DEUTSCHE BÖRSE
GROUP

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Financial report 2015

Excerpt: report on the economic position

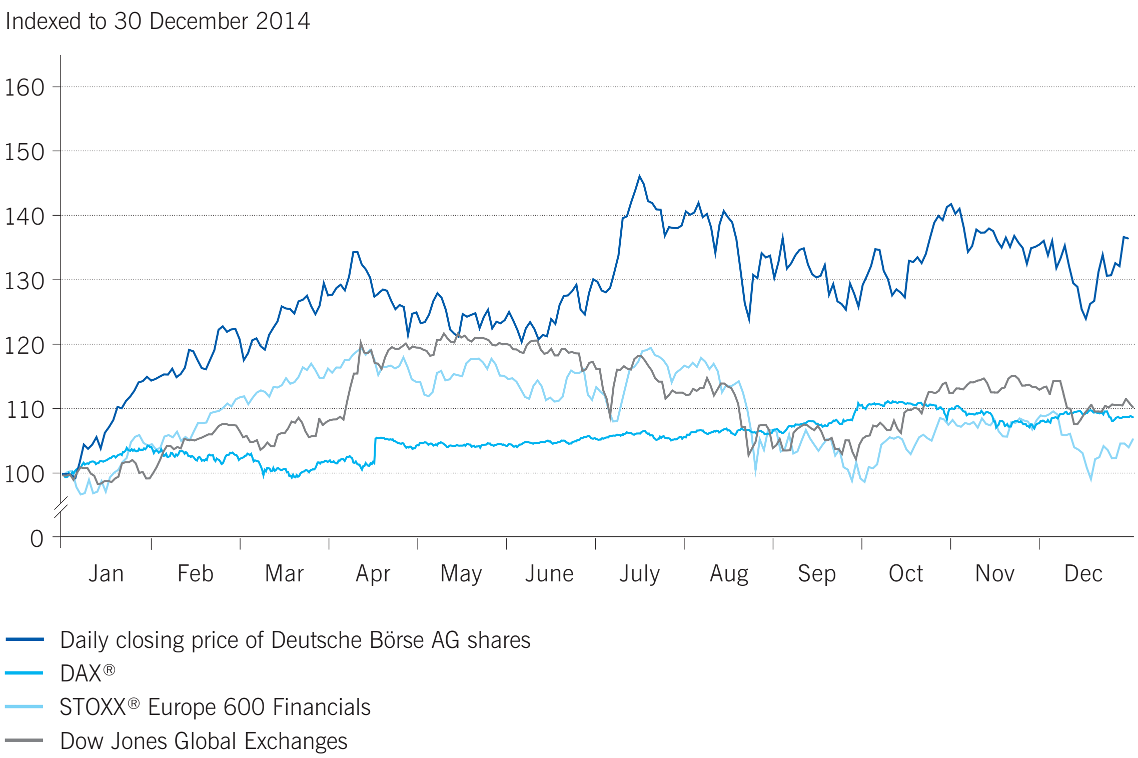
Report on economic position

Macroeconomic and sector-specific environment

Macroeconomic developments had and continue to have a significant impact on the overall economic environment and on trading activity on the markets. For Deutsche Börse Group, the macro-economic environment during the year under review was rather complex: whilst some factors had a stimulating effect on business, others had the potential of unsettling market participants, burdening their business activity.

- Growth momentum in the economies which are relevant to Deutsche Börse Group (Central Europe, USA) with low unemployment rates, on the one hand – the marked slowdown of the Chinese economy and the subsequent impact on global capital markets on the other hand
- The major central banks' low interest rate policy and the resulting large volumes of liquidity, in Europe especially as a result of the European Central Bank's quantitative easing (QE), and in the US as a result of the Federal Reserve's interest rate policy (however, December 2015 saw the Fed's first interest rate hike since 2006)
- Low inflation and in some cases deflationary tendencies
- The fragile economic situation in the euro zone, with high levels of government debt in certain European states and, as a result, a weakening euro against the US dollar
- Unstable political conditions in some parts of Eastern Europe and recurring flashpoints in the Arab world
- Regulatory projects and the resulting stricter requirements for capital market participants (see the next section entitled "Regulatory environment")

Share price development of Deutsche Börse AG and benchmark indices in 2015



Despite these factors, economic growth in 2015 improved year-on-year, especially throughout the western economies. Current estimates suggest a rise of 2.0 per cent in real gross domestic product (GDP) in OECD member countries (OECD = Organisation for Economic Co-operation and Development) in 2015, following a 1.9 per cent increase in 2014. Estimates by the International Monetary Fund (IMF) suggest that the global economy grew by 3.1 per cent in the same period (2014: increase in real terms of 3.4 per cent).

Despite a slight decline in the global economy – particularly during the second half of 2015 – initial estimates point towards the German GDP being in line with the previous year's figure. The IMF's January 2016 estimates put growth in German economic output at 1.5 per cent in 2015 (2014: increase in real terms of 1.6 per cent).

Economic developments within the EU have once again improved in 2015: only Greece is still in a recession, whilst all other EU member economies were growing, if – in some cases – only slightly. However, Spain, France as well as Ireland all saw a markedly positive trend. Nonetheless, the ECB has maintained its critical assessment of the EU economy and accordingly lowered its interbank deposit rate from –0.20 per cent to –0.30 per cent in December 2015, and extended its bond purchasing programme by another six months, up to March 2017.

The OECD is forecasting an increase in US economic output of 2.4 per cent in real terms in 2015. At the same time, the labour market situation continued to ease; this should continue to have a positive effect on economic output going forward. Against the background of a positive economic trend and further improvements on the labour market, the US Federal Reserve hiked its key interest rate in December 2015 for the first time since 2006, to a Fed Funds rate between 0.25 and 0.50 per cent.

All told, the overall positive global economic development, as well as the improved situation in Europe, had a positive influence on capital markets trading activity. Nevertheless, persistently high levels of government debt in certain European states, which are resulting in slower growth compared with other economies such as the United States or the United Kingdom, are continuing to fuel uncertainty on the financial markets. Moreover, the slowdown in the Chinese economy also had a notable impact on activity levels within the capital markets, particularly during the third quarter of 2015. Overall, these factors led to sustainably higher volatility on the cash and derivatives markets during 2015. Especially in the third quarter of 2015, volatility increased significantly, resulting in a positive effect on equity-based products in particular. Hence, the Group posted marked increases in trading volumes on its cash and derivatives markets, as well as in the index business.

Development of trading activity on selected European cash markets

	2015 €bn	Change vs. 2014 %
Euronext[1]	2,120.1	28
Deutsche Börse Group – Xetra®	**1,505.8**	**28**
Borsa Italiana[2]	943.5	15
Bolsas y Mercados Españoles[1]	962.1	9
London Stock Exchange[2, 3]	1,235.7	6

1) Trading volume in electronic trading (single-counted)
2) Part of London Stock Exchange Group
3) Trading volumes in GBP

Source: Exchanges listed

Development of contracts traded on selected derivatives markets

	2015 m contracts	Change vs. 2014 %
National Stock Exchange of India	3,060.4	61
Gruppe Deutsche Börse – Eurex®	**2,272.4**	**8**
CME Group	3,532.1	3
BM&F Bovespa	1,358.6	–4
IntercontinentalExchange	1,998.8	–10
CBOE Holdings	1,173.9	–11

Source: Exchanges listed

Regulatory environment

One consequence of the global financial markets crisis is the series of regulatory initiatives taken by legislators over recent years. There is consensus on an international basis that financial stability and public confidence in the financial system needs to be restored. Accordingly, the EU has initiated vital legislative steps. Even though most of the new regulatory framework has been passed already, some requirements have not yet been completely implemented, and many details require further specification.

Financial markets infrastructure regulation

EMIR: implementation and review

The European Market Infrastructure Regulation (EMIR), which came into force in 2012, is a significant regulation for central counterparties. With the step-by-step introduction of a clearing obligation, starting in the first half of 2016, implementation is about to enter the final phase. The European Commission commenced the official revision process for the regulation in the summer of 2015. The EU Commission's draft revision with amendments to EMIR is expected to be published in the first half of 2016. The revision is centred around the following issues: liquidity of central counterparties, supervisory structures as well as risk management aspects and infrastructure reporting requirements.

Recovery and resolution plans for financial market infrastructures

Besides the EMIR revision process, the EU Commission intends to publish, also in the first half of 2016, proposed legislation on recovery and resolution plans for central securities depositories, central counterparties, central trade repositories and payment systems.

Back in 2012, the Committee on Payments and Market Infrastructures (CPMI), together with the International Organization of Securities Commissions (IOSCO), published first considerations for consultation. CPMI/IOSCO provided global standards for recovery plans in October 2014. At the same time, the Financial Stability Board (FSB) published a framework for resolution plans in close cooperation with CPMI/IOSCO.

The recovery and resolution plans complement EMIR with the aim of providing central financial market infrastructures with greater stability against market disruptions. In this context, one key aspect is to establish a healthy incentive structure at a European and global level, which excludes the use of public funds.

Capital Markets Union

Following the economic, monetary and the banking unions, the capital markets union is the next step towards an integrated European financial market. The main objectives are to promote growth and job creation on a sustainable basis, and to develop a diversified financial system which complements bank-based financing with highly-developed capital markets. Another objective is to release inactive capital throughout Europe, in order to offer savers a wider variety of investment forms, and increasing corporate financing opportunities at the same time. Current plans also include the simultaneous creation of a EU domestic capital market, to promote cross-border investments and enable companies to tap different sources of finance, independent from their domicile.

The EU Commission has presented an action plan in September 2015, with the aim of implementing it by 2019. It has become increasingly clear that the goal of a capital markets union may not be realised by one particular initiative; instead, this goal requires a series of small steps, which – taken together – will most likely have a significant impact.

Deutsche Börse Group actively supports the project and assumes an active role in the political debate. We believe the following basic principles to be material to a successful implementation: restoration of confidence in the financial markets, improved and expanded alternative instruments for non-bank-based corporate financing, financial stability, transparency, harmonised regulatory standards and a supportive regulatory framework.

Deutsche Börse Group believes that the concept of a financial transaction tax is not in line with the objectives of capital markets union, since it runs contrary to the promotion of ideas and investments, which in turn foster growth and income in EU member states. Hence, a financial transaction tax would contradict the aspired harmonisation of markets and deter foreign investors.

Overview of regulatory initiatives and their impact on Deutsche Börse Group's business areas

	Xetra	Eurex	Eurex Clearing	Clear-stream	IT & MD+S	Status as at 31 December 2015
Financial market infrastructure						
EMIR			X	X		Became effective in 2012; clearing obligation for derivatives expected to be implemented successively from Q2/2016 onwards; draft for a revision expected in 2016
Recovery and resolution plans			X	X		Adopted in 2014; transposition into national law until the end of 2014, parts of level 2 at a later stage
Capital markets union	X	X	X	X	X	Development of an action plan in 2015; implementation by 2019
MiFID II, MiFIR	X	X	X		X	Published in 2014; application expected from 2018 onwards
MAD, MAR	X	X		X		Became effective in 2014; application expected from July 2016 onwards
CSDR	X	X	X	X		Became effective in 2014; application expected from November 2017 onwards
Regulation on benchmarks and indices		X	X		X	December 2015: agreement reached between EU Parliament and Council
Banks						
CRD IV, CRR			X	X		Effective since 2014; transitional regulations applicable until 2019
Basel IV			X	X		Finalisation expected in 2016/2017, with subsequent implementation throughout the EU
SFT-R				X		June 2015: agreement reached between EU Parliament and Council
Financial Transaction Tax	X	X	X	X	X	Discussion ongoing
Supervisory structure						
Banking union						
SSM			X	X		Became effective in 2014
SRM			X	X		Adopted in 2014; planned launch in 2016
European Deposit Guarantee Scheme			X	X		Implementation in national law in 2015; extended proposal by the EU Commission in 2015

Regulation of markets in financial instruments (MiFID II, MiFIR)

The revised directive (MiFID II) and the accompanying regulation (MiFIR) became effective on 2 July 2014. On 10 February 2016, the original implementation deadline (3 January 2017) has been postponed by one year in order to give market participants and supervisory authorities sufficient time to adjust to the new requirements, particularly with regard to the establishment of technical reporting and monitoring systems. The EU Commission and European Securities and Markets Authority (ESMA) have not yet finalised their work on the implementation measures, in the form of technical standards. Given these delays, any amendments required to national law that Germany will introduce in the Finanzmarktnovellierungsgesetz (FimanoG, Financial Market Amendment Act) will be deferred. The new Market Abuse Directive and Regulation (MAD/MAR), the regulation on central securities depositories (CSDR), as well as the Regulation on Key Information Documents for Packaged Retail and Insurance-based Investment Products (PRIIPs) are expected to be implemented by July 2016. The new regulations will have an impact on Deutsche Börse Group, in particular on its trading and clearing activities, as well as on the market data business. In the light of fundamental changes to European market structures, Deutsche Börse Group has entered into an intensive dialogue with its customers, in order to develop solutions reflecting the required changes. In particular, this applies to the areas of transparency, market microstructure and reporting requirements.

