



London
Stock Exchange Group

Recommended All-Share Merger: Creating a Leading Europe-based Global Markets Infrastructure Group

June 1, 2016

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1. Strategic Rationale and Stakeholder Benefits



Industry-defining and value-enhancing combination

Strong Value Creation

- Combination enables shareholders of LSEG and Deutsche Börse to participate in the significant value creation opportunity through their interests in HoldCo
- Accretive to adjusted cash earnings for both sets of shareholders in year one⁽¹⁾
- Deliver significant value creation through cost synergies of approximately €450m per annum to be achieved in year three post transaction close
- Revenue synergies of at least €250m per annum to be achieved in year five post transaction close, with approximately €160m achieved by year three
- Significant additional revenue growth opportunities possible

Compelling Strategic Rationale

- Create a leading global markets infrastructure group anchored in Europe
- Largest exchange group by total income with a diversified revenue mix by product and geography
- Address changing global customer needs in an evolving regulatory landscape
- Maintain and strengthen its customer partnership and pro customer choice principles
- Enhance both London and Frankfurt as domestic and international financial centres
- Support the development of the EU's Capital Markets Union through the Combined Group's commitment to SME markets and initiatives
- Create a leading venue for capital formation and the facilitation of economic growth
- Deliver a platform of choice for risk and balance sheet management, increasing safety, resiliency and transparency in global markets
- Create a leading information services business, providing innovative benchmarking in index and data products to inform decision-making across the investment life cycle
- Benefit from an enhanced global footprint and the creation of a platform for future growth in Asia and North America

Note(s): (1) This statement is not intended as a profit forecast or a profit estimate and should not be interpreted to mean that earnings or earnings per share for HoldCo, Deutsche Börse or LSEG, as appropriate, for the current or future financial years, or those of the Combined Group, would necessarily match or exceed the historical published earnings or earnings per share for Deutsche Börse or LSEG, as appropriate.

Compelling strategic rationale



London

Stock Exchange Group

- ✓ Deep liquidity pools in EU benchmarks (in equities, index, interest rates, power and gas) and cash markets in Europe's largest economy
- ✓ A leader in listed derivatives trading and clearing, with Eurex as a strong global brand
- ✓ Outstanding clearing and risk management expertise, offering real time capabilities and portfolio-based margining
- ✓ World class custody, settlement and collateral management services through Clearstream
- ✓ High-quality market data and leading European benchmark indices (STOXX, DAX)
- ✓ High performance trading, clearing and risk management technology
- ✓ **Proven track record of delivering returns to shareholders – TSR of ~37% over a 2 year period⁽¹⁾**

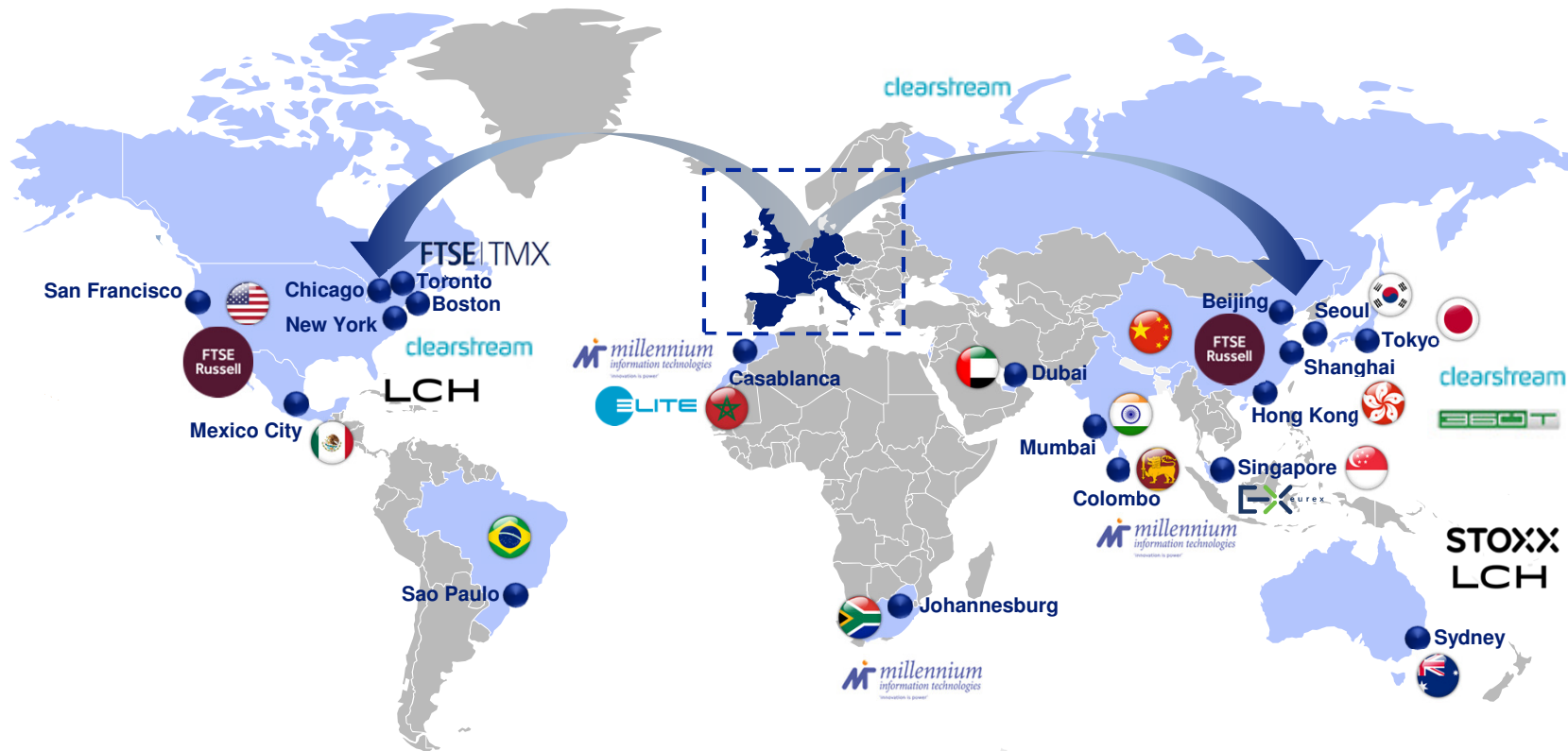
- ✓ London is Europe's largest capital market with a deep pool of liquidity and international issuers and investors
- ✓ London is home to AIM, the world's largest growth market and further supports SMEs through ELITE and "1000 Companies to Inspire Britain"
- ✓ Leading multi-asset class CCP clearing houses: LCH and CC&G
- ✓ Strong global index business (FTSE Russell) with US, UK and Asia footprint, extensive market data and analytics expertise
- ✓ Leading developer of trading, OTC clearing and risk management technology
- ✓ Strong credibility with customer base as partner and operator of strategic assets
- ✓ **Proven track record of delivering returns to shareholders – TSR of ~27% over a 2 year period⁽¹⁾**

Combination of complementary businesses positioned to accelerate growth

Note(s): (1) Calculated over the two year period ending 22 February 2016; Source: Thomson Reuters Datastream

