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FOR IMMEDIATE RELEASE

23 February 2016

Potential merger of equals between London Stock Exchange Group plc ("LSE") and Deutsche Boerse AG ("Deutsche Boerse")

Further to the recent movement in LSE's share price, the Board of LSE and the Management Board of Deutsche Boerse confirm that they are in detailed discussions about a potential merger of equals of the two businesses (the "Potential Merger" to form the "Combined Group").

The Potential Merger would be structured as an all-share merger of equals under a new holding company. Under the terms of the Potential Merger, LSE shareholders would be entitled to receive 0.4421 new shares in exchange for each LSE share and Deutsche Boerse shareholders would be entitled to receive one new share in exchange for each Deutsche Boerse share. Based on this exchange ratio, the parties anticipate that Deutsche Boerse shareholders would hold 54.4 per cent, and LSE shareholders would hold 45.6 per cent of the enlarged issued and to be issued share capital of the Combined Group. The Combined Group would have a unitary board composed of equal numbers of LSE and Deutsche Boerse directors.

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 LSE and Deutsche Boerse'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. LSE and Deutsche Boerse believe that the Potential Merger would offer the prospect of enhanced growth, significant customer benefits including cross-margining between listed and OTC derivatives clearing (subject to regulatory approvals), as well as substantial revenue and cost synergies and increased shareholder value. All key businesses of LSE and Deutsche Boerse would continue to operate under their current brand names. The existing regulatory framework of all regulated entities within the Combined Group would remain unchanged, subject to customary and final regulatory approvals.

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

The formal announcement of the Potential Merger remains conditional on, inter alia, agreement on the other 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 these pre-conditions, b), with the agreement of the other party, to vary the form of consideration and/or make an offer on higher or lower terms (including the exchange ratio), albeit no revision is currently expected, and/or c) to adjust the terms to take account of any dividend announced, declared, made or paid by either party, save for ordinary course dividends (consistent with past practice in timing and amount) declared or paid prior to completion.

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

LSE and Deutsche Boerse expect to provide a further update in due course.

In accordance with Rule 2.6(a) of the Code, Deutsche Boerse 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 LSE 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.

The Potential Merger, if completed, would be classified as a reverse takeover under the Listing Rules of the Financial Conduct Authority. LSE is required to provide certain confirmations to ensure that there is sufficient information available to the public with regard to the potential reverse takeover in order to avoid a suspension of LSE's shares. Pursuant to LR 5.6.10G(2) of the Listing Rules, LSE confirms that Deutsche Boerse has its shares listed on the Frankfurt Stock Exchange, which is a regulated market in the European Economic Area, and that Deutsche Boerse has complied with the disclosure requirements applicable on that market. Information disclosed pursuant to those requirements can be obtained at www.deutsche-boerse.com/investor_relations.

This announcement has been made with the consent of LSE and Deutsche Boerse.

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Notes to Editors

For further information visit: www.londonstockexchangeplc.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 LSE-Deutsche Boerse combination or otherwise, nor shall there be any sale, issuance or transfer of securities of Deutsche Boerse or LSE pursuant to the proposed LSE-Deutsche Boerse 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 LSE and no one else in connection with the contents of this announcement and will not be responsible to anyone other than LSE 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 Boerse and no one else in connection with the contents of this announcement and will not be responsible to anyone other than Deutsche Boerse 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 LSE at www.londonstockexchangeplc.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.

Bases of calculation

The anticipated pro forma ownership of LSE and Deutsche Boerse shareholders on completion of the Potential Merger has been calculated by reference to:

- *The entire issued and to be issued share capital of LSE, comprising:*
 - *348,376,066 ordinary shares as at the date of this announcement;*
 - *36,342 outstanding share options that have been granted by LSE under the International Sharesave Plan with a weighted average exercise price of GBP 7.79 as on 31 December 2015;*
 - *920,817 outstanding share options that have been granted by LSE under the SAYE plan with a weighted average exercise price of GBP 13.91 as on 31 December 2015;*
 - *6,093,362 shares have been conditionally awarded under the Long Term Incentive Plan. These are exercisable at no cost subject to certain conditions as on 31 December 2015;*
 - *462,378 ordinary shares were held by LSE's Employee Benefit Trust as on 31 December 2015;*
- *The entire issued and to be issued share capital of Deutsche Boerse, comprising:*
 - *186,723,986 ordinary shares as at the date of this announcement;*
 - *65,454 options outstanding exercisable at no cost and payable in cash.*