Central Securities Depository Regulation (CSDR)

With the CSDR, a uniform European regulatory framework for central securities depositories was established for the first time in September 2014. The EU Commission and ESMA are currently specifying the requirements, by way of technical standards; these are expected to apply from March 2017 onwards. The CSDR will harmonise the securities settlement systems and supervisory rules for central securities depositories throughout Europe. This will strengthen Clearstream's business model, because the provision of integrated banking services will still be permitted.

Benchmark regulation

At year-end 2015, the EU Parliament and the Council have agreed upon a regulation on indices to be used as benchmarks. The regulation largely follows the global IOSCO principles for financial benchmarks. The IOSCO principles were developed, back in 2013, as a response to the manipulation of certain indices or reference rates (such as LIBOR and Euribor).

Deutsche Börse Group, which successfully implemented the IOSCO principles in 2014 for its DAX® indices as well as for the indices of its subsidiary STOXX Ltd., welcomes the agreement reached between the EU Parliament and the Council.

The specific impact on the Group's business activities from the EU Regulation depends on the implementation measures still to be laid out in the form of technical standards by the EU Commission and ESMA.

Banking regulations

Basel III/CRD IV

The Basel Framework "Basel III" currently specifies the international regulatory environment governing banking activities. Implementation within the EU was largely finalised by 1 January 2014. Further adjustments are scheduled within the transitional and adaptive regulations as well as for the phased introduction and specification through level-2 texts until 2019.

Basel IV

Since 2014, the Basel Committee on Banking Supervision and the Financial Stability Board have submitted proposals to enhance the international framework for banking supervision and the published amendments to Basel III, which will have a far-reaching impact. The proposals and amendments are commonly summarised under the concept "Basel IV". Key elements of the revision are:

- Introduction for the first time of international rules to impose a quantitative limit on concentration risk (large exposure rules)
- Comprehensive amendments to the rules for standardised approaches to measuring capital requirements for credit, market price and operational risk, credit risk mitigation and the definition of the trading book
- Revisions to the treatment of credit risk exposures to central governments and other public-sector counterparties
- Further strengthening of the equity base of global systemically important banks (G-SIBs), with the aim being to avoid resolution if at all possible, or failing that, to ensure that resolution is possible in an orderly manner
- Changes to the treatment of interest rate risk in the non-trading book

While the proposed amendments have a considerable scope, most of them are still at the discussion and consultation stage. In addition, it is difficult to determine the specific impact on Deutsche Börse Group's affected entities. From Deutsche Börse Group's perspective, the provisions – including the expected transitional regulations – will not have any material effect on the equity of its regulated companies in the short term. Independent of the regulatory requirements, the Group will continuously analyse the capitalisation of its regulated entities, making any necessary adjustments in order to ensure that risks are adequately covered. Deutsche Börse Group takes an active part in the discussion process regarding the modification of banking regulations, and thus addresses the specific characteristics applying to regulations for financial market infrastructures with (limited) authorisation to engage in banking business.

Transparency of securities financing transactions

The EU bodies resolved a regulation on the transparency of securities financing transactions (Securities Financing Transaction Regulation, SFTR), which complements the proposed regulation on the introduction of a segregated banking system that ring-fences proprietary trading from the deposit and lending business. The regulation was published on 23 December 2015 in the Official Journal of the European Union. It introduces a requirement to report securities lending and repo transactions to central trade repositories. In addition, it introduces rules for repledging collateral and regulates the reporting requirements of investment fund providers with securities lending activities. The impact of comprehensive reporting requirements for securities lending transactions is different for Clearstream, Eurex Clearing AG and REGIS-TR S.A. For their own securities financing transactions, higher expenditures are to be expected. The fact that transactions must be reported to a trade repository however also bears business potential for REGIS-TR.

Deposit Guarantee Schemes

The implementation into national law of the Deposit Guarantee Schemes Directive has only minor impact upon Deutsche Börse Group entities. In November 2015, the European Commission made a proposal on the further modification of deposit guarantee schemes, with a view to completing banking union. The current status of political discussions does not yet allow for any projections on the possible impact of the legislative process onto Deutsche Börse Group.

Business developments

Overall, the macro-economic framework outlined at the beginning of the report on the economic position led to a more favourable situation for financial services providers on the capital markets during the year under review, compared to 2014. Interest rates at record lows, a high degree of liquidity on the European capital markets, and markedly higher volatility on the equities and derivatives markets – all of these factors stimulated trading activity. Leaving aside short-term spikes in trading volumes, political conflicts and economic instability tend to have a rather negative effect on investors' trading activities over the medium term. The same applies to regulatiory schemes, which trading participants might view as curtailing their strategic options.

- From a macroeconomic perspective, the year under review was once again characterised by loose monetary policy adopted by the major central banks. The ECB has charged negative deposit interest rates now since June 2014: in fact, it thus charges a fee on the deposits that commercial banks hold with the ECB. As a consequence, commercial banks in the euro area have been passing on such negative interest rates to their clients. Moreover, the ECB launched a purchasing programme for sovereign bonds and other securities in March 2015 as part of its QE measures, and has been buying approximately €60 billion in securities every month, in order to further boost market liquidity and to fend off deflation. The ECB's QE measures, currently planned to remain in place until March 2017, will keep interest rates at a low level. Likewise, the US Federal Reserve retained its expansive monetary policy almost right to the end of the year under review: it was only on 16 December that it embarked upon an initial step towards an interest rate turnaround, when it raised its target Fed Funds corridor to 0.25 – 0.50 per cent. Whilst low interest rates may boost cash market business, as investors raise their exposure to equities and other securities again, they slow down derivatives markets activity, especially regarding long-term interest rate derivatives. Also, the low interest rate levels reduce net interest income from the banking business, generated by the Clearstream and – to a lesser extent – Eurex business segments.
- Equity markets volatility – one of the key drivers of Deutsche Börse Group's trading business – was at a distinctly higher level during the 2015 financial year than in the year before, thus extending the trend turnaround observed since the end of the third quarter of 2014 into the year under review. Likewise, derivatives market volatility rose significantly, as the use of derivatives to hedge risks increased again.
- The economic situation in the euro area remained tense during the year under review, as was the geopolitical situation in the Middle East. Economic and political instability lead to uncertainty. Even though this might boost trading volumes over a short-term period, the longer such uncertainty prevails, the more it will burden market participants. Furthermore, a lack of investor confidence in permanently stable development of the European Monetary Union will cause investors to withdraw investment capital from Europe – a development observed on the Asian markets during the period under review, for example.
- Market participants must deal with regulatory projects which keep changing and getting delayed. This has also caused some market participants to adopt a reticent stance. Added to this are strict capital requirements and the decline in proprietary trading, which burden trading activity on the derivatives markets in particular. Conversely, regulation holds the opportunity for Deutsche Börse Group to attract business for its liquidity and collateral management services, which offer banks maximum efficiency in deploying their capital resources.

In this market environment, which was more favourable than the year before, the Group increased net revenue across all segments of its diversified business model. The Eurex and Xetra trading segments benefited in particular from the trust that market participants place in Deutsche Börse's regulated trading platforms; these two segments posted double-digit growth rates.

Changes to the basis of consolidation
Deutsche Börse AG acquired 49.9 per cent of the shares of STOXX Ltd., Zurich, Switzerland, and 50.1 per cent of the shares of Indexium AG, Zurich, from SIX Group AG, Zurich, effective 31 July 2015. Following this transaction, Deutsche Börse AG holds 100 per cent of the shares of both STOXX Ltd. And Indexium AG. Deutsche Börse AG had already had control over STOXX Ltd. and had included the company in full in its consolidated financial statements. The transaction led to the acquisition of control over Indexium AG; the company has been included in full in the consolidated financial statements since then.

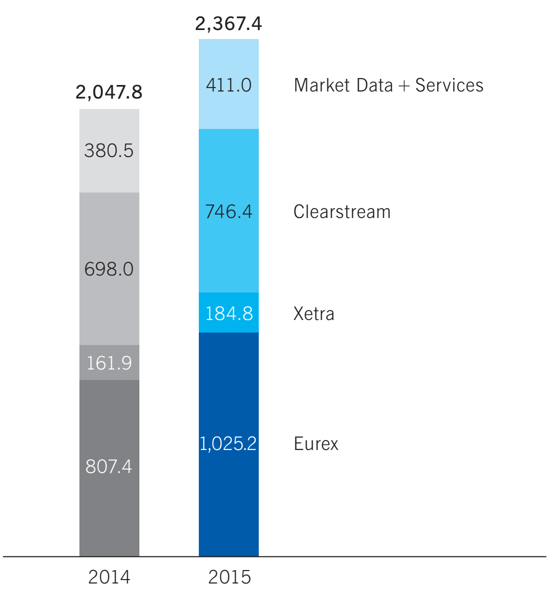
Effective 1 January 2015, European Energy Exchange AG, Leipzig, Germany, (EEX) acquired an interest of 53.34 per cent in Powernext SA, Paris, France, in exchange for 36.75 per cent of the shares of EPEX Spot SE, Paris, France, (EPEX). Since then, all natural gas activities of EEX group have been bundled within Powernext; EEX increased its interest in Powernext to 55.8 per cent as a result of this transaction and further raised this stake to 87.73 per cent in the period under review. As Powernext in turn holds 50 per cent of EPEX, EEX also obtained a controlling interest in EPEX and its two subsidiaries, EPEX Spot Schweiz AG, Zurich, Switzerland, and JV Epex-Soops B.V., Amsterdam, the Netherlands. All subsidiaries have been included in full in the consolidated financial statements since 1 January 2015.

To expand the spot power business (trading and clearing), an interest of 100 per cent at APX Holding group, which covers the market areas of the Netherlands, the United Kingdom and Belgium, was acquired and integrated into the EPEX Spot group effective 4 May 2015. As wholly owned subsidiaries of EPEX, the APX Holding group companies have been included in full in Deutsche Börse Group's consolidated financial statements since May 2015.

Deutsche Börse AG acquired all shares in 360T Beteiligungs GmbH, Frankfurt/Main, Germany, (360T) effective 15 October 2015. As a result, it controls 360T and its subsidiaries; and has included these companies in full in its consolidated financial statements since that date.

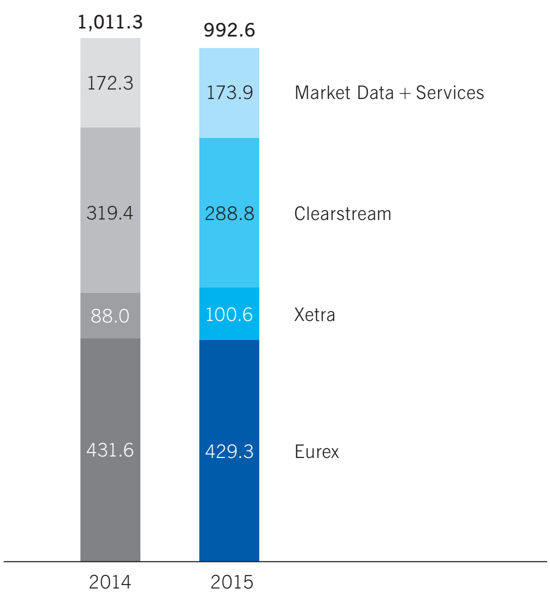
Net revenue by segment

€ millions



EBIT by segment

€ millions



Results of operations

Developments on the cash and derivatives markets showed that investors placed greater confidence in the euro area: investment capital – which had been withdrawn in the wake of the euro currency crisis and the debt crisis affecting some European countries, and invested in the US or Asia – returned to Europe, leading to a marked increase in trading activity. Some of the Group's business areas benefited from additional tailwinds due to exchange rate effects (especially the euro's weakness versus the US dollar) and from stable economic momentum in the relevant economies (including Germany and the US). Moreover, the cash market profited from the ECB's QE policy and from low interest rates, which boosted the flow of investments into the equities markets. However, low interest rates are a burden for other Group businesses, as seen in Clearstream's net interest income from the banking business, or in the volume of interest rate derivatives traded on Eurex. On the derivatives markets, the return of capital flows into euro-denominated products was also visible, with volatility clearly higher than in the previous year. Deutsche Börse's net revenue in the commodities business almost tripled, reflecting the consolidation of equity investments, as well as the positive market environment. The uptrend in Clearstream's business proved to be stable, as the volume of securities held in custody continued to rise during the year under review. Factors which contributed to this development included the high index levels (compared to the previous year), and the euro's devaluation versus the US dollar. Moreover, Clearstream succeeded in winning new clients, and in persuading existing clients to transfer additional business to Clearstream. Deutsche Börse Group's technology and market data business (the Market Data + Services segment) also posted increases, especially in the index business.

