THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice as soon as possible from your stockbroker, bank, solicitor, accountant, fund manager or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

This document comprises a supplementary prospectus (the "**Supplementary Prospectus**") relating to HLDCO123 PLC ("**HoldCo**" or the "**Company**") prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the "**FCA**") made under section 73A of FSMA. This Supplementary Prospectus has been approved by the FCA in accordance with section 87G of FSMA, filed with the FCA and made available to the public in accordance with section 3.2 of the Prospectus Rules by the same being made available, free of charge, at www.mergerdocuments-db-lseg.com, at the Company's registered office at 10 Paternoster Square, London, EC4M 7LS, United Kingdom and at Equiniti Limited at Aspect House, Spencer Road, Lancing Business Park, Lancing, West Sussex BN99 6DA, United Kingdom. The Company will request that the FCA notify the European Securities and Markets Authority and provide a certificate of approval and a copy of this prospectus to the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) ("**BaFin**") for the purposes of passporting this Supplementary Prospectus under the Prospectus Directive in connection with the FSE Admission (as defined below).

This Supplementary Prospectus is supplementary to, and must be read in conjunction with, the prospectus published by the Company on 1 June 2016 in relation to its applications for admission to the premium listing segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange's main market for listed securities and which was passported under the Prospectus Directive in connection with its application to a prime standard listing and trading on the regulated market of the Frankfurt Stock Exchange (the "**Original Prospectus**"). Save as disclosed in this document, since the publication of the Original Prospectus, there have been no significant new factors, material mistakes or inaccuracies relating to the information contained in the Original Prospectus.

Applications will be made to the UK Listing Authority and to the London Stock Exchange for the HoldCo Shares to be admitted to listing on the premium listing segment of the Official List maintained by the FCA and to trading on the main market for listed securities of the London Stock Exchange, respectively (the "**LSE Admission**"). An application will also be made for a prime standard listing of the HoldCo Shares on the regulated market segment (*Regulierter Markt*) of the Frankfurt Stock Exchange (the "**FSE Admission**" and together with the LSE Admission, the "**Admission**"). It is expected that, subject to the conditions to the proposed combination of Deutsche Börse AG and LSEG plc (the "**Merger**") being satisfied or, where appropriate, waived, Admission will become effective and dealings on the London Stock Exchange and the Frankfurt Stock Exchange in the HoldCo Shares will commence at 8.00 a.m. (London time) on or shortly after the Closing Date.

Capitalised terms contained in this Supplementary Prospectus shall have the meanings given to such terms in the Original Prospectus unless otherwise defined herein.

The Company, the HoldCo Directors and the Proposed Directors, whose names appear on page 9 of this Supplementary Prospectus, accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge of the Company, the HoldCo Directors and the Proposed Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Supplementary Prospectus is in accordance with the facts and contains no omission likely to affect the import of such information.

Investors should only rely on the information contained in the Original Prospectus, as supplemented by this Supplementary Prospectus, and any documents (or parts thereof) incorporated therein and herein by reference. No person has been authorised to give any information or make any representations other than those contained therein and herein. The Company will comply with its obligation to publish a supplementary prospectus containing further updated information required by law or any regulatory authority but assumes no further obligation to publish additional information.

Investors should read this Supplementary Prospectus and the Original Prospectus (including all information incorporated therein and herein by reference) as a whole. In particular, investors are advised to examine all the risks that might be relevant in connection with an investment in the HoldCo Shares and your attention is drawn to Part 1: "*Risk Factors*" of the Original Prospectus for a discussion of certain risks and other factors that should be considered prior to any investment in the HoldCo Shares.

DEUTSCHE BÖRSE GROUP

London Stock Exchange Group

HLDCO123 PLC

(incorporated and registered under the laws of England and Wales with registered number 10053870)

Supplementary Prospectus

Application for admission to the premium listing segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange's main market for listed securities and to a prime standard listing and trading on the regulated market of the Frankfurt Stock Exchange of up to 344,919,586 HoldCo Shares

Joint Sponsor

Deutsche Bank

Joint Sponsor

Barclays

Apart from the responsibilities and liabilities, if any, which may be imposed on any of Deutsche Bank AG, Perella Weinberg Partners UK LLP, Robey Warshaw LLP, Merrill Lynch International, HSBC Bank plc, Goldman Sachs International, J.P. Morgan Limited, RBC Europe Limited, Société Générale, UBS Limited or Lazard & Co., Limited (together, the "**Banks**") by the FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of the Banks accepts any responsibility whatsoever for, or makes any representation or warranty, express or implied, as to the contents of this document or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the HoldCo Shares or the Merger and nothing in this document will be relied upon as a promise or representation in this respect, whether or not to the past or future. Each of the Banks accordingly disclaims all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this document or any such statement.

None of the Company, the Joint Sponsors (as defined below), the other Banks or any of their respective representatives, is making any representation to any investor of the HoldCo Shares regarding the legality of an investment in the HoldCo Shares by such investor under the laws applicable to such investor. The contents of this document should not be construed as legal, financial or tax advice. Each investor should consult his, her or its own legal, financial or tax adviser for legal, financial or tax advice.

Deutsche Bank AG is authorised under German Banking Law (competent authority: European Central Bank (the "**ECB**")) and, in the United Kingdom, by the Prudential Regulation Authority (the "**PRA**"). Deutsche Bank AG is subject to supervision by the ECB and by BaFin, Germany's Federal Financial Supervisory Authority, and is subject to limited regulation in the United Kingdom by the PRA and the FCA. Deutsche Bank AG is acting exclusively for the Company and Deutsche Börse AG and no one else in connection with the Merger and will not be responsible to anyone other than the Company and Deutsche Börse AG for providing the protections afforded to clients of Deutsche Bank AG nor for providing advice in relation to the Merger or any other matter referred to in this document.

Barclays Bank PLC, acting through its Investment Bank ("**Barclays**"), which is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting exclusively for the Company and LSEG plc and no one else in connection with the Merger and will not be responsible to anyone other than the Company and LSEG plc for providing the protections afforded to clients of Barclays nor for providing advice in relation to the Merger or any other matter referred to in this document. Deutsche Bank AG, London Branch ("**Deutsche Bank**") and Barclays are together the "**Joint Sponsors**".

Perella Weinberg Partners UK LLP ("**Perella Weinberg Partners**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Deutsche Börse AG and no one else in connection with the Merger and will not be responsible to anyone other than Deutsche Börse AG for providing the protections afforded to clients of Perella Weinberg Partners nor for providing advice in relation to the Merger or any other mater referred to in this document.

