

DEUTSCHE BÖRSE COMMODITIES

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Annual financial statements and management report

31 December 2014

Balance sheet as at 31 December 2014 of Deutsche Börse Commodities GmbH, Frankfurt/Main
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Assets	31/12/2014	31/12/2013	Shareholders' Equity and Liabilities	31/12/2014	31/12/2013
	ę	€ thousand		ę	€ thousand
NON-CURRENT ASSETS			SHAREHOLDERS' EQUITY		
Property, plant and equipment			Subsribed capital	1,000,000.00	1,000
Operating and business equipment	1,762.00	2	Unappropriated surplus	2,053,164.73	1,827
Total non-current assets	1,762.00	2	Total shareholders' equity	3,053,164.73	2,827
CURRENT ASSETS			RROVISIONS		
Stocks			Provisions for taxes	24,572.21	0
Raw materials and consumables	49,586.91	0.00	Other provisions	114,458.32	204
			Total provisions	139,030.53	204
Receivables and other assets					
Trade accounts receivable	380,302.76	318	Liabilities		
Accounts receivable from affiliated comanies	42,350,425.12	29,136	Bonds	1,559,929,700.52	1,277,496
Other assets	1,517,579,275.40	1,248,720	Trade accounts payable	108,586.85	105
	1,560,310,003.28	1,278,174	Accounts payable to affiliated companies	103,399.90	69
			Other liabilities	41,542.04	9
Bank balances	2,972,587.38	2,488	thereof for taxes € 41,542.04 (previous year: € 6 thousand)		
Total current assets	1,563,332,177.57	1,280,662.00	Total liabilities	1,560,183,229.31	1,277,676
DEFERRED EXPENSES	41,485.00	43			
Total assets	1,563,375,424.57	1,280,707	Total shareholders' equity and liabilities	1,563,375,424.57	1,280,707

Income statement of Deutsche Börse Commodities GmbH, Frankfurt/Main for the period from 1 January to 31 December 2014

	<u>2014</u> €	2013 € thousand
Sales revenues	3,630,133.94	4,363
Other operating income thereof from currency translation \notin 9,61 (previous year: \notin 0 thousand)	151,138,661.81	556,902
Personnel expenses		
Wages and salaries	-123,229.06	-164
Social security and expenses for pensions and other employee benefits	-5,896.20	-6
Depreciation of property, plant and equipment	-702.00	-1
Other operating expenses	-153,613,964.55	-560,157
thereof from currency translation \notin -9,98 (previous year: \notin 0 thousand)		
Other interest and similar income	0.00	4
Results from ordinary operations	1,025,003.94	941
Taxes on income	-298,976.27	-269
Other taxes	-27.67	0
Net income for the year	726,000.00	672
Profit carried forward from the previous year	1,327,164.73	1,155
Unappropriated surplus	2,053,164.73	1,827

Cash flow statement of Deutsche Börse Commodities GmbH, Frankfurt/Main for the period from 1 January to 31 December 2014

	2014	2013
	€	€ thousand
Net income for the period	726,000.00	672
+ Depreciation and amortization of non-current assets	702.00	1
- Decrease in provisions	-64,614.10	-457
+/- Increase/decrease of trade accounts receivable and of other assets not allocated to investing or financing activities	-282,184,596.90	898,499
+/- Increase/dercrease of trade accounts payable and of other liabilities not allocated to investing or financing activities	282,507,238.04	-898,754
= Cash flow from operating activities	984,729.04	-39
- Cash payments for investment in property, plant and equipment	0.00	0
= Cash flow from investing activities	0.00	0
- Dividends paid to shareholders	-500,000.00	-1,000
= Cash flow from financing activities	-500,000.00	-1,000
= Change in cash funds from cash relevant transactions	484,729.04	-1,039
+ Cash funds at the beginning of period	2,487,858.34	3,527
= Cash funds at the end of period	2,972,587.38	2,488

Statement of shareholders' equity of Deutsche Börse Commodities GmbH, Frankfurt/Main for the period from 1 January to 31 December 2014

Subscribed capital	2014	2013
	€	€ thousand
Balance as at 1 January	1,000,000.00	1,000
Balance as at 31 December	1,000,000.00	1,000
Unappropriated surplus/deficit	2014	2013
	€	€ thousand
Balance as at 1 January	1,827,164.73	2,155
Net income	726,000.00	672
Distributions to shareholders	-500,000.00	-1,000
Balance as at 31 December	2,053,164.73	1,827
Equity as at 31 December	3,053,164.73	2,827

Notes to the financial statements for financial year 2014

Accounting policies

General

The financial statements of Deutsche Börse Commodities GmbH were prepared in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch – HGB) and the German Act on Limited Liability Companies (Gesetz betreffend die Gesellschaften mit beschränkter Haftung – GmbHG).