Deutsche Börse Group's net revenue rose by 16 per cent in financial year 2015 to €2,367.4 million (2014: €2,047.8 million). Net revenue in the Eurex and Xetra trading segments posted double-digit growth rates; the post-trading and market data businesses also contributed solid increases. Some of the growth was accounted for by companies that were newly included in the Group's scope of consolidation: Powernext (including EPEX and its subsidiaries), APX Holding group, Clearstream Global Securities Services (CGSS) and 360T. Without these consolidation effects in the amount of €123.3 million, net revenue increased by 10 per cent. Net revenue is composed of sales revenue plus net interest income from banking business and other operating income, less volume-related costs. Since the 2015 financial year, net interest income has included interest income and expenses in the Eurex segment, on top of income generated in the Clearstream segment. This relates to income which the clearing houses generate by investing cash collateral posted by their clients. To date, such interest income and expenses were reported in the net financial result; the prior-year figures were adjusted accordingly.

Aggregate trading volumes on Deutsche Börse Group's derivatives markets increased significantly. The number of futures and options contracts traded on Eurex Exchange increased by approximately 12 per cent year-on-year, whilst the number of US options traded at ISE remained virtually stable. Trading in electricity products on EEX soared by 95 per cent, whilst gas products rose by 81 per cent. Net revenue in the Eurex segment was up by 27 per cent, to €1,025.2 million (2014: €807.4 million). Besides higher contract volumes, this increase was driven in particular by growth on EEX, which more than doubled net revenue, through organic as well as external growth.

Traded volumes on the cash market rose even more sifgnificantly than on the derivatives markets: by 28 per cent on Xetra®, by 6 per cent at the Frankfurt Stock Exchange, and by as much as 47 per cent on Tradegate. The year-on-year rise in index levels also had a positive effect on the revenue generated because of the pricing model, which is based on the transaction value. As a result, net revenue rose by 14 per cent to €184.8 million (2014: €161.9 million).

The post-trade services provided by the Clearstream segment yielded further solid growth rates in the year under review: Clearstream recorded both increased business volumes and higher net revenue in its three main business areas – custody, settlement and global securities financing. Despite prevailing low key interest rates, net interest income from the banking business in the Clearstream segment rose slightly compared to the previous year's figure, thanks to the continued increase in Clearstream's cash client deposits. Net revenue in the Clearstream segment was up by 7 per cent year-on-year, to €746.4 million (2014: €698.0 million).

In the Market Data + Services segment, net revenue was €411.0 million, 8 per cent higher than in the previous year (2014: €380.5 million). Business developed positively, with rising net revenue in all four business areas (Information, Index, Tools and Market Solutions).

Operating costs increased by 23 per cent year-on-year in the reporting period to €1,375.6 million (2014: €1,114.8 million). They included non-recurring effects in a total amount of €126.8 million, including €65.4 million for efficiency programmes and restructuring measures, €38.7 million mainly for the integration of acquired companies, and €22.7 million largely related to criminal proceedings against Clearstream Banking S.A. in the US. Adjusted for these non-recurring factors, operating costs increased by 17 per cent to €1,248.8 million (2014: €1,068.8 million). The following factors were the key drivers for the year-on-year increase in costs:

- Operating costs rose by €89.8 million, due to the full consolidation of Powernext (including EPEX and its subsidiaries), APX Holding group, CGSS, 360T and Indexium.
- Currency translation effects, especially caused by the weakness of the euro against the US dollar, created additional costs in the amount of €32.7 million.
- The higher Deutsche Börse share price caused steeper expenses for remuneration components linked to the share price. Moreover, thanks to the successful financial year, the Group paid out higher bonuses to its staff. Aggregate remuneration effects totalled €31.5 million. Investments in growth projects and infrastructure, in particular for Eurex's and Clearstream's growth initiatives, increased by €12.9 million.

Staff costs, a key factor in operating costs, amounted to €640.7 million in 2015 (2014: €472.4 million). Adjusted for exceptional items, staff costs rose by 26 per cent year-on-year to €579.6 million (2014: €460.7 million). The increase is due to a rise in the average number of people employed in the year under review, which was mainly the result of the above mentioned consolidation effects.

Deutsche Börse Group key performance figures

	2015 €m	2014 €m	Change %
Net revenue	2,367.4	2,047.8	16
Operating costs	1,375.6	1,114.8	23
EBIT	992.6	1,011.3	– 2
Consolidated net profit for the period attributable to Deutsche Börse AG shareholders	665.5	762.3	– 13
Earnings per share (basic) in €	3.60	4.14	– 13

Overview of operating costs

	2015 €m	2014 €m	Change %
Staff costs	640.7	472.4	36
Depreciation, amortisation and impairment losses	143.7	124.8	15
Other operating expenses	591.2	517.6	14
Total	**1,375.6**	**1,114.8**	**23**

Depreciation, amortisation and impairment losses increased by 15 per cent to €143.7 million in the year under review (2014: €124.8 million). This was primarily driven by higher investments in intangible assets and property, plant and equipment in connection with the Group's growth initiatives and infrastructure measures.

Other operating expenses relate primarily to the costs of enhancing and operating Deutsche Börse Group's technological infrastructure, including, for example, costs for IT services providers and data processing. In addition, other operating expenses include the cost of the office infrastructure at all the Group's locations as well as travel expenses, most of which are incurred in connection with sales activities. Because of the Group's business model and the fact that the company does not normally distribute its products and services to end customers, advertising and marketing costs only account for a very small portion of the company's operating expenses. Other operating expenses increased to €591.2 million in the year under review (2014: €517.6 million), driven primarily by an increase in advisory services related to the Group's strategic initiatives, as well as by higher costs for infrastructure operations.

Deutsche Börse Group's result from equity investments amounted to €0.8 million (2014: €78.3 million). The high result from equity investments in 2014 is attributable in particular to non-recurring income items in connection with the merger of Direct Edge Holdings, LLC (Direct Edge) and BATS Global Markets, Inc (BATS) at the end of January 2014 as well as the retrospective adjustment of the fair value of the consideration transferred as a result of the acquisition of EEX as at 1 January 2014. Adjusted for these exceptional items, the result from equity investments in the reporting period 2014 amounted to €8.6 million; the adjusted result of equity investments for 2015 amounted to €5.4 million. As a result of the consolidation of EEX and Scoach, these companies no longer contribute to the result from equity investments.

Deutsche Börse Group's earnings before interest and tax (EBIT) decreased by 2 per cent in the year under review to €992.6 million (2014: €1,011.3 million). Adjusted for the above-mentioned exceptional cost items and non-recurring items in the result from equity investments, the Group's EBIT amounted to €1,124.0 million, a 14 per cent increase year-on-year (2014: €987.6 million).

The Group's financial result for the year under review was €–42.4 million (2014: €–47.9 million). This improvement was attributable, in particular, to positive currency translation effects in the amount of €14.2 million, which arose due to higher US dollar positions, and were incurred during the first and second quarters of 2015. These effects offset higher consolidated interest expenses for €1.1 billion in additional debt, which Deutsche Börse raised during the second half of the year in order to finance the acquisitions of STOXX and 360T.

Key figures by quarter

	Q1		Q2		Q3		Q4	
	2015 €m	2014 €m	2015 €m	2014 €m	2015 €m	2014 €m	2015 €m	2014 €m
Net revenue	600.1	516.7[1]	583.1	491.2[1]	594.4	495.6[1]	589.8	544.3[1]
Operating costs	293.0	247.8	307.7	254.4	344.0	274.0	430.8	338.6
EBIT	312.3	343.0[1]	271.4	238.6[1]	249.7	221.6[1]	159.2	208.1[1]
Consolidated net profit for the period attributable to Deutsche Börse AG shareholders	222.3	229.6	175.1	159.3[1]	166.1	149.4[1]	102,0	224.0[1]
Earnings per share (basic) in €	1.21	1.25[1]	0.95	0.87	0.90	0.81[1]	0.54	1.21

1) Adjusted values including interest income and expenses incurred in the Eurex segment, plus a €10.6 million fair value adjustment (reported in Q3/2014) to transferred consideration for the acquisition of EEX as at 1 January 2014.

The effective Group tax rate was 26.2 per cent in 2015. Adjusted for non-recurring items, it was 26.0 per cent, as in the previous year.

The net profit for the period attributable to Deutsche Börse AG shareholders (hereinafter referred to as consolidated net profit) declined to €665.5 million (2014: €762.3 million). Excluding the exceptional items described above it exceeded the previous year's figure by 14 per cent, at €766.0 million (2014: €669.4 million).

Non-controlling interests in consolidated net profit attributable to Deutsche Börse AG shareholders for the period amounted to €35.7 million (2014: €26.2 million). While non-controlling shareholders of EEX group received €19.7 million (2014: €5.3 million) and controlling shareholders of STOXX received €15.0 million (2014: €19.8 million), other non-controlling shareholders shared in profit incurred in the amount of approximately €1.0 million.

Basic earnings per share, based on the weighted average of 185.0 million shares, amounted to €3.60 (2014: €4.14 for an average of 184.2 million shares outstanding). Adjusted for the exceptional items described above, basic earnings per share rose to €4.14 (2014: €3.63).

Comparison of results of operations with the forecast for 2015
Given the improved cyclical market environment, the consolidation of Clearstream Global Securities Services Limited and Powernext SA as well as its various growth initiatives, Deutsche Börse Group was originally anticipating net revenue in a range between €2.1 billion and €2.3 billion. The company had already raised this forecast with the publication of first-quarter results for 2015, by €100 million to a range between €2.2 billion and €2.4 billion. This was due to the positive business development, plus the full consolidation of APX Holding group in the commodities segment and the strong appreciation of the US dollar against the euro. The Group expected operating costs of €1,230 million (originally: €1,180 million), increasing this projection to €1,245 million, due to the full consolidation of 360T in the fourth quarter of 2015. Moreover, the Group expected non-recurring effects in the amount of approximately €110 million. The marked increase, compared to the original forecast of approximately €30 million, was related to costs associated with mergers and acquisitions, as well as costs incurred due to criminal investigations against Clearstream Banking S.A. in the US. Furthermore, the company planned to create scope for further investments as part of the "Accelerate" growth programme announced in July 2015. Through a reduction in hierarchical levels, the merger of functions into competence centres and further improvements in purchasing and procurement, the Group is looking to create approximately €50 million in additional investment capacity from 2016 onwards. The Group calculated one-off restructuring charges for implementing these measures of around €60 million for 2015. The original EBIT forecast of between €925 million and €1,125 million was raised to between €975 million and €1,175 million within the scope of adjustments in the first quarter. Likewise, Deutsche Börse also raised its forecast net profit for the period, also by €50 million, to between €675 million and €825 million.

EBIT and profitability by segment

	2015		2014	
	EBIT €m	EBIT margin[1] %	EBIT €m	EBIT margin[1] %
Eurex	429.3	42	431.6	53
Xetra	100.6	54	88.0	54
Clearstream	288.8	39	319.4	46
Market Data + Services	173.9	42	172.3	45
Deutsche Börse Group	**992.6**	**42**	**1,011.3**	**49**

1) Based on net revenue

According to the Group's projections, the tax rate was to remain stable during the year under review, at 26.0 per cent, with a slight improvement in the financial result, due to currency translation effects.

