



**BM&FBOVESPA S.A. reports its earnings for the nine-month period ended September 30, 2008. Adjusted net income reached R\$764.9 million, a 44.8% rise over the nine months to September 2007, with an EPS of R\$ 0.375.**

## Highlights

**For the nine months to September 2008, as compared to the same period in 2007:**

- ✓ **Adjusted net income (pro forma<sup>1</sup>):** 44.8% growth, to R\$764.9 million from R\$528.3 million previously. The earnings per share (EPS) was R\$ 0.375, and, considering a fully diluted basis, R\$ 0.374. The adjusted net margin rose to 62.1% from 54.9% earlier;
- ✓ **Pro forma<sup>1</sup> net income:** 19.5% growth, to R\$631.1million from R\$528.3 million previously. The earnings per share (EPS) was R\$ 0.310, and, considering a fully diluted basis, R\$ 0.309.
- ✓ **Creation of deferred tax credits** of R\$ 86.2 million, to be carried forward for future tax compensation.
- ✓ **EBTIDA (pro forma):** climbed 46.2%, to R\$ 838.9 million from R\$573.6 million, whereas EBITDA margin increased to 68.1% from 59.6% previously;
- ✓ **Net operating revenues:** rose 28.0%, to R\$1,231.6 million from R\$962.4 million previously;
- ✓ **Operating expenses:** increased 0.5%, to R\$416.4 million from R\$414.2 million;
- ✓ **Daily average financial value traded** in the Bovespa segment rose 36.6%, to R\$5.9 billion from R\$4.3 billion;
- ✓ **Turnover velocity on the cash market vis-à-vis** average market capitalization of listed companies increased to 60.9% from 53.7% previously;
- ✓ **Daily average number of trades** in the Bovespa segment rose 65.6%, to 227 thousand from 138 thousand earlier;
- ✓ **Daily average number of derivatives contracts traded** in the BM&F segment declined 6.2%, to 1,685 thousand from 1,797 thousand previously;
- ✓ **Number of active custody accounts** increased 82.7%, to 550.5 thousand from 301.3 thousand.

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<sup>1</sup> The pro forma statement of income of BM&FBovespa has been adjusted to eliminate expenses with the integration of Bovespa Holding and BM&F, with the going public process and with the demutualization of both the futures and commodities exchange and the stock exchange. Moreover, adjusted net income disregards the net effect of the amortization of goodwill derived from the transaction involving merger of the shares of Bovespa Holding into BM&F BOVESPA.



**For the three months to September 2008, as compared to the most recent quarter:**

- ✓ **Adjusted net income (pro forma):** 44.4% growth, to R\$315.9 million from R\$218.7 million previously. The earnings per share (EPS) was R\$ 0.155, and, considering a fully diluted basis, R\$ 0.154. The adjusted net margin rose to 78.1% from 50.4% earlier;
- ✓ **Pro forma<sup>1</sup> net income:** 42.6% growth, to R\$235.6 million from R\$165.2 million previously. The earnings per share (EPS) was R\$ 0.116 (3Q08), and, considering a fully diluted basis, R\$ 0.115.
- ✓ **Creation of deferred tax credits** of R\$ 86.2 million, to be carried forward for future tax compensation.
- ✓ **EBTIDA (pro forma):** fell by 6.7%, to R\$275.4 million from R\$295.4 million, whereas EBITDA margin rose 68.1% from 68.0% previously;
- ✓ **Net operating revenues:** dropped by 6.8%, to R\$404.7 million from R\$434.2 million previously;
- ✓ **Operating expenses:** decreased by 6.5%, to R\$137.2 million from R\$146.7 million;
- ✓ **Daily average financial value traded** in the Bovespa segment dropped 14.3%, to R\$5.3 billion from R\$6.5 billion;
- ✓ **Turnover velocity on the cash market** vis-à-vis average market capitalization of listed companies increased to 62% from 61.5% previously;
- ✓ **Daily average number of trades** in the Bovespa segment rose 11.9%, to 254 thousand from 230 thousand earlier;
- ✓ **Daily average number of derivatives contracts traded** in the BM&F segment declined 12.6%, to 1,543 thousand from 1,765 thousand previously.

**São Paulo, November 11, 2008** – BM&FBOVESPA S.A. announces today the results of operations for the third quarter of the year.

BM&FBOVESPA offers a complete infrastructure of integrated systems and platforms for trading in equities, fixed-income securities, equity and financial derivatives, spot forex rates and commodities, as well as clearing and settlement of trades in stocks and other securities, in addition to providing a wide range of services, including listing of securities and sale of market data and information, a full service central securities depository, or CDS, and software and stock index licensing. Moreover, the Company engages in providing institutions and brokerage firms with access rights to its trading and communication systems.

BM&FBOVESPA S.A. is the result of the integration of Bolsa de Mercadorias & Futuros - BM&F S.A. (BM&F) and Bovespa Holding S.A. (Bovespa), as confirmed in shareholders' meetings held on May 8, 2008. On August 12, 2008, the Brazilian Securities Commission (*Comissão de Valores Mobiliários*), or CVM, completed its



registration as a public company, and its shares trade under ticker symbol BVMF3 since August 20, 2008.

## MAIN RECENT EVENTS

### **New organizational structure**

On August 29, 2008, we completed the plan of merger, which among other things included a revision of the organizational structure of the Company and resulted in a 20.9% reduction in personnel and third-party providers;

### **Inclusion in the Bovespa Index, or Ibovespa**

Since September 1<sup>st</sup> the Company BVMF3 stocks have been included in the theoretical portfolio of most traded stocks comprising the Ibovespa, which is the primary stock index of the Brazilian market;

### **DMA and CME/Globex**

The two first stages of implementation of our new order routing system for products offered in the BM&F segment have been completed. Our Direct Market Access, or DMA mechanism, traditional model, began operating on August 29, whereas order routing through to the CME Globex platform of the Chicago Mercantile Exchange (CME) started on September 30;

### **Merger of BVSP**

On August 29, Bolsa de Valores de São Paulo S.A. – BVSP merged into Bovespa Holding S.A., then a privately-held corporation, which as the surviving company adopted the corporate name Bolsa de Valores de São Paulo S.A. – BVSP;

### **Distributions**

Cash distributions of R\$ 292.2 million have been declared and paid on September 2, 2008, of which R\$149.2 million by way of interest on shareholders' equity and R\$143.0 million by way of dividends;



## **Share buyback**

On September 24 the Board of Directors approved a share buyback program encompassing up to 71.3 million shares representing 3.5% of the free float. By October 17, 2008, a total of 5,941,200 shares had been repurchased;

## **Pricing policy**

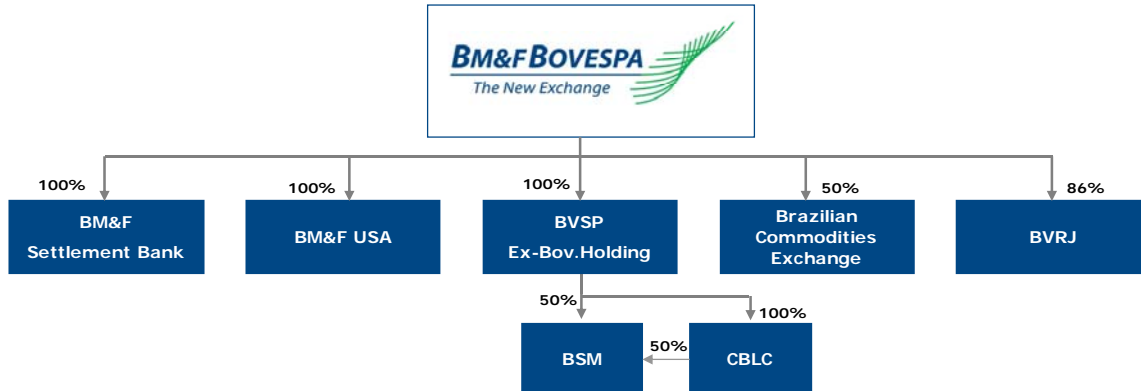
On August 25, the Company terminated the former pricing policy of 25% rebates to participants in derivatives markets that also held equity interest comprising over 10,000 BMEF3 shares. It also announced the new pricing policy that starting on November 17 will apply in connection with contracts transacted on derivatives markets. In addition, the Company announced changes in the fees charged on trades on cash and options markets in the Bovespa segment, which take effect in February 16, 2009.

## **Call notice**

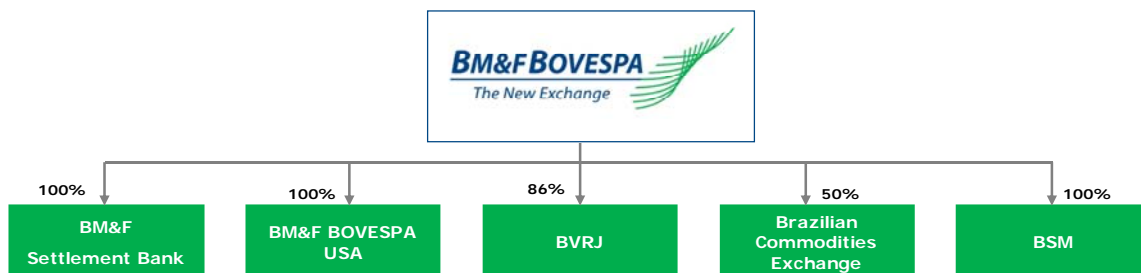
The Board of Directors called an Extraordinary Shareholders' Meeting scheduled for November 28, 2008, for deliberations on the merger of Bovespa (currently named Bolsa de Valores de São Paulo S.A. – BVSP) and of Companhia Brasileira de Liquidação e Custódia – CBLC, the Brazilian Clearing and Depository Corporation, whose ultimate purpose is to streamline the corporate structure.

## **Integration Process**

The chart below shows the Company's current organizational structure, following the shareholders' meetings of August 29, 2008, which approved the merger of Bolsa de Valores de São Paulo S.A. – BVSP into Bovespa Holding S.A., wherein the latter was the surviving company, having adopted the Bolsa de Valores de São Paulo S.A. – BVSP.



The chart below shows the organizational and corporate structures of BM&FBOVESPA following the proposed mergers of BVSP and CBLC, and assuming approval is obtained at the shareholders' meetings scheduled to be held on November 28, 2008:



On July 4, 2008, BM&FBOVESPA applied to the Brazilian Securities Commission for registration as a public company, which was granted on August 12, 2008. Thus, from August 20, 2008, BVMF3 shares began to trade on the stock exchange, while trading in BMEF3 and BOVH3 shares was terminated.

**Balance of foreign investments**

The flow of foreign investments directed to the Brazilian stock market in the nine months to September 2008 netted R\$1.4 billion, as a result of foreign investments in stock offerings totaling R\$19.8 billion and negative balance of R\$18.3 billion from direct trading on equities markets in the Bovespa segment. The negative net balance from direct trading in the third quarter of 2008 was R\$11.7 billion.

**Novo Mercado**

As of September 30, 2008, the three special Bovespa listing segments that adopt higher corporate governance practices, i.e., the *Novo Mercado*, and the Level 1 and Level 2 segments, comprised a total of 163 listed companies, which represented 59.09% of the São Paulo stock exchange market capitalization, 69.5% of the total financial value traded in the Bovespa segment, and 74.1% of the number of trades on the cash market. There have been no significant changes from the second to the third quarters of 2008.