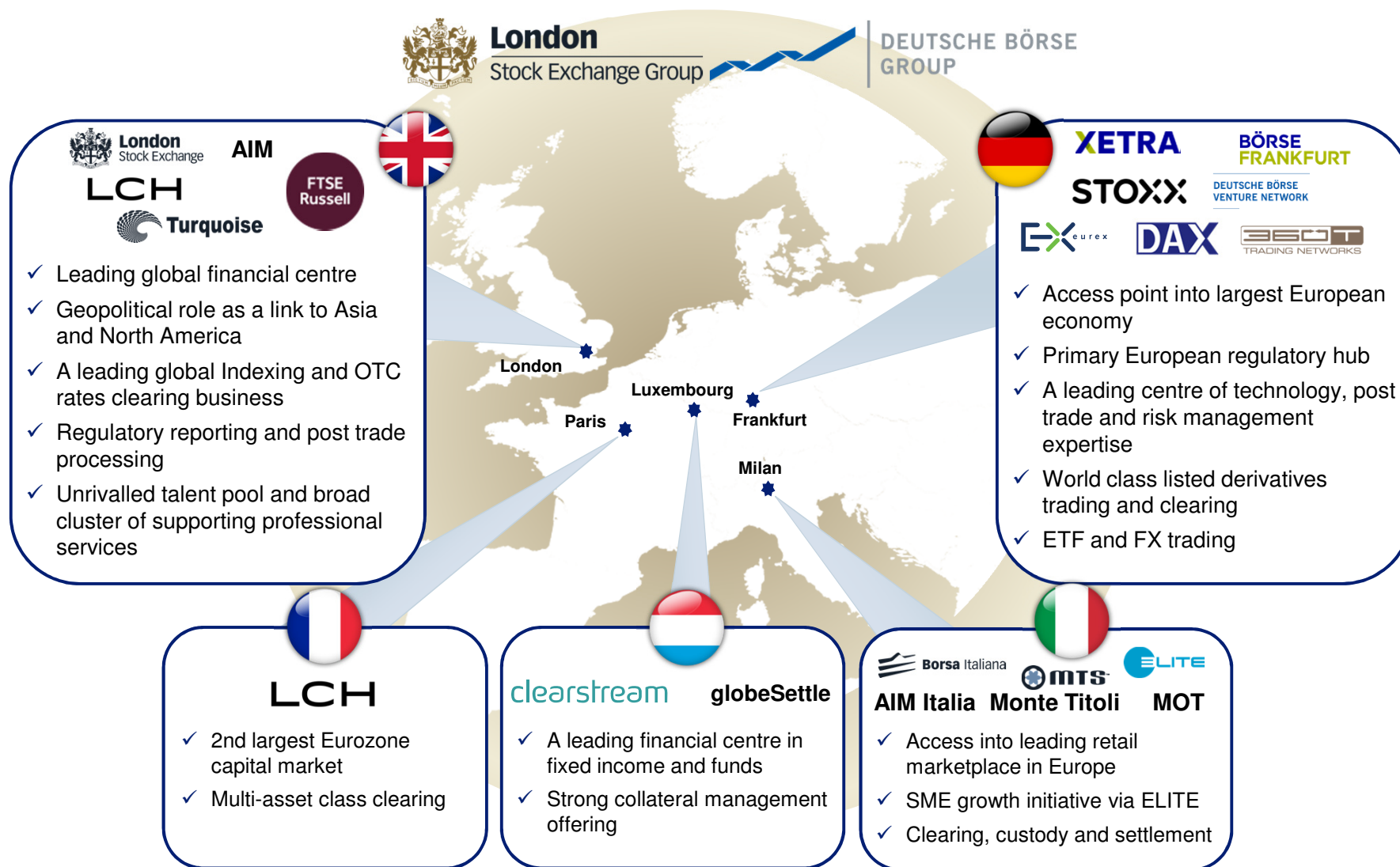
Creating a Europe-based markets infrastructure group with global reach

- ✓ Combined Group has operations in over 30 countries
- ✓ Over 70 strategic partnerships around the world
- ✓ Combined Group well positioned in Asia and North America



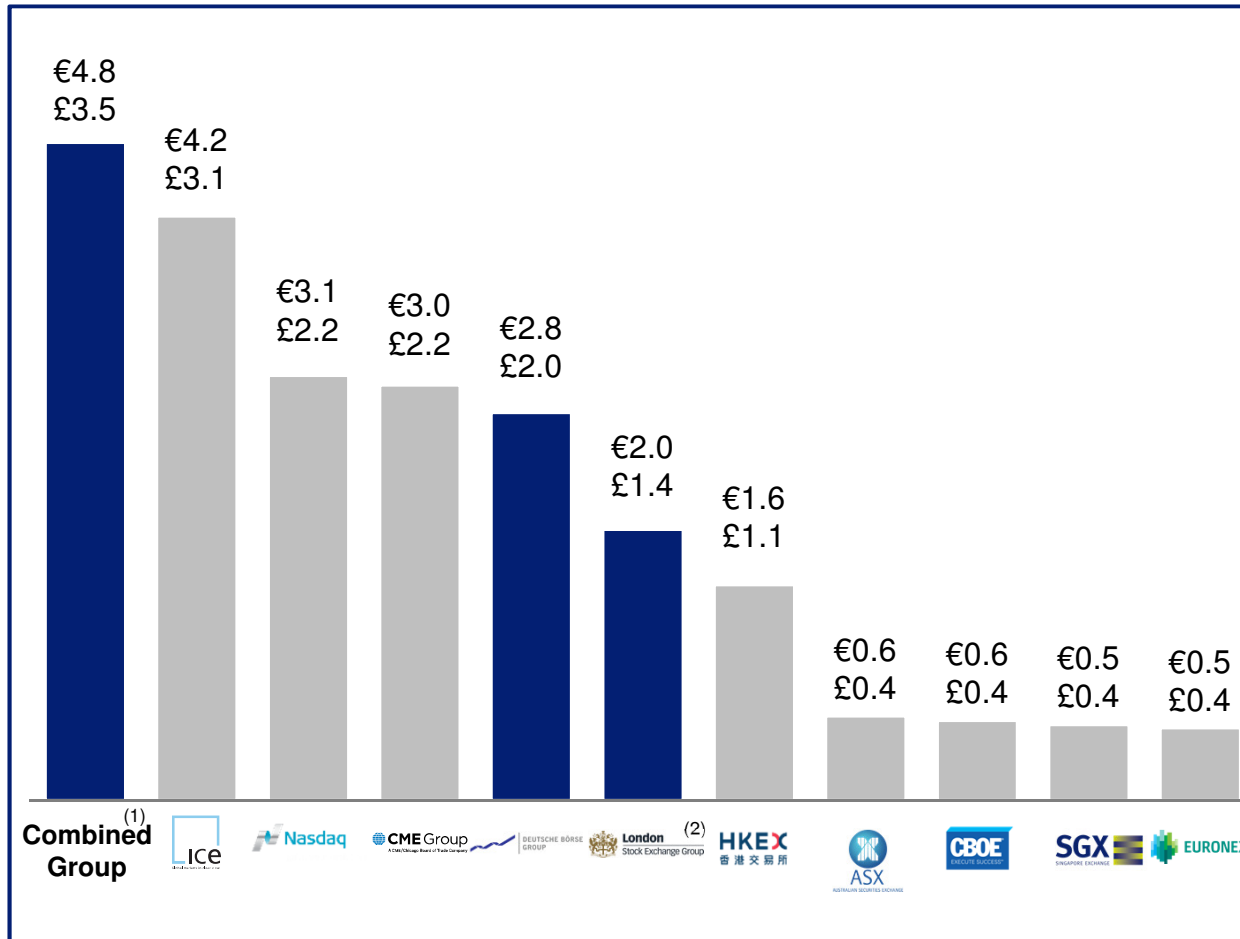
Locations of Deutsche Börse and London Stock Exchange Group (and selected brands of the Combined Group)

Brings together leading European and Global businesses



Combined Group will have a strong industry position

2015 Total Income (€, £ in billions)



- ✓ Create a leading Europe-based global markets infrastructure group
 - Invests in innovative services / state-of-the-art infrastructure
 - Helps Europe maintain and enhance its capital markets infrastructure long-term
- ✓ Linking London and Frankfurt will drive economic growth and job creation
 - Links market infrastructure of the two largest European economies
 - Provides EU's 23 million SMEs and blue-chip companies with better access to lower-cost equity / debt financing
- ✓ Enhance position in global market infrastructure sector
 - Ability to react to industry dynamics and to compete globally

Source: Company filings, FactSet

Note(s): Numbers translated using average 2015 FX rates (1) Rounding differences in Combined Group; Excludes discontinued operations (2) Excludes discontinued operations

Combined Group supports European Capital Markets Union objectives

Strengthens European Capital Market	Support Customers and Stakeholders	Accelerate Capital Markets Union
<ul style="list-style-type: none">✓ Create and develop a liquidity bridge to facilitate trading and post trade services✓ Build on the Combined Group's strong European businesses in UK, Germany, Italy, Luxembourg and France✓ Further strengthen relationships and collaboration with existing regulators	<ul style="list-style-type: none">✓ Strong partner for customers and regulators to adapt to industry and regulatory dynamics✓ More efficient liquidity and counterparty risk management✓ Regulatory framework of combined group to remain unchanged, whilst increasing safety, resiliency and transparency of capital markets⁽¹⁾	<ul style="list-style-type: none">✓ European platform for financing growth companies at all stages of development✓ Support SMEs to scale up across Europe to drive competitiveness, economic growth and job creation - AIM, ELITE, Deutsche Börse Venture Network✓ Combined Group's commitment and focus on the SME community will support acceleration of EU's CMU initiative

