

EUREX – MOVING FURTHER AHEAD

Eurex registered a substantial increase of 17% in trading volume in the reporting year. Euro Bund futures and options on the same contract contributed substantially to the higher number of transactions observed in fixed income derivatives. Growth in equity index instruments was fuelled primarily by brisker trading in futures and options on the DJ EURO STOXX 50® and the DAX®. As regards equity options, turnover generated by options on leading Dutch, French and Italian blue chips almost doubled in 2005, not to mention the solid growth posted by German and Swiss underlying stocks. Thanks to this strong momentum, Eurex once again asserted its leadership position among derivatives exchanges and defended its global market share.

Eurex further improved its earnings performance in the reporting year. EBIT in the SWX derivatives-trading segment (Eurex) declined to CHF 76.2 million, due to the new profit distribution ratio (85:15) between Deutsche Börse AG and the SWX Swiss Exchange which took effect in 2005. The increase in profits at Eurex was primarily the result of strict cost control. Revenue trends did not fully reflect the surge in trading volume, as fees for wholesale transactions in equity options and market-making operations were specifically reduced during the year.

Wider array of products and services

Eurex's gratifying business development is driven by a portfolio of highly liquid European benchmark products, a technological edge in derivatives trading and clearing, and a broad-based membership in Europe and the United States. With a view to diversifying its areas of success and exploiting new growth potential, Eurex is striving to expand its product and service offering. These ongoing efforts to build up new business areas are reflected in the development of trading and clearing services for additional on- and off-market transactions, as well as in the launch of new products.

The Eurex derivatives exchange is founded on an integrated business model that embraces trading, clearing and settlement. Eurex Clearing AG acts as central contracting party for the Frankfurt Stock Exchange and for over-the-counter trading on the Eurex Repo (euro repo market) and Eurex Bonds platforms. In November 2005, the Eurex clearing house also performed this function for the Irish Stock Exchange. Combining the clearing operations of complementary markets provides scope for economies of scale and greater efficiency at the downstream end of the securities-trading process. For one thing, Eurex Clearing is extending its reach to other financial centres. For another, the preferred settlement solutions for each of these markets can be offered through tie-ins with other central securities depositories (CSDs, ICSDs). In this way, Eurex is helping to open the value-added chain and

is positioning itself as a global contender in the provision of networked European trading and clearing services for market-based and OTC transactions.

Expanding worldwide

With roughly 400 members, 63 of them incorporated in the United States, Eurex boasts an excellent distribution network for euro-denominated benchmark products. In order to facilitate access to these products during the US business day, Eurex extended its trading hours to 10:00 pm CET last November.

Eurex also has a large investor base in the Asian time zones, even as Europe is showing keen interest in Asian index derivatives. Against this backdrop, Eurex signed an information-sharing agreement with Osaka Securities Exchange in June 2005 with the aim of boosting sales of financial derivatives in the Far East and broadening the two companies' combined product range.

In 2005, Eurex rounded off its offering in existing asset classes and enriched its product mix by adding innovative types of new contracts. The launch of the Buxl® future in September covered the 30-year segment of the euro yield curve, a niche that has gained importance owing to the growing volume of new long-dated Bund issues. In the equities and equity index segments, futures on the implied 30-day volatility of options on the Dow Jones EURO STOXX 50®, DAX® and SMI® indices were introduced, making the volatility of these benchmarks a tradable asset class for the first time ever. Futures contracts on the SWX Swiss Exchange's SMIM® index have also been on offer since September 2005.

EUREX TRADING VOLUME 2004/2005



Source: Eurex

2004 2005

Eurex Bonds

In the fixed income segment, Eurex operates a proprietary electronic trading platform, Eurex Bonds GmbH, in cooperation with eleven other stakeholders in the European bond-trading industry. A total of 33 international members belonged to Eurex Bonds at end-2005, including the Bundesbank and the Deutsche Finanzagentur.

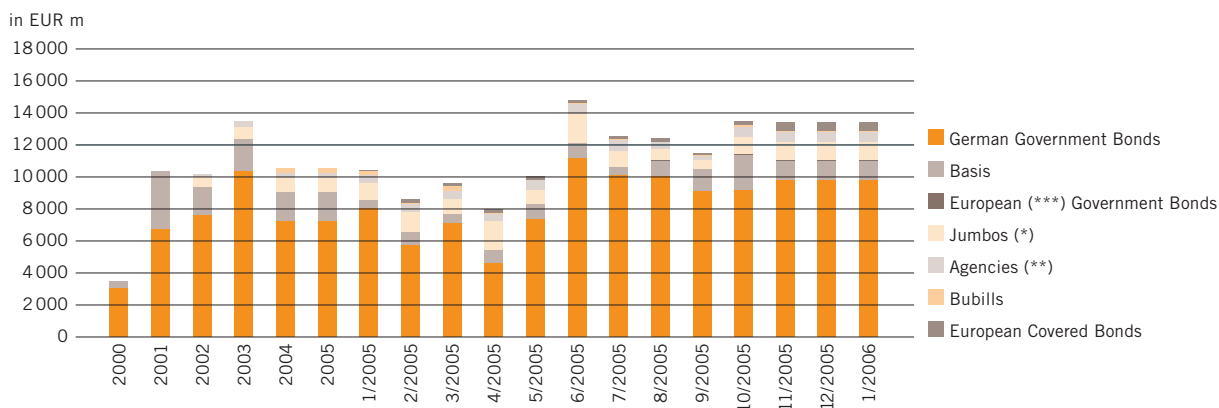
Products traded on this over-the-counter market include German sovereign debt, non-interest-bearing Treasury bills, underlying instruments combining government bonds and futures, agency bonds, jumbo mortgage bonds and state government bonds. This list was further lengthened at end-2004 with the commencement of trading in European covered bonds and corporate bonds, and again in June 2005 with the addition of Austrian and Dutch sovereign debt issues.

Turnover in the Eurex Bonds segment totalled EUR 149 billion in 2005, equivalent to an average monthly trading volume of EUR 12.4 billion.

European Energy Exchange (EEX)

Eurex Zurich Ltd owns a 23.22% stake in the European Energy Exchange (EEX) AG, incorporated in Leipzig. EEX uses Eurex's technical and operating infrastructure to process and clear its trades. Transaction volume on EEX rose sharply in 2005, with forward business jumping 53% year on year to 517 million MWh and spot business up 43% to 85.7 million MWh.

MONTHLY VOLUMES SINCE OCTOBER 2000 (SINGLE COUNTING)



Source: Eurex