**Home Broker**

Total financial value traded on the Bovespa Home Broker system in 3Q08 amounted to R\$77.6 billion, as compared to R\$50.1 billion in the same quarter a year earlier, representing year over year growth of 54.8% for the quarter, whereas the number of trades increased by 40.7%, to 8.1 million from 5.5 million in the same quarters, respectively.

Moreover, trading on the Home Broker system accounted on average for 11.05% of the total value traded and 24.74% of the number of trades on the São Paulo stock exchange in 3Q08, as compared to 8.78% and 28.15% in 3Q07, respectively.

**Active custody accounts**

The number of active custody accounts as at the end of September 2008 had increased by 82.7%, to 550.5 thousand, as compared to 301.3 thousand at the end of September 2007, whereas having increased by 2.0% in a comparison of the number of active custody accounts as at the end of June 2008.

**Margin deposits and collateral for transactions**

Trades carried out on markets managed by BM&F BOVESPA are secured by margins deposits in cash, securities and bonds, and other collateral, including sureties. Margin deposits and collateral for transactions as at September 30 and June 30, 2008, amounted to R\$119,996 million and R\$120,591 million, respectively.



## PRO FORMA FINANCIAL HIGHLIGHTS

(In thousands of reais)	3Q08	2Q08	3Q07	Variation % 3Q08/2Q08	9M08	9M07	Variation % 9M08/9M07
Gross operating revenues	450,833	483,625	402,008	-6.8%	1,372,066	1,071,551	28.0%
Net operating revenues	404,675	434,179	360,789	-6.8%	1,231,574	962,371	28.0%
Recurrent operating expenses	(137,158)	(146,700)	(145,572)	-6.5%	(416,408)	(414,242)	0.5%
Operating income	267,517	287,479	215,217	-6.9%	815,167	548,129	49.0%
Interest income	67,957	77,244	77,989	-12.0%	222,993	232,485	-4.1%
Income and social contribution taxes	(68,109)	(124,973)	(97,922)	-45.5%	(304,445)	(266,919)	14.1%
Net income	235,611	165,206	204,336	42.6%	631,090	528,266	19.5%
Adjusted net income <sup>(1)</sup>	315,905	218,735	204,336	44.4%	764,914	528,266	44.8%
EBITDA	275,547	295,402	223,797	-6.7%	838,897	573,613	46.2%
Operating margin	66.1%	66.2%	59.7%	-0.1 p.p	66.2%	57.0%	9.2 p.p
Net operating margin	58.2%	38.1%	56.6%	20.2 p.p	51.2%	54.9%	-3.6 p.p
EBITDA margin	68.1%	68.0%	62.0%	0.1 p.p	68.1%	59.6%	8.5 p.p
Adjusted net margin	78.1%	50.4%	56.6%	27.7 p.p.	62.1%	54.9%	7.2 p.p.

(1) excludes the effects of goodwill amortization

## OPERATING PERFORMANCE FOR THE THIRD QUARTER OF 2008

### BOVESPA SEGMENT MARKETS

Total financial value traded in equities, equity derivatives (except stock index futures) and fixed income securities on exchange and OTC markets in the third quarter of 2008 amounted to R\$346.2 billion, averaging daily value traded of R\$5,326 million, in either case representing a 9.9% decrease from value traded in the same period one year earlier, whereas the number of trades in 3Q08 reached 16.0 million, representing a 58.3% growth over the same the quarter in 2007, when it had reached 10.1 million.

In a quarter on quarter comparison, financial value traded decreased by 14.3%, to R\$346.2 billion from R\$404.1 billion previously, whereas average daily value traded fell to R\$5.3 billion from R\$6.5 billion. In contrast, the daily number of trades increased by 11.9%, from 230 thousand to 254 thousand a quarter on.



In the third quarter of 2008, one follow-on offering of listed securities represented total proceeds of R\$18 billion, whereas in the same quarter one year earlier there were three follow-on offerings representing total proceeds of R\$2.8 billion. In addition, while initial public offerings carried out in the third quarter of 2007 represented total proceeds of R\$13.9 billion, there were no IPOs in the same quarter one year over, and just one IPO in 2Q08.

Average market capitalization in 3Q08 was R\$1,994.5 billion, as compared to R\$2,124.4 billion in 3Q07, whereas turnover velocity in the cash market was 62.0% and 53.5%, respectively. Increase in turnover velocity was influenced by the high number of trades on the stock exchange, which presented year over year growth by 58.3%, to 254 thousand average daily trades in 3Q08 from 160 thousand average daily trades in 3Q07.

The tables below set forth the total and daily average financial value traded and number of trades by class of assets traded on the markets managed by the Company in the Bovespa segment in the three-month periods to September and June 2008, and the nine months to September 2007, respectively.

**FINANCIAL VALUE TRADED (In millions of R\$)**

	3Q08	Daily Average	2Q08	Daily Average	Variation % 3Q08/2Q08	3Q07	Daily Average	Variation % 3Q08/2Q08
<b>Stock and derivatives</b>	345,902	5,322	403,948	6,516	-14.4%	314,737	4,996	9.9%
<b>Cash market</b>	323,084	4,971	375,187	6,052	-13.9%	292,509	4,643	10.5%
<b>Derivatives</b>	22,818	351	28,762	464	-20.7%	22,228	353	2.7%
<b>Forward market</b>	11,339	174	14,138	236	-22.5%	9,929	158	14.2%
<b>Options market (stocks / indices)</b>	11,479	177	14,622	228	-18.8%	12,299	195	-6.7%
<b>Fixed income and other securities</b>	274	4	205	3	33.7%	188	3	45.6%
<b>Total</b>	346,176	5,326	404,154	6,519	-14.3%	314,925	4,999	9.9%

**NUMBER OF TRADES (In thousands)**

	3Q08	Daily Average	2Q08	Daily Average	Variation % 3Q08/2Q08	3Q07	Daily Average	Variation % 3Q08/2Q08
<b>Stock and derivatives</b>	15,995	246	14,288	230	11.9%	10,105	160	58.3%
<b>Cash market</b>	12,618	194	11,055	178	14.1%	7,531	120	67.6%
<b>Derivatives</b>	3,377	52	3,232	52	4.4%	2,575	41	31.1%
<b>Forward market</b>	143	2	189	3	-24.6%	114	2	25.3%
<b>Options market (stocks / indices)</b>	3,234	50	3,043	49	6.3%	2,461	39	31.4%
<b>Fixed income and other securities</b>	1	8	1	0	0.0%	1	0	0.0%
<b>Total</b>	15,996	254	14,289	230	11.9%	10,107	160	58.3%





The margin on financial value traded was calculated according to the following:

	3Q08			2Q08			3Q07		
	Transaction Revenues	Financial Value Traded	Margin -	Transaction Revenues	Financial Value Traded	Margin -	Transaction Revenues	Financial Value Traded	Margin -
	(in millions of reais)			(in millions of reais)			(in millions of reais)		
<b>Stock and derivatives</b>	225.3	345,902	6.51	268.6	403,948.9	6.65	203.3	314,7367	6.46
<b>Cash market</b>	194.1	323,084	6.01	227.0	375,187.2	6.05	171.7	292,509	5.87
<b>Derivatives</b>	31.2	22,818	13.67	41.6	28,761.7	14.48	31.6	22,228	14.21
<b>Options market (stocks / indices)</b>	16.5	11,479	14.34	22.6	14,138.8	16.01	18.7	12,299	15.20
<b>Forward market</b>	14.7	11,339	13.00	19.0	14,622.9	13.00	12.9	9,929	13.00
<b>Fixed income and other securities</b>	0.1	274	3.84	0.9	205.3	42.02	0.2	188	8.65
<b>Total</b>	225.4	346,177	6.51	269.5	404,154	6.67	203.4	314,925	6.46

The table below sets forth the evolution of the transactions involving securities lending and the number of active custody accounts.

	3Q08	2Q08	3Q07	Variation % 3Q08/3Q07
<b>Securities Lending – Open Positions (in million of reais)</b>	11,9	23,5	23,2	-48,8%
<b>Number of active custody accounts (in thousands)</b>	550,5	539,8	301,3	82,7%
<b>Number of Home Broker traders (in thousands)</b>	296,0	322,7	168,1	76,9%
<b>Customer audience of market data Vendors (in thousands)</b>	81,9	108,9	59,9	36,7%

## BM&F SEGMENT MARKETS

The average daily number of derivatives contracts traded and settled in our systems on derivatives markets in the BM&F segment, of 1.54 million in 3Q08, represented quarter on quarter decrease of 12.6%.

Beginning from August 29, 2008, following delivery of the first module for trading via the DMA mechanism, or Direct Market Access, the average daily number of derivatives contracts originating from this mechanism has been about 37 thousand, with approximately 1.5 thousand daily trades.

The table below sets forth the number of derivatives contracts traded and the average daily number of contracts traded in the third and second quarters of 2008 and in the third quarter of 2007.



**DERIVATIVES CONTRACTS TRADED (In thousands)**

Contracts	3Q08	Daily Average	2Q08	Daily Average	Variation % 3Q08/2Q08	3Q07	Daily Average	Variation % 3Q08/3Q07
BRL interest rate contracts	46,557	716	59,035	952	-24.8%	64,910	1,030	-30.5%
FX contracts	37,054	570	34,961	564	1.1%	31,404	498	14.4%
Index-based contracts	5,669	87	5,453	88	-0.8%	7,194	114	-23.6%
USD interest rate contracts	6,429	99	5,752	93	6.6%	5,646	90	10.4%
Commodity contracts	1,082	17	1,021	16	1.0%	769	12	36.2%
Web Trading	2,718	42	2,342	38	10.7%	3,242	51	-18.8%
OTC market	811	12	880	14	-12.1%	755	12	4.2%
<b>Total</b>	<b>100,320</b>	<b>1,543</b>	<b>109,444</b>	<b>1,765</b>	<b>-12.6%</b>	<b>113,920</b>	<b>1,807</b>	<b>-14.6%</b>

The table below sets forth the revenues from derivatives contracts traded on BM&F segment markets in the third and second quarters of 2008 and in the third quarter of 2007.

**REVENUES FROM TRADING IN DERIVATIVES CONTRACTS (in millions of reais)**

Contracts	3Q08	2Q08	3Q07	Variation % 3Q08/2Q08	Variation % 3Q08/3Q07
BRL interest rate contracts	59,031	62,816	68,088	-6.0%	-13.3%
FX contracts	76,205	62,420	60,841	22.1%	25.3%
Index-based contracts	12,227	13,414	11,996	-8.8%	1.9%
USD interest rate contracts	6,170	6,081	5,033	1.5%	22.6%
Commodity contracts	4,126	3,973	2,763	3.8%	49.3%
Web Trading	434	375	223	15.8%	94.9%
OTC market	2,098	2,044	1,437	2.7%	46.0%
<b>Total</b>	<b>160,292</b>	<b>151,123</b>	<b>150,380</b>	<b>6.1%</b>	<b>6.6%</b>

The drop in number of contracts traded in 3Q08, as compared to the most recent quarter, was canceled out by growth of 15.7% in revenues from average fee charged per contract, primarily due to our changing pricing policy, which starting from August 25, 2008, implied termination of the 25% rebate we used to give to participants that previously held over 10,000 BMEF3 shares and, additionally, due to appreciation of the U.S. dollar against the Brazilian *real*, which in the first half of 2008 reached 20.25%. In a year over year comparison of the third quarter, average fee per contract in 3Q08 increased by 21.0%, whereas the number of contracts traded decreased by 14.6%.