Helping make the vision of Capital Markets Union in Europe a reality

Note(s): (1) Subject to customary and final regulatory approvals

Combination of London and Frankfurt, enhancing both financial centres domestically and internationally



Industry defining combination of London Stock Exchange Group and Deutsche Börse

- Highly complementary combination of businesses and geographic footprint, enhancing the product offering and accelerating growth strategies
- Maintaining respective strengths and capabilities of Frankfurt and London

Enhance established links between financial services and the real economy

- Frankfurt and London are important financial and trade centres for Europe and the global economy
- Both committed to supporting the European Union's 23 million SMEs and high growth businesses

Extend services and benefits for customers

- Portfolio margining to optimise capital and margin requirements for market participants across different pools
- Creation of liquidity bridge provides access to a larger liquidity pool and investor base

Contributing to financial stability of European market

- Strong regulatory framework – existing regulatory roles maintained for regulated entities
- Addressing changing customer needs in an evolving regulatory landscape
- Facilitates development of the Capital Markets Union in Europe

Enhanced positioning for London



London

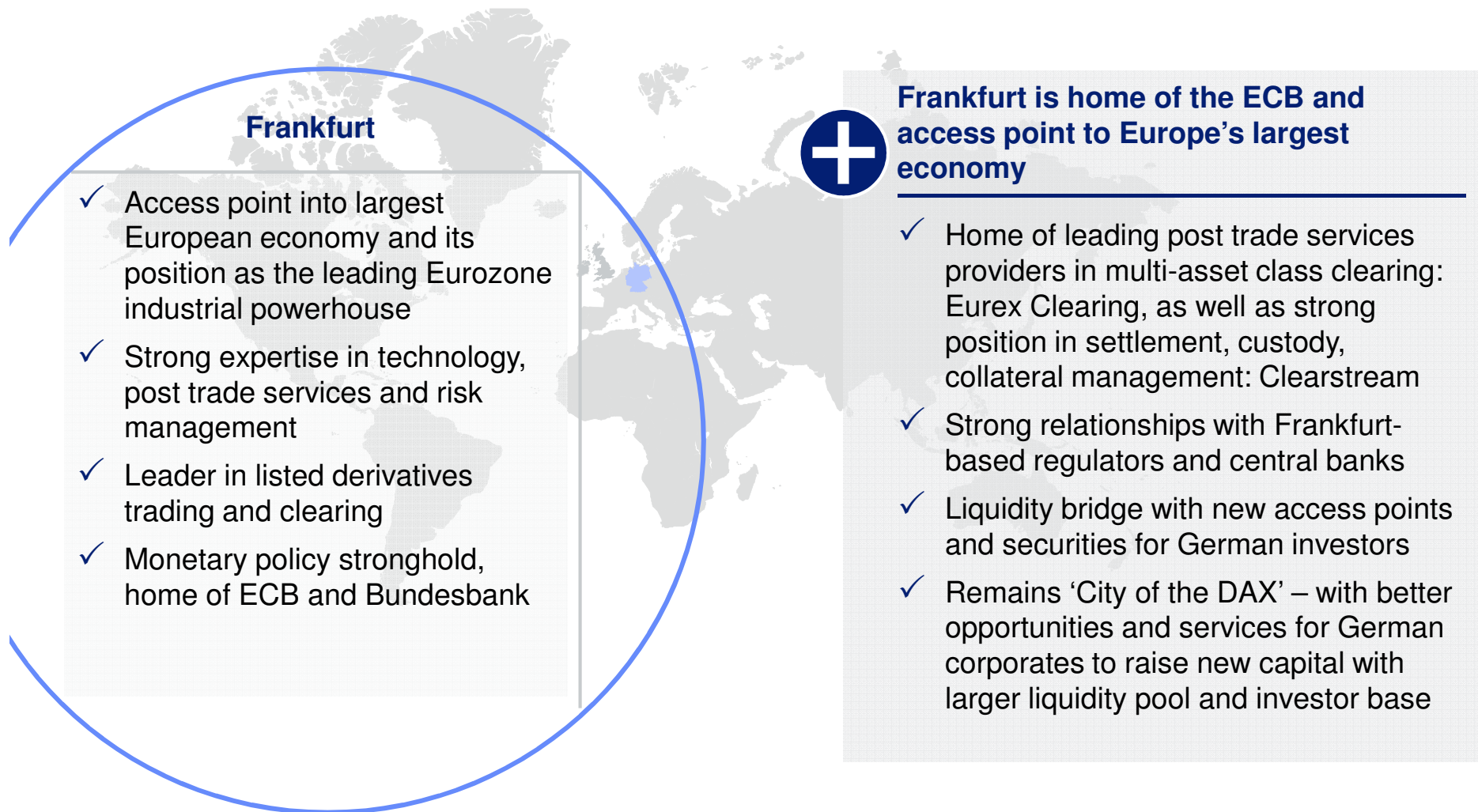
- ✓ Leading global financial centre
- ✓ Geopolitical role as link to Asia and North America
- ✓ Most international listing venue with deep liquidity pool and international investor base
- ✓ A leader in OTC clearing, LCH; home of a global index leader, FTSE Russell; strong primary and secondary markets
- ✓ Outstanding international talent pool and broad cluster of supporting professional services



Merger reinforces London's role as leading global financial centre

- ✓ Creates UK TopCo, London-based UK plc global markets infrastructure leader
- ✓ Further strengthens position in international capital markets, including a leading position in multi asset class OTC clearing (LCH), post trade and risk management, technology, global indexes, primary and secondary markets

Enhanced positioning for Frankfurt



Addressing changing global customer needs and providing benefits to all stakeholders

Shareholders	<ul style="list-style-type: none">• Enhanced growth profile with diversified multi-asset revenue streams• Meaningful value creation• Attractive capital return policy
Investors	<ul style="list-style-type: none">• Creates deeper liquidity pools and more transparent markets• Simplifies and enhances global access to multiple products• Meeting non-discriminatory open access provisions, across all relevant businesses, in forthcoming European regulation (MiFID II / MiFIR)
Intermediaries	<ul style="list-style-type: none">• Significantly improved risk management, cost and capital efficiencies• Portfolio-margining opportunities and more efficient collateral management• Partner for risk, analytics and reporting solutions
Issuers	<ul style="list-style-type: none">• Global listings partner of choice with London, Frankfurt and Milan markets• Ecosystem for financing companies at all stages of development, including SMEs• Helps to make Capital Markets Union (CMU) in Europe a reality
Employees	<ul style="list-style-type: none">• Enhanced opportunities through better positioned global business• Member of a leading Europe-based global markets infrastructure group with diversified revenue streams
Creditors	<ul style="list-style-type: none">• Attractive cash flow profile• Continued ability to de-lever capital structure
Regulators	<ul style="list-style-type: none">• The existing national regulatory framework of all regulated entities within the Combined Group would remain unchanged⁽¹⁾• Combination results in harmonisation and transparency in capital markets across jurisdictions• A stronger, more diversified clearing provider, promoting safety, resiliency and transparency of global financial markets

Note(s): (1) Subject to customary and final regulatory approvals



2. Combined Group Business Overview



Leading positions across each of our global business lines

Capital Markets		Post Trade		Information Services and Technology		
Primary and secondary cash markets	Derivatives trading	Clearing	Custody and settlement	Index	Technology	Market data
<div><div>London Stock Exchange Group</div><div></div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>
<div><div>DEUTSCHE BÖRSE GROUP</div><div></div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>
<p>Creating an ecosystem for financing European and international companies in all stages of their development across asset classes</p>	<p>Unlocks customer benefits arising from portfolio margining service between OTC and exchange traded liquidity pools</p> <p>Continue to promote safety, resiliency and transparency in global markets via multi asset class clearing and risk management</p>	<p>Well positioned to attract assets and issuers in a T2S world</p>	<p>Over €450bn ETF assets benchmarked by FTSE, Russell and STOXX - well positioned for structural growth in asset management sector globally</p>	<p>A leading provider of low cost trading and technology with ability to develop and sell multi-asset cross currency platforms</p>	<p>Valuable collection of real time, reference data, technology and software assets supporting clients to stay informed, manage data and fulfil regulatory reporting requirements</p>	
<p>Key: <div>Well established market presence</div> <div>Well placed for growth</div></p>						

