



DEUTSCHE BÖRSE
GROUP

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Financial report 2015

Excerpt: disclosures based on the HGB



Deutsche Börse AG (Disclosures based on the HGB)

In contrast to the consolidated financial statements, the single-entity financial statements of Deutsche Börse AG are not prepared in accordance with International Financial Reporting Standards (IFRSs) but with the German Commercial Code (Handelsgesetzbuch, HGB) and the supplementary provisions of the German Stock Corporation Act (Aktiengesetz, AktG).

Business and operating environment

General position

Deutsche Börse AG is the parent company of Deutsche Börse Group. Its business activities primarily comprise its cash and derivative markets as well as IT and Market Data + Services. The performance of the Clearstream segment is primarily reflected in Deutsche Börse AG's business performance via the profit and loss transfer agreement with Clearstream Holding AG. In view of this, Deutsche Börse AG's business and operating environment is essentially the same as that of Deutsche Börse Group. These are described in detail in the [“Macroeconomic and sector-specific environment”](#) section.

Deutsche Börse AG's course of business in the reporting period

Deutsche Börse's EBT for 2015 was below the previous year's figure. What needs to be taken into account in this context is that the previous year's results had benefited from a €120.6 million write-up on profit-participation certificates, whereas results for the year under review were burdened by expenses for efficiency-related measures, higher advisory expenses within the scope of strategic projects, as well as acquisition activities. Net revenue (defined as revenue generated with non-Group entities plus other operating income less volume-related costs) for the 2015 financial year remained within the company's guidance, whilst adjusted net income fell slightly short of expectations. Against this background, Deutsche Börse AG's Executive Board considers the company's performance during the 2015 financial year as satisfactory.

The 2015 financial year was characterised by two acquisitions, and the “Accelerate” growth programme. On 31 July 2015, Deutsche Börse AG acquired the 49.9 per cent of shares in STOXX Ltd. it did not already own. As a result, STOXX Ltd. became a wholly-owned subsidiary. On 15 October 2015, Deutsche Börse AG acquired all of the shares in 360T Beteiligungs GmbH (360T). The “Accelerate” growth programme provides for an in-depth review of the company's strategic orientation, organisational structure

Performance figures for Deutsche Börse AG

	2015 €m	2014 €m	Change %
Sales revenue	1,181.9	1,074.0	10
Total costs	927.0	812.5	14
Net profit from equity investments	123.9	209.9	-41
EBIT	543.9	595.6	-9
Profit before tax from ordinary activities (EBT)	443.9	526.0	-1.6
Net profit for the period	315.9	423.1	-25
Earnings per share (€)	1.71 ¹⁾	2.30 ¹⁾	-26

Sales revenue by segment

	2015 €m	2014 €m	Change %
Eurex	700.9	630.8	11
Market Data + Services	281.3	270.1	4
Xetra	185.4	160.6	15
Clearstream	14.3	12.5	14
Total	1,181.9	1,074.0	10

1) Calculation based on weighted average of shares outstanding

and business processes. With the “Accelerate” programme, Deutsche Börse AG pursues the objective of participating in global competition among capital markets infrastructure providers – in an agile, ambitious and effective manner.

Revenue was up by 10 per cent in the year under review, to €1,181.9 million (2014: €1,074.0 million). The Eurex segment provided the greatest revenue contribution, with €700.9 million (2014: €630.8 million). At €927.0 million, the company’s total costs (comprising staff costs, amortisation of intangible assets and depreciation of property, plant and equipment, as well as other operating expenses) were 14 per cent higher than in the previous year (2014: €812.5 million).

Deutsche Börse Group’s result from equity investments for the 2015 financial year totalled €123.9 million (2014: €209.9 million). The decline was attributable, in particular, to a €120.6 million write-up in the previous year, due to profit-participation rights issued by Eurex Frankfurt AG within the scope of a Group-internal reorganisation. During the 2015 financial year, the company recognised €147.1 million (2014: €73.0 million) in income from profit-transfer agreements, and income from distributions of €18.2 million (2014: €22.2 million).

Earnings before interest and taxes (EBIT) decreased to €543.9 million (2014: €595.6 million). Net profit for the period totalled €315.9 million, down 25.3 per cent year-on-year (2014: €423.1 million).

Results of operations of Deutsche Börse AG

Deutsche Börse AG’s revenue for the 2015 financial year rose by 10 per cent, to €1,181.9 million (2014: €1,074.0 million). The [table “Sales revenue by segment”](#) provides a breakdown of revenue by company segment.

Regarding the performance of the Eurex derivatives market segment, general reference is made to the [“Eurex segment” section](#). Any divergence from the statements in that segment are essentially due to the fact that developments of the US derivatives market (ISE), the energy market (EEX group) and the foreign exchange market (360T group) do not directly impact upon the business of Deutsche Börse AG. The financial performance of the Market Data + Services segment is described, in general, in the [“Market Data + Services segment” section](#). It is worth noting that the business development of the STOXX Ltd. subsidiary does not directly impact the business performance of Deutsche Börse AG. Details concerning the business development in the Xetra segment are largely provided in the [“Xetra segment” section](#). Revenue attributable to the Clearstream segment is generated from IT services that Deutsche Börse AG provides to entities within the Clearstream Holding AG subgroup.

