br>as at 30 Sep. 2003 |     |
|------------------------------------|--------|------------------------------------|-----|
| <b>Executive Board</b>             |        | Uwe E. Flach                       | 0   |
| Werner G. Seifert                  | 0      | Hans-Peter Gabe                    | 510 |
| André Roelants                     | 0      | Dr. Manfred Gentz                  | 0   |
| Rudolf Ferscha                     | 18,290 | Prof. Dr. Klaus Hopt               | 0   |
| Matthias Ganz                      | 0      | Harold Hörauf                      | 0   |
| Mathias Hlubek                     | 5,000  | Sandra S. Jaffee                   | 0   |
| Michael Kuhn                       | 0      | Dr. Stefan Jentzsch                | 0   |
| <b>Supervisory Board</b>           |        | Hessel Lindenbergh                 | 0   |
| Dr. Rolf-E. Breuer                 | 0      | Friedrich von Metzler              | 0   |
| Manfred Zaß                        | 0      | Fritz Nols <sup>1)</sup>           | 0   |
| David Andrews                      | 0      | Klaus M. Patig <sup>1)</sup>       | 0   |
| Ralf Arnemann <sup>1)</sup>        | 0      | Roland Pranti <sup>1)</sup>        | 0   |
| Herbert Bayer                      | 0      | Sadegh Rismanchi                   | 100 |
| Udo Behrenwald                     | 0      | Gerhard B. Roggemann <sup>1)</sup> | 0   |
| Birgit Bokel                       | 0      | Rainer Roubal <sup>1)</sup>        | 0   |
| Dr. Peter Coym <sup>1)</sup>       | 0      | Dr. Herbert Walter                 | 0   |
| Mehmet Dalman                      | 0      | Otto Wierzcimok                    | 0   |
| Leonhard H. Fischer <sup>1)</sup>  | 0      | Johannes Witt                      | 200 |
|                                    |        | Silke Zilles                       | 0   |

<sup>1)</sup> Left the Supervisory Board during the course of the first nine months of 2003. The shareholdings of former Supervisory Board members in the first nine months of 2003 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 share options have been granted to management.

## 12. Transactions with related parties

|  | 30 Sep. 2003<br>€m | Quarter ended<br>30 Sep. 2002<br>€m | 30 Sep. 2003<br>€m | Nine months ended<br>30 Sep. 2002<br>€m |
|--|--------------------|-------------------------------------|--------------------|---|
| Operation of the floor trading system by Braintrade GmbH for Deutsche Börse AG             | 4.2                | 4.7                                 | 12.5               | 15.0                                    |
| Operation of the Xetra trading system by Deutsche Börse AG for European Energy Exchange AG | 1.0                | 0.4                                 | 1.5                | 1.9                                     |
| Services provided by Deutsche Börse Systems AG:  |                    |                                     |                    |   |
| Operation and development of Xontro software for Braintrade GmbH                           | 5.4                | 4.3                                 | 15.9               | 20.5                                    |
| Development of Eurex software for Swiss Exchange (SWX)                                     | 8.1                | 5.8                                 | 13.0               | 10.3                                    |
| Operation of Xetra software for European Energy Exchange AG                                | 0.1                | 0.3                                 | 0.6                | 0.5                                     |
| Specific agency agreements for the provision of office and administrative services:        |                    |                                     |                    |   |
| by Eurex Zürich AG to Swiss Exchange (SWX)   | 8.4                | 7.4                                 | 20.1               | 18.1                                    |
| by Eurex Frankfurt AG to European Energy Exchange AG                                       | 0.8                | 1.1                                 | 2.5                | 3.8                                     |
| by Swiss Exchange (SWX) to Eurex Zürich AG   | -0.1               | 3.0                                 | 3.7                | 6.4                                     |
| by Deutsche Börse AG to European Energy Exchange AG  | 0                  | 0.1                                 | 0                  | 0.5                                     |

## 13. Employees

|   | 30 Sep. 2003 | Quarter ended<br>30 Sep. 2002 | 30 Sep. 2003 | Nine months ended<br>30 Sep. 2002 |
|---|--------------|-------------------------------|--------------|-----------------------------------|
| Average number of employees during the period | 3,224        | 3,130                         | 3,247        | 2,008                             |
| Employed at the balance sheet date:           |              |                               |              |                                   |
| Deutsche Börse Group excluding Infobolsa S.A. | 3,156        | 3,292                         | 3,156        | 3,292                             |
| Infobolsa S.A.                                | 76           | -                             | 76           | -                                 |
| Total Deutsche Börse Group                    | 3,232        | 3,292                         | 3,232        | 3,292                             |

There was an average of 3,078 full-time equivalent (FTE) employees during the third quarter of 2003 (Q3/2002: 3,100).

#### 14. Contingent liabilities

On 31 March 2003, Clearstream Banking AG, Frankfurt, received a "Statement of Objections" from the DG Competition of the European Commission. The Commission's objections, which relate to past periods, concern Euroclear's access to Clearstream's settlement system for registered shares in Germany, and alleged pricing discrimination between Central Securities Depositories and International Central Securities Depositories for cross-border transactions prior to January 2002. The Commission has stated that its objections do not prejudice the outcome of the enquiry.

Clearstream has responded to the Commission's objections in writing and has met with the Commission. Clearstream continues to believe that the Commission's objections are unwarranted and intends to defend its position. At this stage, no amount has been provided in the Group accounts for this potential liability.

#### 15. Events after the balance sheet date

On 3 September 2003, The Clearing Corporation (CCorp), Eurex Frankfurt AG and Eurex Frankfurt AG's subsidiary U.S. Exchange Holdings Inc. signed agreements to enter into a global partnership. According to the agreements U.S. Exchange Holdings Inc. acquired a 14.29 percent stake in CCorp for a capital contribution of US\$15 million on 23 October 2003. The transaction is an integral part of an overall restructuring of CCorp, which was approved by CCorp's shareholders on the same date.

On 16 September 2003, U.S. Exchange Holdings Inc.'s subsidiary U.S. Futures Exchange L.L.C. officially filed an application for Designation as Contract Market with the Commodity Futures Trading Commission.

On 15 October, U.S. Exchange Holdings Inc. and U.S. Futures Exchange L.L.C. filed an antitrust action in federal court against the Chicago Board of Trade (CBOT) and Chicago Mercantile Exchange (CME) for illegally attempting to block the entrance of a new competitor to the market.

The Executive Board  
Deutsche Börse AG  
Frankfurt/Main, 6 November 2003



Werner G. Seifert



André Roelants



Rudolf Ferscha



Matthias Ganz



Mathias Hlubek



Michael Kuhn

# Q3/2003

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