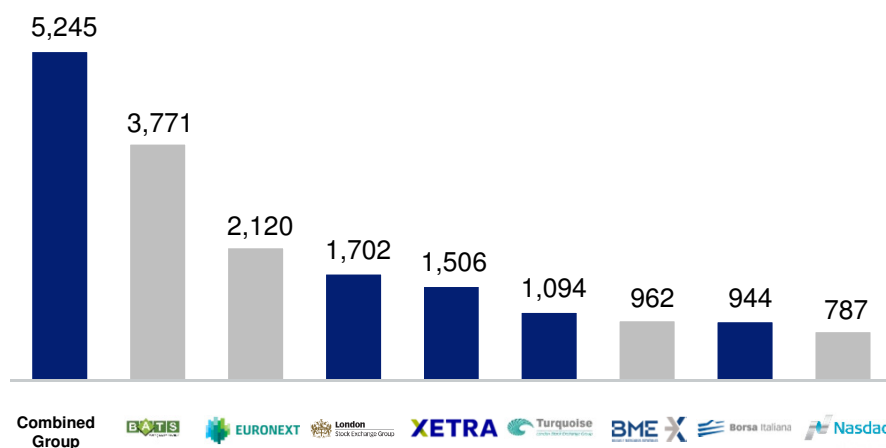
Truly multi-asset class with leading positions across derivatives, equities, fixed income, FX and energy products

Global Derivatives (Exchange Listed Traded Contracts, 2015 m)



Source: Futures Industry Association (FIA), 2015

European Equities (2015 trading volume €bn)



Source: Company filings, Dec 2015

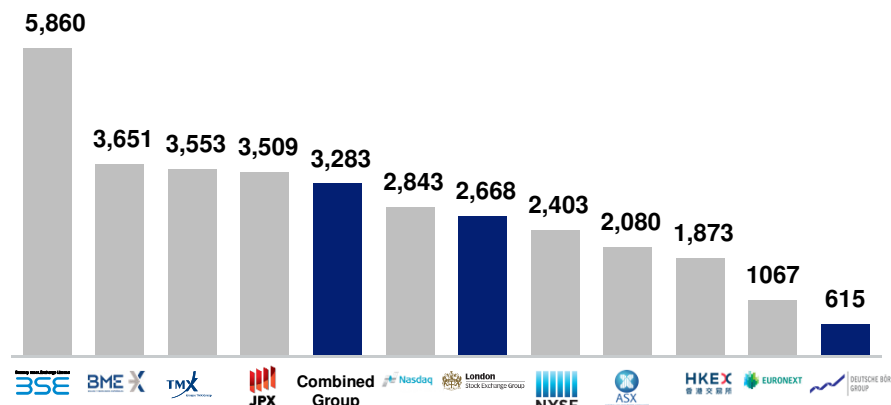
Traded Products Cover Multiple Asset Classes

	Combined Group	ICE	CME Group	HKEX
Derivative Products				
Equity	✓	✓	✓	✓
Interest Rate	✓	✓	✓	✓
FX	✓	✓	✓	✓
Commodities	✓	✓	✓	✓
Cash Products				
Equities	✓	✓		✓
ETPs	✓	✓		✓
Fixed Income	✓	✓		✓
FX	✓			
Commodities	✓	✓		✓

Creating a leading venue for capital formation and facilitating economic growth in Europe

- ✓ The Combined Group will facilitate European growth and expansion
- ✓ Supports Europe's 23 million small and medium-sized enterprises, as well as blue chips and international companies. Facilitates the scale-up and growth of European companies across the continent and globally
- ✓ Commitment to continue to build and develop AIM, the world's largest growth market for SMEs, Borsa Italiana's MOT and other SME support programs such as ELITE and Deutsche Börse Venture Network
- ✓ Capital efficiency gains drive healthier lending to the real economy
- ✓ Delivers a full service offering across European companies and financing needs

Number of Listed Companies



Source: World Federation of Exchanges, Jan 2016 – Selection of exchanges shown after top 9

As at December 2015 the Combined Group would have had over 3,200 companies on its markets with a market cap of €7.1trn / £5.6trn

Source: Federation of European Securities Exchanges, Company information

Powering sustainable economic growth, investment and long-term job creation

Building upon existing assets to support SMEs

AIM The world's largest and established market for growth companies



An innovative programme to help businesses grow, including educational training and direct contact with Europe's financial and adviser community



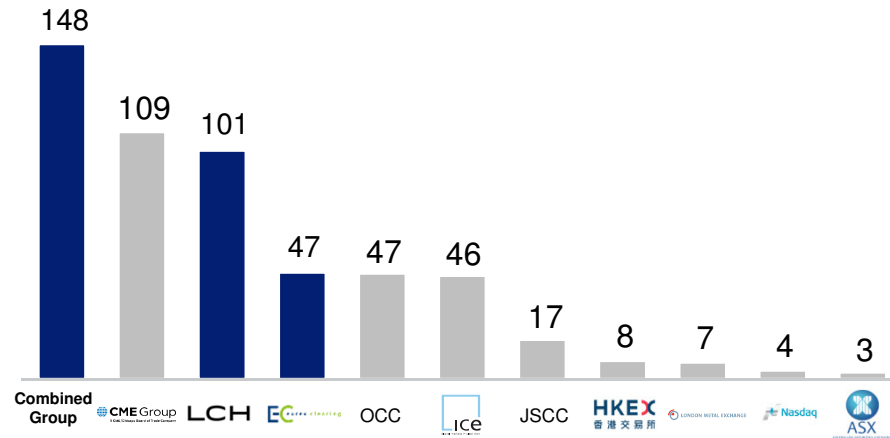
Connects issuers and investors to effectively improve funding situation for high-growth companies

ORB / MOT

An order-driven trading service for retail bonds offering access to a select number of gilts, supranational and UK and Italian corporate bonds

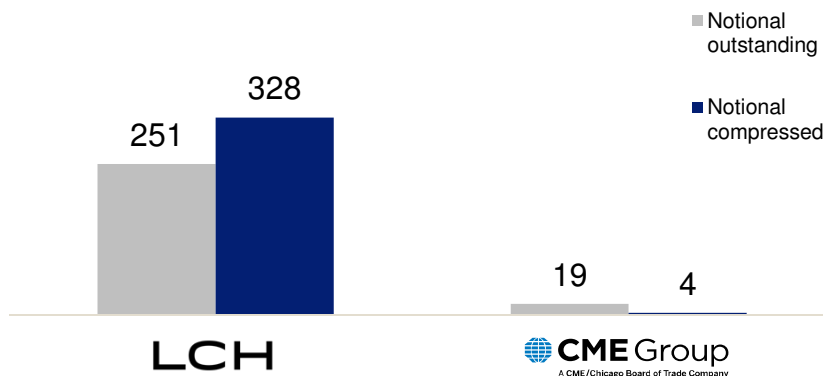
Platform of choice for risk and balance sheet management

Clearing Value (Initial Margin Pool, €bn)



Source: Company information, Sep 2015

OTC Interest Rate Derivatives Notional Amount Outstanding and Notional Amount Compressed (\$trn)



Source: Company information; Notional Amount Outstanding as at 31 Dec 2015; Notional Amount Compressed for FY 2015

- ✓ Aggregate margin pools of c.€150bn – significantly contributes to safety, resiliency and transparency of global markets
- ✓ The Combined Group will meet non-discriminatory open access provisions, across all relevant businesses, in forthcoming European regulation (MiFID II / MiFIR)
- ✓ A portfolio margining service between listed and OTC rates derivative clearing markets - significant customer benefits through margin relief and cost of capital savings

LCH

- ✓ Multi-asset class clearer across exchange traded and OTC markets
- ✓ Horizontal open access model
- ✓ Leading IRS clearing service, with deepest pool of liquidity across entire yield curve

EC clearing

- ✓ Multi-asset class clearer, key strength in exchange traded derivatives
- ✓ Serves >180 clearing members in 17 countries
- ✓ Manages collateral pool of €67bn