Interest rate contracts

Trades in BRL interest rate contracts decreased by 24.8% from the previous quarter, however corresponding to a drop of just 6.0% in related revenues (from average fee per contract), due to increase in long-term trading in these contracts and also due to termination of our previous 25%-rebate pricing policy. In contrast, trades in local USD interest rate contracts increased by 6.6% in 3Q08, primarily due to volatility of the BRL / USD exchange rate, which resulted in greater concentration on short-term trading and, thus, in a 9.2% drop in revenues from average fee charged per contract. These movements ultimately resulted in 1.5% growth of our total revenues from trading in these contracts.



#### FX contracts

The number of foreign exchange rate contracts (FX contracts) traded in the BM&F segment presented 1.1% quarter on quarter increase, whereas the average fee per contract increased by 15.2%, resulting in revenue growth of 22.1%, to R\$76.2 million in 3Q08 from R\$62.4 million in 2Q08. In a year over year comparison of the third quarter, the number of FX contracts traded and the average fee per contract increased by 14.4% and 6.2%, respectively, which resulted in quarterly revenue growth of 25.3%. In addition to having been influenced by the changing pricing policy, this growth is due to appreciation of the U.S. dollar against the Brazilian *real*.

#### Index-based contracts

Revenues from trading in index-based contracts, which include derivatives contracts based on equity indices, in particular the Ibovespa (Bovespa Index), and on inflation indices, dropped by 8.8%, to R\$12.2 million from R\$13.4 million in the most recent quarter, following decline in the Bovespa Index in the period presented. In a year over year comparison of the third quarter, despite a 23.6% drop in the number of contracts traded, revenues from trading in these contracts climbed by 1.9% influenced by a 29.3% rise in average fee per contract as a result of our changing pricing policy.

#### Commodity contracts

Revenues derived from trading in derivatives contracts based on commodities amounted to R\$4.1 million in 3Q08, representing growth of 3.8% as compared to 2Q08, and a 49.3% year over year growth for the quarter. The number of contracts traded remained constant in 3Q08, having increased by 1.1% from the most recent quarter, and by 36.2% from the third quarter a year earlier.

#### OTC market

Trading in derivatives on our OTC market declined 12.1%, to 811,000 contracts from 880,000 contracts traded in 2Q08, whereas revenues remained stable, having presented quarter on quarter growth of 2.7%, to R\$2.1 million from R\$2.0 million previously.

The table below sets forth the average fee per contract charged in 3Q08, 2Q08 and 3Q07, respectively.

Contracts	AVERAGE FEE PER CONTRACT (R\$)			Variation	Variation
	3Q08	2Q08	3Q07	% 3Q08/2Q08	% 3Q08/3Q07
BRL interest rate contracts	1.268	1.064	1.049	19.2%	20.9%
FX contracts	2.057	1.785	1.937	15.2%	6.2%
Index-based contracts	2.157	2.460	1.668	-12.3%	29.3%
USD interest rate contracts	0.960	1.057	0.891	-9.2%	7.7%
Commodity contracts	3.814	3.891	3.590	-2.0%	6.2%
Web Trading	0.160	0.160	0.069	-0.2%	132.6%
OTC market	2.587	2.322	1.904	11.4%	35.9%
<b>Total</b>	<b>1.598</b>	<b>1.381</b>	<b>1.320</b>	<b>15.7%</b>	<b>21.0%</b>



The table below sets forth the number of contracts representing open positions as at the end of 3Q08, 2Q08 and 3Q07, respectively.

Contracts	OPEN POSITIONS (In thousands)						Variation	Variation
	3Q08		2Q08		3Q07		%	%
							3Q08/2Q08	3Q08/3Q07
BRL interest rate contracts	11,309	57.2%	14,390	63.6%	11,626	63.5%	-21.4%	-2.7%
FX contracts	3,595	18.2%	3,430	15.2%	2,211	12.1%	4.8%	62.6%
Index-based contracts	289	1.5%	311	1.4%	318	1.7%	-6.9%	-9.2%
USD interest rate contracts	1,962	9.9%	1,912	8.5%	1,810	9.9%	2.6%	8.4%
Commodity contracts	159	0.8%	179	0.8%	171	0.9%	-11.0%	-6.8%
Web Trading	16	0.1%	9	0.0%	27	0.1%	82.3%	-40.7%
OTC market	2,429	12.3%	2,392	10.6%	2,149	11.7%	1.5%	13.0%
<b>Total</b>	<b>19,759</b>	<b>100.0%</b>	<b>22,623</b>	<b>100.0%</b>	<b>18,312</b>	<b>100.0%</b>	<b>-12.7%</b>	<b>7.9%</b>

## OPERATING PERFORMANCE FOR THE NINE MONTHS TO SEPTEMBER 2008

### BOVESPA SEGMENT MARKETS

In a year over year comparison of the nine-month period ended September 30, 2008 rose by 36.6%, averaging daily value traded of R\$5.9 billion, from R\$4.3 billion in the earlier period, whereas the average daily number of trades increased by 65.6%, to 227.8 thousand from 138.3 thousand previously

The tables below set forth the total and daily average financial value traded and number of trades by class of assets traded on the markets managed by the Company in the Bovespa segment in the nine-month periods to ended September 30, 2008 and 2007.

	FINANCIAL VALUE TRADED (In millions of R\$)					Variation (%)
	9M08	Daily Average	9M07	Daily Average		
<b>Stock and equity derivatives</b>	1,103,589	5,902	808,174	4,345		36.6%
<b>Cash market</b>	1,028,302	5,499	752,424	4,045		36.7%
<b>Derivatives</b>	75,287	403	55,750	300		35.0%
<b>Forward market</b>	39,758	213	25,086	135		58.5%
<b>Options market (stocks / indices)</b>	35,529	190	30,664	165		15.9%
<b>Fixed income and other spot securities</b>	1,138	6	617	3		84.5%
<b>Total</b>	1,104,727	5,908	808,791	4,348		36.6%



**NÚMERO OF TRADES (In thousands)**

	9M08	Daily Average	9M07	Daily Average	Variation (%)
<b>Stock and equity derivatives</b>	42,602	227	25,728	138	65.6%
<b>Cash market</b>	33,364	178	18,827	101	77.2%
<b>Derivatives</b>	9,238	49	6,901	37	33.9%
<b>Forward market</b>	497	3	293	2	69.6%
<b>Options market (stocks / indices)</b>	8,741	47	6,608	36	32.3%
<b>Fixed income and other spot securities</b>	2	0	1	0	100.0%
<b>Total</b>	42,604	227	25,729	138	65.6%

Average market capitalization was R\$2,253.8 billion, as compared to R\$1,846.1 billion in the nine months to September 2007, whereas turnover velocity in the cash market increased to an annualized rate of 60.9% from 53.7% previously. In the second quarter of 2008, average market capitalization was R\$2,450.0 billion, whereas annualized turnover velocity in the cash market was 61.5%.

As of September 30, 2008, the Bovespa Index, or Ibovespa, the primary stock market index, had dropped to 49,541 points, representing year over year decrease of 18.1%, from 60,465 points as of September 30, 2007.

The margin on financial value traded for the nine months to September 2008 was calculated according to the following:

	9M08			9M07		
	Transaction Revenues	Financial Value Traded	Margin-	Transaction Revenues	Financial Value Traded	Margin-
	(in millions of reais)			(in millions of reais)		
	- Bps -			- Bps -		
<b>Stock and derivatives</b>	723.6	1,103,588.9	6.56	505.9	808,174.2	6.26
<b>Cash market</b>	617.4	1,028,301.9	6.00	428.0	752,423.7	5.69
<b>Derivatives</b>	106.2	75,287.0	14.11	77.9	55,750.5	13.97
<b>Options market (stocks / indices)</b>	54.5	35,528.8	15.34	45.3	30,664.0	14.77
<b>Forward market</b>	51.7	39,758.2	13.00	32.6	25,086.4	13.00
<b>Fixed income and other securities</b>	1.6	1,137.8	14.30	0.7	616.6	10.70
<b>Total</b>	725.3	1,104,726.8	6.57	506.6	808,790.8	6.26

**BM&F SEGMENT MARKETS**

The average daily number of contracts traded on derivatives markets in the BM&F segment, of 1.69 million in the nine months to September 2008, represented a 6.2% decrease from 1.8 million in the same period in 2007.

The table below sets forth the number of derivatives contracts traded and the average daily number of contracts in the nine-month periods ended September 30, 2008 and 2007 (9M08 and 9M07).



**DERIVATIVES CONTRACTS TRADED (In Thousands)**

Contracts	9M08	Daily Average	9M07	Daily Average	Variation %
BRL interest rate contracts	161,471	863	196,064	1,054	-18.1%
FX contracts	106,267	568	84,786	456	24.7%
Index-based contracts	16,666	89	20,944	113	-20.9%
USD interest rate contracts	17,758	95	16,791	90	5.2%
Commodity contracts	2,905	16	1,684	9	71.6%
Web Trading	7,498	40	11,969	64	-37.7%
OTC market	2,529	14	2,051	11	22.6%
<b>Total</b>	<b>315,094</b>	<b>1,685</b>	<b>334,289</b>	<b>1,797</b>	<b>-6.2%</b>

The table below sets forth the transaction revenues from derivatives contracts traded on BM&F segment markets in the nine months to September 2008 and 2007.

**TRANSACTION REVENUES FROM DERIVATIVES CONTRACTS (in millions of reais)**

Contracts	9M08	9M07	Variation %
BRL interest rate contracts	183,412	200,130	-8.4%
FX contracts	202,008	175,056	15.4%
Index-based contracts	37,463	31,382	19.4%
USD interest rate contracts	18,266	16,462	11.0%
Commodity contracts	10,735	5,612	91.3%
Web Trading	1,187	590	101.4%
OTC market	5,866	4,659	25.9%
<b>Total</b>	<b>458,937</b>	<b>433,890</b>	<b>5.8%</b>

The drop in number of derivatives contracts traded, of 6.2% in 9M08, as compared to the same period one year earlier, was counterbalanced by growth in transaction revenues derived from trading in these contracts, primarily due to change in the range of products we offer. In addition, there has been growth in the number of contracts traded for which we charge higher average fee per contract, in particular U.S. dollar futures, which as a percentage of total transaction revenues represented 33.7% in the nine months to September 2008, as compared to 25.4% in the same period a year earlier.

Interest rate contracts

Revenues from average fee per contract related to trades in BRL interest rate contracts increased by 11.3% in the nine months to September 2008, thus partially cancelling out a 18.1% drop in number of contracts traded, influenced primarily by concentration of trading in longer term contracts. In contrast, the number of USD interest rate contracts increased by 5.2% in the nine months to September 2008, whereas revenues from trading increased by 11.0%, to R\$18.3 million from R\$16.5 million in the same period a year earlier.

FX contracts

The number of foreign exchange rate contracts (FX contracts) traded in the BM&F segment in the nine months to September 2008 rose by 24.7% from the same period previously, and despite a 7.9% reduction in average fee per contract owing, among other things, to appreciation of the U.S. dollar against the Brazilian *real* for most of the period, our total revenues from trading in these contracts presented year-on growth of 15.4% in the nine-month period to September 2008, such



that the reduction in average fee per contract was counterbalanced by a greater number of contracts traded.