The conditions described earlier in the section on business developments and the capital market environment's sustained improvement were largely in line with the assumptions on which the forecast was based. Deutsche Börse Group thus generated net revenue which, at €2,367 million, was in the top quarter of the forecast range.

Adjusted for special items, the Group's operating costs rose in financial year 2015 to €1,249 million, driven mainly by consolidation effects as well as by investments in efficiency, restructuring and integrative measures. This is slightly above the Group's forecast, which had predicted an increase in operating costs to €1,245 million.

EBIT and consolidated net profit for the period are also in the upper area of the forecast range (adjusted for exceptional items in both cases). Consequently, the Group achieved an adjusted interest coverage ratio of 24.9, significantly above the minimum target of 16.

At Group level, Deutsche Börse aims to achieve a ratio of interest-bearing gross debt to EBITDA of no more than 1.5. Given the raising of debt to finance the acquisitions of STOXX and 360T in the third and fourth quarters of 2015, the Group anticipated exceeding this figure for 2015, expecting a ratio of approximately 1.9. In fact, the Group reached this target, achieving a ratio of gross debt to EBITDA of 1.9.

The adjusted tax rate was 26.0 per cent, as planned.

Comparison of results of operations with the forecast for 2015

	Forecast €m	Result €m
Net revenue	2,200 – 2,400	2,367.4
Operating costs (adjusted)	1,245	1,248.8
EBIT (adjusted)	975 – 1,175	1,124.0
Consolidated net profit	675 – 825	766.0
Gross debt / EBITDA	1.9	1.9

Segment key figures (adjusted)

	Eurex		Xetra		Clearstream		Market Data + Services	
	2015 €m	2014 €m	2015 €m	2014 €m	2015 €m	2014 €m	2015 €m	2014 €m
Net revenue	1,025.2	807.4	184.8	161.9	746.4	698.0	411.0	380.5
Operating costs	548.0	438.8	77.1	73.5	402.8	358.9	220.9	197.6
EBIT	480.3	376.8	109.9	88.8	343.7	339.1	190.1	182.9

Eurex segment
The performance of the Eurex derivatives segment largely depends on the trading activities of institutional investors and proprietary trading by professional market participants. The segment's revenue is therefore generated primarily from the combined transaction fees that Eurex charges for trading and clearing derivatives contracts.

Revenue is primarily driven by the derivatives traded on Eurex Exchange: equity index derivatives accounted for 39 per cent of net revenue, interest rate derivatives 18 per cent and equity derivatives 4 per cent. US options traded on the International Securities Exchange (ISE) accounted for 9 per cent of net revenue. Energy products traded on the European Energy Exchange (EEX) and its subsidiaries and/or investments, and derivatives based thereon (commodities), contributed 16 per cent to net segment revenue; Eurex Repo contributed 3 per cent. The "other" item (10 per cent) includes, among other things, the participation fees paid by trading and clearing participants as well as interest income and expenses generated by the Group's clearing houses from investing their clients' cash collateral. 360T Beteiligungs GmbH has been consolidated since the beginning of October 2015; its revenue is reported under the new item FX.

The derivatives market benefited from a more favourable trading environment overall, as higher volatility – compared to the previous year – increased market participants' hedging needs. Thanks to their broad product portfolio, Deutsche Börse Group's derivatives exchanges are able to offer investors suitable instruments. Higher trading activity by market participants was also bolstered by investors' renewed confidence in European capital markets. Nonetheless, the macro-economic environment continued to hold challenges: low key interest rates, the persistently fragile economic situation in the euro zone and the low inflation and in some cases deflationary tendencies. For market participants, the implications of the regulatory reform projects in the financial services industry are costs for structural changes as well as adjustments to their business models in some cases. After all, higher capital requirements – compared to a few years ago – and stricter rules governing proprietary trading provide additional barriers to investors.

In total, 2,272.4 million contracts were traded on Deutsche Börse Group's derivatives exchanges (Eurex Exchange and ISE) in 2015, a year-on-year increase of 8 per cent (2014: 2,097.9 million). This is equivalent to a daily average of around 9.0 million contracts (2014: 8.3 million). Eurex generated a trading volume of 1,672.6 million futures and options contracts, up 12 per cent on the previous year (2014: 1,490.5 million). Trading in US options on ISE remained almost stable at 599.8 million contracts (2014: 607.4 million). Commodities trading flourished, recording two-digit growth rates for power and gas products, while average outstanding volumes in the repo business decreased by 20 per cent to €172.8 billion (2014: €214.6 billion).

Net segment revenue increased by 27 per cent to €1,025.2 million (2014: €807.4 million). Operating costs rose by to €599.8 million (2014: €453.7 million). In 2014, special factors of €14.9 million had had a negative impact on costs; these factors amounted to €51.8 million in the year under review and were mainly due to restructuring and efficiency measures as well as measures to integrate the acquired companies, 360T and Powernext (including EPEX and its subsidiaries). €104.9 million of net revenue was attributable to transaction fees and other revenue of the first-time consolidation of these companies acquired in the year under review; their share of the costs amounted to €74.0 million. Eurex's EBIT was at €429.3 million (2014: €431.6 million). In the prior year, €62.7 million of EBIT was attributable to non-recurring income that Deutsche Börse Group generated as a result of a revaluation of its shares in Direct Edge in connection with the merger of Direct Edge Holdings, LLC and BATS Global Markets, Inc. Resulting from the adjustment of the fair value of the consideration transferred in connection with the acquisition of EEX as at 1 January 2014, €10.6 million was attributable to a one-off gain.

As in the previous year, Eurex equity index derivatives were the product group with the highest trading volume. Trading of these derivatives increased by 17 per cent year-on-year to 837.7 million contracts (2014: 715.0 million), which is primarily due to higher volatility. Contracts on the EURO STOXX 50® index were by far the most commonly traded products (341.8 million futures and 314.5 million options). Net revenue amounted to €402.7 million in the year under review, an increase of 17 per cent on the previous year (2014: €344.8 million).

Eurex segment: key figures

	2015	2014	Change
Financial key figures	€m	€m	%
Net revenue	1,025.2	807.4	27
Operational costs	599.8	453.7	32
EBIT	429.3	431.6	–1
Financial derivatives: trading volume on Eurex Exchange and ISE	m contracts	m contracts	%
Total Eurex and ISE	**2,272.4**	**2,097.9**	**8**
Eurex derivatives[1]	1,672.6	1,490.5	12
European equity index derivatives	837.7	715.0	17
Eurex interest rate derivatives	509.1	461.3	10
Eurex equity derivatives	311.8	303.5	3
US options (ISE)	599.8	607.4	–1
Commodities[4]: trading volume on EEX	TWh / m t CO_2	TWh / m t CO_2	%
Electricity	3,061.5	1,570.4	95
Gas	1,024.9	567.7[3]	81
Emissions trading	677.6	533.7	27
Repo business[4]: average outstanding volume on Eurex Repo®	€bn	€bn	%
Total (single-counted)	**172.8**	**214.6**	**–20**
GC Pooling®	140.9	158.5	–11
Euro market	31.9	41.0	–22

1) The total deviates from the sum of individual figures since it includes additional traded products, such as ETF, volatility, currency and precious metals derivatives.
2) Including volumes traded on Powernext or EPEX (the previous year's figures were adjusted accordingly); including APX volumes since 4 May 2015.
3) Figure adjusted due to mistrades
4) Due to the fact that the Swiss National Bank no longer issues money market instruments via Eurex Repo, volume in Swiss francs is not stated. The average outstanding volume of the repo market in Swiss francs in 2014 stood at €15.1 billion.

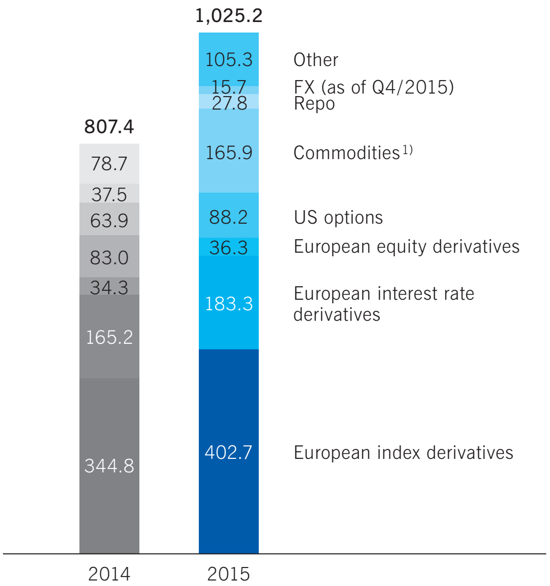
The volume of Eurex's equity derivatives contracts (single-stock options and futures) traded in the year under review rose by 3 per cent to 311.8 million (2014: 303.5 million). Net revenue from equity derivatives also increased slightly to €36.3 million (2014: €34.3 million).

European interest rate derivatives trading showed a mixed picture: on the one hand, trading activity was burdened by persistently low central bank rates, massive sovereign bond purchases by the ECB, as well as by the absence of any short-term outlook for a change in the ECB's accommodative monetary policy. On the other hand, discussions concerning the future of the European Monetary Union (and especially, the conflicts about Greece's indebtedness with its creditors) as well as the long-awaited interest rate turnaround in the US, which the Fed initiated in December 2015, triggered additional hedging needs by investors. Total trading volumes in the interest rate derivatives product group on Eurex increased by 10 per cent to 509.1 million contracts in the year under review (2014: 461.3 million). Net revenue from trading and clearing interest rate derivatives increased by 11 per cent to €183.3 million (2014: €165.2 million).

Market participants on the US options exchanges ISE and ISE Gemini traded 599.8 million contracts in the year under review (2014: 607.4 million). ISE's and ISE Gemini's market share of US equity options was 16.0 per cent (2014: 15.8 per cent). Other established options exchanges such as Amex, Arca or CBOE also recorded falling trading volumes in 2015. The winners were fledgling exchanges such as BATS or MIAX Options Exchange, which attracted additional order flow to their platforms through special incentive programmes. Gemini, ISE's marketplace dedicated to the needs of private investors, has now established itself as ISE's second trading platform for US options. ISE's net revenue from US options was up by 6 per cent year-on-year to €88.2 million (2014: €83.0 million), in particular because net revenue generated in US dollar was converted into euros.

Net revenue in the Eurex segment

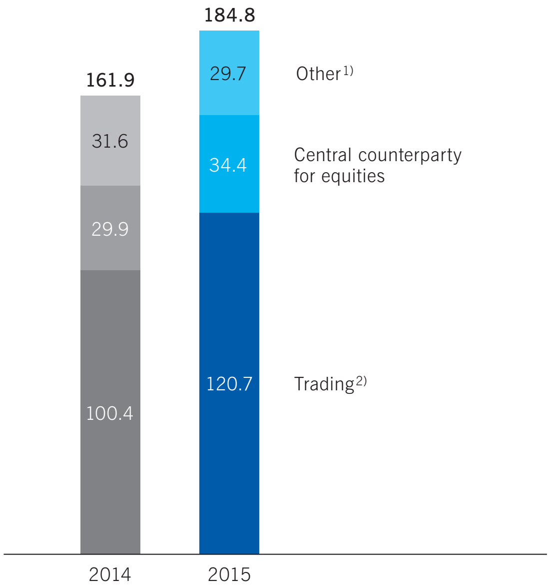
€ millions



1) Commodities and commodities derivatives traded at EEX and Eurex

Net revenue in the Xetra segment

€ millions



1) Including revenue from listing and Eurex Bonds
2) The position "Trading" includes the Xetra® electronic trading system, Börse Frankfurt as well as structured products trading.

The EEX is the leading European energy exchange; it develops, operates and connects secure, liquid and transparent markets for energy and commodity products. The products traded on markets operated by EEX group are electricity, natural gas, environmental products (such as emission allowances), freight rates, metals and agricultural products. Since 2015, the EEX group has included France's Powernext SA as well as EPEX Spot SE (including APX Holding group – for details, please refer to the "Changes to the basis of consolidation" section). During the reporting year, EEX group succeeded in attracting off-exchange volumes to its exchange trading platforms and to expand its business into additional European markets and completely new product classes. Customers appreciate the one-stop shop concept, where they can access numerous products from a single source, according to their requirements. EEX group can thus look back on a successful year, with very high growth rates. Volumes on the spot and forward electricity markets were up by 95 per cent in 2015, to 3,061.5 TWh (2014:1,570.4 TWh). Volumes in gas products soared by 81 per cent to 1,024.9 TWh (2014: 567.7 TWh). With 677.6 million tonnes of CO_2, traded volumes in emission rights rose by 27 per cent year-on-year (2014: 533.7 million tonnes of CO_2). Net revenue from commodities trading increased by more than 2.5x to €165.9 million in 2015 (2014: €63.9 million).