Merrill Lynch International ("**BofA Merrill Lynch**") which is authorised by the PRA and regulated by the FCA and PRA in the United Kingdom is acting exclusively for Deutsche Börse AG and no one else in connection with the Merger. In relation to such matters, BofA Merrill Lynch, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to clients of BofA Merrill Lynch or for providing advice in relation to the Merger.

HSBC Bank plc ("**HSBC**") is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom. HSBC is acting exclusively for Deutsche Börse AG and no one else in connection with the Merger and shall not be responsible to anyone other than Deutsche Börse AG for providing the protections afforded to clients of HSBC nor for providing advice in connection with the Merger or any matter referred to in this document.

Robey Warshaw LLP ("**Robey Warshaw**"), which is authorised and regulated by the FCA, is acting exclusively for LSEG plc and no one else in connection with the Merger. In relation to such matters, Robey Warshaw will not be responsible to anyone other than LSEG plc for providing the protections afforded to its clients or for providing advice in connection with the contents of this document or any matter referred herein.

Goldman Sachs International, which is authorised by the PRA and regulated by the FCA and PRA in the UK, is acting exclusively for LSEG plc and no one else in connection with the Merger and will not be responsible to anyone other than LSEG plc for providing the protections afforded to its clients, or for giving advice in connection with any matter referred to in this document.

J.P. Morgan Limited, which conducts its UK investment banking business as J.P. Morgan Cazenove ("**J.P. Morgan Cazenove**"), is authorised and regulated in the United Kingdom by the FCA. J.P. Morgan Cazenove is acting exclusively for LSEG plc and no one else in connection with the Merger and will not regard any other person as its client in relation to the matters set out in this document. J.P. Morgan Cazenove will not be responsible to anyone other than LSEG plc for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, or for providing advice in relation to the Merger, the contents of this document or any other matter referred to herein.

RBC Europe Limited, which trades as "RBC Capital Markets" ("**RBC Capital Markets**"), is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom. RBC Capital Markets is acting exclusively for LSEG plc and no one else in connection with the Merger and will not be responsible to anyone other than LSEG plc for providing the protections afforded to clients of RBC Capital Markets, or for providing advice in connection with the Merger.

Lazard & Co., Limited ("**Lazard**"), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Deutsche Börse AG and for no one else in connection with the Merger and will not be responsible to anyone other than Deutsche Börse AG for providing the protections afforded to its clients or for providing advice in connection with the Merger. Neither Lazard nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Lazard in connection with this document, any statement contained herein, the Merger or otherwise.

Société Générale ("**SG**") which is a French credit institution (bank) authorised and supervised by the ECB, the Autorité de Contrôle Prudentiel et de Résolution and the PRA and is regulated by the Autorité des marchés financiers and subject to limited regulation by the FCA and the PRA. SG is acting solely for LSEG plc in connection with the Merger and will not be responsible to anyone other than LSEG plc for providing the protections afforded to the clients of SG or for providing advice in relation to the Merger or any other matter referred to in this document.

UBS Limited ("**UBS**"), which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting exclusively for LSEG plc and no one else in connection with the Merger. In relation to such matters, UBS, its affiliates and their respective directors, officers employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in relation to this Merger, the contents of this document or any other matter referred to herein.

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OF, OR SOLICITATION OF AN OFFER TO SUBSCRIBE FOR OR BUY, ANY SHARES TO ANY PERSON IN ANY JURISDICTION AND IS NOT FOR DISTRIBUTION IN OR INTO ANY RESTRICTED JURISDICTION EXCEPT AS DETERMINED BY THE COMPANY IN ITS SOLE DISCRETION AND PURSUANT TO APPLICABLE LAWS.

This document does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States or any other jurisdiction where such offer or sale would be unlawful. The HoldCo Shares that may be received in the Merger have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction in the United States, and may only be offered or sold in the United States in accordance with an applicable exemption from the registration requirements of the Securities Act. There will be no public offering of HoldCo Shares in the United States. HoldCo Shares may not therefore be offered to certain U.S. shareholders of Deutsche Börse AG unless HoldCo believes that there is an exemption from, or if the transaction is not subject to, the registration requirements of the Securities Act. It is anticipated that U.S. shareholders of Deutsche Börse AG who are not able to receive HoldCo Shares as part of the Exchange Offer may, in lieu of HoldCo Shares, receive a cash amount corresponding to proceeds (less transaction costs) from the sale of HoldCo Shares which they would otherwise have been entitled to receive. The HoldCo Shares issued pursuant to the LSEG Acquisition are expected to be issued in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10) thereof based on the Court's sanctioning of the Scheme ("Court" and "Scheme" as defined in the Original Prospectus).

Information distributed in connection with the Merger is subject to disclosure requirements of the United Kingdom and Germany that are different from those of the United States. The financial information contained in this document has been prepared in accordance with EU IFRS that may not be comparable to the financial statements and financial information of United States companies.

It may be difficult for you to enforce your rights and any claim you may have arising under U.S. federal securities laws, since HoldCo is located in the United Kingdom, and some of its officers and directors are residents of countries outside the United States. You may not be able to sue a UK company or its officers or directors in an English court for violations of U.S. securities laws. It may be difficult to compel a UK company and its affiliates to subject themselves to a U.S. court's judgement.

You should be aware that the Company may purchase securities otherwise than under the Merger, such as in open market or privately negotiated purchases.

Deutsche Börse Shareholders and LSEG Shareholders who are affiliates of HoldCo after the Merger will be subject, under Rule 144 under the Securities Act, to timing, manner of sale and volume restrictions on the sale of HoldCo Shares received pursuant to the Merger. For the purposes of the Securities Act, an "affiliate" of a company is any person that directly or indirectly controls, or is controlled by, or is under common control with, the company. Holders of Deutsche Börse Shares and LSEG Shares that constitute "restricted securities" for the purposes of Rule 144 under the Securities Act will receive HoldCo Shares that also constitute restricted securities and will not be permitted to offer or resell in the United States the HoldCo Shares they receive without registering that offer or sale under the Securities Act or conducting that offer or sale in reliance on an exemption from registration thereunder. The Securities Act would not generally restrict a sale of HoldCo Shares that are "restricted securities" on the London Stock Exchange, provided that the sale had not been pre arranged with a buyer in the United States. Shareholders who believe they may be affiliates for the purposes of the Securities Act should consult their own legal advisers.

THE CONTENTS OF THIS DOCUMENT ARE NOT TO BE CONSTRUED AS LEGAL, BUSINESS OR TAX ADVICE. EACH SHAREHOLDER SHOULD CONSULT HIS, HER OR ITS OWN LEGAL ADVISER, FINANCIAL ADVISER OR TAX ADVISER FOR LEGAL, FINANCIAL OR TAX ADVICE.

