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THIS ANNOUNCEMENT IS NOT AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE “CODE”) AND THERE CAN BE NO CERTAINTY THAT ANY SUCH OFFER WILL BE MADE

FOR IMMEDIATE RELEASE

26 February 2016

Further information on the potential merger of equals between London Stock Exchange Group plc (“LSEG”) and Deutsche Börse AG (“Deutsche Börse”)

Further to the announcement on 23 February 2016, LSEG and Deutsche Börse set out below a summary of further key terms which the parties have agreed in relation to the potential merger of LSEG and Deutsche Börse (the “Potential Merger”) to form a combined group (the “Combined Group”):

- Combined Group to be a UK plc domiciled in London;
- LSEG in London and Deutsche Börse in Frankfurt to become intermediate subsidiaries of the Combined Group;
- Combined Group to have headquarters in London and Frankfurt;
- Combined Group to seek a premium listing on the London Stock Exchange and prime standard listing on the Frankfurt Stock Exchange;
- Balanced governance structure of the Combined Group board with equal representation from LSEG and Deutsche Börse to include:
 - Donald Brydon as Chairman;
 - Joachim Faber as Deputy Chairman and Senior Independent Director;
 - Carsten Kengeter as CEO and executive director;
 - David Warren as CFO and executive director.
- A joint committee (the “Referendum Committee”) has been set up to advise on the implications of the vote by the United Kingdom electorate on the European Union membership of the United Kingdom.

Further key terms

The Potential Merger would be structured as an all-share merger of equals under a new UK holding company. LSEG in London and Deutsche Börse in Frankfurt would become intermediate subsidiaries of the Combined Group. The existing regulatory framework of all regulated entities within the Combined Group would remain unchanged, subject to customary and final regulatory approvals.

The Combined Group would seek a premium listing on the London Stock Exchange and a prime standard listing on the Frankfurt Stock Exchange. It is envisaged that the Combined Group shares would be eligible for inclusion in the EuroStoxx, DAX and FTSE Russell index series.

The Combined Group would have headquarters in London and Frankfurt, with an efficient distribution of corporate functions in both locations. The Combined Group would have a unitary board with equal representation from LSEG and Deutsche Börse and be constituted in accordance with the UK Corporate Governance Code. At completion, Donald Brydon, Chairman of LSEG, would become Chairman of the Combined Group while Joachim Faber, Chairman of Deutsche Börse, would become Deputy Chairman and Senior Independent Director of the Combined Group. Carsten Kengeter, CEO of Deutsche Börse, would assume

the role of CEO and executive director of the Combined Group while David Warren, CFO of LSEG, would become CFO and executive director of the Combined Group.

On completion of the transaction, Xavier Rolet will step down from his role as CEO of LSEG. Donald Brydon, Chairman of LSEG, said:

“Xavier has been the architect of LSEG’s considerable value creation and has offered to retire in order to ensure the successful creation of the new group. The Board of LSEG is indebted to Xavier for this action which is consistent with his focus on putting the interests of shareholders and clients first. It has accepted his offer. He has agreed to remain available to the new Board to assist in any way to ensure an effective transition. With open access enshrined in European Securities law, the Board considers that the value creating opportunities of the combination stand as a testament to his achievement at LSEG.”

Compelling strategic rationale

The Boards believe that the Potential Merger would represent a compelling opportunity for both companies to strengthen each other in an industry-defining combination, creating a leading European-based global markets infrastructure group. The combination of LSEG and Deutsche Börse’s complementary growth strategies, products, services and geographic footprint would be expected to deliver an enhanced ability to provide a full service offering to customers on a global basis.

The Boards also believe that the Combined Group would offer the potential for significant customer benefits. By connecting the London and Frankfurt cash exchanges, a liquidity bridge would be established, broadening customer access to more securities to the benefit of market participants in line with the evolving regulatory landscape. Furthermore, a portfolio margining service between listed and OTC derivative markets would provide cost of capital savings and margin relief.

The Combined Group would be customer-centric and in an ideal position to help clients navigate the emerging regulatory landscape. The full service offering of the Combined Group would build on its deep liquid and transparent trading markets, leading clearing house solutions and risk and balance sheet management capabilities (including collateral management functionalities) as well as comprehensive regulatory reporting solutions.

The Boards believe that the Combined Group would be able to achieve substantial cost synergies, principally from removing duplication of technology and operations across business lines, corporate services and support functions taking into account the respective strengths of both companies. The parties expect that the impact of synergy realisation would be distributed in a balanced manner across the two companies.

The Boards also believe there would be a significant opportunity for revenue synergies due to the ability of the Combined Group to offer both existing and new innovative products and services through an expanded global distribution network to existing and new customers across the buy and sell side.

Further information regarding synergies will be set out in due course.