The total cost accounting method was chosen for the income statement.

The Company is deemed to be a large corporation as defined by section 267 (3) of the HGB.

Property, plant and equipment are carried at cost. Depreciable property, plant and equipment are depreciated using the straight-line method over its useful life. For movable assets, the tax simplification rules regarding the depreciation start date are applied in their valid form on the respective date of acquisition.

Expenses denominated in foreign currency were translated on the posting date at the ECB reference rate.

The advertising materials for trade fair appearances reported under inventories are carried at cost.

Receivables and bank balances are carried at their nominal value.

The other provisions have been estimated in consideration of all known risks and uncertain liabilities as at the balance sheet date and were estimated at the amount which is required to be paid according to a reasonable commercial assessment.

In accordance with section 253 (1) clause 2 of the HGB, liabilities are recognised with their respective settlement amounts with the exception of the issued bearer bonds.

Formation of a valuation unit

In view of the cover for bearer bonds issued in the form of physical gold stocks and rights to take delivery of gold (Xetra book gold), a valuation unit was formed between these balance sheet items.

The physical gold stocks, the rights to take delivery of gold and the bearer bonds have to be valued together as an underlying and hedging transaction as defined in section 254 of the HGB to the extent that the bearer bonds are actually covered by stocks or rights to take delivery of gold. The accounting is prepared in accordance with the gross hedge presentation method; the bearer bonds, the stocks of physical gold and the rights to take delivery of gold are accordingly valued at the price prevailing on the reporting date. The valuation unit was effective at all times during the year.

Notes to the balance sheet

Fixed assets

The changes in fixed assets are described in the statement of changes in fixed assets.

Receivables

All receivables have a residual maturity of less than one year.

Receivables from companies in which the Company has a participating interest

Receivables relate to the right to take delivery of physical gold (1,352.6 kg; previous year: 1,038.0 kg); upon asserting the right to take delivery, the physical gold must be delivered within ten bank working days. These receivables are due from a shareholder.

Other assets

This item primarily includes the physical stocks of gold held in custody at Clearstream Banking AG (48,469.5 kg; previous year: 44,473.1 kg) in the amount of \notin 1,517,579.3 thousand (previous year: \notin 1,248,359.9 thousand).

Equity

The share capital in the amount of \pounds 1,000.0 thousand (previous year: \pounds 1,000.0 thousand) is fully paid in. The profit carried forward from the previous year and included in the unappropriated surplus amounts to \pounds 1,327.2 thousand (previous year: \pounds 1,154.7 thousand).

Other provisions

Other provisions, amounting to €114.5 thousand, comprise the following:

	31.12.2014	31.12.2013
	€ thousand	€ thousand
Outstanding invoices	94.5	97.4
Provisions for auditing costs	20.0	19.7
Personnel	0.0	60.0
Miscellaneous provisions	0.0	26.4
	114.5	203.5

Liabilities

Liabilities are divided into the categories below.

Hedging the bearer bonds issued with physical gold and rights to take delivery of gold is a fair value hedge, which hedges miscellaneous price risk. As at the reporting date, a nominal amount of 49,822.1 kg (previous year: 45,511.1 kg) with a fair value of €1,559,929.7 thousand (previous year: €1,277,495.6 thousand) was hedged with rights to take delivery of gold in the amount of €42,350.4 thousand (previous year: €29,135.6 thousand) and with physical gold in the amount of €1,517,579.3 thousand (previous year: €1,248,359.9 thousand).

Deutsche Börse Commodities GmbH is entitled to terminate all bearer bonds at the end of any year if on 31 December in any year less than ten million bearer bonds have been issued by the issuer; payment is made in the following year under the terms and conditions of issue.

Trade payables in the amount of \in 108.6 thousand (previous year: \in 104.5 thousand) have a residual maturity of up to one year.