Supplementary Prospectus dated 28 July 2016

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IMPORTANT INFORMATION

General

No person has been authorised to give any information or to make any representations other than those contained in this Supplementary Prospectus, the Original Prospectus, the Exchange Offer Document or the Scheme Document in connection with the Merger and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the HoldCo Directors, the Proposed Directors, the Joint Sponsors or the other Banks.

Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to Section 87G of the FSMA and PR 3.4.1 of the Prospectus Rules, neither the delivery of this Supplementary Prospectus nor any subscription or sale of HoldCo Shares made under this Supplementary Prospectus shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company or of the Deutsche Börse Group taken as a whole or LSEG taken as a whole since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

The contents of this Supplementary Prospectus are not to be construed as legal, business or tax advice. Any HoldCo Shareholder or investor should consult his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice in relation to any action in respect of the HoldCo Shares.

None of the Company, the HoldCo Directors, the Proposed Directors, the Joint Sponsors and the other Banks is making any representation to any HoldCo Shareholder or purchaser of the HoldCo Shares regarding the legality of an investment by such HoldCo Shareholder or investor.

Apart from the responsibilities and liabilities, if any, which may be imposed on any of the Banks by the FSMA or the regulatory regime established thereunder or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of the Banks accepts responsibility whatsoever for, or makes any representation or warranty, express or implied, as to, the contents of this Supplementary Prospectus or for any other statement made or purported to be made by them, or on their behalf, in connection with the Company, the Deutsche Börse Group, LSEG, the HoldCo Shares, the Merger and/or Admission and nothing in this Supplementary Prospectus will be relied upon as a promise or representation in this respect, whether or not to the past or future.

Each of the Banks accordingly disclaims all and any responsibility or liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise have in respect of this Supplementary Prospectus or any such statement.

The Original Prospectus, as supplemented by this Supplementary Prospectus, should be read in its entirety. In making an investment decision, prospective shareholders and investors must rely upon their own examination of the Company, the Deutsche Börse Group, LSEG and the terms of the Original Prospectus, as supplemented by this Supplementary Prospectus, and the information incorporated by reference therein and herein as a whole, including the risks involved.

No incorporation of website information

Without limitation, the contents of the websites of the Company, Deutsche Börse AG and LSEG plc (or any other websites, including the content of any website accessible from hyperlinks on the websites of the Company, Deutsche Börse AG and/or LSEG plc) do not form part of this Supplementary Prospectus.

Profit forecast

Information in relation to the Deutsche Börse Profit Forecast is included in Annex 1: "*Deutsche Börse Profit Forecast*" to the Original Prospectus and repeated in Annex 2 of this Supplementary Prospectus. The Deutsche Börse Profit Forecast was issued by Deutsche Börse AG and no profit forecast has been issued by HoldCo or LSEG plc. Other than the Deutsche Börse Profit Forecast, no statement in the Original Prospectus (including the Deutsche Börse 2018 Guidance) and this Supplementary Prospectus other than Annex 2: "*Deutsche Börse Profit Forecast*" is intended as a profit forecast and no other statement should be interpreted to mean that earnings for the current or future financial years would necessarily match or exceed the historical published earnings.

Forward-looking statements

The Original Prospectus and this Supplementary Prospectus (including information incorporated by reference therein and herein) contain forward-looking statements. A forward-looking statement is any statement that does not relate to historical or current facts and events. Forward-looking statements in the Original Prospectus and/or this Supplementary Prospectus include, in particular, statements containing information on future earnings capacity, plans and expectations of the Company's business, its growth and profitability, and general economic and regulatory conditions and other factors to which it is or may be exposed. Statements made using terms such as "may", "might", "will", "should", "expect", "plan", "intends", "anticipate", "predict", "potential", "is likely" or "continue", and the negative of these terms and other comparable terminology indicate forward-looking statements. Forward-looking statements in the Original Prospectus and/or this Supplementary Prospectus are based on estimates and assessments made to the best of the Company's present knowledge. These forward-looking statements are based on assumptions, uncertainties and other factors, the occurrence or non-occurrence of which could cause the actual results of the Company, including its financial condition and/or profitability, to differ materially from or fail to meet the expectations expressed or implied in the forward-looking statements.

Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, the Company can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include the satisfaction of the conditions of the Merger, as well as additional factors, such as: future market conditions, currency fluctuations, the behaviour of other market participants, the actions of regulators and other factors such as changes in the political, social and regulatory framework in which the Combined Group will operate or in economic or technological trends or conditions. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be viewed in the light of such factors. Accordingly, Investors are strongly advised to read the following sections of the Original Prospectus in particular: Summary; Part 1: "*Risk Factors*"; Part 14: "*Operating and Financial Review of the Deutsche Börse Group*"; Part 16: "*Operating and Financial Review of LSEG*"; Part 6: "*Information on the Combined Group and Background to the Merger*"; Part 9: "*Terms and Conditions of the Merger*"; Part 7: "*Information on the Deutsche Börse Group*"; Part 8: "*Information on LSEG*"; and Part 12: "*Dividends and Dividend Policy*". These sections include more detailed descriptions of factors that might potentially have an impact on the business of the Combined Group and the market in which it operates.

In light of the uncertainties and assumptions, it is also possible that the future events mentioned in the Original Prospectus and/or this Supplementary Prospectus might not occur.

The forward-looking statements contained in the Original Prospectus and/or this Supplementary Prospectus speak only as of the date on which they are made. Other than in accordance with their legal and regulatory obligations (including under the Listing Rules, the Prospectus Rules, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules), none of the Company, the Joint Sponsors or the other Banks undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise.

The statements above relating to forward-looking statements should not be construed as a qualification on the opinion of the Company as to working capital set out in paragraph 18 of Part 24: "*Additional Information*" of the Original Prospectus.

Definitions

Certain terms used and not otherwise defined in this Supplementary Prospectus, including capitalised terms, are defined in Part 26: "*Definitions*" of the Original Prospectus.

For the purposes of this Supplementary Prospectus, "**subsidiary**", "**subsidiary undertaking**", "**undertaking**", "**associated undertaking**" have the meanings given by the Companies Act.

All references to statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

Unless otherwise stated, all times referred to in connection with the Scheme and Completion are London time and all times referred to in connection with the Exchange Offer are Frankfurt time.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

All times shown are London times unless otherwise stated. All dates and times are based on the current expectations of HoldCo, Deutsche Börse AG and LSEG plc and are subject to change, which will depend, among other things, on the date on which the Conditions to the Merger are satisfied (or, where applicable, waived), the Court sanctions the Scheme and the Scheme Court Order is delivered to the Registrar of Companies. If any of the dates and/or times in this expected timetable change, the revised dates and/or times will be notified by announcement through the Regulatory Information Service of the London Stock Exchange.