Average outstanding volumes at Eurex Repo®, the marketplace for collateralised money market trading and for GC Pooling® (General Collateral Pooling), declined by 20 per cent during the reporting year, to €172.8 billion (2014: €214.6 billion; single counting in each case). Due to the low-interest rate environment and the ECB's bond purchasing programme, numerous bonds which would be eligible as collateral for repo transactions are no longer available to the market. Moreover, given the high level of excess liquidity, participants' funding requirements are low. The average outstanding GC Pooling volume decreased by 11 per cent, to €140.9 billion (2014: €158.5 billion). In the euro market, the average outstanding volume stood at €31.9 billion (2014: €41.0 billion). The Swiss National Bank (SNB) has conducted no monetary policy measures in repos or money market instruments since August 2011; outstanding volumes at Eurex Repo have thus expired. Therefore, there will be no further product offers in cooperation with the SNB in the foreseeable future, which is why volumes on the Swiss franc repo markets will no longer be reported separately. Within the GC Pooling offer, investors have been able to also execute transactions in Swiss francs since December 2014, besides transactions in euros and US dollars. Net revenue in the repo business decreased to €27.8 million (2014: €37.5 million).

Net revenue of 360T Beteiligungs GmbH, the foreign exchange trading platform acquired in the summer, amounted to €15.7 million in the last three months of the year under review (please see the report on opportunities for details on 360T's business potential).

Xetra segment

The Xetra segment generates most of its net revenue from trading and clearing cash market securities. The primary sales driver, accounting for 65 per cent, was net revenue from trading. The central counterparty (CCP) for equities and exchange-traded products (ETP) operated by Eurex Clearing AG contributed 19 per cent to the segment's net revenue; the net revenue of the CCP is determined to a significant extent by trading activities on Xetra. The "other" item (16 per cent of net revenue in total) comprises listing fees and the net revenue generated by Eurex Bonds. Listing fees predominantly come from existing company listings and admissions to trading.

In the reporting period, net revenue in the Xetra segment rose by 14 per cent to €184.8 million (2014: €161.9 million). Operating costs increased to €81.0 million (2014: €74.3 million). Exceptional items – primarily for efficiency programmes and restructuring measures, which had had a negative impact of only €0.8 million in financial year 2014 – amounted to €3.9 million in the year under review. As a result of the upswing in business activity, EBIT also increased by 14 per cent to €100.6 million (2014: €88.0 million).

Cash market trading activity was stimulated by persistent high volatility, as well as by a combination of key interest rates at record lows and by the ECB's quantitative easing. In contrast, the fragile state of the euro zone economy and the debt crisis (affecting Greece in particular) burdened trading, but this was more than offset by positive factors during the reporting year. Investors who had withdrawn capital from Europe over recent years now appear to be increasing their exposure to Europe (and Germany) again. In particular, this applied to investors expecting an increase in key interest rates in the US (which materialised in December), as well as to those withdrawing funds from the unstable Chinese market. In this context, investments in Germany are particularly attractive due to the sound profitability of German enterprises and the stable economic environment.

In the 2015 financial year, securities with a total volume of €1.64 trillion were traded on Deutsche Börse Group's cash markets (2014: €1.28 trillion). They included shares and bonds from German and international issuers, exchange-traded funds (ETFs) and exchange-traded commodities (ETCs) as well as units in actively managed retail funds and structured products.

Institutional, private and international investors primarily trade on Xetra, the electronic trading platform. As a result, Xetra generates by far the segment's highest trading volume. This volume (measured in terms of order book turnover, single-counted) rose by 28 per cent in the year under review to €1,505.8 billion (2014: €1,179.9 billion). The number of transactions increased by 24 per cent to 251.9 million (2014: 203.1 million). The average value per Xetra transaction rose to €12.0 thousand (2014: €11.6 thousand). In addition to Xetra, Deutsche Börse operates trading at the Frankfurt Stock Exchange and holds a 75 per cent interest and one share in Tradegate Exchange. The volume (single-counted) traded on the Frankfurt Stock Exchange was €54.6 billion (2014: €51.6 billion). The trading volume generated by Tradegate Exchange increased by 47 per cent to €75.3 billion (2014: €51.1 billion).

Deutsche Börse has operated Europe's leading marketplace for ETFs since 2000. It offers investors the largest selection of ETFs of all European exchanges: as at 31 December 2015, 1,116 ETFs were listed (2014: 1,044 ETFs). The assets under management held by ETF issuers amounted to €351.6 billion at the end of the year, a year-on-year increase of 23 per cent (31 December 2014: €286.3 billion). Trading volumes rose by 39 per cent to €188.9 billion (2014: €135.7 billion). The most heavily traded ETFs continue to be based on the European STOXX® equity indices and on the DAX® index.

Xetra segment: key figures

	2015	2014	Change
Financial key figures	**€m**	**€m**	**%**
Net revenue	184.8	161.9	14
Operating costs	81.0	74.3	9
EBIT	100.6	88.0	14
Cash market: trading volume (single-counted)	**€bn**	**€bn**	**%**
Xetra®	1,505.8	1,179.9	28
Frankfurt Stock Exchange	54.6	51.6	6
Tradegate	75.3	51.1	47

The development of IPOs on the Frankfurt Stock Exchange was also positive, with a total of 24 newly listed companies – the best result Deutsche Börse has achieved in terms of the size and number of IPOs since 2007. In the Prime Standard segment, 18 new companies were listed (2014: ten companies), two in the General Standard segment (2014: four companies), and four new companies in the Entry Standard (2014: five companies). Aggregate issue volume amounted to approximately €7 billion (2014: €4 billion). The biggest IPOs during the reporting year were Covestro AG (€1.5 billion), Deutsche Pfandbriefbank AG (€1.16 billion), and Scout24 AG (€1.02 billion).

Deutsche Börse launched the "Deutsche Börse Venture Network" on 11 June 2015. The Venture Network connects high-growth, start-up companies with international investors, to help these companies raise capital – including a potential IPO, and to help them build a comprehensive network. An exclusive online platform allows investors and entrepreneurs to establish contacts and to exchange information in a protected platform area. Tailored events provide opportunities to get to know each other personally, thereby potentially opening channels for entrepreneurs to raise capital for their business. The Venture Network has been growing steadily, with 52 growth companies and 111 investors active on the platform at the end of the reporting year.

Clearstream segment

Clearstream provides the post-trade infrastructure for bonds, equities and investment funds. In addition, Clearstream offers custody services for securities from 55 markets worldwide. The custody business was the key contributor to Clearstream's net revenue, generating 52 per cent. Net revenue in this business is mainly driven by the volume and value of securities under custody, which determines the deposit fees. The settlement business accounted for 18 per cent of Clearstream's net revenue. It depends heavily on the number of settlement transactions processed by Clearstream, both via stock exchanges and over the counter (OTC). The Global Securities Financing (GSF) business, which includes triparty repo, GC Pooling, securities lending and a wide range of collateral management services, contributed 9 per cent to the segment's net revenue. Net interest income from Clearstream's banking business contributed 5 per cent to Clearstream's net revenue. Other business activities including reporting services accounted for a 16 per cent share of total net revenue.

Clearstream's net revenue increased by 7 per cent to €746.4 million in the year under review (2014: €698.0 million), due to growth in its largest business areas, in particular. Operating costs rose to €457.7 million (2014: €378.6 million); the 2015 exceptional items totalled €54.9 million (2014: €19.7 million) and were primarily composed of costs for the integration of CGSS, acquired at the end of 2014, and costs incurred as a result of criminal investigations against Clearstream Banking S.A. in the US in addition to efficiency and restructuring programmes. EBIT thus decreased to €288.8 million (2014: €319.4 million).

The aggregate average volume of securities held in custody rose to €13.3 trillion in 2015 (2014: €12.2 trillion) – a new record for an annual average. Custody volumes on the German domestic market are largely determined by the market values of equities, funds and structured products on the German cash market. Reflecting capital gains on German domestic equities, the volume of custody assets rose to €6.1 trillion in 2015 (2014: €5.7 trillion). At the same time, the value of international assets held in custody – mainly comprising bonds traded OTC increased to €7.1 trillion, up 10 per cent year-on-year (2014: €6.5 trillion). New and/or additional business from existing customers contributed to the volume increase in assets under custody. At €387.2 million, net revenue in the custody business exceeded the previous year's figure by 9 per cent (2014: €355.4 million).

Clearstream segment: key figures

	2015	2014	Change
Financial key figures	€m	€m	%
Net revenue	746.4	698.0	7
Operating costs	457.7	378.6	21
EBIT	288.8	319.4	–10
Custody	€bn	€bn	%
Value of securities under custody (average value during the year)	13,274	12,215	9
international	7,140	6,495	10
domestic	6,134	5,720	7
Settlement	m	m	%
Securities transactions	138.0	126.3	9
international – OTC	36.4	36.3	0
international – on-exchange	7.7	7.3	5
domestic – OTC	34.2	30.9	11
domestic – on-exchange	59.7	51.8	15
Global Securities Financing	€bn	€bn	%
Outstanding volume (monthly average)	598.6	609.8	–2
Average daily cash balances	m	m	%
Total[1]	12,445	11,859	5
euro	4,178	4,975	–16
US dollar	6,187	5,233	18
other currencies	2,080	1,651	26

1) Includes some €1.5 billion currently or formerly blocked by EU and US sanctions (2014: €1.3 billion)

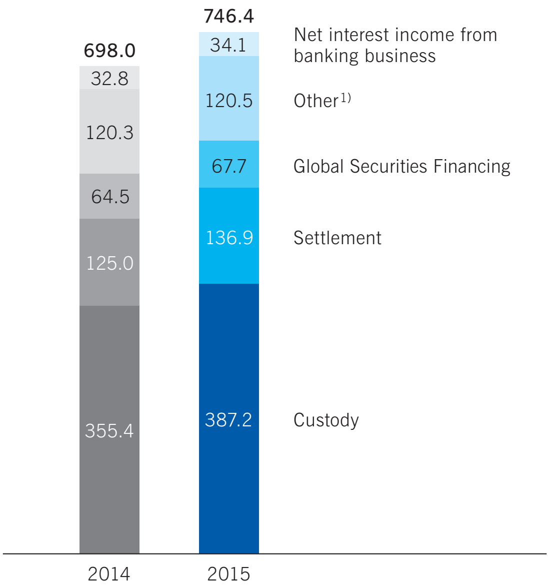
During the 2015 financial year, the number of (domestic and international) settlement transactions via Clearstream increased by 9 per cent, to 138.0 million (2014: 126.3 million). The number of international transactions increased slightly, to 44.1 million (2014: 43.6 million). OTC transactions, which accounted for 82 per cent of Clearstream's international settlement business, remained unchanged compared to the previous year; on-exchange transactions (accounting for the remaining 18 per cent) rose by 5 per cent year-on-year. The number of settlement transactions on the German domestic market increased by 14 per cent, to €93.9 million (2014: €82.7 million), driven by higher trading activity from German private investors. Here, on-exchange transactions accounted for the lion's share (64 per cent), with the remaining 36 per cent executed over-the-counter. During the 2015 financial year, Clearstream booked growth both in on-exchange and OTC transactions, with the former contributing a 15 per cent year-on-year increase. Net revenue in the settlement business was up by 10 per cent, to €136.9 million (2014: €125.0 million).

The successful performance of Investment Funds Services contributed positively to results in the settlement and custody business. Clearstream processed a total of 9.7 million transactions during the reporting year, up 11 per cent year-on-year (2014: 8.8 million). At €446.5 billion, the average volume of investment funds in custody exceeded the previous year's figure by 36 per cent (2014: €327.4 billion). These figures include hedge funds services provided by CGSS, based in Cork, Ireland. Clearstream acquired Citco's custody business for hedge funds sponsored by financial institutions – now CGSS – on 3 October 2014, and has now fully integrated Citco's former fund clients.

