Xetra Circular 114/06

To the Xetra® Members and Vendors

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Bandwidth Upgrade of the Xetra Network from 128 kbps to 512 kbps

July 7, 2006

Dear Sir or Madam,

The Executive Board of Deutsche Börse AG has decided on an upgrade of bandwidth for member connections from currently 128 kbps to 512 kbps. Upgrading the bandwidth for member connections has become necessary due to an increasing automatization of trading activity and fast-growing data streams that have been transmitted via the Xetra network.

Since its introduction in November 1997, Xetra has continually been further developed and adapted according to market needs. Thanks to ceaseless technical improvements, particularly in the area of data compression, Deutsche Börse AG was able to compensate the dramatically grown data streams at the same unchanged bandwidth of 128 kbps in the past years. Expanding data streams is mainly the result of increasingly automated trading which enables accelerated entry, modification and deletion of orders. Also, successful provision of liquidity through Designated Sponsors with typically high quoting rates and the introduction of high-turnover products like Exchange Traded Funds have added to this development.

Participants have benefited from these developments and measures through new business opportunities and a significantly improved order book liquidity over the past years. Moreover, expanding order book activity and trading volumes on Xetra have at the same time contributed to a continual growth of price information transmitted via the “Inside Market Broadcast“, being the decisive factor for Xetra network activity.

As a consequence of this development, network utilization has attained a level which restricts opportunities for future growth. In order to avoid the operational risk of a possible network overload, a general upgrade of the Xetra network is necessary. Therefore, the Executive Board of Deutsche Börse AG decided to increase the bandwidth for access to Xetra for all participants to 512 kbps. This upgrade will provide enough capacity for higher data transmission rates. It will also satisfy members’ requirements to use an innovative, reliable and cost-effective technology.

After the bandwidth upgrade of the Xetra network, only connections at 512 kbps as leased lines or via the Internet will be available. Connection fees will remain unchanged at the level of today’s 128 kbps connections. This means that Xetra members will benefit from quadruplicate bandwidth at the same monthly fees.

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Kurt F. Viermetz

Executive Board
Reto Francioni
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Matthias Ganz
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Implementation Procedure and Schedule

Within the next days, Deutsche Börse AG will address each Xetra member in an individual letter, giving details about the course of the migration. For this purpose, we kindly ask the Xetra members to provide information about existing connections that are to be canceled or upgraded in the migration process. On the basis of the information submitted by the members, high-bandwidth lines (E1) will be installed where they do not yet exist or have insufficient bandwidth. During migration, currently existing 128 kbps network connections operated on already installed high-bandwidth lines (E1) will be upgraded to 512 kbps and tested. In this case, bandwidth on Access Point level will be throttled directly to 128 kbps.

As requested by many market participants, the expanded bandwidth should be made operational as soon as possible, ideally before the end of 2006, but no later than February 26, 2007. If the progress in implementation should permit a bandwidth upgrade for Xetra members as early as the fourth quarter 2006, we will advise you of the date in good time, at least four weeks in advance.

On the migration weekend, the pre-configured 512 kbps channels, throttled to 128 kbps, will be expanded to the full bandwidth. All members will have the opportunity to perform a new connection test. Provided the connection test has been successful, all 512 kbps channels will be activated. They will be available to the members at the full bandwidth on the first trading day after the migration weekend.

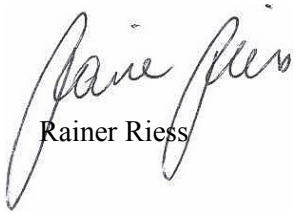
Aside from upgrading the network to 512 kbps, installation of high-bandwidth connections also gives the opportunity to consolidate existing physical network connections of members' trading locations in an efficient way. Further benefits arise from this consolidation, for example:

- In future, additional bandwidth can be installed faster
- All transmissions via ftp will be operated on a separately activated bandwidth
- The number of required routers will be reduced to one single high-performance router per high-bandwidth connection
- Maintenance and configuration effort for the hardware will be significantly reduced

The general concept for technical connection to Xetra (e.g. redundancy of lines) will remain unchanged, regardless of the bandwidth upgrade.

During the entire process of migration, close cooperation between every single member firm and Deutsche Börse will be essential to ensure a smooth transition while upgrading the network. We therefore kindly ask each member firm for participation in the migration activities.

Yours faithfully



Rainer Riess



Jens Hachmeister
On behalf of the Management