Event	Expected time/date(1)
Expiration of Acceptance Period under the Exchange Offer(2)	**24:00 (Frankfurt time) on 26 July 2016**
Expected publication of the results of the Acceptance Period by	29 July 2016
Expected beginning of additional Acceptance Period	30 July 2016
Expected end of the additional Acceptance Period	24:00 (Frankfurt time) on 12 August 2016
Expected publication of the results of the additional Acceptance Period	17 August 2016

The following dates and times are indicative only and subject to change and will depend on, among other things, the date upon which: (i) the Conditions to the Merger are satisfied (or, where applicable, waived); (ii) the Court sanctions the Scheme; and (iii) the Scheme Court Order is delivered to the Registrar of Companies

Scheme Court Hearing (to sanction the Scheme)	A date expected to be in the first quarter of 2017, subject to regulatory and merger control clearances (***D***)
Last day of dealings in, and for registration of transfers of, and disablement in CREST of, LSEG Shares	D+1 Business Day
Scheme Record Time	6:30 p.m. on D+1 Business Day
Effective Date of the Scheme (T)	**D+2 Business Days(3)**
Cancellation of admission of and dealings in LSEG Shares	8:00 a.m. on T
Last day of dealings in Deutsche Börse Shares tendered into the Exchange Offer	T
Commencement of conditional dealings(4) in HoldCo Shares on the London Stock Exchange and potentially on the Frankfurt Stock Exchange(5)	By 8:00 a.m. on T
Expected date of Admission and commencement of unconditional dealings in HoldCo Shares on the London Stock Exchange and on the Frankfurt Stock Exchange	**T+5-9 Business Days**
Despatch of cheques, or CREST accounts credited, in respect of fractional entitlements to HoldCo Shares	Within 14 days after the Effective Date
Long Stop Date, being the latest date by which the Merger must be completed	30 June 2017(6)

Notes:

(1) These times and dates are indicative only and subject to change, which will depend on, among other things, the date upon which (i) the Conditions are satisfied or (where applicable) waived, (ii) the Court sanctions the Scheme, and (iii) the Scheme Court Order sanctioning the Scheme is delivered to the Registrar of Companies. This timetable does not take into account settlement of the vendor placement for certain Deutsche Börse Shares tendered into the Exchange Offer by U.S. persons unable to receive HoldCo Shares.

(2) Following the Company's decision, as announced on 11 July 2016, to lower the threshold required for acceptances under the Exchange Offer from 75% to 60% of the Deutsche Börse Shares (less a certain amount of treasury shares) at the time of

expiration of the Acceptance Period in respect of the relevant LSEG Condition to the LSEG Acquisition and the relevant Deutsche Börse Condition to the Deutsche Börse Acquisition, the Acceptance Period was automatically extended by two weeks to expire on 26 July 2016 at 24:00 (Frankfurt time). If the 60% minimum acceptance threshold under the Exchange Offer has been reached at the time of expiration of the Acceptance Period on 26 July 2016 at 24:00 (Frankfurt time), a subsequent acceptance period will be open for two weeks to allow any remaining Deutsche Börse Shareholders to tender their Deutsche Börse Shares into the Exchange Offer.

(3) This date will be the date the Scheme Court Order is delivered to the Registrar of Companies.

(4) It should be noted that if Admission does not occur, all conditional dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned. The period of conditional dealings will commence on the Effective Date and will end on the Business Day immediately prior to Admission which is expected to be 5-9 Business Days after the Effective Date. The conditional dealings will end on the Business Day immediately prior to Admission.

(5) HoldCo seeks to achieve conditional dealings in HoldCo Shares on the Frankfurt Stock Exchange in parallel to the conditional dealings in HoldCo Shares on the London Stock Exchange.

(6) The latest date by which the Merger must be implemented (30 June 2017) is not capable of being extended.

PART 1
SUPPLEMENTARY INFORMATION

This Supplementary Prospectus is supplemental to, and should be read in conjunction with, the Original Prospectus published by the Company on 1 June 2016. To the extent that there is any inconsistency between a statement in this Supplementary Prospectus and a statement contained in the Original Prospectus, the statement in this Supplementary Prospectus will prevail. Any decision to invest in the HoldCo Shares should be based on consideration of the Original Prospectus, as supplemented by this Supplementary Prospectus, and the information incorporated by reference therein and herein as a whole.

1 Background

Following the publication of the Original Prospectus, the Deutsche Börse Group published its unaudited interim condensed financial information for the six months ended 30 June 2016 (the "**Deutsche Börse Group Half Year Results**") on 27 July 2016. Such information is set out in Annex 1 below.

The Company considers the publication of the Deutsche Börse Group Half Year Results to be a significant new factor relating to the information contained in the Original Prospectus and, accordingly, this Supplementary Prospectus has been prepared in accordance with section 87G of FSMA and PR 3.4 of the Prospectus Rules.

Other than as otherwise disclosed in this Supplementary Prospectus, there is no further information that is required to be disclosed in this Supplementary Prospectus pursuant to section 87G of FSMA.

2 Amendments to the Summary Information

This Supplementary Prospectus amends the summary information which forms part of the Original Prospectus with the addition of the following information to Elements B.7 and B.9 as set out below:

Annex and Element		Disclosure requirement
B.7	***Selected historical financial information***	On 27 July 2016, the Deutsche Börse Group published its unaudited interim condensed financial information for the 6 months ended 30 June 2016, which contain the following financial information: *Consolidated Statement of Income of the Deutsche Börse Group*

	Six months ended 30 June 2016
	(€ million) (unaudited)
Sales revenue	1,303.2
Total revenue	1,353.3
Net revenue (total revenue less volume-related costs)	**1,211.2**
Operating costs	(628.5)
Earnings before interest and tax (EBIT)	578.9
Earnings before tax (EBT)	540.9
Net profit for the period	**965.5**

<table>
<tr><th>Annex and Element</th><th></th><th>Disclosure requirement</th></tr>
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Consolidated Statement of Financial Position of the Deutsche Börse Group

	As at 30 June 2016 (€ million) (unaudited)
Total non-current assets	16,362.7
Total current assets	210,626.0
Total assets	**226,988.7**
Total equity	**4,260.9**
Total non-current liabilities	13,299.9
Total current liabilities	209,427.9
Total liabilities	**222,727.8**
Total equity and liabilities	**226,988.7**

There has been no significant change in the financial condition or operating results of the Deutsche Börse Group since 30 June 2016, the date to which the last unaudited interim condensed consolidated financial information in relation to the Deutsche Börse Group were prepared.

