

Börse Berlin – in a nutshell

History

Börse Berlin is founded in 1685 through an edict of the Elector of Brandenburg Friedrich Wilhelm. It experiences a first period of prosperity at the beginning of industrialisation. From 1933 on the governance of national socialism handicaps the functioning of the exchange. In 1945 the exchange is heavily damaged and almost completely destroyed in the following hostilities. After the war trading on the Official Market is reopened in Berlin in 1952.

The exchange history of the post war period until today is characterised by technical innovation. Particularly computer technology revolutionises exchange trading. Since April 1998 lead brokers are not obliged to be present on the Exchange floor any longer, so an increasing number of them now trade from their branch offices – computer-aided trading makes it possible. As a consequence the exchange gives up its exchange floor in 2006.

In September 2007 Börse Berlin takes a majority stake in EASDAQ NV which operates under the brand Equiduct. The key requirement of MiFID – best execution – is guaranteed by Equiduct, order by order. The launch of the Equiduct market place takes place on 20 March 2009. On 21 July 2009 Equiduct enters into a strategic partnership with Citadel Securities, a division of Citadel Investment Group, L.L.C.. Equiduct continues to be operated by Börse Berlin AG, trading takes place on the newly created market segment Berlin Second Regulated Market (BSRM).

One exchange – two market places

Börse Berlin unites two market places under one roof. Next to Xontro Börse Berlin operates the fully electronic trading platform ETS under the brand Equiduct. Equiduct Systems Ltd. is responsible for the operation, maintenance and further development of the trading system.

Shares, bonds and funds: Berlin offers the full spectrum

Approximately 50 percent of instruments traded on Xontro are equities, with a strong focus on foreign companies. Nearly all NASDAQ securities are traded in Berlin, but companies from China or South Africa are also available. International Blue Chips are represented as well as interesting small caps; in total Börse Berlin enables trading in over 15,000 shares from 82 countries.

Foreign bonds compliment the international security selection at Börse Berlin. In Germany many of these are traded only in Berlin. Naturally Börse Berlin has the full range of fixed interest securities of the German Federation and its constituencies with bonds from companies and other issuers also on offer. Certificates and warrants round off the security offering in Berlin.

Alongside equities and bonds, investors find a large selection of public funds. FondsPlus is the market segment for actively managed investment funds from all product groups - among them equity funds with different investment focuses, real estate funds, annuity funds, money market funds, funds of funds, mixed funds and sustainability funds. All public funds are traded without an issue surcharge. Furthermore, a variety of Exchange Traded Funds (ETFs) and Exchange Traded Commodities (ETCs) are also on offer.

Equiduct – Best Execution, Order by Order

Equiduct is a pan-European trading venue offering two liquidity pools: PartnerEx, provides order by order best execution and the HybridBook, a fully electronic, ultra low latency platform. Around 1,100 European Blue Chips are traded on the platform. Alongside this Equiduct offers market data such as the VBBO - that is the best price you can effectively trade on, calculated on the basis of 7 relevant markets for two volumes – and the market analysis tools LFA and LFI. More information about Equiduct is available on the Equiduct Website at www.equiduct.com.

Quality of Trading

Both, trading on Xontro and trading on the fully electronic market place Equiduct are continuously monitored.

Xontro-Trading

Trading on Xontro opens at 8:30 CET at Börse Berlin. The early start is particularly useful for investors who want to react in a timely way to developments or news in the American and Asian markets. Lead brokers are obliged to publish up to date Quotes (Bid and Ask sides with volumes) for national and international index stocks from 8:30 to 20:00 CET. For all other stocks lead brokers have to look closely at price developments on the respective reference markets.

Starting early is just one of the benefits Börse Berlin has to offer:

- Attractive and narrow spreads from 8:30 CET
- Significant turnovers before 9:00 CET
- Each order is monitored by the trade surveillance

A consistent reference market principle is in force in Xontro trading at Börse Berlin to ensure the implementation of the “best price principle” according to MiFID. Your order is executed within seconds in Berlin. The lead brokers’ liquidity obligations guarantee a high likelihood that your order gets carried out. Through own-name transactions lead brokers can help you purchase stocks that would otherwise not be tradeable due to low liquidity.

Equiduct

Equiduct, the trading platform operated by Börse Berlin, can be seen as a direct answer to MiFID. Equiduct has built an innovative market model to offer a fast and cost-effective all-in-one solution for trading equities in a fragmented European market.

Equiduct provides two execution facilities, a hybrid book and PartnerEx. The hybrid book is an electronic order book that includes market maker quotes for each available instrument. PartnerEx is a unique trading model that allows order flow providers to execute at a consolidated best price or better if price improvement occurs.

Apart from its trading platform Equiduct offers a special data service: calculating the above mentioned consolidated best price (VBBO), which may be used as a basis for PartnerEx transactions. Calculated by a virtual order book that consolidates the visible pre-trade information (Level II data) gathered from the seven most important markets in Europe, Equiduct's VBBO is a real-time data feed.

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