Trade payables due to companies in which the Company has a participating interest in the amount of \in 103.4 thousand (previous year: \in 69.5 thousand) have a residual maturity of up to one year. They are due to shareholders.

Other liabilities comprise the wage and church tax in the amount of $\notin 21.2$ thousand (previous year: $\notin 6.5$ thousand) and the VAT liabilities in the amount of $\notin 20.3$ thousand (previous year: $\notin 0$ thousand) with a residual maturity of up to one year.

Notes to the income statement

Sales revenue

Sales revenue amounts to \notin 3,630.1 thousand (previous year: \notin 4,363.4 thousand) and includes the fees earned based on the custodian and service agreement with Clearstream Banking AG.

Other operating income

Other operating income almost exclusively comprises the effects from the revaluation of the rights to take delivery of physical gold and the physical stocks of gold held in custody at Clearstream Banking AG in the amount of €151,109.6 thousand (previous year: income from the devaluation of bearer bonds of €556,893.0 thousand).

Other operating expenses

Other operating expenses amount to \notin 153,614.0 thousand (previous year: \notin 560,157.7 thousand) and in particular comprise:

- Write-up of bearer bonds of €151,109.6 thousand (previous year: revaluation of gold holdings to €556,893.0 thousand).
- Distribution fees to the shareholders of €669.4 thousand (previous year: €925.8 thousand).
- Cost of storing gold in safekeeping at Clearstream Banking AG of €733.8 thousand (previous year: €894.4 thousand).
- Advertising and marketing costs of €294.5 thousand (previous year: €429.0 thousand).
- Remuneration for designated sponsoring activities of €220.1 thousand (previous year: €268.3 thousand).
- Costs of the agency agreement with Deutsche Börse AG of €130.0 thousand (previous year: €140.9 thousand).
- Advisory fees of €119.7 thousand (previous year: €168.3 thousand).

Auditor's fee

The total fee charged by the auditor for financial year 2014 amounts to \notin 48.8 thousand (previous year: \notin 18.0 thousand). Of this amount, \notin 20.0 thousand (previous year: \notin 18.0 thousand) relates to year-end auditing services, \notin 22.4 thousand (previous year: \notin 0.0 thousand) to other confirmation services and \notin 6.4 thousand (previous year: \notin 0.0 thousand) to other services.

Other financial obligations

Other financial obligations relate to obligations to Deutsche Börse AG in the amount of \in 44.0 thousand up to April 2015 owing to an agency agreement. The agreement runs for an indefinite period and may be terminated by written notice of three months to the end of a calendar month by either Deutsche Börse AG or Deutsche Börse Commodities GmbH.

There is also the custodian and service agreement with Clearstream Banking AG, which was entered into in order to ensure the secure administration and safekeeping of the physical gold and bearer bonds. An expense of \in 555.0 thousand is expected for the years 2015 and 2016. The agreement had an initial term of five years and is automatically extended by a further two years provided it is not terminated six months' before the end of the term of the agreement.

The master distribution agreements with the shareholders primarily govern the distribution of the bearer bonds. An expense of \notin 64.8 thousand is expected up to February 2015. The parties to the agreement may terminate it in writing at any time by giving notice of 30 days to the respective other party.

There is also a designated sponsor agreement for Xetra trading with Deutsche Bank AG, which regulates the management of bearer bonds. An expense of \in 167.0 thousand is expected for the next 12 months up to December 2015. The agreement runs for an indefinite period and may be terminated by either party by giving six months' notice to the end of a calendar year.

There are two service agreements with other financial obligations in the amount of $\notin 29.1$ thousand for the operating business of the marketing and business support areas. The agreement for the marketing activities is restricted to 12 months and may be terminated by either party by giving four weeks' notice to the end of a month during this period. The agreement for business support was concluded for an indefinite period and may be terminated by either party by giving three months' notice to the 15th of a month.