CC&G

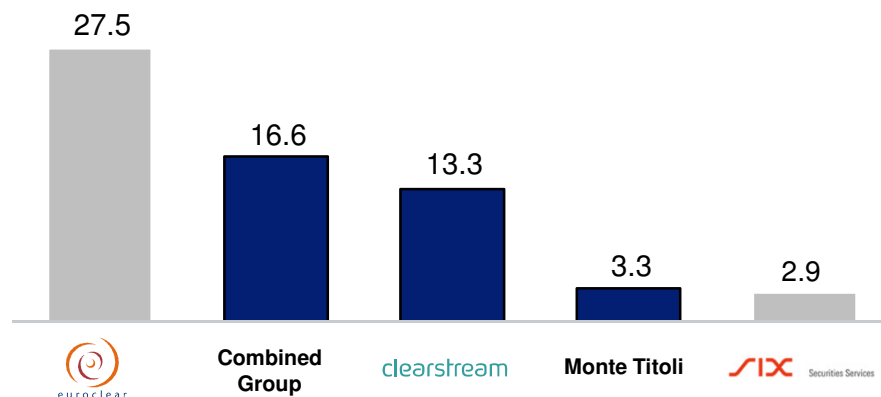
- ✓ Multi-asset class CCP service covering a broad range of trading venues
- ✓ Low cost operator with strong risk management capabilities

ECC

- ✓ A leading clearing house for energy and related products in Europe
- ✓ Provides services to twelve partner exchanges, including EEX

Global post trade services positioned at core of Combined Group

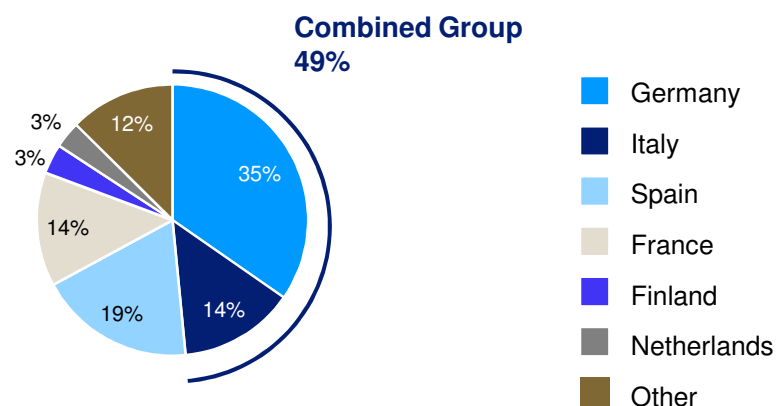
Assets under Custody (2015, €trn)



Source: Company information, Dec 2015

- ✓ In T2S world, Combined Group even better positioned to attract assets and issuers – leading position in equities and fixed income
- ✓ With over €16tn AuC and its collateral management capabilities, the Combined Group will significantly help to ease the burden of financing in market and build on Clearstream's existing global liquidity hub

T2S Split by Number of Settlement Transactions



Source: ECSDA, Dec 2014

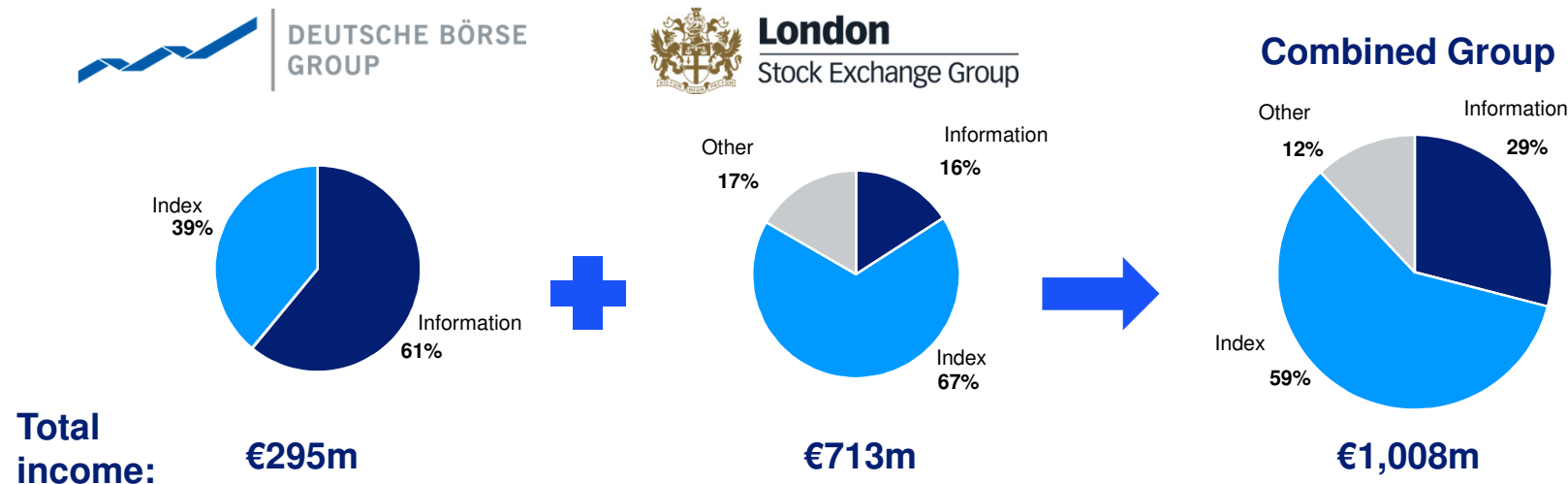
clearstream

- ✓ A leading domestic and international CSD in Europe
- ✓ Full service offering across asset servicing, strong collateral management and fund services
- ✓ Total AuC of €13.3tn

Monte Titoli

- ✓ A leading Italian-based CSD and a 1st wave participant in T2S migration
- ✓ Significant player in European fixed income market
- ✓ Total AuC of €3.3tn

Creation of a leading, multi-asset Information services business



Source: Company information, Dec 2015; Proforma financial information

A Global Information Services Franchise

- ✓ Combined Information Services segment will have diversified product, servicing customers globally
- ✓ Creation of a leading global index company through combination of STOXX and DAX with FTSE Russell, delivering benchmark and tradeable solutions for customers
- ✓ Provides complete pre and post trade transparency to customers via real time market prices, news and reference data services, software tools, technology solutions and regulatory reporting solutions
- ✓ Complementary services offered by UnaVista and Regis-TR creates leading multi-asset European trade repository, regulatory reporting and processing services
- ✓ Complementary footprint and distribution networks enable continued strong growth

Strong, IP-rich Suite of Services

- ✓ Indexes
- ✓ Real-time data and news
- ✓ Reference and historic data
- ✓ Analytics
- ✓ Connectivity and hosting
- ✓ Software and outsourcing
- ✓ Regulatory reporting services
- ✓ Consulting and implementation services

UnaVista



RNS

SEDOL



STOXX

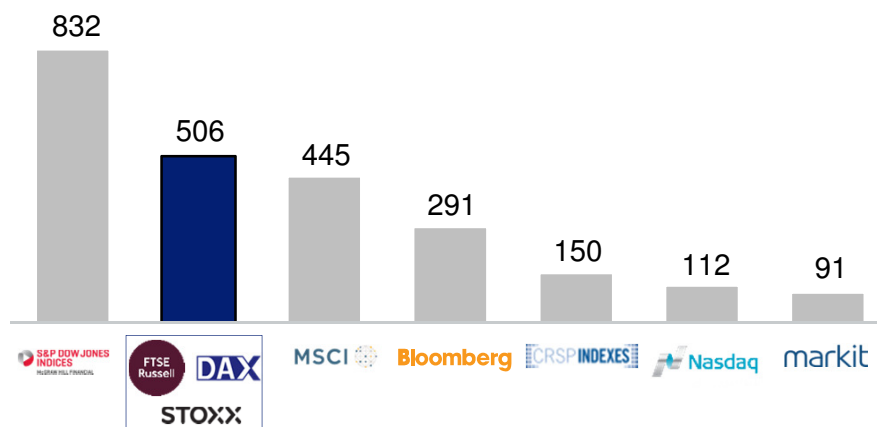
DAX

millennium
information technologies

impendum | DEUTSCHE BÖRSE GROUP

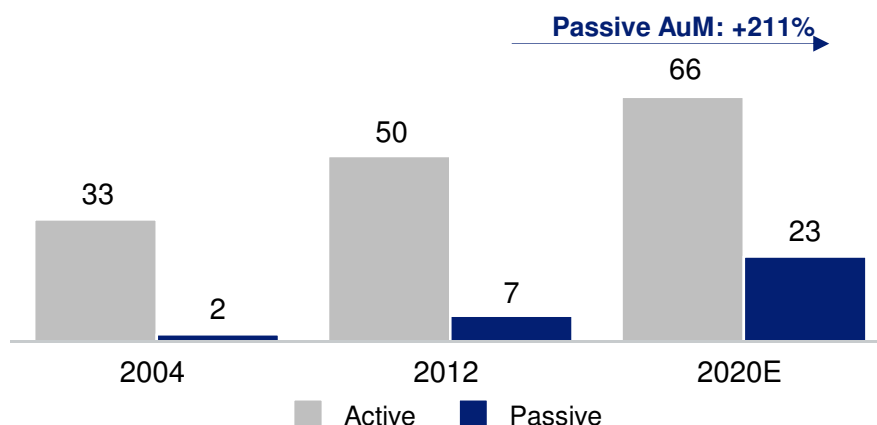
A global index leader which can capitalise on “opportunity-rich” environment