Index-based contracts

Revenues from index-based contracts increased by 19.4% in the nine months to September 2008, to R\$37.5 million from R\$31.4 million previously, which far counterbalanced a 20.9% year-on decrease in number of contracts traded. This growth in revenues is due primarily to increase in revenues from the average fee per contract we charge on these contracts, of 50.0% over the previous period, which correlates mainly with a 22.39% appreciation in the Bovespa Index average and also with our changing pricing policy.

Commodity contracts

Transaction revenues from contracts based on commodities amounted to R\$10.7 million in the nine months to September 2008, a 91.3% growth as compared to the same period a year earlier, correlated primarily with a 71.6% increase in the number of contracts traded and a 10.9% increase in the average fee per contract.

OTC market

Trading in derivatives on our OTC market rose by 25.9%, with 2.5 million contracts traded in the nine months to September 2008, as compared to 2.0 million in the same period in 2007.

The table below sets forth the average fee per contract charged in the nine months to September 2008 and 2007, respectively.

<b>AVERAGE FEE PER CONTRACT (R\$)</b>			
<b>Contracts</b>	<b>9M08</b>	<b>9M07</b>	<b>Variation - %</b>
BRL interest rate contracts	1.136	1.021	11.3%
FX contracts	1.901	2.065	-7.9%
Index-based contracts	2.248	1.498	50.0%
USD interest rate contracts	1.029	0.980	4.9%
Commodity contracts	3.695	3.332	10.9%
Web Trading	0.158	0.049	221.5%
OTC market	2.320	2.271	2.1%
<b>Total</b>	<b>1.457</b>	<b>1.298</b>	<b>12.2%</b>

**ECONOMIC AND FINANCIAL PERFORMANCE**

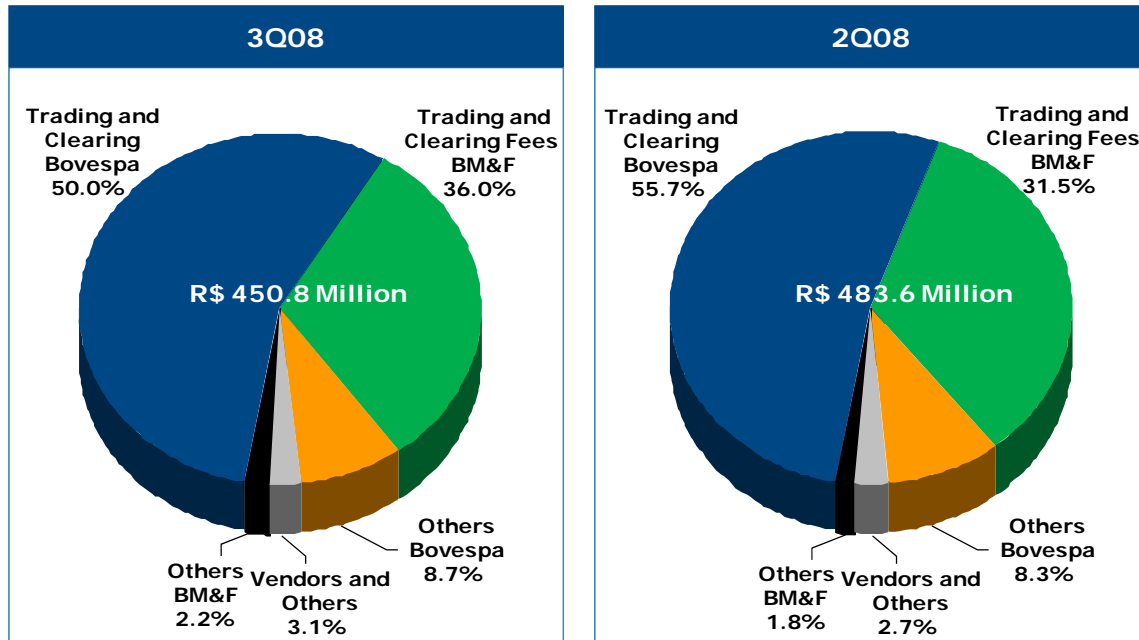
***Comparative analysis of the financial conditions and results of operations for the third quarter of 2008 (3Q08), as compared to the second quarter of 2008 (2Q08).***

Gross operating revenues decreased by 6.8% in 3Q08, to R\$450.8 million from R\$483.6 million in the most recent quarter. The combined revenues from derivatives contracts traded in the BM&F segment and revenues from trading fees and from clearing and settlement fees charged in the Bovespa segment represented 86.0% of gross operating revenues in the quarter, as compared to 87.2% in the most recent quarter.

The table below sets forth a breakdown of gross operating revenues for the periods presented.

<b>Gross Operating Revenues</b>				
<b>(In thousands of reais)</b>	<b>3Q08</b>	<b>2Q08</b>	<b>3Q07</b>	<b>Variation % 3Q08/2Q08</b>
<b>Gross operating revenues</b>	<b>450,833</b>	<b>483,625</b>	<b>402,008</b>	<b>-6.8%</b>
<b>Revenues from trading and/or settlement systems - BM&amp;F segment</b>	<b>170,386</b>	<b>161,321</b>	<b>157,388</b>	<b>5.6%</b>
Derivatives	162,226	152,412	151,011	6.4%
Foreign exchange	5,526	4,780	5,198	15.6%
Securities	80	82	302	-2.2%
Brazilian Commodities Exchange	1,752	3,173	515	-44.8%
BM&F Bovespa Settlement Bank	802	874	361	-8.3%
<b>Revenues from trading and/or settlement systems - Bovespa segment</b>	<b>264,601</b>	<b>309,329</b>	<b>232,541</b>	<b>-14.5%</b>
Transaction revenues - trading fees	158,587	188,462	127,700	-15.9%
Transaction revenues – clearing and settlement fees	66,704	80,965	75,715	-17.6%
Securities lending fees	12,368	14,367	16,316	-13.9%
Annual listing fees	7,496	7,157	5,629	4.7%
Depository, custodial and back-office services	15,868	15,019	7,181	5.7%
Participant access fees	3,578	3,359	-	6.5%
<b>Other operating revenues</b>	<b>15,846</b>	<b>12,975</b>	<b>12,079</b>	<b>22.1%</b>
Vendors – revenues from sale of market data and information	11,523	10,961	6,353	5.1%
Commodity classification fees	1,784	207	1,814	761.6%
Other operating revenues	2,540	1,807	3,912	40.6%





#### **Revenues from trading and/or settlement systems – BM&F segment**

Revenues from trading and/or settlement systems in the BM&F segment for 3Q08 rose 5.6%, to R\$170.4 million from R\$161.3 million in the most recent quarter. Transaction revenues from derivatives contracts represented the primary source of revenues in the segment, having grown by 6.4%, to R\$162.2 million from R\$152.4 million previously, followed by transaction revenues from forex trades, which climbed 15.6%, to R\$5.5 million from R\$4.8 million earlier, whereas revenues derived from the activities of the Brazilian Commodities Exchange dropped by 44.8%, to R\$1.7 million from R\$3.2 million in the most recent quarter.

#### **Revenues from trading and/or settlement systems – Bovespa segment**

Revenues from trading and/or settlement systems in the Bovespa segment fell by 14.5%, to R\$264.6 million in the quarter from R\$309.3 million in the most recent quarter, primarily due to following changes in the line items under revenues from trading and/or settlement systems:

- (i) a 15.9% drop in transaction revenues from trading fees, R\$158.6 million from R\$188.5 million previously;
- (ii) a 17.6% decrease in revenues from clearing and settlement fees, to R\$66.7 million from R\$81.0 million;
- (iii) a 5.7% rise in revenues from depository, custodial and back office services, to R\$15.9 million from R\$15.0 million;
- (iv) a 13.9% fall in revenues from securities lending fees, to R\$12.4 million from R\$14.4 million;
- (v) a 6.5% growth in revenues from participant access fees, to R\$3.6 million from R\$3.3 million; and
- (vi) a 4.7% increase in revenues from annual listing fees, to R\$7.5 million from R\$7.1 million earlier.

The table below sets forth additional information concerning transaction revenues from trades and from clearing and settlement transactions registered in the Bovespa segment systems in the periods presented.

<b>Revenues from trading fees and from clearing and settlement fees – Bovespa segment</b>			
<b>(In thousands of reais)</b>	<b>3Q08</b>	<b>2Q08</b>	<b>3Q07</b>
<b>Revenues from trading fees</b>	<b>158,670</b>	<b>188,543</b>	<b>127,700</b>
Function: Value traded	156,907	186,758	143,247
Rebates <sup>(1)</sup>	-	-	-15,547
Tube <sup>(2)</sup>	1,763	1,704	-
<b>Revenues from clearing and settlement fees</b>	<b>66,693</b>	<b>80,965</b>	<b>75,714</b>
Function: Value traded	59,548	72,698	55,976
Fines	2,376	3,335	12,632
IPOs / Auctions <sup>(3)</sup>	4,768	4,932	7,106

- (1) – refers to trading fees returned to intermediaries with access to trading systems in the Bovespa segment  
(2) – refers to revenues from fees charged from intermediaries with access to our trading systems in the Bovespa segment  
(3) – refers to revenues from clearing and settlement fees charged in connection with auctions and IPOs conducted on the non-organized OTC market.

Revenues from depository, custodial and back-office services are represented primarily by fees we charge for depository services, which amounted to R\$11.8 million in the quarter, as compared to R\$11.3 million in the most recent quarter, and a significant increase of 37.1%, to R\$2.3 million from R\$1.7 million previously, in revenues from online trading on the government bond market through our Treasury Direct program.

<b>Revenues from depository, custodial and back-office services</b>			
<b>(In thousands of reais)</b>	<b>3Q08</b>	<b>2Q08</b>	<b>3Q07</b>
Treasury Direct	2.290	1.671	1.098
Depository services	11.755	11.267	4.791
Custodial services	825	1.121	437
Back-office services	996	960	855
<b>Total</b>	<b>15.867</b>	<b>15.019</b>	<b>7.181</b>

### **Other operating revenues**

Other operating revenues presented increase of 22.1%, to R\$15.8 million in the period from R\$12.9 million previously, primarily due to growth in revenues from commodities classification fees to R\$1.8 million from R\$0.2 million, and due to a 5.1% rise in revenues from sale of market data and information to vendors, to R\$11.5 million in the quarter from R\$11.0 million earlier.

### **Taxes on operating revenues**

Taxes levied on consolidated gross operating revenues, i.e., Social Security Financing Contribution (*Contribuição para o Financiamento da Seguridade Social*), or COFINS, and Contribution to the Social Participation Program (*Contribuição ao Programa de Integração Social*), or PIS, which are federal taxes



on revenues levied at the rates of 7.6% and 1.65%, respectively, as well as Service Tax (*Imposto sobre Serviços de Qualquer Natureza*), or ISS, a municipal tax levied at the rate of 5% on some, but not all operating revenues. As a percentage, taxes on operating revenues totaled 11.4% of gross consolidated revenues in the three months to September 2008 and to June 2008.