Other disclosures

Board of Directors

The members of the Board of Directors include:

Stefan LeppMember of the Executive Board of Clearstream Banking(Chairman)AG, Director Client Relations GSF & Broker/Dealers(until 31.12.2014)

Martina Gruber (Chair) (from 12.02.2015)	Member of the Executive Board of Clearstream Banking AG
Peter Thoma (Deputy Chairman)	Head of Foreign Exchange Spot Trading at Deutsche Bank AG Frankfurt
Ingo Ramming	Managing Director, Co-Head of Commodity Solutions, EMC Commodities, Corporate & Markets at Commerzbank AG, Frankfurt
Jürgen Scharnowske	Director/Department Head for Capital Market Trading, Deputy Area Head for Capital Market Trading at DZ BANK AG Deutsche Zentral Genossenschaftsbank, Frankfurt
Mario Mattera	Director/Head of Fixed Income/Foreign Exchange at B. Metzler seel. Sohn & Co. KGaA, Frankfurt/Main
Ralf Drieselmann (until 30.06.2014)	Senior Vice President, Precious Metals Management and Umicore Marketing Services at Umicore AG & Co. KG, Hanau
Dr Bernhard Fuchs (from 07.07.2014)	Senior Vice President, Precious Metals Management and Umicore Marketing Services at Umicore AG & Co. KG, Hanau
Christoph Naef	Managing Director, Head of Business & Distribution Man- agement at Bank Vontobel AG Investment Banking, Zurich
Sandra Vogt-Sasse	Tax Consultant and Wirtschaftsprüferin (Public Auditor), Managing Director at SAVOSA GmbH Steuerberatungsge- sellschaft, Karben

The costs incurred by the members of the Board of Directors in performing their rights and responsibilities are borne in each case by the shareholder entitled to appoint the member. In the case of Ms Vogt-Sasse, whose management responsibilities deal in particular with the monitoring of the accounting and year-end auditing, costs of \in 8.0 thousand (previous year: \notin 8.0 thousand) were incurred in financial year 2014.

Managing Directors

Deutsche Börse Commodities has the following Managing Directors:

Martina Gruber (until 01.07.2014)	Member of the Executive Board of Clearstream Banking AG
Steffen Orben	Director of Global Foreign Exchange at Deutsche Bank AG
Michael König Banking AG (from 01.01.2015)	Head of Unit Client Relations Germany at Clearstream

Management was granted a total amount of $\notin 120.0$ thousand (previous year: $\notin 160.0$ thousand) as remuneration for their work in financial year 2014. This includes salaries amounting to $\notin 75.0$ thousand (previous year: $\notin 100.0$ thousand) and bonuses in the amount of $\notin 45.0$ thousand (previous year: $\notin 60.0$ thousand).

Employees

Deutsche Börse Commodities GmbH did not have any employees in the year under review.

Frankfurt/Main, 23 March 2015

Deutsche Börse Commodities GmbH

The Managing Directors

Steffen Orben Michael König

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Management report for financial year 2014

Basic principles

i) Business model

Deutsche Börse Commodities GmbH (hereinafter also referred to as the "Company") is a joint venture of four banks, a stock exchange operator, an industrial partner and a banking-related holding company. These investors are as follows:

- Commerzbank AG, Frankfurt/Main
- Deutsche Bank AG, Frankfurt/Main
- Deutsche Börse AG, Frankfurt/Main
- DZ BANK AG Deutsche Zentral-Genossenschaftsbank Frankfurt, Frankfurt/Main
- B. Metzler seel. Sohn & Co. KGaA, Frankfurt/Main
- Umicore AG & Co. KG, Hanau
- Vontobel Beteiligungen AG, Zurich, Switzerland.

The purpose of Deutsche Börse Commodities GmbH is to issue innovative forms of securitisation for commodities in the Frankfurt financial centre, to transform commodities into marketable investments and to ensure cost-effective trading with commodities in euros.

The "Xetra Gold" product was registered for trading starting on 28 November 2007. Xetra Gold is a zero coupon bond broken down into units which have an indefinite term, are denominated in one gram of gold, are 100 per cent physically backed and securitise a right to delivery. Using this product, the bond holder's economic position is intended to correspond to physical ownership of the corresponding amount of gold. Xetra Gold is traded on the Xetra electronic trading platform and on various regional exchanges. This enables purchases and sales of the bond at all times during every trading day. The smallest tradable unit of Xetra Gold is one unit, which corresponds to one gram of gold.

The target group for the acquisition of Xetra Gold are equally private and institutional investors, including UCITS-compliant funds (Undertakings for Collective Investment in Transferable Securities).

The partners of Deutsche Börse Commodities GmbH provide their long-standing experience in the financial and commodities market:

- The banking partners organise the distribution of the securities.
- Deutsche Bank AG is the underwriter and market maker. In the latter function, it guarantees a low spread between the purchase and sale price of the bond.
- Deutsche Börse AG operates the Xetra trading platform, on which the Xetra Gold bond is traded.