Index Linked AuM in ETFs (\$bn)



Source: ETFGI, Dec 2015

Development of Global AuM 2004 – 2020 (\$trn)



Source: PwC, 'Asset Management 2020', Dec 2014

Leading Index Business

- ✓ Leading global index brands with broad adoption by asset owners, asset managers and traders
- ✓ Highly complementary - FTSE Russell global leading benchmarking expertise combines with STOXX derivatives and tradeable index franchise
- ✓ Combined Group index business is scalable and positioned to capitalise on multiple growth trends



- ✓ A complete indexing solution covering global, multi-asset benchmarks and tradeable solutions
- ✓ Well positioned in the growth markets of US and China, both in terms of products offered (such as FTSE China A50) and client coverage through the FTSE Russell sales network
- ✓ Well placed to respond to shift to passive investment and demand for innovative benchmarking tools such as factor indexes and fixed income indexes
- ✓ Potential to create significant value by launching trading products based on FTSE Russell on Eurex
- ✓ The European ETF and benchmarking market, which has grown by over 24% per annum since 2005, is a significant opportunity for the Combined Group
 - Over \$500bn (€450bn) ETF AuM tracking both businesses indices



3. Financial Highlights



Attractive financial profile

Balance sheet and dividend policy

- ✓ Balance sheet with combined ~1.8x leverage as at December 2015⁽¹⁾ and ~1.0x leverage in medium term⁽²⁾
- ✓ Combined Group intends to adopt a progressive dividend policy within the existing range of both London Stock Exchange Group's and Deutsche Börse's current policies

Cash and earnings generation

- ✓ Highly attractive cash generation profile
 - Enables future investment in growth
 - Permits progressive dividend policy
- ✓ Accretive to adjusted cash earnings for both sets of shareholders in year 1⁽³⁾

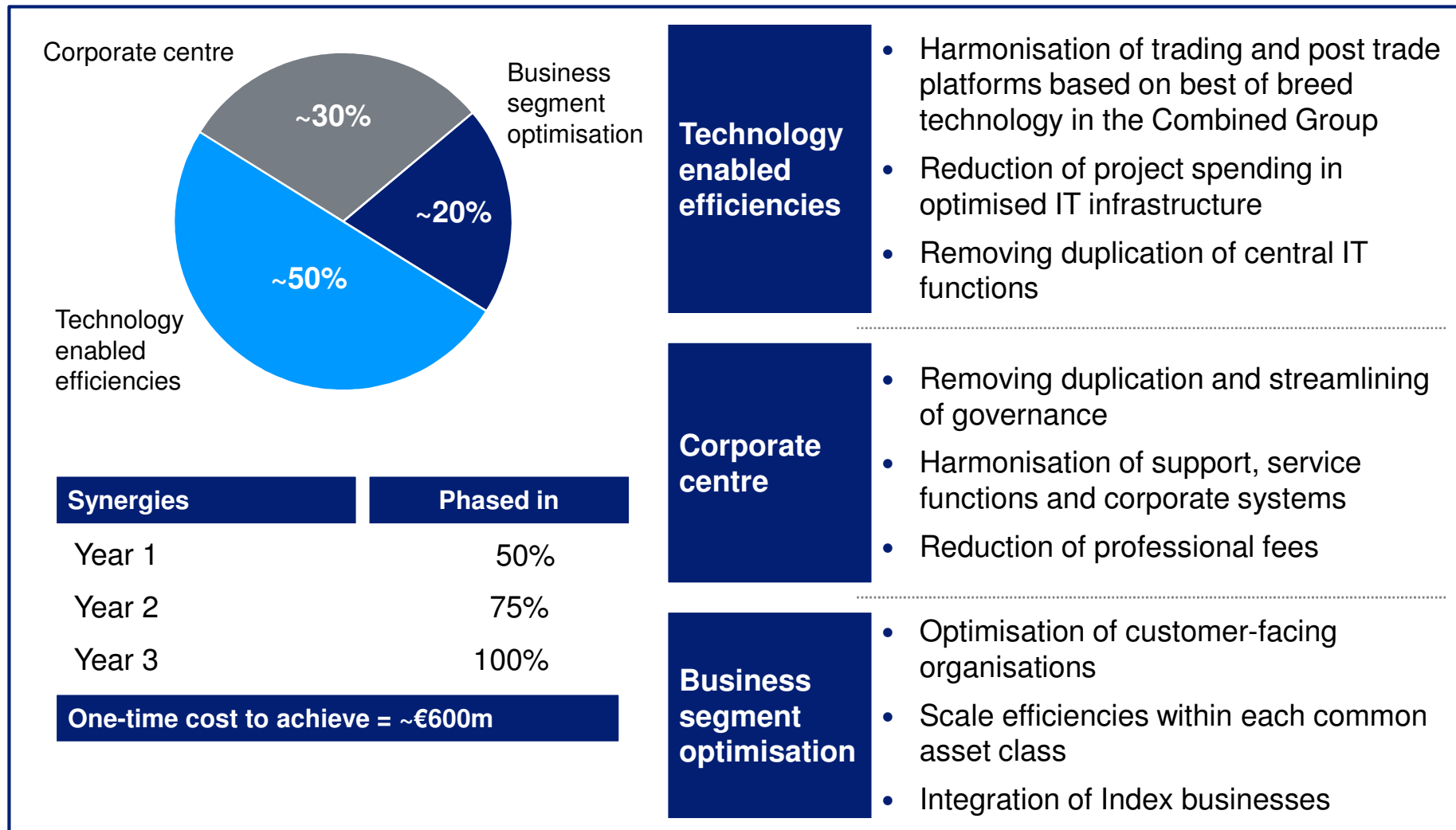
Synergies

- ✓ Cost synergies of approximately €450m p.a. to be achieved over 3 years, as previously reported
- ✓ Revenue synergies of at least €250m p.a. to be achieved in year 5 post transaction close, with approximately €160m achieved by year 3
- ✓ Significant additional revenue growth opportunities possible

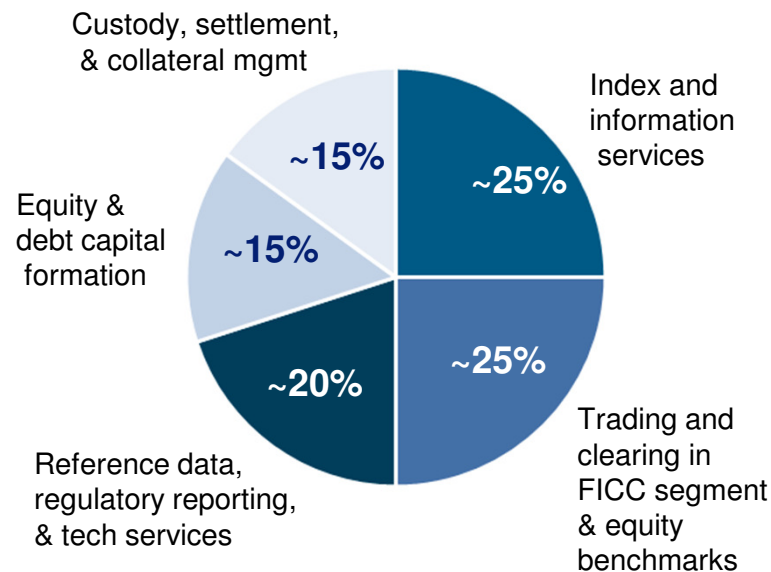
Note(s):

