Xetra Circular 142/06

To the Xetra® Members and Vendors

Recipients: Traders, System Administrators - all platforms

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Announcement Xetra Release 8.0 August 11, 2006

Dear Sir or Madam,

Deutsche Börse AG is planning to introduce Xetra Release 8.0 on April 23, 2007. The new release focuses mainly on performance measures and improvements of both pre-trade and post-trade transparency. Amongst the features introduced with the new release are the so-called Heartbeat function, improvements of the Xetra BEST feature, XML Reports as well as enhancements of the Xetra J-Trader.

The following overview contains a list of the most important changes that will be established with Xetra Release 8.0. At the beginning of October 2006, we will provide you with more detailed information about Xetra Release 8.0 along with the communication calendar.

- Performance measures
  Xetra performance will be improved in a number of areas. A new matcher will enhance the throughput and shorten order roundtrip times. Various improvements in broadcast handling will result in a reduction of network load and another advancement of price quality. By means of introducing the delta protocol for the Inside Market Broadcast, only changes of the Inside Market will be sent out over the network. The Xetra software will automatically consolidate the Inside Market on the MISS. Also, a broadcast split will be introduced, by means of which the broadcast load will be distributed between various lines. Furthermore, members may cancel certain broadcast substreams, if they are no longer required.

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- Improvement of pre-trade and post-trade transparency
  In addition to the already existing Inside Market Broadcast, which provides members with order book information in a netted form, another broadcast stream will be offered alternatively, that provides unnetted order book information. Also, it will be possible in the future to obtain all prices of Xetra trades in unnetted form via the VALUES interface (entire price chain).

- Heartbeat
  With the introduction of the "Heartbeat" feature, protection for Market Makers will be further improved. Members may select Heartbeat Monitoring per Member/Subgroup. If, for example, due to the breakdown of an application, its "Heartbeat" messages come to a standstill, quotes for this Member/Subgroup will be deleted automatically after a predefined time span. Orders will remain in the system unchanged.

- XML Reports
  XML Reports represent state-of-the-art technology. In Xetra Release 8.0, XML Reports will be offered to exist in parallel to the traditional Xetra RAW Data Reports. In addition, text reports will be introduced on the basis of XML Reports, substituting the formatted Xetra Standard Reports. With the Xetra release following Xetra Release 8.0, XML Reports will be the only supported machine-readable report format.

- Xetra BEST feature
  Via Xetra BEST, market participants in the exchange environment can offer a price edge for customer orders. This already existing feature will be enhanced with Release 8.0, enabling market participants to offer improved prices in steps of 0.001 € instead of formerly 0.01 €. Particularly for highly liquid stocks, this modification leads to Best Executors' better flexibility in improving prices compared to the Xetra order book and higher execution probability of orders within Xetra BEST.

- Improvements of Xetra J-Trader
  With Xetra Release 8.0, Xetra J-Trader will be provided with a new framework, which will enhance both the front end's user friendliness and performance.

Xetra Release 8.0 necessitates installation of GATE 3.5. Please note that members, who have GATE 3.3 installed, need to upgrade to GATE 3.4 first, before being able to install GATE 3.5. We recommend upgrading to GATE 3.4 immediately.

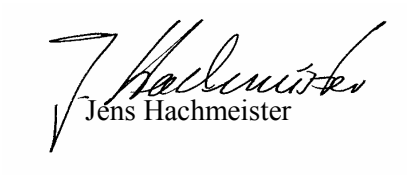
With Xetra Release 8.0, support of Windows 2000 as MISS or workstation platform will be discontinued. Xetra 8.0 supports Windows 2003 as MISS platform and Windows XP as workstation platform. Furthermore, Solaris 10 will be supported, as before, as both MISS and workstation platform.

Xetra Release 8.0 is a mandatory release. It is not backwards compatible. Please note that members need to install VALUES API Release 8.0 and the latest version of the Xetra J-Trader. As a result, existing in-house applications and third-party applications need to be adjusted as well.

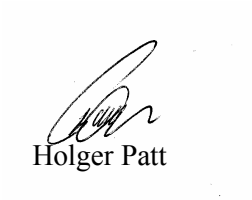
For any questions you may have, please refer to Markets Services Xetra Customer Support Team at

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Yours faithfully



Jens Hachmeister



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