- Clearstream Banking AG, Frankfurt/Main, which belongs to the Deutsche Börse Group, provides custodial services for the securities and ensures that they are backed by gold at all times. The gold backing exists in two ways: first, through the deposit of physical gold in the vaults of Clearstream Banking AG and second, in the form of book gold (rights to take delivery of gold).
- Umicore AG & Co. KG is the provider of the gold.

Deutsche Börse Commodities GmbH has concluded master agreements with Deutsche Bank AG and Deutsche Börse AG, whereby they provide central functions and infrastructure services. These agreements govern the main performance obligations of the partners.

ii) Research and development costs

As a service provider, Deutsche Börse Commodities GmbH does not engage in research and development activities comparable with those of manufacturing companies.

iii) Branches

Deutsche Börse Commodities GmbH did not have any branches during the period under review.

Economic report

i) Issued bonds

Xetra Gold was issued as a zero coupon bond broken down into units with an indefinite term. It is a bearer bond that is 100 per cent backed by gold, which securitises a right to take delivery of gold (if a UCITS-compliant fund is involved, a cash payment is made) and is quoted in € per gram. Two global certificates each consisting of up to 5 billion units (corresponds to a total volume of two times 5 thousand tonnes of gold) were deposited with Clearstream Banking AG.

Deutsche Börse Commodities GmbH, as the issuer of the bond, is entitled to redeem the bond early if on 31 December of every year less than ten million bonds have been issued.

As of 31 December 2014, bonds with a notional value of 49,822.1 kg had been issued. The gold backing consisted of 48,469.5 kg of stored bars under custody in the vault of Clearstream Banking AG and delivery rights of 1,352.6 kg vis-à-vis Umicore AG & Co. KG.

ii) Business development

In 2014 the result of Deutsche Börse Commodities GmbH remained positive compared with the previous year – operating profit (EBIT): €1,025 thousand (previous year: €937 thousand), financial result: €0 thousand (previous year: €4 thousand), result from ordinary business activity (EBT): €1,025 thousand (previous year: €941 thousand), net profit: €726 thousand (previous year: €672 thousand). As stated in the report on expected developments for 2014, the Company anticipated that the volume of gold sales would decline moderately; therefore, the result from ordinary

business activity and the net profit were higher than expected due to the volume of gold sold in 2014.

iii) Results of operations

The Executive Board of Deutsche Börse Commodities GmbH assesses the position of the Company to be good. Gold was an attractive investment in 2014, with its value gaining about 12 per cent. The Xetra Gold product benefited from this gain. At around 4,300 kg, the inflows in 2014 were far more than had originally been expected by the Company, which had planned for a decline in the total portfolio. The total portfolio as at 31 December 2014 stood at 49,822.1 kg. As a result, the Company generated positive earnings for 2014. The main activities during the reporting period were the focus of marketing campaigns on institutional investors and the continuous presence at trade fairs for private investors.

During the period from 1 January until 31 December 2014, Deutsche Börse Commodities GmbH generated revenue totalling €3,630 thousand (previous year: €4,363 thousand). The Company receives a share of the proceeds from the custodian of the bearer bond and the physical gold holdings. Other operating income primarily includes the revaluation of physical gold holdings in the amount of €151,110 thousand (previous year: €556,893 thousand). This income was offset by other operating expenses amounting to €153,614 thousand (previous year: €560,158 thousand), which mainly comprises the revaluation of the bearer bond totalling €151,110 thousand (previous year: €556,893 thousand).

Deutsche Börse Commodities GmbH closed the financial year 2014 with a net profit of €726 thousand (previous year: €672 thousand).

Revenue in connection with custodial fees is the main source of income for Deutsche Börse Commodities GmbH. These fees are primarily determined by the volume of the issued units of Xetra Gold and the gold price. They rose during the year as issue volumes increased and the gold price rose, and therefore exceeded the planned figures by about 43 per cent in total. The increase in the gold price occurred mostly in the first quarter of 2014, with the issue volume rising during the first half of 2014.