- (1) Combined Group leverage as of 31 December 2015 based on proforma financials calculated using the following; figures not adjusted for ISE and Russell IM.
 - LSEG's leverage of 1.7x based on net debt of GBP1,320.6 million (excluding cash set aside to support regulatory and operational requirements, and net financial derivatives) and adjusted EBITDA of GBP768.5 million. LSEG's net debt translated into Euros based on the spot EUR / GBP exchange rate as at 31 December 2015 of 1.3605 and LSEG's adjusted EBITDA for FY 2015 translated into Euros based on the average 2015 EUR / GBP exchange rate of 1.3782.
 - DBAG's leverage of 1.9x based on gross debt of EUR2,341.5 million and EBITDA of EUR1,264.8 million as disclosed in the DBAG annual report for the year ended 31 December 2015. On 30 July 2015 DBAG placed a hybrid bond maturing in 2041, with a total nominal value of €600 million, on the market. Given the quasi-equity characteristics of the hybrid bond, only 50 per cent of its total nominal amount is included when calculating gross debt.
- (2) Expected medium term leverage of 1.0x takes into account proceeds from disposals of Russell IM and ISE, synergy realisation and organic growth of the Combined Group over the medium term.
- (3) This statement is not intended as a profit forecast or a profit estimate and should not be interpreted to mean that earnings or earnings per share for HoldCo, Deutsche Börse or LSEG, as appropriate, for the current or future financial years, or those of the Combined Group, would necessarily match or exceed the historical published earnings or earnings per share for Deutsche Börse or LSEG, as appropriate.

Cost savings of ~€450m per annum in year three post transaction close



Revenue synergies of at least €250m p.a. in year five post transaction close



Synergies

Year 3

Year 5

Target phasing

~€160m p.a.

≥€250m p.a.

One-time cost to achieve = ~€100m

Recurring contribution margin = ~85%

Index and information services

- Building on the commercial expertise, intellectual property, complementary geographic footprints and distribution networks of the Combined Group's index and information services business, including FTSE Russell and STOXX, to cross-sell products and align commercial strategies

Trading and clearing in FICC segment & equity benchmarks

- Harnessing the benefits of the multiple CCP operations within the Combined Group
- Develop trading and clearing products in the FICC segment and equity benchmarks

Reference data, regulatory reporting & tech services

- Creating an enhanced product range and expanding sales across reference data, regulatory reporting and technology related services to the Combined Group's complementary client bases

Equity & debt capital formation

- Developing enhanced offerings in equity and debt capital formation for listed and pre-IPO companies and trading participants
- Creation of a liquidity bridge for access to markets across the Combined Group

Custody, settlement & collateral management

- Enhancing growth in custody, settlement and collateral management services across a broader customer base within complementary geographies

Significant additional revenue growth opportunities possible

Portfolio margining services

- ✓ Provide enhanced trading and clearing products and services by unlocking the customer benefits created through portfolio margining

Key market statistics

Derivatives trading and clearing total market size
~€6bn p.a. ⁽¹⁾

Post trade data and analytics – new products

- ✓ Develop customer centric offerings in high growth areas, including workflow processing, data services and analytics

Post trade data & analytics total revenue pool
~€23-27bn p.a. ⁽²⁾

Stronger positioning in North America and Asia

- ✓ Enhance footprint and accelerate growth in North America and Asia
- ✓ Become partner of choice for infrastructure operators, investors and issuers

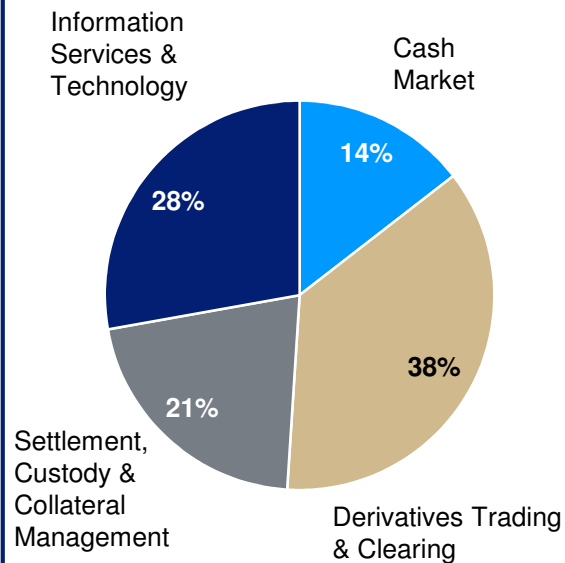
Percentage of global GDP in 2020 ⁽³⁾
North America 25%
Asia 31%

Note(s):

- (1) Includes equity derivatives, interest rate derivatives, FX derivatives, and energy & commodities annual revenues disclosed in latest publicly available financial reports for the following listed exchange groups: CME Group, ICE, Eurex, BM&F Bovespa, Moscow Exchange and CBOE. US dollars translated into Euros based on the average 2015 EUR / USD exchange rate of 0.901
- (2) Sourced from joint Morgan Stanley and Oliver Wyman report, "Wholesale & Investment Banking Outlook", dated 19 Mar 2015
- (3) Sourced from Global Insight Macroeconomics report on nominal GDP forecasts (updated February 2016)

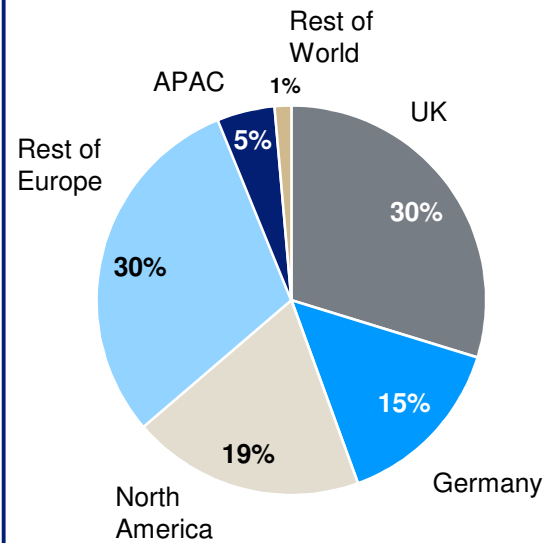
Diversified revenue mix

2015 Revenue by Product⁽¹⁾



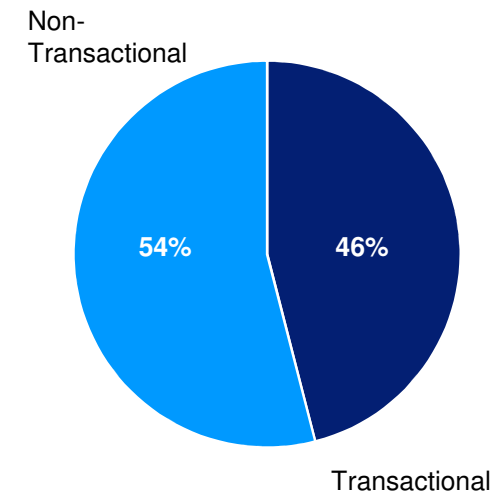
- ✓ Attractive and diversified split
- ✓ Resilient due to diversification

2015 Revenue by Geography⁽²⁾



- ✓ A leading European player with strong links to Asia and North America

2015 Revenue by Type



- ✓ Combined group generates significant portion of non-transactional revenue, reducing revenue volatility

Source: Company filings

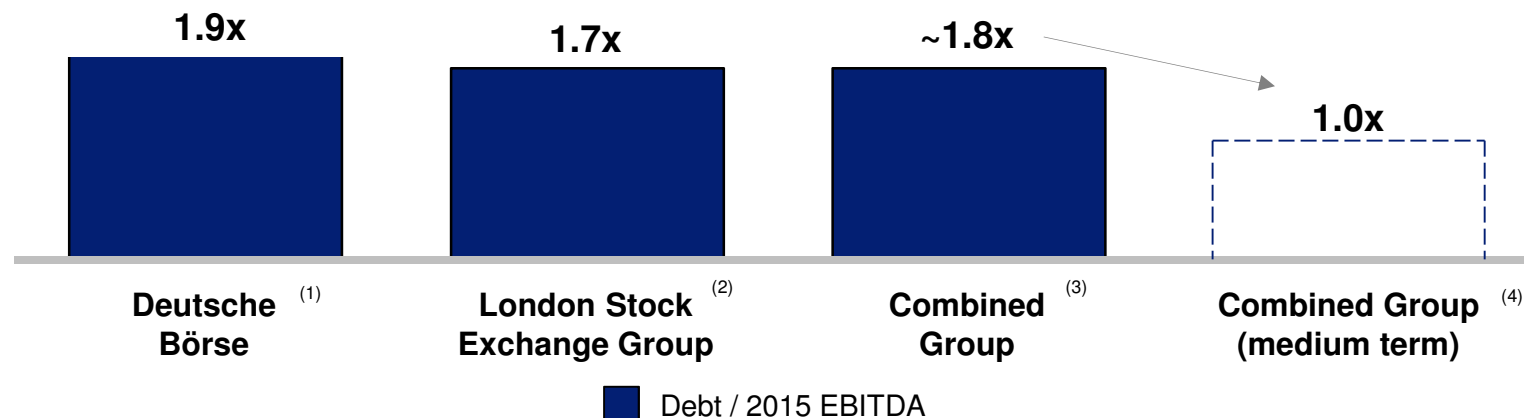
Note(s):