Other operating income rose to €168.8 million during the year under review (2014: €117.2 million), largely due to an increase in income from foreign-exchange translation, to €53.0 million (2014: €8.7 million).

Total costs rose by 14 per cent year-on-year, to €927.0 million (2014: €812.5 million). For a breakdown, please refer to the [table „Overview of total costs”](#). Staff costs rose by 26 per cent compared to the previous year, to €194.2 million (2014: €154.5 million), mainly due to expenses related to “Accelerate” (€21.3 million) as well as higher expenses in connection with share-based remuneration components (+€9.3 million).

Amortisation of intangible assets and depreciation of property, plant and equipment declined by 18 per cent, to €24.4 million in the year under review (2014: €29.7 million). The decline was largely attributable to lower depreciation on IT hardware of €14.4 million (2014: €19.1 million). Other operating expenses were up by 13 per cent year-on-year, to €708.4 million (2014: €628.3 million). The increase was largely attributable to currency translation expenses of €88.6 million (2014: €48.8 million), as well

as to a €30.5 million increase in expenses for advisory services, incurred in particular in connection with the acquisitions of STOXX and 360T, as well as the “Accelerate” growth programme.

Profit from ordinary activities was down 16 per cent year-on-year, to €443.9 million (2014: €526.0 million). The profit margin before taxes (the ratio of profit from ordinary activities to revenue) declined from 49 per cent to 38 per cent.

Profitability

Deutsche Börse AG’s return on equity expresses the ratio of net income after taxes to average equity available to the company during the course of 2015. Due to the lower results, return on equity declined to 13 per cent, compared to 19 per cent in 2014.

Financial position of Deutsche Börse AG

Cash and cash equivalents on the 31 December 2015 reporting date amounted to €172.3 million (2014: €236.0 million), comprising cash on hand, current account balances with banks and term deposits.

The company received dividends totalling €18.2 million (2014: €22.2 million). The decline was due, in particular, to the fact that Börse Frankfurt Zertifikate Holding S.A. (in liquidation), Luxembourg, paid no dividends in 2015; in 2014 it had distributed dividends of €8.0 million.

Deutsche Börse AG has available external credit lines in the amount of €605.0 million (unchanged from 2014), which were not drawn upon as at 31 December 2015. Moreover, the company has a Commercial Paper programme in place, which allows for flexible and short-term financings of up to €2.5 billion, in various currencies. At the end of the year, Commercial Paper outstanding totalled €95.0 million (2014: €60.0 million).

Through a Group-wide cash-pooling system, Deutsche Börse AG ensures an optimum allocation of liquidity throughout Deutsche Börse Group; in this way, the parent entity makes sure that all subsidiaries are in a position to honour their payment obligations at any time.

Deutsche Börse AG has issued three corporate bonds with a nominal value of €600 million each, one corporate bond with a nominal value of €500 million as well as one US dollar bond with a nominal value of US\$290 million. For more details concerning these bonds, please refer to the [“Financial position” section](#). Moreover, as part of Group-internal restructuring measures, the company raised loans from associates, in a total amount of €375.6 million, which will fall due during the 2016 financial year.

Overview of total costs

	2015 €m	2014 €m	Change %
Staff costs	194.2	154.5	26
Write-offs	24.4	29.7	-18
Other operating expenses	708.4	628.3	13
Total	927.0	812.5	14

Cash flow statement (condensed)

	2015 €m	2014 €m
Cash flows from operating activities	372.8	384.7
Cash flows from investing activities	-1,444.9	-467.9
Cash flows from financing activities	841.9	-47.8
Cash and cash equivalents as at 31 December	-606.7	-376.5

Deutsche Börse Group generated €372.8 million (2014: €384.7 million) in cash flow from operating activities during the 2015 financial year. The slight decline was especially attributable to the lower level of net income for the year.

Cash flow from investing activities amounted to €–1,444.9 million (2014: €–467.9 million). The decline was predominantly related to the acquisition of the remaining stake in STOXX, and the acquisition of 360T.

Cash flow from financing activities amounted to €841.9 million in the year under review (2014: €–47.8 million). In addition to €386.8 million in dividends paid for the 2014 financial year, the company raised loans of €3,200.0 million and repaid loans of €2,175.3 million. Cash and cash equivalents amounted to €–606.7 million on the reporting date of 31 December 2015 (2014: €–376.5 million), comprising liquid funds of €172.3 million (2014: €236.0 million) less cash pooling liabilities of €779.0 million (2014: €612.5 million).