### **Net operating revenues**

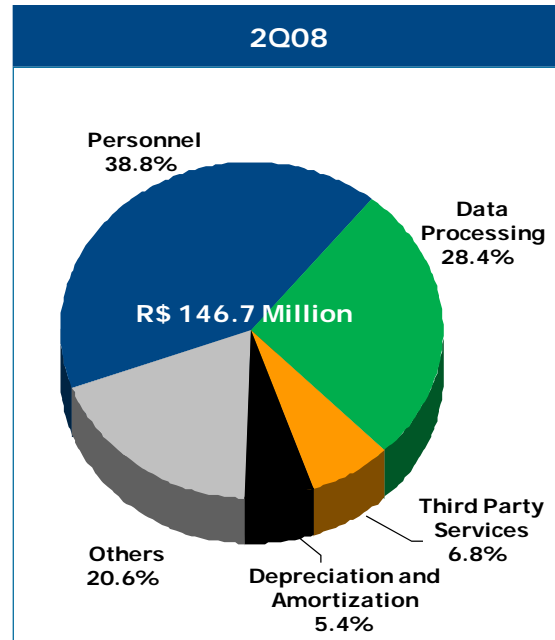
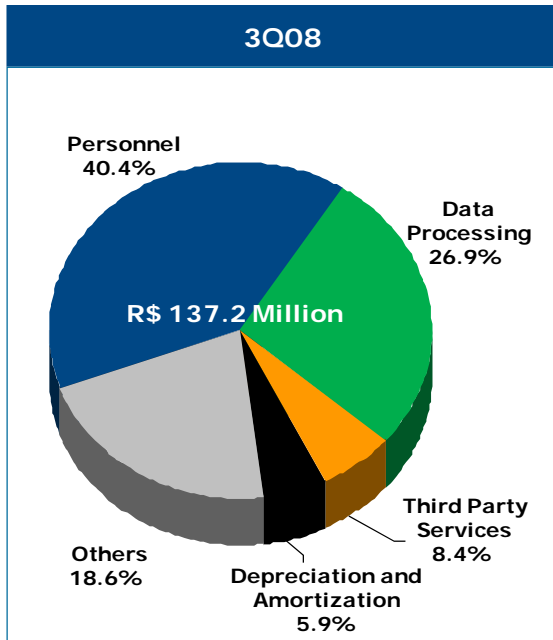
After taxes on operating revenues, consolidated net operating revenues expenses for the three months to September 2008 amounted to R\$404.7 million, as compared to R\$434.2 million in the most recent quarter, a decrease of 6.8%

### **Operating expenses**

Operating expenses, including non-recurring expenses discussed below, amounted to R\$137.2 million in the quarter, as compared to R\$146.7 million in the most recent quarter, representing quarter on quarter decrease of 6.5%. As a percentage, operating expenses represented 33.9% of net operating revenues for the quarter, as compared to 33.8% in the second quarter.

The table below sets forth a breakdown of operating expenses and quarter on quarter comparison.

<b>Operating expenses</b>				
<b>(In thousands of reais)</b>	<b>3Q08</b>	<b>2Q08</b>	<b>3Q07</b>	<b>Variation % 3Q08/2Q08</b>
<b>Operating expenses</b>	<b>(137,158)</b>	<b>(146,700)</b>	<b>(145,572)</b>	-6.5%
Personnel and related expenses	(55,364)	(56,966)	(57,985)	-2.8%
IT, data processing and telecom systems	(36,843)	(41,618)	(36,456)	-11.5%
Depreciation and amortization	(8,030)	(7,923)	(8,580)	1.4%
Third-party services	(11,470)	(9,962)	(12,111)	15.1%
General maintenance	(2,972)	(3,270)	(3,580)	-9.1%
Communications	(4,287)	(4,984)	(3,538)	-14.0%
Lease payments	(1,200)	(1,096)	(923)	9.5%
Consumption materials	(928)	(1,200)	(1,151)	-22.7%
Marketing and promotions	(5,324)	(7,824)	(9,216)	-32.0%
Taxes and fees	1,916	(1,685)	(2,513)	-213.7%
Board compensation	(1,267)	(2,020)	-	-37.3%
Other	(11,389)	(8,152)	(9,609)	39.7%



Personnel and related expenses, expenses with IT, data processing and telecom systems and expenses with depreciation and amortization correlate with the Company's activities and in the aggregate represented 73.1% and 72.6% of total operating expenses for the third and second quarters of 2008, respectively.

As a group, these expenses presented quarter on quarter decrease of 5.9%, primarily due to a drop of 11.5% in data processing expenses in the most recent quarter, whereas personnel and related expenses dropped by 2.8%.

Quarter on quarter increase in personnel and related expenses was due mainly to: (i) 43 former providers were hired as employees in July 2008; and (ii) compliance with the yearly collective bargaining agreement negotiated between the trade and workers' unions of which the Company and its employees are members resulted in an 8% increase in our payroll, which also impacted the provision for labor liabilities, such as vacation and Christmas bonuses, as accruing through September 30, 2008. This increase counterbalanced the reduction in personnel, which at the end of September 2008 comprised 1,113 employees, as compared to 1,387 employees in the most recent quarter.

In an action to implement one of the objectives of integrating the activities of BM&F and Bovespa, the Company adopted a program to maximize synergies and efficiencies, while reducing operating expenses, including by eliminating activities that are common to both companies and duplicate work.

Whilst there are ongoing renegotiations of agreements with third-party providers, the principal actions taken towards implementing the integration objectives resulted in reduction in number of employees. During the third quarter of 2008, announced terminations encompassed 395 employees and outsourced, of whom 371 had already been terminated by September 30, 2008. We should note however that the effects of terminations implemented by the end of the quarter will be reflected in, and influence our results of operations for the fourth quarter.



The reduction in IT, data processing and telecom systems expenses for the quarter was due mainly to reclassification as capital expenditures (Capex) of certain information technology expenses incurred in the Bovespa segment, which previously consisted of operating expenditures (Opex), implemented pursuant to a decision of the chief financial officer in the quarter. Additionally, in line with the synergies program we are implementing as part of the integration process, the revision and renegotiation of third-party data processing service agreements contributed to a quarter on quarter reduction of 11.5% in data processing expenses, to R\$36.8 million from R\$41.6 in the most recent quarter.

Additionally, in the aggregate the expenses with third-party providers for the quarter rose by 15.1%, when compared to the most recent quarter, to R\$11.5 million from R\$9.9 million. This change correlates with fees paid consultants and auditors, regarding the assessment of controls from BM&F and Bovespa and limited reviews involving the financial statements of the company, respectively.

Marketing and promotion expenses accounted for 4% and 5% of the operation expenses in the third and second quarters of 2008, respectively, having presented quarter on quarter decrease of 32.0% in the quarter, to R\$5.3 million from R\$7.8 million in the most recent quarter. This drop reflects synergies captured in connection with marketing and promotion activities, including actions to eliminate duplicate activity related to sponsorships, magazines, events, clippings, and so forth.

Expenses with taxes and fees in the amount of R\$1.9 million in the quarter showed a reversal of status, primarily due to reclassification of expenses we previously classified under this line item and are now recorded under 'other expenses,' such as sewer, water, electricity and similar other expenses. As a result, expenses with taxes and fees reflect growth of 39.7% in the quarter, to R\$11.4 million from R\$8.2 million in the most recent quarter.

Other expenses amounting to R\$18.7 million accounted for 20% of total operating expenses in the quarter, as compared to 21.0% and R\$20.5 million in the most recent quarter.

### ***Operating income***

Operating income for the quarter dropped 6.9%, to R\$267.5 million from R\$287.5 million previously, with operating margin (on net operating revenues) sliding to 66.1% from 66.2% earlier.

### ***Interest income***

Interest income for the quarter fell 12.0%, to R\$68.0 million from R\$77.2 million previously.

Interest expenses increased to R\$25.7 million in the period, as compared to R\$15.1 million in the most recent period, mainly due to the following factors: (i) R\$3.0 million reserved for contingencies related to PIS and COFINS taxes on interest on shareholders' equity distributed in the quarter based on results of operations for the first half of 2008; (ii) payment of tax on financial transactions, or IOF, on the R\$500 million loan we took from Banco Bradesco; and (iii) interest paid in the third quarter of 2008, charged at 109% over the CDI rate. At the end of the quarter, the outstanding balance of the loan taken from Banco Bradesco was R\$148.2 million.

### ***Non-operating income***

Derived from reversed provisions for contingencies previously registered by the former Bovespa and from financial earnings of Bolsa de Valores do Rio de Janeiro (BVRJ), non-operating income fell 45.8% in the quarter, to R\$4.1 million from R\$7.5 million in the most recent quarter.



### **Net income before taxes**

Net income before taxes on profits decreased 25.2% in the quarter, to R\$217.9 million from R\$291.1 million in the most recent quarter, primarily due to recognition of expenses from amortization of goodwill derived from the merger of shares of Bovespa Holding S.A. (currently named Bolsa de Valores de São Paulo S.A. – BVSP), in the amount of R\$121.7 million. Were the expense excluded, net income before taxes on profits for the third quarter of 2008 would be R\$339.6 million, a 8.8% decrease as compared to net income before taxes for the most recent quarter.

### **Income tax and social contribution**

As determined pursuant to Brazilian Corporate Law, net income is subject to corporate income tax levied at the rate of 15%, plus an additional rate of 10%, and to social contribution on net income, or CSLL, levied at the rate of 9%. The aggregate of these two taxes amounted to R\$68.1 million in the period presented, as compared to R\$125.0 million in the most recent quarter. The actual rate of both income tax and CSLL was 42.9% in 3Q08 and 31.3% in 2Q08.

The decrease in actual rate of taxation on net income for the third quarter is due to the following factors: (i) tax benefit related to the payment of interest on shareholders' equity in 3Q08 (according to the results of 1H08), which generated a credit of R\$52.7 million; and (ii) offsetting of against tax loss recorded by the former Bovespa Holding upon merging with BVSP, which resulted in a tax credit of R\$5.4 million. Should the impact of the goodwill amortization be disregarded, the actual rate of both income tax and CSLL would drop to 20.1% in the quarter, as compared to 33.6% in the most recent quarter.

In addition, because of (i) the merger transaction between BVSP and Bovespa Holding and the corporate acts related to the proposed merger of Bovespa Holding (currently named Bolsa de Valores de São Paulo S.A. – BVSP) and CBLC into BM&FBOVESPA S/A, which the shareholders' meeting called for November 11, 2008, may approve; (ii) amortization accumulating since May 2008 in connection with goodwill recorded by the former Bovespa Holding upon merging with BVSP, which at the end of the quarter amounted to an aggregate of R\$202.8 million; and of (iii) temporary inclusions and exclusions in the taxable income control register, or Lalur, tax credits have been formed in the quarter of the order of R\$86.2 million.

### **Net income**

Net income for the quarter amounted to R\$235.6 million, as compared to R\$165.2 million in the most recent quarter, or a 42.6% increase in net income. Net profit margin on net operating revenues for the quarter was 58.2%, whereas net margin for the most recent quarter was 38.1%. This increase in net income is due primarily to the abovementioned tax credits, which generated a positive tax impact of the order of R\$18.1 million, as resulting from the addition of taxes payable and tax credits.

### **EBITDA**

EBITDA for the three months to September 2008 amounted to R\$275.5 million, as compared to R\$295.4 million in the most recent quarter, an 6.7% drop, whereas EBITDA margin on net operating revenues rose 0.1 percentile points, to 68.1% in 3Q08 from 68.0% previously.

As defined by the Company, EBITDA is operating income plus depreciation and amortization expenses. According to Brazilian GAAP, EBITDA is not a measure of financial performance, and should not be considered individually, or as an alternative to net income as a measure of our



performance, or an alternative to operating cash flow as an indicator of liquidity. EBITDA does not have a standard meaning and the definition of EBITDA used herein may not compare to EBITDA as used by other companies.