Referendum Committee

LSEG and Deutsche Börse have initiated discussions about the Potential Merger with their primary regulators as well as with the governments of the United Kingdom, Germany, Italy and France.

The parties are proceeding on the basis that existing regulatory and political structures remain in place. This transaction would be expected to fully optimise and benefit from the potential of the Capital Markets Union project. It is recognised that a decision by the United Kingdom electorate to leave the European Union (a “Leave Decision”) would put that project at risk.

This globally competitive exchange group would provide the European Union's 23 million small and medium-size enterprises as well as its blue-chips much greater access to the lower-cost equity and debt finance they need to scale up, powering sustainable economic growth, investment and creating the high quality jobs of tomorrow.

As the number of possible scenarios facing the Combined Group in the event of a Leave Decision is impossible to model today, the two Boards have created the Referendum Committee to consider and make non-binding recommendations to the Boards on the ramifications of such a decision.

LSEG and Deutsche Börse believe that the Potential Merger would be well positioned to serve global customers irrespective of the outcome of the vote by the United Kingdom electorate on the European Union membership of the United Kingdom (the "Referendum"), although this might well affect the volume or nature of the business conducted in the different financial centres served by the Combined Group. Accordingly, the outcome of the Referendum would not be a condition of the Potential Merger.

Other terms and conditions of the Potential Merger

Discussions between the parties remain ongoing regarding the other terms and conditions of the Potential Merger.

Further detail on these terms and conditions would be provided in any announcement that may be made pursuant to Rule 2.7 of the Code and/or in any documents that are posted to LSEG and Deutsche Börse shareholders in connection with the Potential Merger.

The formal announcement of the Potential Merger remains conditional on, inter alia, agreement on all terms and conditions of the Potential Merger, satisfactory completion of customary due diligence and final approval by the Boards. The parties reserve the right to a) waive any of these pre-conditions (in whole or in part), and/or b), with the agreement of the other party, to vary any of the key terms referred to in this announcement, albeit no revision is currently expected.

The financial terms of the Potential Merger and the reservations to such terms as set out in the announcement on 23 February 2016 remain as set out in that announcement.

The description of the further key terms of the Potential Merger in this announcement is a summary of such terms. Further detail on these summarised terms will be provided in any announcement that may be made pursuant to Rule 2.7 of the Code and/or in any documents that are posted to LSEG and Deutsche Börse shareholders in connection with the Potential Merger.

There can be no certainty that any transaction will occur. Any transaction would be subject to regulatory approvals, LSEG shareholder approval and Deutsche Börse shareholders' acceptance, as well as other customary conditions.

In accordance with Rule 2.6(a) of the Code, Deutsche Börse is required, by no later than 5.00 p.m. on 22 March 2016, to do one of the following: (i) announce a firm intention to make an offer for LSEG in accordance with Rule 2.7 of the Code; or (ii) announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline can be extended with the consent of the Panel in accordance with Rule 2.6(c) of the Code.

This announcement has been made with the consent of LSEG and Deutsche Börse.

Enquiries

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Notes to Editors

For further information visit: www.lseg.com

Important notices

This announcement is not intended to and does not constitute or form part of any offer to sell or subscribe for or any invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the proposed LSEG-Deutsche Börse combination or otherwise, nor shall there be any sale, issuance or transfer of securities of Deutsche Börse or LSEG pursuant to the proposed LSEG-Deutsche Börse combination or otherwise in any jurisdiction in contravention of applicable laws. This announcement does not constitute a prospectus or prospectus equivalent document.

Important notices relating to financial advisers

Robey Warshaw LLP (“Robey Warshaw”), which is authorised and regulated by the Financial Conduct Authority, is acting as lead financial adviser to LSEG and no one else in connection with the contents of this announcement and will not be responsible to anyone other than LSEG for providing the protections afforded to its clients or for providing advice in connection with the contents of this announcement or any matter referred to in this announcement.

Perella Weinberg Partners UK LLP (“Perella Weinberg Partners”), which is authorised and regulated in the UK by the Financial Conduct Authority, is acting as lead financial adviser to Deutsche Börse and no one else in connection with the contents of this announcement and will not be responsible to anyone other than Deutsche Börse for providing the protections afforded to its clients or for providing advice in connection with the contents of this announcement or any matter referred to in this announcement.

Overseas jurisdictions

The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. The information disclosed in this announcement may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

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The new shares have not been and will not be registered under the US Securities Act of 1933 (the “US Securities Act”) or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the new shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into the United States absent registration under the US Securities Act or an exemption therefrom. There will be no public offer of new shares issued under any takeover offer in the United States.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the

commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication of this announcement

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available on the website of LSEG at www.lseg.com by no later than 12 noon (London time) on the business day following this announcement. The content of the websites referred to in this announcement are not incorporated into and do not form part of this announcement.