Controllable expenses were largely in line with the 2014 budget. Uncontrollable costs exceeded the budget by about 47 per cent. This budget overrun is mainly the result of the sales provisions paid to distribution partners (€669 thousand actual expense versus €354 thousand budgeted expense).

iv) Financial position

As at 31 December 2014, Deutsche Börse Commodities GmbH had cash and cash equivalents totalling €2,973 thousand (previous year: €2,488 thousand), which were held in demand deposits at banks.

In 2014, cash flow from operating activities amounted to €985 thousand (previous year: €-39 thousand), while cash flow from investment activities totalled €0 thousand (previous year: €0 thousand) and cash flow from financing activities was €-500 thousand (previous year: €-1,000 thousand) due to the dividend payment for financial year 2013.

v) Net assets

Besides the gold holdings acquired through the issuance of the bond, the Company has no other material assets as of the reporting date.

i) Equity

The equity of Deutsche Börse Commodities GmbH stands at \in 3,053 thousand (previous year: \notin 2,827 thousand) and comprises subscribed capital of \notin 1,000 thousand (previous year: \notin 1,000 thousand) and retained earnings of \notin 2,053 thousand (previous year: \notin 1,827 thousand).

Financial and non-financial performance indicators

i) Net profit

The Company is satisfied with the net profit it achieved in 2014. A positive operating result was attained in a favourable market environment.

ii) Gold

2014 was characterised by strong demand for gold in the first quarter of the year and a sharp devaluation of the euro in the fourth quarter, which is reflected in the positive performance of Xetra Gold. As demand for gold rose and its price increased, sales quantities were higher as well for 2014 as a whole.

Report on post-balance sheet date events

No events have occurred that require disclosure.

Report on expected developments

The report on expected developments describes how Deutsche Börse Commodities GmbH is expected to perform in financial year 2015. It contains statements and information on events in the future. These forward-looking statements and information are based on the Company's expectations and assumptions at the time of publication of this report on expected developments. These assumptions and expectations are in turn subject to known and unknown risks and uncertainties. Numerous factors influence the success, business strategy and financial results of the Company. Many of these factors are outside the Company's control. Should one of these risks occur or an un-

certainty materialise, or if one of the underlying assumptions made turn out to be incorrect, the actual development of the Company could deviate either positively or negatively from the expectations and assumptions contained in the forward-looking statements and information contained in this report on expected developments.

The Company anticipates that the price of gold in 2015 could stabilise at its current level due to a less expansive monetary policy by central banks and a controlled rate of inflation. However, demand for gold may still decline due to the ongoing strength of the economy and positive trends on the equity markets. This would also impact the Xetra Gold product. As in the previous financial year 2014, the Company will continue during the forecast period to focus on promoting the product and especially increasing awareness of it among institutional investors. To do this, lunch-time forums, for example, are to be held in larger German cities as well as in Vienna and Amsterdam in order to directly point out the benefits of the product in personal discussions with institutional investors, investment advisors and other influencers. In addition, further advertising campaigns are planned. The sales activities of our joint venture banking partners have an important influence on sales, too. Deutsche Börse Commodities GmbH will continue to be represented with a stand at various investors' fairs and conferences. We anticipate that the press will continue to report positively on the product during the coming year.

The Company expects that issuance volumes will decline moderately in 2015. Based on this conservative planning and the quantities of gold that have already been sold, and taking into account a nearly unchanged cost base, the Company also expects that monthly cash flow will be consistently positive. There is a risk that revenue could be sharply lower due to redemptions of the bond or a stronger-than-expected decline in the price of gold, causing negative operating cash flow.

The Company and the Xetra Gold product have established themselves on the market. During the reporting period, the product was the most extensively traded exchange-traded commodity product in Germany and the Company was one of the largest issuers in the commodities segment. To ensure that this market penetration continues to prevail, marketing expenses will remain one of the largest cost items of Deutsche Börse Commodities GmbH in the coming years. In 2015, the costs for the necessary central and infrastructure services will likely remain unchanged relative to prior-year levels. Deutsche Börse Commodities GmbH will actively manage its costs at all times and therefore forecasts a positive result of approximately €142 thousand for financial year 2015.

Besides Germany, Xetra Gold is also registered for public distribution in Luxembourg and Austria. The Company's advertising and marketing measures will therefore focus on these sales markets.

Depending on its business success, the Company will also decide jointly with its shareholders during the forecast period whether further products should be developed and launched.