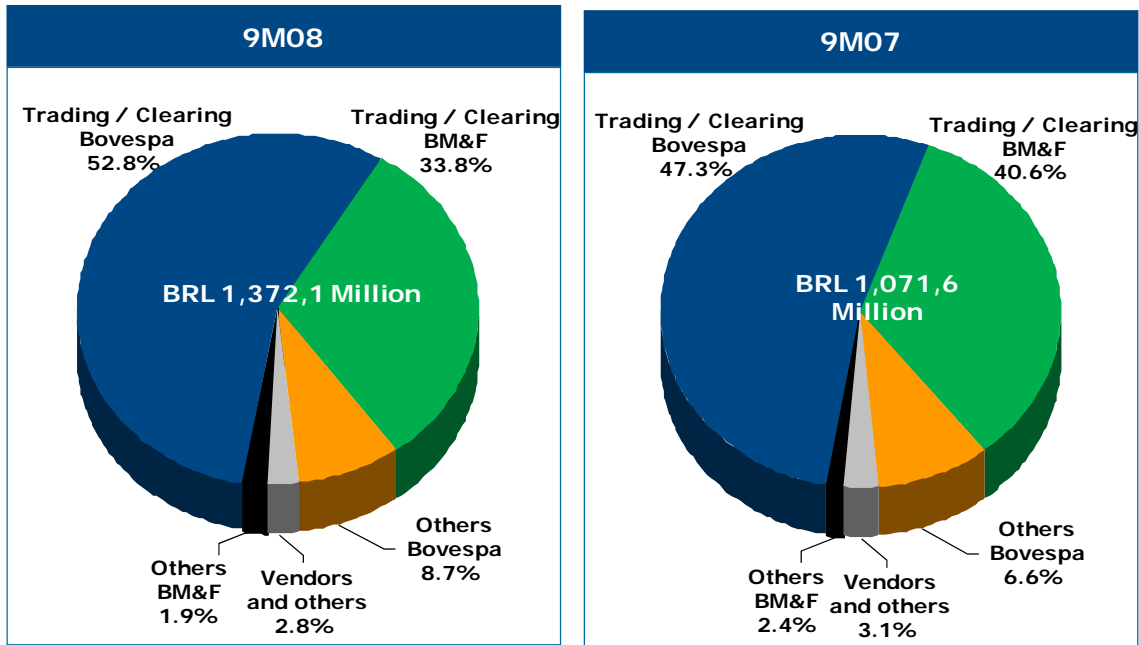
**Comparative analysis of the financial conditions and results of operations for the nine months to September 2008 (9M08), as compared to the same period in 2007 (9M07).**

**Gross operating revenues**

Gross operating revenues increased by 28.0% in the period, to R\$1,372.1 million from R\$1,071.5 million in 9M07.

The table below sets forth a breakdown of gross operating revenues for the nine-month periods under comparison.

<b>Gross Operating Revenues</b>			
<b>(In thousands of reais)</b>	<b>9M08</b>	<b>9M07</b>	<b>Variation %</b>
<b>Gross operating revenues</b>	<b>1,372,066</b>	<b>1,071,551</b>	<b>28,0%</b>
<b>Revenues from trading and/or settlement systems - BM&amp;F segment</b>	<b>486,645</b>	<b>458,373</b>	<b>6.20%</b>
Derivatives	463,302	435,593	6.40%
Foreign exchange	14,926	16,386	-8.90%
Securities	269	738	-63.50%
Brazilian Commodities Exchange	5,857	4,670	25.40%
BM&F Bovespa Settlement Bank	2,291	986	132.30%
<b>Revenues from trading and/or settlement systems - Bovespa segment</b>	<b>844,457</b>	<b>577,361</b>	<b>46.00%</b>
Transaction revenues - trading fees	511,391	323,330	58.20%
Transaction revenues – clearing and settlement fees	213,713	183,262	16.60%
Securities lending fees	42,115	35,791	17.70%
Annual listing fees	21,776	15,623	39.40%
Depository, custodial and back-office services	45,206	19,355	133.60%
Participant access fees	10,256	-	
<b>Other operating revenues</b>	<b>40,964</b>	<b>35,817</b>	<b>14.40%</b>
Vendors – revenues from sale of market data and information	32,172	15,788	103.80%
Commodity classification fees	2,162	2,591	-16.60%
Other operating revenues	6,631	17,438	-62.00%



#### Revenues from trading and/or settlement systems – BM&F segment

Revenues from trading and/or settlement systems in the BM&F segment for the nine months to September 2008 rose 6.2%, to R\$463.3 million from R\$435.6 million earlier. Revenues from spot forex transactions declined 8.9%, primarily due to appreciation of the U.S. dollar against the Brazilian *real*. The daily average transaction volume of the foreign exchange clearinghouse increased by 11.5% to US\$3.1 billion per day from US\$2.8 billion per day. Revenues derived from the activities of the Brazilian Commodities Exchange rose 25.4% in the nine months to September 2008, to R\$5.9 million from R\$4.7 million earlier, whereas revenues from the activities of the BM&F Bovespa settlement bank increased by 132.3%, to R\$2.3 million from R\$1 million previously.

#### Revenues from trading and/or settlement systems – Bovespa segment

Revenues from trading and/or settlement systems in the Bovespa segment rose 46.3%, to R\$844.4 million in the nine months to September 2008 from R\$577.4 million in the same period a year earlier, primarily due to following changes in the line items under revenues from trading and/or settlement systems:

- (i) a 58.2% rise in transaction revenues from trading fees, R\$511.4 million from R\$323.3 million previously;
- (ii) a 16.6% increase in revenues from clearing and settlement fees, to R\$213.7 million from R\$183.3 million;
- (iii) a 17.7% growth in revenues from securities lending fees, to R\$42.1 million from R\$35.8 million;
- (iv) a 39.4% growth in revenues from annual listing fees, to R\$21.8 million from R\$15.6 million;
- (v) a 133.6% increase in revenues from depository, custodial and back office services, to R\$45.2 million from R\$19.4 million; and





- (vi) following the demutualization process, new revenues from participant access fees, which in the nine months to September 2008 amounted to R\$10.3 million earlier.

The table below sets forth additional information concerning revenues from trades and from clearing and settlement transactions registered in the Bovespa segment systems in the periods presented, with a note being made with respect to termination of rebates granted under our previous pricing policy, which in the nine months to September 2007 amounted to R\$40.8 million, and of tube charged from financial intermediaries, which in the nine months to September 2008 amounted to R\$4.7 million.

<b>Revenues from trading fees and from clearing and settlement fees – Bovespa segment</b>		
<b>(In thousands of reais)</b>	<b>9M08</b>	<b>9M07</b>
<b>Revenues from trading fees</b>	<b>511,555</b>	<b>323,330</b>
Function: Value traded	506,841	364,136
Rebates <sup>(1)</sup>	-	-40,806
Tube <sup>(2)</sup>	4,714	-
<b>Revenues from clearing and settlement fees</b>	<b>213,700</b>	<b>183,261</b>
Function: Value traded	194,571	141,295
Fines	8,672	27,149
IPOs / Auctions <sup>(3)</sup>	10,457	14,817

(1) – refers to trading fees returned to intermediaries with access to trading systems in the Bovespa segment

(2) – refers to revenues from fees charged from intermediaries with access to our trading systems in the Bovespa segment

(3) – refers to revenues from clearing and settlement fees charged in connection with auctions and IPOs conducted on the non-organized OTC market.

Revenues from depository, custodial and back-office services are represented primarily by fees we charge for depository services provided to holders of active custody accounts. In addition, a note should be made of the significant rise of 62.5% in revenues from online trading on the government bond market through our Treasury Direct program, which amounted to R\$5.7 million in the period, as compared to R\$3.5 million in the same period a year earlier.

The table below sets forth a breakdown of revenues from depository, custodial and back-office services.

<b>Revenues from depository, custodial and back-office services</b>		
<b>(In thousands of reais)</b>	<b>9M08</b>	<b>9M07</b>
Treasury Direct	5,661	3,484
Depository services	33,778	12,140
Custodial services	2,926	1,266
Back-office services	2,841	2,465
<b>Total</b>	<b>45,206</b>	<b>19,355</b>



### **Other operating revenues**

Other operating revenues presented increase of 14.4%, to R\$41.1 million in the period from R\$35.8 million previously, primarily due to growth in revenues from sale of market data and information to vendors, to R\$32.2 million in 9M08 from R\$15.8 million a year earlier.

### **Taxes on operating revenues**

The variation in taxes on operating revenues correlates with growth in gross operating revenues. As a percentage, taxes on operating revenues totaled 11.4% of gross consolidated revenues in 9M08, as compared to 11.3% in 9M07.

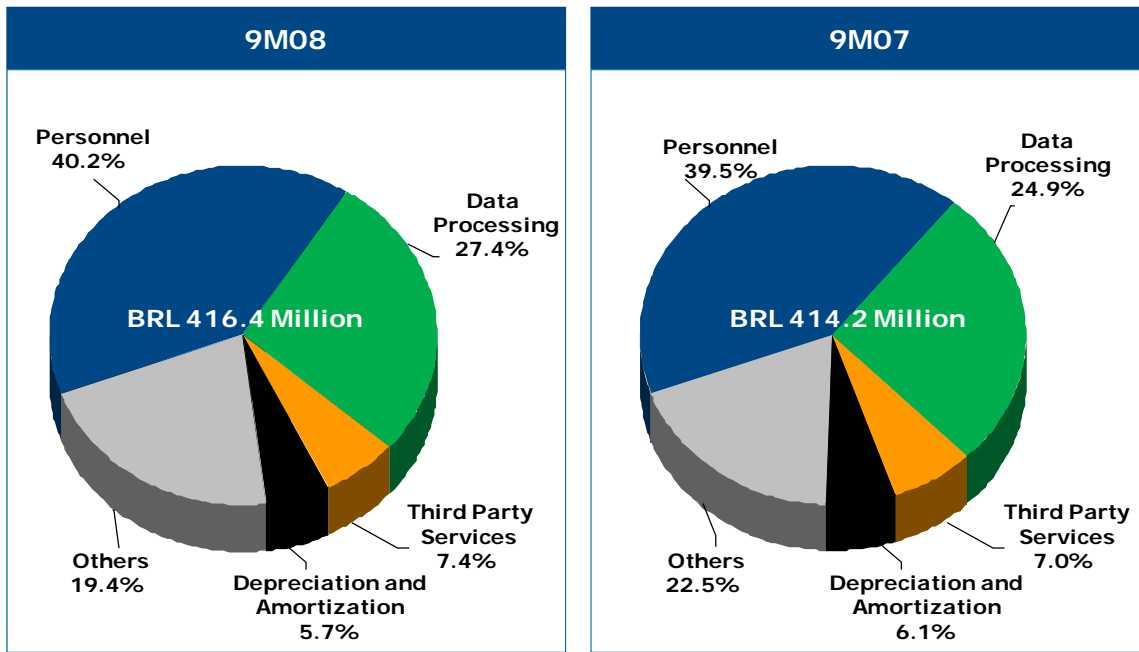
### **Net operating revenues**

After taxes on operating revenues, consolidated net operating revenues expenses for the nine months to September 2008 amounted to R\$1,231.6 million, as compared to R\$962.4 million in the previous period, an increase of 28.0%

### **Operating expenses**

The table below sets forth a breakdown of operating expenses for the nine months to September 2008 and September 2007.