Average outstanding volumes in the Global Securities Financing (GSF) business area decreased slightly, to €598.6 billion (2014: €609.8 billion). In a difficult market environment, Clearstream was thus able to keep its business volumes virtually stable; stronger volume declines were seen in GC Pooling only.

Net revenue in the Clearstream segment

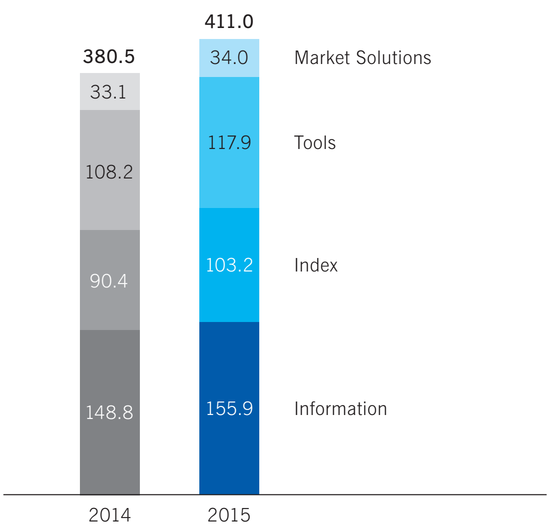
€ millions



1) Including Connectivity and Reporting

Net revenue in the Market Data + Services segment

€ millions



Nonetheless, net revenue in the GSF business rose to €67.7 million (2014: €64.5 million), as Clearstream was able to offset lower volumes through growth in high-margin products.

Average cash customer deposits were up by 5 per cent year-on-year, to €12.4 billion (2014: €11.9 billion). This figure includes an average amount of approximately €1.5 billion (2014: €1.3 billion) which was unavailable due to the blocking of certain accounts under European and US sanctions. Net interest income from Clearstream's banking business was slightly up in 2015, to €34.1 million (2014: €32.8 million). Clearstream net interest income reflects the persistently low interest rate environment throughout the year under review. The US Federal Reserve raised its key interest rate – to a range between 0.25 per cent and 0.5 per cent – as recently as December 2015. At the end of December 2015, approximately half of cash customer deposits are denominated in US dollars. However, thanks to growth in its customer daily cash balances, Clearstream could more than offset the persistently low interest rates.

A key impending change that will affect Clearstream's settlement business is the TARGET2-Securities (T2S) settlement platform designed by the Eurosystem. T2S will harmonise European cross-border securities settlement in central bank money. With the introduction of T2S, Clearstream will offer its customers the full benefits of T2S. Customers will be able to bundle their assets in a single pool and use the respective national central securities depository (CSD) as their point of access to T2S; at the same time, they will be able to benefit from the securities lending and collateral management services of the international central securities depository (ICSD)..For example, this will allow them to settle tri-party repos in (multi-currency) commercial bank funds or in central bank money (euros), with positions being held with the ICSD and with CSDs. On 10 December 2015, the T2S CSD Steering Group reached an agreement on a revised T2S migration plan, following the announcement in late October 2015 of a need for a later migration to T2S of the Euroclear CSDs. The new schedule foresees Clearstream Banking AG and LuxCSD S.A. migrating to T2S on 6 February 2017. Clearstream will therefore adjust the schedule of its operational and market readiness activities.

Market Data + Services segment
The net revenue of the segment is composed of the Information (38 per cent), Index (25 per cent), Tools (29 per cent) and Market Solutions (8 per cent) business areas.

Market Data + Services' net revenue increased by 8 per cent in the year under review, to €411.0 million (2014: €380.5 million). Operating costs were at €237.1 million (2014: €208.2 million) and included exceptional items (largely relating to efficiency programmes and restructuring measures) of €16.2 million (2014: €10.6 million). The segment's EBIT rose slightly to €173.9 million (2014: €172.3 million).

The segment's core business is the distribution of capital market information, technology and infrastructure services to customers worldwide. These include realtime trading and market signals such as the AlphaFlash® algorithmic news feed as well as indices such as EURO STOXX® and DAX. Capital market participants subscribe to receive this information, which they then use themselves, process, or pass on. The segment generates much of its net revenue on the basis of long-term arrangements with customers and is relatively independent of trading volumes and volatility on the capital markets.

The Information business area mainly involves the distribution of licences for realtime trading and market signals and for the provision of historical data to the back offices of financial services providers. The Information business area also includes the Market News International (MNI) subsidiary, a leading provider of news and background information to the global foreign exchange, fixed income and commodities markets. The business remained largely stable in the year under review: Market Data + Services generated net revenue from trading signals of €155.9 million (2014: €148.8 million).

In its Index business area, which it conducts through its STOXX Ltd. subsidiary, Deutsche Börse generates revenue from calculating and marketing indices and benchmarks, which banks and fund management companies use as underlying instruments or benchmark references for financial instruments and investment conduits. STOXX Ltd. and Indexium AG have been wholly owned subsidiaries of Deutsche Börse Group since the end of July 2015. This has enhanced the Group's strategic flexibility, enabling it to fully exploit existing potential in the fast-growing index business. In the year under review, the index business continued its growth trend, with a 14 per cent increase in net revenue to €103.2 million (2014: €90.4 million). In particular, the trend of investors moving towards passively managed financial products, such as ETFs, led to an increase in assets under management in these products and thus also to higher licensing revenue for these products. This is attributable to STOXX's extensive index portfolio, which gives issuers numerous options to launch financial products suited to a wide variety of investment strategies. Furthermore, increased equity index derivatives trading activity at Eurex Exchange contributed to growth in the Index business area.

Revenue in the Tools business area includes revenue from regulatory services and from connectivity services for trading participants and clearing members. Net revenue rose by 9 per cent to €117.9 million (2014: €108.2 million). Higher connectivity revenue especially contributed to the business area's growth due to the connection of new customers to the Deutsche Börse network. The segment generates this revenue primarily from connecting trading participants on the cash and the derivatives markets and from users of the data services. The increase in revenue was driven by, among other things, the enhancement of the data services and new connectivity formats for the T7 trading platform.

The Market Solutions business area consists primarily of development and operational services for external technology customers, such as partner exchanges and German regional exchanges. Deutsche Börse operates the technology for partner exchanges in Dublin, Vienna, Sofia, Ljubljana, Prague and Budapest, on Malta and the Cayman Islands; in the domestic market, it is the technology operator for the German broker exchanges in Berlin, Dusseldorf, Hamburg/Hanover, and Munich. Net revenue stood at €34.0 million in 2015, slightly above the previous year (2014: €33.1 million).

Development of profitability

Return on shareholders' equity represents the ratio of earnings after tax to the average equity available to the Group in 2015. The Group's return on shareholders' equity decreased to 18.9 per cent in the year under review (2014: 23.9 per cent), primarily due to lower earnings and higher equity at the same time. Adjusted for the exceptional items described in the results of operations, this ratio, which is also known as the return on equity increased to 21.7 per cent (2014: 21.0 per cent). The weighted average cost of capital (WACC) after tax amounted to 3.8 per cent in the year under review (2014: 4.5 per cent). Deutsche Börse's cost of equity reflects the return on a risk-free alternative investment plus a premium for general market risk, and also takes account of the specific risk of Deutsche Börse shares compared with the market as a whole, known as the beta. The cost of debt represents the terms on which Deutsche Börse AG was able to raise short- and long-term debt. See also "Deutsche Börse's cost of capital" table.

Market Data + Services segment: key figures

	2015 €m	2014 €m	Change %
Financial key figures			
Net revenue	411.0	380.5	8
Operating costs	237.1	208.2	14
EBIT	173.9	172.3	1

Financial position

Cash flow

Cash and cash equivalents at Deutsche Börse Group comprise cash and bank balances to the extent that these do not result from reinvesting current liabilities from cash deposits by market participants as well as receivables and liabilities from banking business with an original maturity of three months or less. Cash and cash equivalents as at 31 December 2015 amounted to €–1,579.4 million (31 December 2014: €–68.5 million). The item is negative especially due to the shift of current financial assets to financial assets with a maturity of more than three months for reporting date reasons; the latter do not qualify as cash and cash equivalents and the cash flows associated with them have been allocated to investing activities. Cash and bank balances amounted to €711.1 million as at 31 December 2015 (31 December 2014: €826.1 million).

Deutsche Börse Group generated €796.6 million (2014: €684.8 million) in cash flow from operating activities, excluding changes in CCP positions on the reporting date. The marked year-on-year increase in cash flows from operating activities was due, in particular, to a payment of US$151.9 million made during the first quarter of 2014, in connection with a settlement agreed upon by Deutsche Börse Group with the U.S. Office of Foreign Assets control (OFAC).

Moreover, Deutsche Börse Group paid taxes in the amount of €207.7 million during the 2015 financial year (2014: €237.0 million). The higher tax payments in the previous year were due to a non-recurring effect from tax back payments in Luxembourg for the years 2009 to 2011.

Other non-cash expenses totalled €6.9 million (2014: non-cash income of €46.7 million), the swing was mainly due to the re-measurement of the Direct Edge shareholding, following the merger of Direct Edge and BATS.

Deferred tax expenses amounted to €3.2 million (2014: deferred tax income of €48.8 million). Deferred tax income recognised in the previous year was largely due to deferred tax assets recognised on loss carryforwards.

Deutsche Börse's cost of capital

	2015 %	2014 %
Risk-free interest rate[1]	0.54	1.24
Market risk premium	6.50	6.50
Beta[2]	0.81	0.86
Cost of equity[3] (after tax)	5.80	6.83
Cost of debt[4] (before tax)	2.42	2.55
Tax shield[5]	0.63	0.66
Cost of debt (after tax)	1.79	1.88
Equity ratio[6] (annual average)	49.20	52.36
Debt ratio[7] (annual average)	50.80	47.64
WACC (before tax)	4.08	4.79
WACC (after tax)	3.77	4.47

1) Annual average return on ten-year bunds
2) Statistical measure of the sensitivity of the price of an individual share to changes in the entire market. A beta of 1.0 means that the performance of the share moves strictly in parallel to the reference market as a whole. A beta above 1.0 denotes greater volatility than the overall market and a beta below 1.0 less volatility.
3) Risk-free interest rate + (market risk premium x beta)
4) Interest rate on short- and long-term corporate bonds issued by Deutsche Börse AG
5) Denotes and quantifies the reduction in tax paid that arises from the deductibility of interest payments on debt and is factored into the calculation of the cost of capital
6) 1 – debt ratio
7) (Total non-current liabilities + tax provisions + other current provisions + other bank loans and overdrafts + other current liabilities + trade payables + payables to associates + payables to other related parties) / (total assets – financial instruments held by Eurex Clearing AG – liabilities from banking business – cash deposits by market participants); basis: average balance sheet items in the financial year

Taking CCP items into account, cash flow from operating activities totalled €10.1 million (2014: €677.3 million. The change in CCP items, compared to the previous year, was influenced by non-delivered GC Pooling transactions around the reporting date, in a total amount of US$869.5 million; these could not be delivered on the due date (31 December 2015), but only on 4 January 2016. The reason was a clearing participant's failure to provide the necessary cash in good time.

Cash outflows from investing activities amounted to €1,592.3 million in financial year 2015 (2014: €250.4 million). Of this figure, €815.5 million (2014: €367.2 million) related to collateralised cash investments with an original term of more than three months. At €154.5 million, investments in intangible assets and property, plant and equipment were above the prior-year level (2014: €133.5 million); most were made in the Clearstream (€73.4 million) and Eurex (€71.5 million) segments. Clearstream's investments related primarily to the expansion of its settlement and collateral management systems (€43.4 million), while Eurex invested in its trading and clearing systems (€34.3 million).

Cash outflows for the acquisition of subsidiaries totalled €641.5 million (2014: cash inflows of €11.2 million). Cash outflows included €676.6 million for the acquisition of shares in 360T. Full consolidation of Powernext and EPEX at 1 January 2015 increased cash by €40.1 million. In the previous year, full consolidation of EEX increased cash by €61.5 million. Since no purchase price was payable in the acquisition of Powernext and EPEX during the business year 2015 and EEX in the prior year, there were no cash outflows.

Cash inflows of €208.3 million (2014: €317.2 million) were due to securities with an original maturity of more than one year maturing or being sold.