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<tr><td>B.9</td><td>

Profit forecast or estimate

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Deutsche Börse AG

Deutsche Börse Profit Forecast

On 17 February 2016, Deutsche Börse AG released its preliminary results announcement for the fourth quarter and full year ended 31 December 2015. On 18 February 2016, Deutsche Börse AG presented its preliminary results for the fourth quarter and full year ended 31 December 2015 in an annual press briefing and an analyst and investor conference call. On 27 July 2016, Deutsche Börse AG released its unaudited interim condensed consolidated financial information for the six month period ended on 30 June 2016.

Included in the preliminary results announcement for the fourth quarter and full year ended 31 December 2015, annual press briefing and analyst and investor conference call was the following guidance for the financial year ending 31 December 2016 (the "**Deutsche Börse Profit Forecast**"):

2016 Guidance.

- 5 per cent.—10 per cent. net revenue growth.
- 0 per cent.—5 per cent. operating costs growth, excluding around EUR75m of exceptional items (e.g. restructuring, litigation, M&A integration).
- 10 per cent.—15 per cent. net income growth.

The Deutsche Börse Profit Forecast set out above was set out in Annex 1: "*Deutsche Börse Profit Forecast*" of the Original Prospectus and is repeated as at the date of this document. The Deutsche Börse Profit Forecast relates to net revenue growth, operating cost growth and net income growth, in line with the previous guidance given by Deutsche Börse AG and as means of evaluating the financial and operating performance of the Deutsche Börse Group. Deutsche Börse AG makes a net profit forecast annually. The Deutsche Börse Profit Forecast was originally made in February 2016 and was not made in the context of the Merger which is

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</table>

Annex and Element		Disclosure requirement
		why it was not made in accordance with ESMA 47. Deutsche Börse AG has a fixed tax rate and the market is therefore able to calculate its profit before tax. ***Basis of preparation*** The Deutsche Börse Profit Forecast is based on the unaudited interim condensed consolidated financial information of the Deutsche Börse Group for the six month period ended on 30 June 2016. The profit forecast is required to be presented on a basis consistent with the accounting policies of the Company. ***Assumptions*** The Deutsche Börse Profit Forecast is based on the following assumptions for the period to which they relate: *Factors outside the influence or control of the Directors* • There will be continued recovery of the eurozone and world economies. • There will be no material changes to the conditions of the markets in which Deutsche Börse AG operates. • The main exchange rates and inflation and tax rates in Deutsche Börse AG's principal markets will remain materially unchanged from the prevailing rates. • There will be no material changes in legislation or regulatory requirements impacting on Deutsche Börse AG's operations or its accounting policies. • There will be no material changes to Deutsche Börse AG's obligations to customers. • There will be no material change to the competitive environment leading to an adverse impact on consumer preferences or the capacity of the Deutsche Börse AG business to penetrate new markets. *Factors within the influence and control of the Directors* • There will be no material impact on Deutsche Börse AG's ability to negotiate new business. • There will be no material change to Deutsche Börse AG's customer base or the ability or willingness of the customer base to meet its obligations to Deutsche Börse AG from that currently anticipated by the Directors. **LSEG** Not applicable. There is no profit forecast or estimate for LSEG plc. **HoldCo** Not applicable. There is no profit forecast or estimate for HoldCo.

PART 2
ADDITIONAL INFORMATION

1 Responsibility

The Company, the HoldCo Directors and the Proposed Directors, whose names are set out below, accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge of the Company, the HoldCo Directors and the Proposed Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this Supplementary Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

HoldCo Directors

Name	Position
Carsten Kengeter	Director
David Warren	Director

Proposed Directors of the Company following Completion

Name	Position
Donald Brydon CBE	Chairman
Joachim Faber	Deputy Chairman and Senior Independent Director
Carsten Kengeter	Chief Executive Officer
David Warren	Chief Financial Officer
Jacques Aigrain	Non-Executive Director
Paul Heiden	Non-Executive Director
Lex Hoogduin	Non-Executive Director
Andrea Munari	Non-Executive Director
David Nish	Non-Executive Director
Mary Schapiro	Non-Executive Director
Richard Berliand	Non-Executive Director
Erhard Schipporeit	Non-Executive Director
Karl Heinz Flöther	Non-Executive Director
Amy Yip	Non-Executive Director
Ann Kristin Achleitner	Non-Executive Director
Christopher Cole	Non-Executive Director

2 No significant change

2.1 The Company

There has been no significant change in the financial or trading position of the Company since 31 March 2016, the date to which the last audited financial information in relation to the Company was prepared.

2.2 Deutsche Börse Group

There has been no significant change in the financial or trading position of the Deutsche Börse Group since 30 June 2016, the date to which the last unaudited interim condensed consolidated financial information in relation to the Deutsche Börse Group were prepared.

2.3 LSEG

There has been no significant change in the financial or trading position of LSEG since 31 December 2015, the date to which the last audited consolidated financial information in relation to LSEG were prepared.

3 Quantified Financial Benefits Statement

3.1 The Quantified Financial Benefits Statement contained in the Original Prospectus relates to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved or may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. For the purposes of Rule 28 of the City Code, the statements of estimated cost savings and synergies contained in the Original Prospectus are solely the responsibility of the HoldCo Directors, the Proposed Directors, the LSEG Directors and the Deutsche Börse Directors.

3.2 No statement in the Quantified Financial Benefits Statement should be construed as a profit forecast or interpreted to mean that the Combined Group's earnings in the first full year following implementation of the Merger, or in any subsequent period, would necessarily match or be greater than or be less than those of LSEG plc and/or Deutsche Börse AG for the relevant preceding financial period or any other period.

3.3 Each of the Company, the HoldCo Directors, the Proposed Directors, the LSEG Directors and the Deutsche Börse Directors confirm that there have been no material changes to the Quantified Financial Benefits Statement referred to in paragraph 3.1 above, which was set out in Part 6: "*Information on the Combined Group and Background to the Merger*" and Annex 2: "*Quantifiable Financial Benefits Statement*" of the Original Prospectus and which remain valid. Deloitte LLP, as reporting accountants, Robey Warshaw, Barclays, Goldman Sachs and J.P. Morgan Cazenove, as financial advisers to LSEG plc and Perella Weinberg Partners and Deutsche Bank, as financial advisers to Deutsche Börse AG, have each confirmed that the reports they produced on the Quantified Financial Benefits Statement, which were included in Part B of Appendix 2 to the Scheme Document, continue to apply.

4 Deutsche Börse Profit Forecast

Each of the Company, the HoldCo Directors and the Proposed Directors confirm that there have been no material changes to the Deutsche Börse Profit Forecast contained in Section A of Annex 1: "*Deutsche Börse Profit Forecast*" of the Original Prospectus, which remains valid.