Net assets of Deutsche Börse AG

Deutsche Börse AG's property, plant and equipment amounted to €6,220.7 million on 31 December 2015 (2014: €4,834.3 million). The lion's share of this figure was attributable to investments in affiliated companies of €6,092.8 million (2014: €4,707.8 million), mainly comprising investments in Clearstream Holding AG and Eurex Frankfurt AG. Investments in affiliated companies rose by €1,385.0 million, mainly due to the acquisition of additional shares in STOXX (€653.8 million) and the takeover of all shares in 360T (€749.7 million).

At €21.5 million (2014: €22.3 million), Deutsche Börse AG's investments in intangible assets and property, plant and equipment were lower than amortisation, depreciation and impairment of €24.4 million (2014: €29.7 million).

Receivables from (and liabilities to) affiliated companies include settlements for intra-Group services and amounts invested by Deutsche Börse AG within the scope of cash-pooling arrangements. Receivables from affiliated companies of €147.1 million (2014: €73.0 million) mainly related to the existing profit transfer agreement with Clearstream Holding AG. Liabilities to affiliated companies predominantly resulted from cash pooling (€779.0 million – 2014: €612.4 million); short-term loans (€375.6 million – 2014: €375.6 million); and trade liabilities (€59.3 million – 2014: €69.4 million).

Non-current assets (condensed)

	2015 €m	2014 €m
Intangible assets	11.3	11.2
Tangible assets	51.9	54.8
Financial assets	6,157.5	4,768.3
Non-current assets as at 31 December	6,220.7	4,834.3

Employees per country/region

	31 Dec. 2015	%
Germany	1,075	93.2
United Kingdom	68	5.9
France	7	0.6
Rest of Europe	3	0.3
Total Deutsche Börse AG	1,153	100

Deutsche Börse AG collects fees for a large part of services provided immediately after each month-end; accordingly, trade receivables totalled €131.0 million at the year-end (2014: €142.5 million).

Working capital amounted to €-1,158.1 million during the year under review (2014: €-1,004.8 million). The change was mainly attributable to an increase in liabilities to affiliated companies.

Deutsche Börse AG employees

In the reporting period, the number of people employed by Deutsche Börse AG increased by 39 to total 1,153 as at 31 December 2015 (31 December 2014: 1,114). On average, 1,131 people worked for Deutsche Börse AG during financial year 2015.

In the course of financial year 2015, 40 employees left Deutsche Börse AG, resulting in a fluctuation rate of 3.5 per cent.

Deutsche Börse AG employed staff at six locations throughout the world as at 31 December 2015. Details on the countries/regions concerned, the employee age structure and the length of service of the company's employees are given in the following tables and those on the previous page.

As at 31 December 2015, 72.9 per cent of Deutsche Börse AG's employees were graduates. This figure is calculated on the basis of the number of employees holding a degree from a university, a university of applied sciences or a university of cooperative education, and employees who have completed comparable studies abroad. In total, the company invested an average of 4.3 days per employee in staff training.

Remuneration report of Deutsche Börse AG

As the structure and design of the remuneration system correspond to those of Deutsche Börse Group, please refer to the latter's [remuneration report](#).

Corporate governance declaration in accordance with section 289a HGB

The corporate governance declaration in accordance with section 289a HGB applies to Deutsche Börse Group and Deutsche Börse AG, please refer to the [corporate governance declaration](#) made on behalf of the Group.

Employee age structure

	31 Dec 2015	%
Under 30 years	102	8.8
30 to 39 years	267	23.2
40 to 49 years	436	37.8
50 years and older	348	30.2
Total Deutsche Börse AG	1,153	100

Employee length of service

	31 Dec 2015	%
Less than 5 years	360	31.2
5 to 15 years	325	28.2
Over 15 years	468	40.6
Total Deutsche Börse AG	1,153	100

Opportunities and risks facing Deutsche Börse AG

As the opportunities and risks facing Deutsche Börse AG and the measures and processes for dealing with them are essentially the same as for Deutsche Börse Group, please refer to the [☞ “Risk report”](#) and [☞ “Report on opportunities” sections](#) for more information. As a matter of principle, Deutsche Börse AG’s share of the opportunities and risks of its equity investments and subsidiaries is proportionate to the size of its shareholdings. Risks that threaten the existence of the Eurex Clearing AG subsidiary have a direct impact on Deutsche Börse AG as it has issued a letter of comfort (“Patronats-erklärung”). Further information on the letter of comfort issued to Eurex Clearing AG is available in the [☞ “Other financial obligations and transactions not included in the balance sheet” section in the notes to the annual financial statements of Deutsche Börse AG.](#)

The description of the internal control system (ICS) required by section 289 (5) HGB is given in the [☞ “Internal management” section.](#)

Report on events after the balance sheet date at Deutsche Börse AG

The key events that have occurred since the balance sheet date correspond to the events described in the [☞ report on post-balance sheet date events.](#)

Report on expected developments at Deutsche Börse AG

The expected developments in Deutsche Börse AG’s business are largely subject to the same factors as those influencing Deutsche Börse Group. The relevant disclosures and quantitative information on Deutsche Börse AG are provided in the [☞ report on expected developments.](#)

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