Cash outflows from financing activities in the business year 2015 amounted to €76.1 million (2014: cash outflows in an amount of €441.1 million). The acquisition of a 49.9 per cent stake in STOXX Ltd. led to a cash outflow totalling €653.8 million. This transaction was financed by issuing debt securities with a nominal amount of €600.0 million. As part of financing the acquisition of shares in 360T, the company placed €200.0 million in treasury shares as well as a bond with a nominal amount of €500 million.

The maturity of Series A of the private placements made in 2008 led to cash outflows of €150.5 million.

Moreover, the company placed Commercial Paper of €2,100.0 million (2014: €1,164.7 million), and paid out €2,065.0 million (2014: €1,205.0 million) due to maturing Commercial Paper issues.

Consolidated cash flow statement (condensed)

	2015 €m	2014 €m
Cash flows from operating activities (excluding CCP positions)	796.6	684.8
Cash flows from operating activities	10.1	677.3
Cash flows from investing activities	–1,592.3	–250.4
Cash flows from financing activities	76.1	–441.1
Cash and cash equivalents as at 31 December	–1,579.4	–68.5
Other cash and bank balances as at 31 December	711.1	826.1

Deutsche Börse AG also distributed dividend payments of €386.8 million for the 2014 financial year (2014: €386.6 million).

As in previous years, the Group assumes it will have a strong liquidity base in financial year 2016 due to its positive cash flows from operating activities, adequate credit lines and flexible management and planning systems.

Operating leases
Deutsche Börse Group mainly uses operating leases for the office building in Eschborn that the Group moved into in the second half of 2010 and for the buildings used by Clearstream International S.A. in Luxembourg (see note 38 to the consolidated financial statements for details).

Deutsche Börse Group's interest coverage ratio

Interest expense from financing activities	Issue volume	2015 €m	2014 €m
Refinancing of maturing bonds			
Fixed-rate bearer bond (10-year term)	€600 m	14.8	15.0
Fixed-rate bearer bond (5-year term)	€600 m	7.4	7.7
Hybrid bond	€600 m	3.5	–
Fixed-rate bearer bond (10-year term)	€500 m	2.0	–
Other debt instruments			
Private placement	US$460 m	18.5	19.4
Commercial paper	€108 m – 2014[1)] €142 m – 2015[1)]	0.1	0.4
Other interest expense		**4,5**	
Total interest expense (including 50% of the hybrid coupon)		**50.8**	**42.5**
EBITDA (adjusted)		1,264.8	1,109.5
Interest coverage[2)]		**24.9**	**26.1**

1) Annual average
2) EBITDA / interest expense from financing activities (includes only 50 per cent of the interest on the hybrid bond)

Liquidity management
Deutsche Börse primarily meets its operating liquidity requirements from internal financing, i.e. by retaining generated funds. The aim is to provide enough liquidity to cover operating costs for one quarter (currently between €150 million and €250 million). An intra-Group cash pool is used for pooling surplus cash as far as regulatory and legal provisions allow. All of the Group's cash investments are short-term in order to ensure rapid availability and are largely collateralised using liquid bonds from prime-rated issuers. Moreover, Deutsche Börse AG has access to external sources of financing, such as bilateral and syndicated credit lines, and a commercial paper programme (see note 36 to the consolidated financial statements for details on financial risk management). In recent years, Deutsche Börse AG has leveraged its access to the capital markets to issue corporate bonds in order to meet its structural financing needs.

Capital management
The company's clients generally expect it to maintain conservative interest service cover and leverage ratios, and to achieve good credit ratings. Therefore, the Group targets a minimum consolidated interest service cover ratio (defined as the ratio of EBITDA to interest expenses from financing activities) of 16. During the reporting period, Deutsche Börse Group achieved this target, with an interest service cover ratio of 24.9 (2014: 26.0). This figure is based on relevant interest expenses of €50.8 million and adjusted EBITDA of €1,264.8 million.

Data included for the purpose of calculating interest service cover comprises interest expenses incurred for financing Deutsche Börse Group, less interest expenses incurred by subsidiaries which are also financial institutions, including Clearstream Banking S.A., Clearstream Banking AG and Eurex Clearing AG. Interest expenses incurred which are not related to Group financing are not included in the calculation of interest service cover.

Moreover, Deutsche Börse targets a maximum ratio of interest-bearing gross debt to EBITDA of 1.5. During the reporting period, the Group achieved a 1.9 ratio of gross debt to EBITDA. This figure is based on gross debt of €2,341.5 million, and adjusted EBITDA of €1,264.8 million. Gross debt outstanding at the end of the financial year comprised interest-bearing liabilities of €2,246.5 million, plus €95.0 million in Commercial Paper.

Debt instruments issued by Deutsche Börse AG (outstanding as at 31 December 2015)

Type	Issue volume	ISIN	Term	Maturity	Coupon p.a.	Listing
Series B bond	US$220 m	Private placement	10 years	June 2018	5.86 %	Unlisted
Series C bond	US$70 m	Private placement	12 years	June 2020	5.96 %	Unlisted
Fixed-rate bearer bond	€600 m	DE000A1RE1W1	10 years	October 2022	2.375 %	Luxembourg/ Frankfurt
Fixed-rate bearer bond	€600 m	DE000A1R1BC6	5 years	March 2018	1.125 %	Luxembourg/ Frankfurt
Fixed-rate bearer bond (hybrid bond)	€600 m	DE000A161W62	Call date 5.5 years/ final maturity in 25.5 years	February 2021/ February 2041	2.75 % (until call date)	Luxembourg/ Frankfurt
Fixed-rate bearer bond	€500 m	DE000A1684V3	10 years	October 2025	1.625%	Luxembourg/ Frankfurt

The marked increase in gross debt resulted from the two bond issues placed to finance the full acquisition of STOXX (including Indexium), as well of 360T, with an aggregate volume of €1.1 billion. This also led to the target ratio of gross debt to EBITDA being exceeded at the end of the year.

- On 30 July 2015, Deutsche Börse successfully placed a hybrid bond maturing in 2041, with a total nominal value of €600 million, on the market. Until the first repayment date in February 2021, the bond has an annual coupon of 2.75 per cent; after this date, it will have a variable-rate coupon which will be re-set in February of each year. Given the quasi-equity characteristics of the hybrid bond, only 50 per cent of its total nominal amount is included when calculating interest-bearing liabilities.
- On 1 October 2015, Deutsche Börse placed another corporate bond: a senior unsecured bond maturing in 2025, with a total nominal amount of €500 million. This bond has an annual 1.625 per cent coupon.

Moreover, on 3 September 2015, Deutsche Börse placed 2,475,248 treasury shares, realising an income of €200 million. Deutsche Börse thus raised a total of approximately €1.3 billion to finance acquisitions.

Furthermore, the company endeavours to maintain the strong AA credit rating of Clearstream Banking S.A., in order to ensure the long-term success of its Clearstream securities settlement and custody segment. The activities of the Eurex Clearing AG subsidiary also require Deutsche Börse AG to have and maintain a strong credit quality.

Also, Deutsche Börse AG has publicly stated its intention to maintain certain additional financial indicators for Clearstream entities which the Group believes to be consistent with an AA rating. Specifically, this involves a commitment to maintain minimum tangible equity (equity less intangible assets) of €700 million for Clearstream International S.A., and of €400 million for Clearstream Banking S.A. During the reporting period, Clearstream International S.A. fulfilled this commitment, reporting tangible equity of €1,079.2 million; the figure for Clearstream Banking S.A. was €1,071.6 million, also in line with this target. To the extent that the Clearstream sub-group has financial liabilities to non-banks, the sub-group is committed to a minimum interest service cover ratio of 25. As in the previous year, Clearstream had no financial liabilities to non-banks; for this reason, no interest cover ratio is being reported.

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.

Relevant key performance indicators

	2015 €m	2014 €m
Tangible equity of Clearstream International S.A. (as at the reporting date)	1,079.2	1,034,3
Tangible equity of Clearstream Banking S.A. (as at the reporting date)	1,071.6	1,000,5

Credit ratings

	Long-term	Short-term
Deutsche Börse AG		
Standard & Poor's	AA	A–1+
Clearstream Banking S.A.		
Fitch	AA	F1+
Standard & Poor's	AA	A–1+

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, 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 acquisitions of STOXX (including Indexium) and 360T.

Dividends

For financial year 2015, Deutsche Börse AG is proposing that the Annual General Meeting resolve to pay a dividend of €2.25 per no-par value share (2014: €2.10). This dividend corresponds to a distribution ratio of 55 per cent of net profit for the period attributable to Deutsche Börse AG shareholders, adjusted for the special factors described in the section on the results of operations (2014: 58 per cent, also adjusted for special items). Given 186.7 million no-par value shares bearing dividend rights, this would result in a total dividend of €420.1 million (2014: €386.8 million). The aggregate number of shares bearing dividend rights is produced by deducting the 6.3 million treasury shares from the ordinary share capital of 193.0 million shares.

Credit ratings

Deutsche Börse AG regularly has its credit quality reviewed by the Standard & Poor's (S&P) rating agency, while Clearstream Banking S.A. is rated by Fitch and S&P.

S&P affirmed Deutsche Börse AG's AA credit rating on 20 October 2015, citing the financing mix for the 360T acquisition through a combination of debt and equity, but changed the outlook from stable to negative.

On 15 October 2015, Fitch Ratings affirmed the AA credit rating of Clearstream Banking S.A., with a stable outlook. The rating reflects Clearstream Banking's very low risk appetite, combined with strict risk management systems, diligent liquidity management, as well as impeccable capitalisation.

On 23 December 2015, S&P affirmed the AA credit rating of Clearstream Banking S.A., with a stable outlook. The rating reflects the strong risk management, minimum debt levels, as well as its strong position on the international capital markets, especially through its international settlement and custody business.

As at 31 December 2015, Deutsche Börse AG was one of only two DAX-listed companies that had been awarded an AA rating by S&P. The ratings histories of Deutsche Börse AG and Clearstream are given in the five-year overview.

Net assets

Deutsche Börse Group's non-current assets amounted to €14,386.9 million as at 31 December 2015 (2014: €11,267.2 million). They consisted primarily of intangible assets, financial assets and financial instruments held by central counterparties. The last category, which amounted to €7,175.2 million, represented the largest item (2014: €5,885.8 million). This asset item is matched by a liability item in the same amount.

The receivables and securities from banking business held by Deutsche Börse Group as financial assets rose to €2,018.6 million (2014: € 1,305.0 million), while goodwill increased to €2,898.8 million (2014: €2,224.5 million), which is due, in particular, to the acquisition of 360T.

Current assets decreased to €165,688.9 million as at 31 December 2015 (2014: €204,640.9 million). Most notably, the financial instruments held by central counterparties in an amount of €126,289.6 million were lower year-on-year 2014: €170,251.0 million).Restricted bank balances, on the other hand, rose to €26,870.0 million (2014: €22,283.5 million); this occurred primarily because clearing participants provided a greater volume of cash and fewer securities as collateral for Eurex Clearing AG in the reporting period.

Assets were financed by equity in the amount of €3,695.1 million (2014: €3,752.1 million) and debt in the amount of €176,380.7 million (2014: €212,156.0 million. Equity remains at the previous year's level; whereby offsetting effects largely neutralised each other. For instance, the issuance of own shares to partially finance the acquisition of 360T increased equity, whereas the acquisition of the remaining stake in STOXX in fact reduced it, due to the elimination of the offsetting item for non-controlling interests.

Non-current liabilities rose to €10,585.4 million (2014: €7,962.5 million), which was primarily due to the fact that firstly, the financial instruments held by central counterparties rose from €5,885.8 million in 2014 to €7,175.2 million in the reporting period. This liability item is matched by an asset item in the same amount. Secondly, interest-bearing liabilities rose to €2,546.5 million (2014: €1,428.5 million). In July and October 2015, Deutsche Börse raised a total of €1.1 billion in debt in order to finance the acquisition of STOXX (including Indexium) and 360T. This was only partially offset by the maturity of the US$170 million Series A bond.

Current liabilities amounted to €165,795.3 million (2014: €204,193.5 million). The main changes within this item occurred in the following areas:

- A decline in financial instruments held by central counterparties to €126,006.5 million (2014: €169,001.9 million).
- This decline was partially offset by the growth in liabilities from cash deposits by market participants to €26,869.0 million (2014: €22,282.4 million) as a result of higher cash collateral provided by the clearing members of Eurex Clearing AG. The main reason for this increase was that clearing participants provided a larger proportion of cash compared to securities as collateral for Eurex Clearing AG in the reporting period.