Information in relation to the Deutsche Börse Profit Forecast is included in Annex 2: "*Deutsche Börse Profit Forecast*" to this Supplementary Prospectus. The Deutsche Börse Profit Forecast was issued by Deutsche Börse AG and no profit forecast has been issued by HoldCo or LSEG plc. Other than the Deutsche Börse Profit Forecast, no statement in this document is intended as a profit forecast and no other statement should be interpreted to mean that earnings for the current or future financial years would necessarily match or exceed the historical published earnings.

5 No Material Change

Each of the Company, the HoldCo Directors and the Proposed Directors confirm that, other than as disclosed in this Supplementary Prospectus, there have been: (i) no material changes to the information disclosed in the Original Prospectus which are material in the context of the Original Prospectus; and (ii) no material changes to the matters listed in Rule 27.2(b) and Rule 27.2(c) of the City Code since the publication of the Original Prospectus.

6 Consents

Deutsche Bank AG, Barclays Bank PLC, acting through its Investment Bank, Perella Weinberg Partners UK LLP, Robey Warshaw LLP, Merrill Lynch International, HSBC Bank plc, Goldman Sachs International, J.P. Morgan Cazenove, RBC Europe Limited, Société Générale, UBS Limited, and Lazard & Co. Limited have each given and has not withdrawn its written consent to the issue of this Supplementary Prospectus with the inclusion herein of the references to its name in the form and context in which they appear. KPMG LLP has given and has not withdrawn its written consent to the inclusion herein of their report on the Deutsche Börse Profit Forecast in the form and context in which it appears and has authorised the contents of the part of this document which comprise its report for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules.

7 Documents available for inspection

In addition to those documents set out in paragraph 23 of Part 24: "*Additional Information*" of the Original Prospectus, copies of:

(i) the Deutsche Börse Group Half Year Results which form part of this Supplementary Prospectus;

(ii) this Supplementary Prospectus; and

(iii) the consent letters referred to in paragraph 6 above, are available for inspection during usual business hours on any Business Day for a period of 12 months following Admission at the registered address of the Company at 10 Paternoster Square, London, EC4M 7LS, United Kingdom.

8 Definitions

Certain terms used and not otherwise defined in this Supplementary Prospectus, including capitalised terms, are defined in Part 26: "*Definitions*" of the Original Prospectus.

In this Supplementary Prospectus the following expressions have the following meaning unless the context otherwise requires:

Deutsche Börse Directors	the directors of Deutsche Börse AG who sit on either the Deutsche Börse Management Board at the date of this document or, where the context so requires, the directors of Deutsche Börse AG who sit on the Deutsche Börse Management Board from time to time.
Deutsche Börse Group Half Year Results	the unaudited interim condensed financial information for the six months ended 30 June 2016 of the Deutsche Börse Group.
Disclosure Guidance and Transparency Rules	the disclosure guidance and transparency rules produced by the FCA and forming part of the handbook of the FCA through which a manager derives its status as an authorised person under the FSMA rules and guidance, as, from time to time, amended. All references in the Original Prospectus (other than in respect of Annex 3 and Annex 4 of the Original Prospectus) to "**Disclosure and Transparency Rules**" shall mean the "**Disclosure Guidance and Transparency Rules**".
Market Abuse Regulation	Regulation (EU) No 596/2014.

ANNEX 1

DEUTSCHE BÖRSE GROUP HALF YEAR RESULTS

DEUTSCHE BÖRSE GROUP

www.deutsche-boerse.com

Half-yearly financial report

Quarter 2 / 2016

Deutsche Börse Group: key figures

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

1) Adjusted for non-recurring items
2) Market capitalisation of companies listed in the Prime Standard (shares) in relation to the market capitalisation of all companies listed on the Frankfurt Stock Exchange

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

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

Quarterly results at a glance

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

Material events at a glance

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

Group interim management report

Fundamental information about the Group

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

Comparability of figures

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

Changes to the basis of consolidation and to segment reporting
Furthermore, the following changes to the basis of consolidation occurred compared to the second quarter of 2015:

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

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

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

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

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

Material related party disclosures

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

Details on the planned merger with LSEG

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

The Combined Group will:

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

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

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

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

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

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

Disposal of International Securities Exchange

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

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

Report on the economic position

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

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

Research and development activities

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

Results of operations

Results of operations in the second quarter of 2016

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Comparison of results of operations with the forecast for 2016
Business development in the first six months of 2016 was in line with Group expectations. For details on data used for the forecast, see the report on expected developments.

Deutsche Börse AG shares: key figures

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

1) Closing price on preceding trading day
2) Intraday price

Eurex segment

Q2/2016

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

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

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

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

Eurex segment: key indicators

		Quarter ended			Six months ended	
	30 Jun 2016	30 Jun 2015	Change	30 Jun 2016	30 Jun 2015	Change
FINANCIAL KEY FIGURES	€m	€m	%	€m	€m	%
Net revenue	260.9	217.3	20	536.7	432.5	24
European equity index derivatives	115.8	94.4	23	240.3	197.2	22
European interest rate derivatives	46.3	52.2	–11	93.6	97.8	–4
European equity derivatives	10.9	10.5	4	20.8	20.4	2
Commodities (EEX)	53.5	40.1	33	108.5	80.4	35
Foreign exchange (360T)	16.3	–	–	32.1	–	–
Other (including repo business and net interest income from banking business)	18.1	20.1	–10	41.4	36.7	13
Operating costs	125.0	107.7	16	256.8	208.2	23
EBIT	129.8	107.6	21	275.1	228.9	20
EBIT (adjusted)	149.0	110.9	34	307.8	228.4	35
PERFORMANCE INDICATORS						
Financial derivatives	m contracts	m contracts	%	m contracts	m contracts	%
European derivatives[1]	465.9	454.7	2	933.5	870.9	7
European equity index derivatives[2]	240.5	197.6	22	496.2	412.0	20
European interest rate derivatives	128.4	146.9	–13	260.1	270.8	–4
European equity derivatives[2]	92.8	106.2	–13	169.6	181.0	–6
Commodities[3) 4)]	TWh / m t CO_2	TWh / m t CO_2	%	TWh / m t CO_2	TWh / m t CO_2	%
Electricity	1,214.0	635.3	91	2,247.8	1,422.0	58
Gas	409.0	191.6	113	954.6	435.4	119
Emissions trading	225.9	154.0	47	468.6	315.4	49
FX business	€bn	€bn	%	€bn	€bn	%
Average daily outstanding volume on 360T	60.4	57.3	5	58.9	56.1	5