<b>Operating expenses</b>			
<b>(In thousands of reais)</b>	<b>9M08</b>	<b>9M07</b>	<b>Variation %</b>
<b>Operating expenses</b>	<b>(416,408)</b>	<b>(414,242)</b>	<b>0.5%</b>
Personnel and related expenses	(167,298)	(163,449)	2.4%
IT, data processing and telecom systems	(114,028)	(103,070)	10.6%
Depreciation and amortization	(23,730)	(25,484)	-6.9%
Third-party services	(30,660)	(29,017)	5.7%
General maintenance	(9,485)	(10,499)	-9.7%
Communications	(13,495)	(9,822)	37.4%
Lease payments	(3,268)	(2,491)	31.2%
Consumption materials	(2,644)	(2,989)	-11.5%
Marketing and promotions	(20,301)	(26,811)	-24.3%
Taxes and fees	(1,282)	(7,235)	-82.3%
Board compensation	(5,323)	-	
Other expenses	(24,894)	(33,375)	-25.4%



Personnel and related expenses, expenses with IT, data processing and telecom systems and expenses with depreciation and amortization correlate with the Company's activities and in the aggregate represented 73.3% and 70.5% of total operating expenses for the nine months ended September 2008 and September 2007, respectively.

As a group, these expenses presented year over year increase of 4.47% in the nine months to September 2008, primarily due to a 10.6% growth in data processing expenses between the relevant periods, whereas personnel and related expenses grew by 2.4%.

Increase in personnel and related expenses was due mainly to: (i) 43 former providers were hired as employees in July 2008; and (ii) compliance with the yearly collective bargaining agreement negotiated between the trade and workers' unions of which the Company and its employees are members resulted in an 8% increase in our payroll, which also impacted the provision for labor liabilities, such as vacation and Christmas bonuses, as accruing through September 30, 2008. At the end of September 2008 we had 1,113 employees, as compared to 1,380 employees at the end of September 2007.

In an action to implement one of the objectives of integrating the activities of BM&F and Bovespa, the Company adopted a program to maximize synergies and efficiencies, while reducing operating expenses, including by eliminating activities that are common to both companies and duplicate work.

Whilst there are ongoing renegotiations of agreements with third-party providers, the principal actions taken towards implementing the integration objectives resulted in reduction in number of employees. In the nine months to September 2008, announced terminations encompassed 395 employees and outsourced, of whom 371 had already been terminated by September 30, 2008. We



should note however that the effects of terminations implemented by the end of the quarter will be reflected in, and influence our results of operations for the fourth quarter.

Increase in data processing expenses in the nine months to September 2008 is due to improvements in the Financial Community Communications Network (*Rede de Comunicações da Comunidade Financeira*), an electronic communication network implemented on our initiative, whose data transmission speed increased from 512 KB to 2MB by second, in addition to expenses with advanced payments under leasing agreements for subsequent exchange of the underlying equipment for new equipment with greater processing capacity. Moreover, our work to capture synergies in the information technology area following the integration process, coupled with the reclassification as capital expenditures (Capex) of certain data processing expenses previously registered as operating expenses (Opex), resulted in limited increase of 10.6% in data processing expenses between the nine months to September 2008 and September 2007, to R\$114.0 million from R\$103.1 million. Among these projects, we highlight: (i) the development of the new trading platform for Derivatives (new GTS); (ii) the development of the order routing system between the GTS and the Globex; (iii) the increase of the trading capacity of Megabolsa and the GTS; and (iv) the increase of the RCCF capacity (communication network).

As to the expenses with third party services, the 5.7% increase in the nine months to September 2008 correlates with fees paid consultants and auditors, regarding the assessment of controls from BM&F and Bovespa and limited reviews involving the financial statements of the company, respectively.

Marketing and promotion expenses accounted for 4.9% and 6.5% of operating expenses in the nine months to September 2008 and September 2007, respectively, representing a 24.3% decrease due mainly to termination in September 2007 of the marketing incentive program implemented with financial intermediaries to promote the Brazilian capital markets, as well as the synergies captured following the integration process in an effort to eliminate duplicate activity related to sponsorships, magazines, events, clippings, and similar initiatives.

Communications expenses increased by 37.4%, to R\$13.5 million in the period, from R\$9.8 million previously, primarily as a result of issuance and delivery to investors of trade confirmation notices and statements of securities under custody position.

Expenses with taxes and fees showed a reversal of status, resulting in a decline of 82.3%, to R\$1.3 million in the period from R\$7.2 million previously, mainly due to reclassification of expenses we previously classified under this line item and are now recorded under 'other expenses,' such as sewer, water, electricity and similar other expenses. Despite of the increase from these reclassification, the diverse expenses showed a decrease of 25.4% between the 9M07 and 9M08, from R\$ 33.4 million to R\$ 24.9 million. That is due to the interruption of the listing rebate program to other Brazilian exchanges, effective during Bovespa's mutualized period, besides the interruption of expenses incurred by Bovespa Holding in 2007 from its corporate restructuring process.

Other expenses amounting to R\$41.5 million accounted for 11% of total operating expenses in the nine months to September 2008, as compared to 13.0% and R\$44.5 million in the same period a year earlier, representing a 7.2% increase



### ***Operating income***

The resulting operating income for the nine months to September 2008 increased to R\$815,2 million from R\$548.1 million in the same period one year earlier, with operating margin (on net operating revenues) rising to 66.2% from 57.0% previously.

### ***Interest income***

Interest income in the nine months to September 2008 fell 4.1%, to R\$223.0 million from R\$232.5 million previously.

Interest expenses increased to R\$46.0 million in the period, as compared to R\$13.9 million in the most recent period, primarily due to the following factors: (i) R\$3.0 million reserved for contingencies related to PIS and COFINS taxes on interest on shareholders' equity distributed in the third quarter based on results of operations for the first half of 2008; (ii) payment of tax on financial transactions, or IOF, on the R\$500 million loan we took from Banco Bradesco; (iii) interest paid in the third quarter of 2008, charged at 109% over the CDI rate; and (iv) foreign exchange variation in connection with the banking account the BM&F BOVESPA settlement bank holds in the United States. At the end of the 3Q08 the outstanding balance of the loan taken from Banco Bradesco was R\$148.2 million.

### ***Non-operating income***

Derived from reversed provisions for contingencies previously registered by the former Bovespa, non-operating income fell 10.3%, to R\$14.9 million in the nine months to September 2008 from R\$16.6 million in the same period a year earlier.

### ***Net income before taxes***

Net income before taxes on profits increased 6.7%, to R\$850.3 million in the nine months to September 2008 from R\$797.2 million in the same period a year earlier, a primarily due to recognition of expenses from amortization of goodwill derived from the merger of shares of Bovespa Holding S.A. (currently named Bolsa de Valores de São Paulo S.A. – BVSP), in the amount of R\$202.8 million. Were the expense excluded, net income before taxes on profits in the period would be R\$1,053.1 million, a 32.1% growth as compared to net income before taxes for the same period a year earlier.

### ***Income tax and social contribution on net income***

As determined pursuant to Brazilian Corporate Law, net income is subject to corporate income tax levied at the rate of 15%, plus an additional rate of 10%, and to social contribution on net income, or CSLL, levied at the rate of 9%.

The aggregate of these two taxes amounted to R\$304.4 million in the period presented, as compared to R\$266.9 million in the same period a year earlier. The actual rate of both income tax and CSLL was 35.8% in 9M08 and 33.5% in 9M07.

The change in actual rate of taxation on net income for the period, which was impacted by the high non-deductible expense related to goodwill amortization in the amount of R\$202.8 million, did not



increase in the same proportion as the taxes due to the following factors: (i) tax benefit related to the payment of interest on shareholders' equity in 3Q08 the third quarter, which generated a credit of R\$61.2 million; and (ii) offsetting of against tax loss recorded by the former Bovespa Holding upon merging with BVSP, which resulted in a tax credit of R\$5.4 million. Should the impact of goodwill amortization be disregarded, the actual rate of both income tax and CSLL would drop to 28.9% in the nine months to September 2008, as compared to 33.5% in the same period a year earlier.

In addition, because of (i) the merger transaction between BVSP and Bovespa Holding and the corporate acts related to the proposed merger of Bovespa Holding (currently named Bolsa de Valores de São Paulo S.A. – BVSP) and CBLC into BM&FBOVESPA S/A, which the shareholders' meeting called for November 11, 2008, may approve; (ii) amortization accumulating since May 2008 in connection with goodwill recorded by the former Bovespa Holding upon merging with BVSP, which at the end of the nine-month period through September 30, 2008, amounted to an aggregate of R\$202.8 million; and of (iii) temporary inclusions and exclusions in the taxable income control register, or Lalur, tax credits have been formed in the third quarter of the order of R\$86.2 million.

#### ***Net income***

Net income for the nine months to September 2008 increased by 19.5%, to R\$631.1 million, as compared to R\$528.3 million for the same period a year earlier. Net profit margin (on net operating revenues) for the period fell to 51.2% from 54.9% previously.

#### ***Adjusted net income***

Net income adjusted for the net effect of amortization correlates with reversing the impact of goodwill amortization, such that it is netted of the deferred taxes.

Adjusted net income for the nine months to September 2008, of R\$764.9 million, represents a 44.8% increase over net income of R\$528.3 million for the same period in 2007, whereas adjusted net margin (adjusted net income on net operating revenues) for these periods was 62.1% and 54.9%, respectively.

#### ***EBITDA***

EBITDA for the nine months to September 2008 amounted to R\$838.9 million, as compared to R\$573.6 million in the same period a year earlier, a 46.2% increase, whereas EBITDA margin on net operating revenues was 68.1% in the period presented, as compared to 59.6% a year earlier.

As defined by the Company, EBITDA is operating income plus depreciation and amortization expenses. According to Brazilian GAAP, EBITDA is not a measure of financial performance, and should not be considered individually, or as an alternative to net income as a measure of our performance, or an alternative to operating cash flow as an indicator of liquidity. EBITDA does not have a standard meaning and the definition of EBITDA used herein may not compare to EBITDA as used by other companies.