Overall, Deutsche Börse Group invested €154.5 million in intangible assets and property, plant and equipment (capital expenditure or capex) in the reporting period (2014: €133.5 million). The Group's largest investments were made in the Clearstream and Eurex segments.

Working capital

Working capital comprises current assets less current liabilities, excluding technical closing-date items and commercial paper. Current assets excluding technical closing-date items amounted to €1,675.3 million (2014: €973.2 million). As Deutsche Börse Group collects fees for most of its services on a monthly basis, the trade receivables of €554.1 million included in current assets as at 31 December 2015 (31 December 2014: €342.9 million) were relatively low compared with net revenue. The current liabilities of the Group, excluding technical closing-date items, amounted to €1,196.2 million (2014: €1,421.4 million, excluding technical closing-date items). The Group therefore had positive working capital of €479.1 million at the end of the year (2014: €–448.9 million).

Technical closing-date items
The “receivables and securities from banking business” and “liabilities from banking business” balance sheet items on the balance sheet are technical closing date items that were strongly correlated in the reporting period and that fluctuated between approximately €10 billion and €15 billion (2014: between €11 billion and €17 billion). These amounts mainly represent customer balances in Clearstream’s international settlement business.

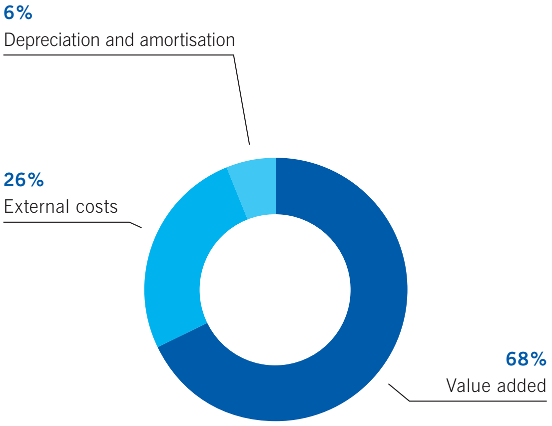
The “financial instruments of the central counterparties” item relates to the function performed by Eurex Clearing AG and European Commodity Clearing AG: since the latter act as the central counterparties for Deutsche Börse Group’s various markets, their financial instruments are carried in the balance sheet at their fair value. The financial instruments of the central counterparties are described in detail in the risk report and in notes 3, 15 and 36 to the consolidated financial statements.

Market participants linked to the Group’s clearing houses partly provide collateral in the form of cash deposits, which are subject to daily adjustments. The cash deposits are generally invested on a secured basis overnight by the central counterparties and reported in the balance sheet under “restricted bank balances”. The total value of cash deposits at the reporting dates relevant for the reporting period (31 March, 30 June, 30 September and 31 December) varied between €26.9 billion and €36.0 billion (2014: between €19.6 billion and €24.8 billion).

Value added: breakdown of enterprise performance CR
Deutsche Börse Group’s commercial activity contributes to private and public income – this contribution is made transparent in the value added statement. Value added is calculated by subtracting depreciation, amortisation and impairment charges and third-party costs from the enterprise performance. In 2015, the value added by Deutsche Börse Group amounted to €1,541.0 million (2014: €1,478.4 million). The breakdown shows that large portions of the generated value added flow back into the economy: 27 per cent (€414.4 million) benefit shareholders in the form of dividend payments, while 42 per cent (€640.7 million) was attributable to staff costs in the form of salaries and other remuneration components. Taxes accounted for 16 per cent (€249.0 million), while 3 per cent (€49.9 million) was attributable to lenders. The 12 per cent value added that remained in the company (€187.1 million) is available for investments in growth initiatives, among other things (see graphics below).

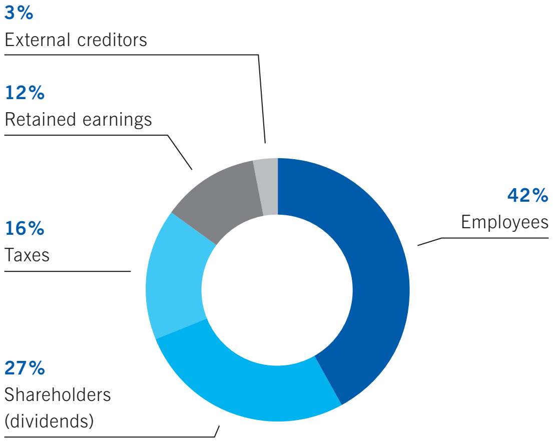
Origination of value added

Company performance: €2,276 million



Distribution of value added

Value added: €1,541 million



Overall assessment of the economic position by the Executive Board

Deutsche Börse Group's financial performance in the 2015 financial year was in the upper quarter of the ranges expected by the Executive Board (which were already raised during the first quarter of the year). The improved macroeconomic environment as well as equity market volatility – which had risen since the fourth quarter of 2014 – contributed to the improvement. Overall, the Group recorded a 16 per cent increase in net revenue. Operating costs were up year-on-year, due to non-recurring effects such as efficiency programmes, as well as costs incurred in connection with mergers and acquisitions. But even when adjusting for these effects, costs rose during the year under review, compared to the previous year. This was largely due to the consolidation of new subsidiaries, currency translation effects, as well as higher expenses for remuneration components linked to the share price. Given the increase in Deutsche Börse's share price, these components also rose. Moreover, thanks to the successful financial year, the Group paid out higher bonuses to its staff. Excluding non-recurring effects, consolidated EBIT and profit for the period considerably exceeded the previous year's figures.

The Executive Board believes that Deutsche Börse Group's financial position was extremely sound in the reporting period. As in the previous year, the company generated high operating cash flows. Interest expenses in 2015 exceeded the 2014 levels, reflecting the issue of bonds during the second half of the year to finance the acquisitions of STOXX and 360T. Thanks to the marked increase in adjusted EBIT, the Group's interest service cover ratio was 24.9, clearly exceeding its minimum target ratio of 16 at Group level. 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. However, gross debt increased due to the financing of said acquisitions, leading to a 1.9 ratio in the year under review.

Rating agencies again affirmed the Group's credit quality, awarding it excellent ratings in 2015. Standard & Poor's affirmed Deutsche Börse AG's AA credit rating on 20 October 2015, citing the financing mix for the 360T acquisition through a combination of debt and equity, but changed the outlook from stable to negative. On 15 October 2015, Fitch Ratings affirmed the AA credit rating of Clearstream Banking S.A. On 23 December 2015, Standard & Poor's affirmed the same rating. Both ratings were assigned a "stable" outlook.

Deutsche Börse AG has offered its shareholders attractive returns for years – and financial year 2015 is no exception. At €2.25 (2014: €2.10), the dividend proposed for distribution to shareholders is above the prior-year level. In addition, the distribution ratio decreased slightly as a result of the improvement in earnings, falling from 58 per cent in the previous year to 55 per cent in the reporting period (adjusted for special items in both cases). This puts it near the upper end of the Executive Board's target range of between 40 and 60 per cent.

The Group's net assets, financial position and results of operation can be considered to be in an orderly state.

Deutsche Börse Group: five-year overview

		2011	2012	2013	2014	2015
Consolidated income statement						
Net revenue	€m	2,121.4	1,932.3	1,912.3	2,047.8	2,367.4
thereof net interest income from banking business	€m	75.1	52.0	35.9	37.6 [1]	50.6 [1]
Operating costs	€m	–962.2 [2]	–958.6	–1,182.8	–1,114.8	–1,375.6
Earnings before interest and tax (EBIT)	€m	1,162.8 [2]	969.4	738.8	1,011.3	992.6
Net profit for the period attributable to Deutsche Börse AG shareholders	€m	855.2	645.0	478.4	762.3	665.5
Earnings per share (basic)	€	4.60	3.44	2.60	4.14	3.60
Consolidated cash flow statement						
Cash flows from operating activities	€m	785.6	707.7	728.3	677.3	10.1
Consolidated balance sheet						
Non-current assets	€m	5,020.3 [2]	5,113.9	8,796.9	11,267.2	14,386.9
Equity	€m	3,132.6 [2]	3,169.6	3,268.0	3,752.1	3,695.1
Non-current interest-bearing liabilities	€m	1,458.3	1,737.4 [3]	1,521.9	1,428.5 [3]	2,546.5
Performance indicators						
Dividend per share	€	2.30	2.10	2.10	2.10	2.25 [4]
Dividend payout ratio	%	52 [5, 6]	58 [5, 6, 7, 8]	61 [9, 10, 11]	58 [6, 7, 11]	55 [13]
Employees (average annual FTEs)		3,278	3,416	3,515	3,911	4,643
Personnel expense ratio (staff costs / net revenue)	%	19 [12]	21 [6]	22 [14]	23 [9]	27
EBIT margin, based on net revenue	%	55	50	39	49	42
Tax rate	%	26.0 [5]	26.0 [7]	26.0 [8, 14]	26.0 [15]	26.0
Return on shareholders' equity (annual average) [16]	%	30	22	21	21	22
Deutsche Börse shares						
Year-end closing price	€	40.51	46.21	60.20	59.22	81.39
Average market capitalisation	€bn	9.6	8.5	10.0	10.8	14.7
Rating key figures						
Gross debt / EBITDA		1.1 [6]	1.6 [6]	1.5 [6]	1.5 [6]	1.9 [6, 11]
Interest coverage ratio	%	19.0 [6]	15.2 [6]	20.1 [6]	26.0 [6]	24.9
Deutsche Börse AG: Standard & Poor's	Rating	AA	AA	AA	AA	AA
Clearstream Banking S.A.: Standard & Poor's	Rating	AA	AA	AA	AA	AA
Fitch	Rating	AA	AA	AA	AA	AA
Market indicators						
Xetra®, Frankfurt Stock Exchange and Tradegate						
Trading volume (single-counted) [17]	€bn	1,511.2	1,160.2	1,157.6	1,282.6	1,635.7
Eurex						
Number of contracts	m	2,821.5	2,292.0	2,191.9	2,097.9	2,272.4
Clearstream						
Value of securities deposited (annual average)	€bn	11,106	11,111	11,626	12,215	13,274
Number of transactions	m	126.3	113.9	121.0	126.3	138.0
Global Securities Financing (average outstanding volume for the period)	€bn	592.2	570.3	576.5	609.8	598.6

1) Clearstream and Eurex segments 2) Amount restated to reflect the transition of the accounting policies for defined benefit obligations to the revised IAS 19 3) Bonds that will mature in the following year are reported under "Other current liabilities" (2012: €577.4 million; 2014: €139.8 million). 4) Proposal to the Annual General Meeting 2016 5) Adjusted for the non-taxable income related to the revaluation of the share component of the purchase price paid for the acquisition of the shares of Eurex Zürich AG held by SIX Group 6) Adjusted for the costs of mergers and acquisitions and of efficiency programmes 7) Adjusted for expenditure relating to the revaluation of the share component of the purchase price paid for the acquisition of the shares of Eurex Zürich AG held by SIX Group, a one-off gain from the reversal of deferred tax liabilities for STOXX Ltd. resulting from a decision by the Swiss Financial Supervisory Authority and a one-off gain from the recognition of deferred tax assets resulting from the future possible offsetting of losses carried forward by Eurex Global Derivatives AG 8) Adjusted for the tax benefit from initial recognition of deferred taxes on tax loss carryforwards at a Group company 9) Adjusted for efficiency programme effects and costs incurred for the change of CEO in 2015 10) Adjusted for costs for mergers and acquisitions 11) Adjusted for costs largely related to criminal proceedings against Clearstream Banking S.A. in the US 12) Adjusted for the costs of efficiency programmes 13) Amount based on the proposal to the Annual General Meeting 2016 14) Adjusted for the costs of the OFAC settlement 15) Adjusted for a one-off gain from the dissolution of the financing structure established in connection with the acquisition of ISE, and a one-off expense mainly attributable to the reduction in deferred tax assets in respect of a tax loss carryforward 16) Net profit for the period attributable to shareholders of Deutsche Börse AG/average shareholders' equity for the financial year based on the quarter-end balance of shareholders' equity 17) Since Q3/2013, this figure includes warrants and certificates due to the consolidation of Börse Frankfurt Zertifikate AG.

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