1) The total shown does not equal the sum of the individual figures as it includes other traded products such as ETFs, volatility, agricultural and precious metals derivatives.
2) Dividend derivatives have been allocated to the equity index and equity derivatives.
3) Volume traded on EEX in terawatt-hours (TWh) for power and gas trading and in million CO_2 tonnes for trading in emission rights
4) Including the volumes traded on EPEX, APX/Belpex, and (since 17 February 2016) on SEEPEX and PXE (from 1 June 2016) in the power segment, as well as the volumes traded on Powernext and Gaspoint Nordic in the gas segment (Gaspoint Nordic new for 2016)

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

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

First half of 2016

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

Xetra segment

Q2/2016

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

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

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

Xetra segment: key indicators

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

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

First half of 2016

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

Clearstream segment

Q2/2016

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

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

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

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

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

Clearstream segment: key indicators

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

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

First half of 2016

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

Market Data + Services segment

Q2/2016

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

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

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

First half of 2016

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

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

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

Market Data + Services segment: key indicators

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

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

Financial position

Cash flow

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

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

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

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

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

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

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

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

Capital management

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

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

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

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

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

Net assets

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

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

Report on post-balance sheet date events

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

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

Risk report

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

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

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

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

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

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

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

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

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

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

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

Report on opportunities

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

Report on expected developments

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

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

Development of results of operations

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

Depending upon the development of the business environment, the performance of cyclical as well as structural drivers of growth, and the success of new products and functionality, Deutsche Börse Group anticipates net revenue to increase between 5 and 10 per cent during the forecast period. Net revenue growth expected during the forecast period is based on pro-forma net revenue of approximately €2,264 million achieved in 2015. This figure comprises net revenue (as reported) of €2,367.4 million, plus approximately €56 million to annualise the effects of full consolidation of the APX Holding group (part of EEX Group) and of 360T Beteiligungs GmbH (360T). Moreover, revenue is reduced by approximately €159 million due to the sale of ISE, Infobolsa S.A. (Infobolsa), and Market News International Inc. (MNI). Should the business environment develop less favourably than described in the 2015 financial report – in which case clients would reduce their business activities, especially in the Group's business areas which depend upon trading – Deutsche Börse Group would continue to consider itself capable of remaining profitable, thanks to a successful business model as well as cost discipline. Moreover, within the scope of its "Accelerate" growth strategy, in 2015 Deutsche Börse Group introduced principles for managing operating costs. The core element of these principles is to ensure the scalability of the Group's business model. To this end, the Group continuously manages operating costs relative to the development of net revenue. Accordingly, the lower end of the net revenue growth range during the forecast period and the following years, of approximately 5 per cent, would imply stable operating costs compared to the previous year. If net revenue reaches the upper end of the range of around 10 per cent, operating costs would be permitted to rise by up to 5 per cent per annum during the period under review and the following years. Operating costs expected during the forecast period are based on pro-forma operating costs of some €1,188 million in 2015. This figure comprises operating costs (as reported) of €1,248.8 million in 2015, plus €47 million to annualise the effects of full consolidation of APX Holding group, Indexium AG and 360T Beteiligungs GmbH. Moreover, operating costs were reduced by €108 million due to the sale of ISE, Infobolsa and MNI.

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

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

Development of the Group's financial position

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

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

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

Consolidated income statement

for the period 1 January to 30 June 2016

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

Consolidated statement of comprehensive income

for the period 1 January to 30 June 2016

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

Consolidated balance sheet

as at 30 June 2016

Assets

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

Equity and liabilities

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

1) Including operating activities of Market News International Inc.

Consolidated cash flow statement

for the period 1 January to 30 June 2016

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

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

Consolidated statement of changes in equity

for the period 1 January to 30 June 2016

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

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

Notes to the interim financial statements

Basis of preparation

1. Accounting policies

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

The interim financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRSs) and the related interpretations issued by the Financial Reporting Standards Interpretations Committee (IFRIC), as adopted by the European Union in accordance with Regulation No. 1606/2002 of the European Parliament and of the Council on the application of International Accounting Standards.

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

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

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

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

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

2. Group structure

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

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

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

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

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

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

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

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

Discontinued operation

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

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

Income from discontinued operations

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

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

Cash flow statement from discontinued operations

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

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

Gain from disposal of ISE

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

3. Seasonal influences and valuations

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

Consolidated income statement disclosures

4. Other operating income (continued operation)

Composition of other operating income

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

5. Other operating expenses (continued operation)

Composition of other operating expenses

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

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

Consolidated balance sheet disclosures

6. Intangible assets and property, plant and equipment

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

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

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

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

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

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

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

7. Financial assets

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

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

8. Equity

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

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

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

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

9. Pension provisions

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

10. Interest-bearing liabilities

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

11. Total assets

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

12. Fair value hierarchy

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

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

Fair value hierarchy

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

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

Fair value hierarchy

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

1) Classification adjusted

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

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

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

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

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

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

Development of financial instruments in level 3

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

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

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

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

Additionally, derivatives from an incentive programme with a carrying amount of €3.9 million were allocated to “other current liabilities” of level 3 at the beginning of the reporting period. The financial instruments are regularly measured at fair value through profit and loss using an internal model at the quarterly reporting dates. As at the balance sheet date, there was a positive effect of €2.3 million recognised in profit or loss. The model takes into account the criteria underlying the conditional repayment of the grant made by Eurex Clearing AG. The criteria include, in particular, non-financial indicators such as the expected number of customers in a specific market segment as well as expected trading volumes. They are continuously monitored, while taking into account possible adjustments. In order to do this, customer information is also used. Since this is an internal model, the parameters can differ from those of the settlement date. However, the derivative financial instrument will not exceed an amount of €7.0 million. This amount arises if the beneficiaries of the incentive programme fulfil the conditions and a repayment of the contribution is not taken into consideration.

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

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

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

Other disclosures

13. Reconciliation to cash and cash equivalents

Reconciliation to cash and cash equivalents

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

14. Earnings per share

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

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

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

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

Calculation of the number of potentially dilutive ordinary shares

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

1) According to IAS 33.47 (a) for share options and other share-based payment arrangements, the issue price and the exercise price shall include the fair value of any goods or services to be supplied to the entity in the future under the share option or other share-based payment arrangement.
2) Volume-weighted average price of Deutsche Börse AG shares on Xetra for the period 1 January to 30 June 2016.
3) This relates to rights to shares under the Share Bonus Plan and the Long-term Sustainable Instrument for senior executives. As the 2014 tranche options will only be granted in future financial years, the number indicated for the balance sheet date may change subsequently.