Risk report

The main risks are divided into:

- Business risks
- Operational risks
- Financial risks

Deutsche Börse Commodities GmbH is integrated into the risk management system of Deutsche Börse AG. Its risk system distinguishes between business risks, operational risks and financial risks. The Executive Board monitors the risks of the Company.

i) Business risks

The Company is exposed to potential fluctuations in the price of gold in euros. A sustained decline in the price of gold can have an adverse effect on the sales of the bond and the realisable custodian fees and thus negatively impact the performance of the Company.

The recent past has shown that the development of the gold price is closely correlated with the general state of the global economy, the financial markets and the monetary policy of central banks. The efforts of various central banks to devalue their respective currencies in relation to other currencies have had a particularly strong influence. While the price of gold in US dollars was nearly unchanged year on year, the gold price in Japanese yen and euros was sharply higher in some cases. Amid a price increase of about 12 per cent (previous year: price decline of 30 per cent) and a total portfolio of 49,822.1 kg (previous year: 45,511.1 kg) in gold, the issue volume of Xetra Gold rose to €1,559,930 thousand (previous year: €1,277,496 thousand).

If central banks return to a more restrictive monetary policy, this could lead to disproportionately large sales by investors and force the Company to sell gold. The associated delivery and transport costs in the case of a gold sell-off could cause unplanned adverse financial effects.

The Executive Board receives a daily e-mail from the Controls Frankfurt Safekeeping department of Clearstream Banking AG containing data on the current XETRA closing price of gold from the previous trading day and the open exercises.

The number of physical gold deliveries to end customers was relatively constant throughout the year and totalled about 3 exercises per month with an average exercise volume of roughly 5.5 kg per exercise. An increase in delivery volumes would reduce the realisable custodian fees of the Company. However, the Executive Board does not currently anticipate that deliveries in 2015 will be sharply higher than in 2014.

With the assistance of an established controlling report (a monthly actual-to-plan analysis), which the Executive Board receives every month from the Controlling department of Deutsche Börse AG,

the performance and trends in the business as well as significant variances versus the budget can be monitored in a timely manner and counter-measures can be taken if needed.

ii) Operational risks

Operational risks primarily exist in all processes involved with the transport of the physical gold, the delivery to the vault and the shipment to the end customer. In 2009, a change was made in the control process associated with the delivery of standard gold bars to the vault. These bars weigh about 12.5 kilogrammes. The tolerance level for the variance between the bar weight as per the delivery note and the measurement in the vault was increased from 0.3 grams to 3 grams. This allows for a more efficient process in the vault. The Company was able to process the shipment applications submitted from the banks on schedule within the delivery period of 10 working days as defined in the prospectus. As of 31 December 2014, 844 shipments to end customers (previous year: 809) had been performed or initiated since the product was launched.

The actual portfolio of gold in the vault, together with information on the XETRA closing price, is reported in a daily e-mail from the Controls Frankfurt Safekeeping department of Clearstream Banking AG to the Executive Board. Annual inventories of physical gold holdings are performed by Internal Audit (timing is random) and the Controls Frankfurt Safekeeping department (in September/October) and the results are reported to the Executive Board.

The Xetra Gold bond is traded on the Xetra electronic trading platform. System and network redundancies ensured a very high level of service availability for the trading infrastructure in 2014 of nearly 100 per cent of the total trading period. However, disruptions in the availability of the information technology in use could in future result in lost income, claims for damage compensation and reputational losses in extreme cases.

iii) Financial risks

The Company divides financial risks into credit, market and liquidity risks. Credit risk describes the risk that a contractual partner does not fulfil its obligations in full or at all. Credit risk can also arise from cash investments. Market risks can arise in relation to cash investments through interest rate and currency fluctuations. A liquidity risk arises if daily payment obligations cannot be fulfilled or can be fulfilled only at increased refinancing costs.

Cash and cash equivalents are held at a domestic bank with a good credit rating. Credit risks are mostly limited to the small number of shareholder companies; interest rate and currency fluctuations do not arise because the Company does not make any investments. Potential liquidity risks can be immediately identified based on the monthly controlling report.