## NON-RECURRING ITEMS

Description	Consolidated	Non-recurring	Consolidated
	Corporate law		Pro Forma
(in thousands of reais)			
Gross operating revenues	1,372,066	-	1,372,066
Deductions from revenues	(140,492)	-	(140,492)
Net operating revenues	1,231,574	-	1,231,574
Operating expenses	(559,298)	142,890	(416,408)
Operating income	672,277	142,890	815,167
<i>Operating margin</i>	54.6%	-	66.2%
EBITDA	696,007	-	838,897
<i>EBITDA margin</i>	56.5%	-	68.1%
Goodwill amortization	(202,763)	-	(202,763)
Interest income	222,993	-	222,993
Non-operating income	14,922	-	14,922
Net income before taxes on profits	707,428	142,890	850,318
Income tax and social contribution on net income	(262,438)	(42,007)	(304,445)
Deferred income and social contribution taxes	86,177	-	86,177
Minority interest	(961)	-	(961)
Net income for the period	<b>530,206</b>	<b>100,884</b>	<b>631,090</b>
<i>Net profit margin</i>	43.1%	-	51.2%
Adjusted net income	<b>664,030</b>	<b>100,884</b>	<b>764,914</b>
<i>Adjusted net margin</i>	53,9%	-	62.1%

### **Non-recurring expenses**

On preparing the pro forma statement of income we excluded the following non-recurring expenses:

- ✓ Expenses with the integration of BM&F and Bovespa, which in the third quarter of 2008 amounted to R\$52.4 million, where R\$47.0 million related to the cost of terminating approximately 21% of our personnel;
- ✓ As accumulating in the nine months to September 2008, the expenses with integration process amounted to R\$121.5 million, where R\$67.0 million are expenses with personnel and R\$50.7 million expenses with third-party services;
- ✓ Other non-recurring expenses related to the demutualization and going public processes of each of Bovespa Holding and BM&F reached R\$21.4 million in the nine months to September 2008;



	1Q08	2Q08	3Q08	9M08
General maintenance			60	60
Personnel and related charges		19,962	47,024	66,986
IT, data processing and telecom systems			109	109
Marketing and promotion		167	2	169
Sundry expenses	24	3,460		3,484
Third-party services	747	44,647	5,290	50,684
<b>Total expenses with integration process</b>	<b>771</b>	<b>68,236</b>	<b>52,485</b>	<b>121,492</b>
Other non-recurring expenses <sup>(*)</sup>	3,369	18,029	0	21,398
<b>Total non-recurring expenses</b>	<b>4,140</b>	<b>86,265</b>	<b>52,485</b>	<b>142,890</b>

<sup>(\*)</sup> Expenses related to the demutualization and going public processes of Bovespa Holding and BM&F.

### **Income tax and social contribution**

Recalculation of income tax and social contribution on net income:





## Attachment I – PRO FORMA CONSOLIDATED STATEMENTS OF INCOME

	3Q08	2Q08	3Q07	9M08	9M07
	(In thousands of reais)				
<b>Gross Operating Revenues</b>	<b>450,833</b>	<b>483,625</b>	<b>402,008</b>	<b>1,372,066</b>	<b>1,071,551</b>
<b>Revenues from trading and/or settlement systems - BM&amp;F segment</b>	<b>170,386</b>	<b>161,321</b>	<b>157,388</b>	<b>486,645</b>	<b>458,373</b>
Derivatives	162,226	152,412	151,011	463,302	435,593
Foreign exchange	5,526	4,780	5,198	14,926	16,386
Securities	80	82	302	269	738
Brazilian Commodities Exchange	1,752	3,173	515	5,857	4,670
BM&F Bovespa Settlement Bank	802	874	361	2,291	986
<b>Revenues from trading and/or settlement systems - Bovespa segment</b>	<b>264,601</b>	<b>309,329</b>	<b>232,541</b>	<b>844,457</b>	<b>577,361</b>
Transaction revenues - trading fees	158,587	188,462	127,700	511,391	323,330
Transaction revenues – clearing and settlement fees	66,704	80,965	75,715	213,713	183,262
Securities lending fees	12,368	14,367	16,316	42,115	35,791
Annual listing fees	7,496	7,157	5,629	21,776	15,623
Depository, custodian and back-office services	15,868	15,019	7,181	45,206	19,355
Participant access fees	3,578	3,359	-	10,256	-
<b>Other operating revenues</b>	<b>15,846</b>	<b>12,975</b>	<b>12,079</b>	<b>40,964</b>	<b>35,817</b>
Vendors – revenues from sale of market data and information	11,523	10,961	6,353	32,172	15,788
Commodity classification fees	1,784	207	1,814	2,162	2,591
Other operating revenues	2,540	1,807	3,912	6,631	17,438
<b>Deductions from revenues</b>	<b>(46,158)</b>	<b>(49,446)</b>	<b>(41,219)</b>	<b>(140,492)</b>	<b>(109,180)</b>
Pis and Cofins taxes	(41,354)	(44,504)	(37,573)	(126,302)	(99,342)
Municipal service tax – ISS	(4,804)	(4,942)	(3,646)	(14,190)	(9,838)
<b>Net operating revenues</b>	<b>404,675</b>	<b>434,179</b>	<b>360,789</b>	<b>1,231,574</b>	<b>962,371</b>
<b>Operating expenses</b>	<b>(137,158)</b>	<b>(146,700)</b>	<b>(145,572)</b>	<b>(416,408)</b>	<b>(414,242)</b>
Personnel and related expenses	(55,364)	(56,966)	(57,895)	(167,298)	(163,449)
IT, data processing and telecom systems	(36,843)	(41,618)	(36,456)	(114,028)	(103,070)
Depreciation and amortization	(8,030)	(7,923)	(8,580)	(23,730)	(25,484)



Third-party services	(11,470)	(9,962)	(12,111)	(30,660)	(29,017)
General maintenance	(2,972)	(3,270)	(3,580)	(9,485)	(10,499)
Communications	(4,287)	(4,984)	(3,538)	(13,495)	(9,822)
Lease payments	(1,200)	(1,096)	(923)	(3,268)	(2,491)
Consumption materials	(928)	(1,200)	(1,151)	(2,644)	(2,989)
Marketing and promotions	(5,324)	(7,824)	(9,216)	(20,301)	(26,811)
Taxes and fees	1,916	(1,685)	(2,513)	(1,282)	(7,235)
Board compensation	(1,267)	(2,020)	-	(5,323)	-
Other expenses	(11,389)	(8,152)	(9,609)	(24,894)	(33,375)
<b>Operating income</b>	<b>267,517</b>	<b>287,479</b>	<b>215,217</b>	<b>815,167</b>	<b>548,129</b>
<b>Goodwill amortization</b>	<b>(121,658)</b>	<b>(81,105)</b>	<b>-</b>	<b>(202,763)</b>	<b>-</b>
<b>Interest income, net</b>	<b>67,957</b>	<b>77,244</b>	<b>77,989</b>	<b>222,993</b>	<b>232,485</b>
Interest income	93,671	92,364	85,960	269,003	246,418
Interest expenses	(25,714)	(15,120)	(7,971)	(46,010)	(13,933)
<b>Non-operating income</b>	<b>4,080</b>	<b>7,531</b>	<b>9,742</b>	<b>14,922</b>	<b>16,627</b>
<b>Net income before taxes</b>	<b>217,897</b>	<b>291,149</b>	<b>302,948</b>	<b>850,319</b>	<b>797,241</b>
<b>Income and social contribution taxes</b>	<b>(68,109)</b>	<b>(124,973)</b>	<b>(97,922)</b>	<b>(304,445)</b>	<b>(266,919)</b>
Income tax provision	(50,289)	(91,792)	(73,393)	(223,956)	(201,323)
Social contribution provision	(17,820)	(33,181)	(24,529)	(80,489)	(65,596)
<b>Deferred Income and social contribution taxes</b>	<b>86,177</b>		<b>-</b>	<b>86,177</b>	
Deferred income tax	63,304		-	63,304	
Deferred social contribution on net income	22,873		-	22,873	
<b>Minority interest</b>	<b>(354)</b>	<b>(970)</b>	<b>(690)</b>	<b>(961)</b>	<b>(2,056)</b>
<b>Net income</b>	<b>235,611</b>	<b>165,206</b>	<b>204,336</b>	<b>631,090</b>	<b>528,266</b>



**Attachment II – CONSOLIDATED BALANCE SHEET  
as of September 30, 2008**

**MAIN LINE ITEMS OF THE BALANCE SHEET**

	Nine-month period ended September 30, 2008		Six-month period ended June 30, 2008	
	(In thousands of reais)	<u>Vertical Analysis</u> %	(In thousands of reais)	<u>Vertical Analysis</u> %
<b>ASSETS</b>				
<b>Current assets</b>	<b>2,408,035</b>	<b>11.6%</b>	<b>3,093,670</b>	<b>14.5%</b>
Cash and cash equivalents	67,939	0.3%	12,760	0.1%
Short-term investments in securities	1,987,290	9.6%	2,787,505	13.1%
Recoverable and prepaid taxes	90,928	0.4%	86,843	0.4%
Deferred income and social contribution taxes	89,755	0.4%	6,908	0.0%
Trade accounts receivable, net	149,286	0.7%	175,757	0.8%
Other receivables, net	13,157	0.1%	10,577	0.0%
Prepaid expenses	9,680	0.0%	13,320	0.1%
<b>Long-term receivables</b>	<b>585,471</b>	<b>2.8%</b>	<b>306,485</b>	<b>1.4%</b>
Financial investments	483,587	2.3%	210,604	1.0%
Other receivables, net	13,839	0.1%	15,167	0.1%
Judicial deposits	87,837	0.4%	80,435	0.4%
Prepaid expenses	208	0.0%	279	0.0%
<b>Permanent assets</b>	<b>17,759,920</b>	<b>85.6%</b>	<b>17,870,003</b>	<b>84.0%</b>
Investments	1,317,372	6.3%	1,317,347	6.2%
Property and equipment	242,406	1.2%	235,600	1.1%
Intangible assets	16,182,148	78.0%	16,303,807	76.7%
Deferred charges	17,994	0.1%	13,249	0.1%
<b>TOTAL ASSETS</b>	<b>20,753,426</b>	<b>100.0%</b>	<b>21,270,158</b>	<b>100.0%</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>	<b>1,110,351</b>	<b>5.4%</b>	<b>1,517,449</b>	<b>7.1%</b>
Margin deposits and collateral for transactions	573,722	2.8%	536,068	2.5%
Earnings and rights on securities under custody	34,743	0.2%	36,379	0.2%
Suppliers and accounts payable	15,650	0.1%	18,102	0.1%
Taxes and contributions payable	27,506	0.1%	23,811	0.1%
Income and social contribution taxes	96,237	0.5%	164,630	0.8%
Payroll and related liabilities	41,118	0.2%	42,247	0.2%
Redemption of preferred shares payable	6,269	0.0%	27,232	0.1%



Loans payable	148,240	0.7%	502,732	2.4%
Other accounts payable	159,286	0.8%	151,381	0.7%
Deferred revenues	7,580	0.0%	14,867	0.1%
<b>Long-term liabilities</b>	<b>95,923</b>	<b>0.5%</b>	<b>111,776</b>	<b>0.5%</b>
Provisions for contingencies	95,544	0.5%	111,406	0.5%
Other accounts payable	379	0.0%	370	0.0%
<b>Minority interest in subsidiaries</b>	<b>15,272</b>	<b>0.1%</b>	<b>14,918</b>	<b>0.1%</b>
<b>Shareholders' equity</b>	<b>19,531,880</b>	<b>94.1%</b>	<b>19,626,015</b>	<b>92.3%</b>
Capital stock	2,540,239	12.2%	2,537,023	11.9%
Capital reserve	16,350,975	78.8%	16,350,975	76.9%
Revaluation reserves	24,324	0.1%	24,421	0.1%
Bylaws reserves	401,447	1.9%	401,447	1.9%
Legal reserve	3,453	0.0%	3,453	0.0%
Net income for the period	217,444	1.1%	308,696	1.5%
Treasury stock	(6,002)	0.0%	-	0.0%
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>20,753,426</b>	<b>100.0%</b>	<b>21,270,158</b>	<b>100.0%</b>
Number of shares	2,044,014,295		2,040,797,995	
Shareholders' equity value per share - R\$	9.56		9.62	

Yours sincerely,

**BM&FBOVESPA S.A.**  
Carlos Kwall  
Chief Financial Officer and Investor Relations Officer

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