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

Calculation of earnings per share (basic and diluted)

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

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

15. Segment reporting (continued operation)

Composition of sales revenue by segment

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

Net interest income from banking business

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

Net revenue

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

Operating costs

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

Earnings before interest and tax (EBIT)

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

Investment in intangible assets and property, plant and equipment

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

16. Financial liabilities and other risks

Interest-bearing liabilities

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

Expected payment obligations from interest-bearing liabilities

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

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

Other risks

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

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

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

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

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

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

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

Tax risks

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

17. Material business transactions with related parties

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

Business relationships with related parties

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

Transactions with related parties[1)]

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

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

Monetary business relationships with key management personnel

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

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

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

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

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

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

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

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

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

Other business relationships with key management personnel

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

18. Employees (continued operation)

Employees

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

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

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

19. Events after the balance sheet date

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

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

Responsibility statement

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

Frankfurt/Main, 27 July 2016

Deutsche Börse AG
The Executive Board

Carsten Kengeter

Andreas Preuß

Gregor Pottmeyer

Hauke Stars

Jeffrey Tessler

Review report

To Deutsche Börse Aktiengesellschaft, Frankfurt/Main

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

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

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

Frankfurt/Main, 27 July 2016

KPMG AG Wirtschaftsprüfungsgesellschaft

Braun	Dielehner
German public auditor	German public auditor

Contact

Investor Relations
Phone +49-(0) 69-2 11-1 16 70
Fax +49-(0) 69-2 11-1 46 08
E-mail ir@deutsche-boerse.com
www.deutsche-boerse.com/ir_e

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Financial calendar

27 July 2016
Half-yearly financial report

28 October 2016
Q3/2016 results

ANNEX 2

DEUTSCHE BÖRSE PROFIT FORECAST

Section A: Profit Forecast

Deutsche Börse AG

Deutsche Börse Profit Forecast

On 17 February 2016, Deutsche Börse AG released its preliminary results announcement for the fourth quarter and full year ended 31 December 2015. On 18 February 2016, Deutsche Börse AG presented its preliminary results for the fourth quarter and full year ended 31 December 2015 in an annual press briefing and an analyst and investor conference call. On 27 July 2016, Deutsche Börse AG released its unaudited interim condensed consolidated financial information for the six month period ended on 30 June 2016.

Included in the preliminary results announcement, annual press briefing and analyst and investor conference call was the following guidance for the financial year ending 31 December 2016 (the "**Deutsche Börse Profit Forecast**"):

2016 Guidance.

- 5 per cent.–10 per cent. net revenue growth.
- 0 per cent.–5 per cent. operating costs growth, excluding around €75 million of exceptional items (e.g. restructuring, litigation, M&A integration).
- 10 per cent.–15 per cent. net income growth.

The Deutsche Börse Profit Forecast set out above is repeated as at the date of this document. The Deutsche Börse Profit Forecast relates to net revenue growth, operating cost growth and net income growth, in line with the previous guidance given by Deutsche Börse AG and as means of evaluating the financial and operating performance of the Deutsche Börse Group. Deutsche Börse AG makes a net profit forecast annually. The Deutsche Börse Profit Forecast was originally made in February 2016 and was not made in the context of the Merger which is why it was not made in accordance with ESMA 47. Deutsche Börse AG has a fixed tax rate and the market is therefore able to calculate its profit before tax.

Basis of preparation

The Deutsche Börse Profit Forecast is based on the unaudited interim condensed consolidated financial information of the Deutsche Börse Group for the six month period ended on 30 June 2016. The profit forecast is required to be presented on a basis consistent with the accounting policies of the Company.

Assumptions

The Deutsche Börse Profit Forecast is based on the following assumptions for the period to which they relate:

Factors outside the influence or control of the Directors

- There will be continued recovery of the eurozone and world economies.
- There will be no material changes to the conditions of the markets in which Deutsche Börse AG operates.
- The main exchange rates and inflation and tax rates in Deutsche Börse AG's principal markets will remain materially unchanged from the prevailing rates.
- There will be no material changes in legislation or regulatory requirements impacting on Deutsche Börse AG's operations or its accounting policies.
- There will be no material changes to Deutsche Börse AG's obligations to customers.
- There will be no material change to the competitive environment leading to an adverse impact on consumer preferences or the capacity of the Deutsche Börse AG business to penetrate new markets.

Factors within the influence and control of the Directors

- There will be no material impact on Deutsche Börse AG's ability to negotiate new business.
- There will be no material change to Deutsche Börse AG's customer base or the ability or willingness of the customer base to meet its obligations to Deutsche Börse AG from that currently anticipated by the Directors.

LSEG

Not applicable. There is no profit forecast or estimate for LSEG plc.

HoldCo

Not applicable. There is no profit forecast or estimate for HoldCo.

Section B: Accountant's Report on the Deutsche Börse Profit Forecast

KPMG LLP
15 Canada Square
London
E14 5GL
United Kingdom

The Directors and Proposed Directors
HLDCO123 PLC
10 Paternoster Square
London EC4M 7LS

28 July 2016

Ladies and Gentlemen

Deutsche Börse AG ("DBAG")

We report on the profit forecast comprising forecast of net revenue, operating costs, and net income of DBAG for the year ended 31 December 2016 (the "Profit Forecast"). The Profit Forecast, and the material assumptions upon which it is based, are set out in Section A of Annex 2 of the supplementary prospectus issued by HLDCO123 PLC (the "Company") dated 28 July 2016. This report is required by paragraph 13.2 of Annex I of the Prospectus Directive Regulation and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

It is the responsibility of the directors and the proposed directors of the Company to prepare the Profit Forecast in accordance with the requirements of the Prospectus Directive Regulation.

It is our responsibility to form an opinion as required by the Prospectus Directive Regulation as to the proper compilation of the Profit Forecast and to report that opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 23.1 of Annex I of the Prospectus Directive Regulation, consenting to its inclusion in the prospectus.

Basis of preparation of the Profit Forecast

The Profit Forecast has been prepared on the basis stated in Section A of Annex 2 of the supplementary prospectus and is based on the unaudited interim condensed consolidated financial information for the six months ended 30 June 2016 and a forecast to 31 December 2016. The Profit Forecast is required to be presented on a basis consistent with the accounting policies of the Company.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included evaluating the basis on which the historical financial information included in the Profit Forecast has been prepared and considering whether the Profit Forecast has been accurately computed based upon the disclosed assumptions and the accounting policies of the Company. Whilst the assumptions upon which the Profit Forecast are based are solely the responsibility of the directors and the proposed directors of the Company, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the directors and the proposed directors of the Company which, in our opinion, are necessary for a proper understanding of the Profit Forecast have not been disclosed and whether any material assumption made by the directors and the proposed directors of the Company appears to us to be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Profit Forecast has been properly compiled on the basis stated.

Since the Profit Forecast and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the Profit Forecast and differences may be material.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion the Profit Forecast has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the supplementary prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the prospectus in compliance with paragraph 1.2 of Annex I of the Prospectus Directive Regulation.

Yours faithfully

KPMG LLP

Merrill Corporation Ltd, London
16ZBV11901