

News Release

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Joint index project of TUM and Deutsche Börse German stock exchange launches new "family firm" indices

As announced in November 2009, Deutsche Börse AG has begun calculating two new stock indices based on research activities of TUM, the Technische Universität München. The DAXplus Family Index and the DAXplus Family 30 Index are the newest members of the DAX index family. The first index tracks all listed German family firms, as defined by criteria developed at the university's Center for Entrepreneurial and Financial Studies (CEFS). The second tracks the 30 largest German "family firms." An index certificate based on the DAXplus Family 30 is now available to investors.

Researchers at CEFS have shown that this group of companies, listed on the German stock exchange but strongly influenced by founding families, represents a large and distinctive segment of the economy. One hundred twenty-three such firms occupy a dynamic middle ground between widely held public companies and privately held businesses.

The researchers led by Prof. Christof Kaserer and Prof. Ann-Kristin Achleitner have discovered that this group of family firms has performed differently over the past eight years – in some respects better – than the broader DAX. Their studies also reveal some distinctive patterns in management and operations. For example: Family firms appear to be governed with long-term sustainability in mind.

"We can't judge how the family firms sailed through the whole crisis," Achleitner says, "because obviously the crisis hasn't been finished yet, so we're not able to judge that. But consider the level of equity you find in family firms – 51% as compared to 34% in other quoted firms, which I would say is a pretty comfortable cushion."

In family firms, Kaserer says, so-called "agency problems" that contributed to the current financial crisis either do not exist or are mitigated. "By agency problems we mean the fact that the management of the company is not always acting in the interest of the owners of the company. But the family has an interest in seeing that the company is run in the best interest of all the shareholders."

Around 30% of "prime standard" listed firms belong to this diverse group of family firms – including pharmaceutical, chemical, technology, and construction companies as well as

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consumer goods companies such as Henkel and software providers such as SAP. Among the 30 largest family firms are also such well known companies as ThyssenKrupp, Wacker Chemie and Metro.

The family firm indices will for the first time give investors, economists, government officials, and the public a way to track the performance of this important part of the economy.

"Investors might also be interested in participating in this performance," Kaserer says, "by investing in these companies, or by buying certificates or other products that are related to their performance."

A video report on this research is available at: www.tum.de/film/

TUM Center for Entrepreneurial and Financial Studies: <http://www.cefs.de>

The DAXplus Family and DAXplus Family 30 are available as performance and price indices, with the following ISINs:

DAXplus Family performance index:	DE000A0YKTL4
DAXplus Family price index:	DE000A0YKTM2
DAXplus Family 30 performance index:	DE000A0YKTN0
DAXplus Family 30 price index:	DE000A0YKTP5

Additional information can be found under Strategy Indices at: <http://www.dax-indices.com>.

Deutsche Börse fact sheet on these indices:

http://www.dax-indices.com/EN/MediaLibrary/Document/Factsheets/1_0%20DAXPlus_Family_e.pdf

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Technische Universität München (TUM) is one of Germany's leading universities. It has roughly 440 professors, 6,500 academic and non-academic staff (including those at the university hospital "Rechts der Isar"), and 24,000 students. It focuses on the engineering sciences, natural sciences, life sciences, medicine, and economic sciences. After winning numerous awards, it was selected as an "Elite University" in 2006 by the Science Council (Wissenschaftsrat) and the German Research Foundation (DFG). The university's global network includes an outpost in Singapore. TUM is dedicated to the ideal of a top-level research based entrepreneurial university. <http://www.tum.de>