There are no meaningful financial risks for the Company. Due to its business model, Deutsche Börse Commodities GmbH does not have a significant funding need because gold purchases do not have to be paid for in advance and the gold placed into custody for investors is directly connected with revenue. There is only a very limited degree of credit and market risks. We assess the risks as follows:

Business risks:	Probability of occurrence is low Risk can be borne
Operational risks:	Probability of occurrence is low Risk can be borne
Financial risks:	Probability of occurrence is low Risk can be borne

We see no risks in these risk categories that could in principal threaten the survival of the Company in 2015.

Report on opportunities

Opportunities to increase the issuance volume result from higher sales of Xetra Gold and a rising price of gold versus the euro. If a sovereign debt crisis was to occur again or if geopolitical crises were to take place, it is likely central banks would revert back to their expansive monetary policy and that the price of gold would increase versus the current level. The recent past has shown that a rise in the price of gold in connection with geopolitical or economic crises also involves higher demand for gold. The Company would benefit from such a development.

Internal control system

The Executive Board has established an internal control system for Deutsche Börse Commodities GmbH that is intended to safeguard the effective and efficient business activities of the Company, prevent or detect the misappropriation of assets and thus protect the Company's overall business assets. The internal control system is an integral component of the risk management system aimed at controlling risks. It is continuously enhanced and adapted whenever conditions change. The internal control system of Deutsche Börse Commodities GmbH comprises both process-integrated and process-independent controls and safeguards.

With regard to the accounting process of Deutsche Börse Commodities GmbH, the internal control system is primarily intended to ensure proper accounting and financial reporting in order to present the net assets, financial position and results of operations in the annual financial statements in a complete and accurate manner.

Deutsche Börse Commodities GmbH's accounting is primarily performed by the central department "Financial Accounting and Controlling" (FA&C) of Deutsche Börse AG. The Head of the FA&C department of Deutsche Börse AG is responsible for the accounting process of the entire Deutsche Börse Group, including Deutsche Börse Commodities GmbH, as well as for the effectiveness of process-integrated safeguards and control procedures. He/she ensures that risks in the accounting process are recognised early on so that safeguards and control procedures can be implemented in a timely manner. The following measures are primarily intended to achieve this:

- Work instructions and process descriptions are documented for the individual processes in accounting, including the preparation of the annual financial statements. These documents are stored in a FA&C database that was designed specifically for this purpose.
- The accounting manual in accordance with the German Commercial Code (Handelsgesetzbuch – HGB) supports the correct application of accounting principles.
- To ensure that account classifications are used uniformly, a corresponding guideline has been established.

The work instructions and process descriptions are regularly reviewed to ensure they are up to date. Furthermore, high-risk processes are subjected to special control. The accounting manual and the account classification guideline are also updated on a regular basis. All FA&C department employees have access to the "ICS database" as well as the accounting manuals and account classification guidelines in order to keep up to date about current regulations.

Another important feature of the internal control system within the FA&C department is the principle of functional separation: tasks and responsibilities are clearly defined and allocated within the organisation. Incompatible tasks, such as modifying master data and issuing payment instructions, are strictly segregated at a functional level. This functional separation is ensured, inter alia, by requiring that an independent control unit must grant access rights to the accounting system to each employee and then monitor these rights continuously on the basis of an incompatibility matrix.

An additional control mechanism is the principle of dual control. All transactions are recorded in the general ledger or corresponding sub-ledgers based on the chart of accounts and the account classification guidelines. Closing entries are made and the consolidated financial statements are prepared in all cases in line with the principle of dual control.

Responsibility Statement by the Executive Board

To the best of our knowledge, we confirm that in accordance with the applicable accounting principles for the preparation of annual reports, the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company, and the management report includes a true and fair view of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Frankfurt/Main, 23 March 2015

Deutsche Börse Commodities GmbH

The Managing Directors

Steffen Orben Michael König

Auditor's Report

We have audited the annual financial statements, comprising the balance sheet, the income statement, the cash flow statement, statement of shareholders' equity and the notes to the financial statements, together with the bookkeeping system, and the management report of the Deutsche Börse Commodities GmbH, Frankfurt/Main, for the financial year from January 1 to December 31, 2014. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB ["Handelsgesetzbuch": "German Commercial Code"] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with [German] principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with [German] principles of proper accounting. The management report is consistent with the annual financial statements and, as a whole, provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Frankfurt/Main, March 23, 2015

KPMG AG Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Dielehner Wirtschaftsprüfer [German Public Auditor] Hommel Wirtschaftsprüfer [German Public Auditor]