(1) As per proforma financials, which includes rounding impact due minor consolidation adjustments

(2) Based on split of Deutsche Börse's Sales Revenue and London Stock Exchange Group's split of Total Income

Strong capital position and balance sheet flexibility

- Leverage on 2015 basis of ~1.8x
- Leverage of 1.0x expected to be achieved in medium term
- Financial flexibility to pursue additional strategic initiatives and to finance future growth
- Strong balance sheet and free cash flow generation will allow the Combined Group to continue attractive distribution policies
 - Following completion and subject to the approval of the UK TopCo Board, the Combined Group intends to adopt a progressive dividend policy within the existing range of both London Stock Exchange Group's and Deutsche Börse's current policies



Note(s): Leverage calculations as of 31 December 2015; figures not adjusted for ISE and Russell IM.

(1) DBAG's leverage of 1.9x based on gross debt of EUR2,341.5 million and EBITDA of EUR1,264.8 million as disclosed in the DBAG annual report for the year ended 31 December 2015. On 30 July 2015 DBAG placed a hybrid bond maturing in 2041, with a total nominal value of €600 million, on the market. Given the quasi-equity characteristics of the hybrid bond, only 50 per cent of its total nominal amount is included when calculating gross debt.

(2) LSEG's leverage of 1.7x based on net debt of GBP1,320.6 million (excluding cash set aside to support regulatory and operational requirements, and net financial derivatives) and adjusted EBITDA of GBP768.5 million.

(3) Combined Group leverage as of 31 December 2015 based on proforma financials with LSEG's net debt translated into Euros based on the spot EUR / GBP exchange rate as at 31 December 2015 of 1.3605 and LSEG's adjusted EBITDA for FY 2015 translated into Euros based on the average 2015 EUR / GBP exchange rate of 1.3782.

(4) Expected medium term leverage of 1.0x takes into account proceeds from disposals of Russell IM and ISE, synergy realisation and organic growth of the Combined Group over the medium term.

Anticipated transaction timetable

	UK timings	German timings
	Documents published	
1 June	<ul style="list-style-type: none"> Scheme document posted HoldCo prospectus published 	<ul style="list-style-type: none"> Exchange Offer launched
4 July	<ul style="list-style-type: none"> General Meeting and Court Meeting Shareholder vote 	
12 July		<ul style="list-style-type: none"> End of initial acceptance period (~6 weeks)
18 July		<ul style="list-style-type: none"> Publication of the results of the Exchange Offer
19 July – 1 August		<ul style="list-style-type: none"> Additional 2 week acceptance period if 75% acceptance threshold has been achieved by end of initial period
<p><i>Expected completion of the transaction likely Q1 2017 subject to receipt of antitrust and regulatory approvals</i></p>		

Industry-defining and value-enhancing combination

Strong Value Creation

- Combination enables shareholders of LSEG and Deutsche Börse to participate in the significant value creation opportunity through their interests in HoldCo
- Accretive to adjusted cash earnings for both sets of shareholders in year one⁽¹⁾
- Deliver significant value creation through cost synergies of approximately €450m per annum to be achieved in year three post transaction close
- Revenue synergies of at least €250m per annum to be achieved in year five post transaction close, with approximately €160m achieved by year three
- Significant additional revenue growth opportunities possible

Compelling Strategic Rationale

- Create a leading global markets infrastructure group anchored in Europe
- Largest exchange group by total income with a diversified revenue mix by product and geography
- Address changing global customer needs in an evolving regulatory landscape
- Maintain and strengthen its customer partnership and pro customer choice principles
- Enhance both London and Frankfurt as domestic and international financial centres
- Support the development of the EU's Capital Markets Union through the Combined Group's commitment to SME markets and initiatives
- Create a leading venue for capital formation and the facilitation of economic growth
- Deliver a platform of choice for risk and balance sheet management, increasing safety, resiliency and transparency in global markets
- Create a leading information services business, providing innovative benchmarking in index and data products to inform decision-making across the investment life cycle
- Benefit from an enhanced global footprint and the creation of a platform for future growth in Asia and North America

Note(s): (1) This statement is not intended as a profit forecast or a profit estimate and should not be interpreted to mean that earnings or earnings per share for HoldCo, Deutsche Börse or LSEG, as appropriate, for the current or future financial years, or those of the Combined Group, would necessarily match or exceed the historical published earnings or earnings per share for Deutsche Börse or LSEG, as appropriate.



Appendix



Key transaction terms

Structure	<ul style="list-style-type: none"> Deutsche Börse and LSEG to combine under new Holding Company ("UK TopCo") UK TopCo will issue shares in exchange for Deutsche Börse shares and LSEG shares <ul style="list-style-type: none"> UK TopCo securities exchange offer for Deutsche Börse Acquisition of LSEG shares via scheme of arrangement UK TopCo to be listed in London and Frankfurt and it is envisioned that UK TopCo shares will be eligible for inclusion in DAX, EuroStoxx and FTSE index families Existing regulatory framework for all regulated entities to remain unchanged with centres of excellence in London, Frankfurt and Milan, subject to customary and final regulatory approvals
Corporate Residence / HQ	<ul style="list-style-type: none"> UK TopCo to be UK plc. resident solely in the UK for tax purposes; Euro to be reporting currency Combined Group to have headquarters in London and Frankfurt, with an efficient distribution of central corporate functions in both locations
Consideration	<ul style="list-style-type: none"> 1 share of UK TopCo per share of Deutsche Börse 0.4421 shares of UK TopCo per share of LSEG
Implied Ownership	<ul style="list-style-type: none"> Deutsche Börse shareholders: ~54.2% LSEG shareholders: ~45.8%
Initial Board of Directors	<ul style="list-style-type: none"> Chairman: Donald Brydon Deputy Chairman and Senior Independent Director: Joachim Faber 16 member Board <ul style="list-style-type: none"> Chairman, Deputy Chairman, CEO and CFO 6 non-executive directors appointed by Deutsche Börse 6 non-executive directors appointed by LSEG
Management	<ul style="list-style-type: none"> Chief Executive Officer: Carsten Kengeter Chief Financial Officer: David Warren
Timetable	<ul style="list-style-type: none"> Merger expected to close Q1 2017

Governance for the Combined Group

- Unitary board of 16 directors with equal representation from LSEG and Deutsche Börse
- It is expected that the Board will subsequently be reduced to 14 directors as a non-executive director nominated by each of LSEG and Deutsche Börse will stand down
- Constituted in accordance with the UK Corporate Governance Code

Chairman	<ul style="list-style-type: none">• Donald Brydon		
Deputy Chairman and Senior Independent Director	<ul style="list-style-type: none">• Joachim Faber		
Chief Executive Officer	<ul style="list-style-type: none">• Carsten Kengeter		
Chief Financial Officer	<ul style="list-style-type: none">• David Warren		
Non-executive Directors	<table border="0"><tr><td><ul style="list-style-type: none">• Ann-Kristin Achleitner• Jacques Aigrain• Richard Berliand• Christopher Cole• Karl-Heinz Flöther• Paul Heiden</td><td><ul style="list-style-type: none">• Lex Hoogduin• Andrea Munari• David Nish• Mary Schapiro• Erhard Schipporeit• Amy Yip</td></tr></table>	<ul style="list-style-type: none">• Ann-Kristin Achleitner• Jacques Aigrain• Richard Berliand• Christopher Cole• Karl-Heinz Flöther• Paul Heiden	<ul style="list-style-type: none">• Lex Hoogduin• Andrea Munari• David Nish• Mary Schapiro• Erhard Schipporeit• Amy Yip
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