



**BM&FBOVESPA S.A announces earnings for the fourth quarter of 2009.  
GAAP Net income reached R\$220.2 million  
with earnings per share of R\$0.110, an 8.8% rise over pro forma net  
income for the same period one year ago. Adjusted net income  
(as adjusted by items with no impact on cash flow)  
totaled R\$315.3 million, with adjusted EPS of R\$0.157.**

GAAP Net income of R\$220.2 million increased 8.8% year-on-year, whereas adjusted net income of R\$315.3 million.

4Q09 net revenues of R\$424.8 million increased 19.5% from the same quarter one year ago (pro forma). In a comparison of the twelve months to December 2009, net revenues dropped 6.2% to R\$1,502.5 million.

4Q09 operating expenses reached R\$ 160.4 million, a 25.2% increase from 4Q08<sup>1</sup> (pro forma) and a 21.0% increase from 3Q09's. In 2009, recurring expenses reached R\$446.7 million, a 12.9% drop from 2008 (pro forma), as adjusted by expenses related to employee compensation in 1Q09 (R\$ 18 million) and in line with the target of R\$450.0 million for 2009.

EBITDA totaled R\$276.4 million for the fourth quarter, up 17.3% from 4Q08 (pro forma), and R\$975.1 million for the twelve months to December 2009, a year-on-year drop of 10.5%. The EBITDA margin decreased by 3.1 p.p., in a comparison of the quarters to December 2009 (64.9%) and December 2008 (68.0%) (In 2009 R\$59.6 million were accounted related to the recognition of the Stock Options costs). The fourth quarter 2009 EBITDA was 5.5% compared to third quarter.

The Company announced a MoU with CME Group about global preferred strategic partnership involving investments of R\$620.0 million from BVMF to increase its stake to 5% in the north-american exchange

The board of directors proposed distributions of R\$248 million as dividends related to 2009 and R\$ 30 million as Interest on Capital related to 2010.

#### **FINANCIAL HIGHLIGHTS**

GAAP Net income for 4Q09 amounted to R\$220.2 million (EPS of R\$0.110), an 8.8% rise from the quarter to December 2008. In the twelve months to December 2009, GAAP net income totaled R\$881.0 million.

4Q09 adjusted net income, of R\$315.3 million, was down 6.5% from adjusted net income for the same period one year ago.

- 4Q09 Adjusted net income - adjustments to quarterly net income amounted to R\$95.1 million, composed of two items with no impact on cash flow, meaning addition of R\$79.6 million, which correlate with

<sup>1</sup> The 2008 pro forma financial statements don't consider the integration costs of BM&F and Bovespa Holding, willing to demonstrate the recurring results of the new Company. The adjusted (Pro Forma) financial statements from this period exclude the amortization expense from the integration and its recurring tax effects, and the effects of the interest on shareholders' equity.



recognition of deferred liabilities related to amortization of goodwill, and of R\$15.5 million in expenses with the stock options plan. In 3Q09, these two items amounted to R\$79.6 million and R\$11.9 million, respectively.

- The 94.3% increase of the deferred tax between 3Q09 and 4Q09, to R\$117.0 million from R\$60.2 million, is due mainly to the reversal of tax losses, generating a negative impact of R\$32 million in 4Q09.

<i>BRL Millions</i>	<b>4Q09</b>	<b>3Q09</b>	<b>2009</b>
<b>Adjusted Net Income</b>	<b>315.3</b>	<b>337.3</b>	<b>1,223.8</b>
<b>Adjustments</b>			
Deferred Tax Liabilities	79.6	79.6	318.6
Stock Options Plan	15.5	11.9	59.6
Recognition of Tax Losses			(35.5)
<b>Corporate Net Income</b>	<b>220.2</b>	<b>245.8</b>	<b>881.1</b>
* Net of taxes			
Corporate EPS (BRL)	0.110	0.123	0.440
Adjusted EPS (BRL)	0.157	0.168	0.610

Net revenues for the fourth quarter of 2009 increased 19.5% year-on year, due primarily to the record volumes traded on the Bovespa segment. In a comparison of the twelve months to December, net revenues were down 6.2% year-on-year, reflecting the volume drops in both the equities and the derivatives segments, particularly in the first half of 2009.

4Q09 operating expenses totaled R\$160.4 million, up 25.2% from R\$ 128.1 million in 4Q08. In the twelve months to December 2009, operating expenses amounted to R\$569.8 million, up 4.6% from R\$ 544.5 in comparison to the previous year.

4Q09 Recurring Operating Expenses adjusted by the stock option plan, amortization and provision for doubtful accounts, totaled R\$133.7 million, up 11.5% in comparison to the same period for the previous year. In the twelve months to December 2009, recurring expenses amounted to R\$ 446.7 million, in line with budget target of R\$ 450 million for 2009, 12.6% down from R\$512.6 million in the same period in the year before.

The rise in operating expenses between 4Q08 and 4Q09 is due mainly to a 45.5% increase in personnel expenses (including the stock option plan) and a 67.4% increase in third-party services. The rise in operating expenses between 2009 and 2008 is due mainly to a 32.8% increase in personnel expenses and a 11.0% increase in third-party services

EBITDA for the fourth quarter of 2009 totaled R\$276.4 million (65% margin), up 17.3% from pro forma EBITDA of R\$235.6 million (66.3% margin) for the same period one year ago. In a year-on-year comparison of the twelve months to December 2009, the EBITDA fell 10.5%, with the margin dropping to 64.9% from 68.0% one year earlier. This drop was due to the smaller revenues in 2009, the recognition of R\$ 59.6 million in stock options plan and the expenses of R\$ 18.0 million related to employee dismissals in 1Q09. Without taking into account the expenses



related to the stock options plan and employee dismissal, the EBITDA would have reached R\$1,052.7 million in 2009, down 3.4% when compared to 2008.

### Summary of Income Statements

<i>(in BRL Thousands)*</i>	4Q09	4Q08 (Pro forma)	Variation 4Q09/4Q08	2009	2008 (Pro forma)	Variation 2009/2008
Net operating revenues	424,759	355,514	19.5	1,502,544	1,602,011	-6.2
Operating expenses	160,372	128,137	25.2	569,832	544,545	4.6
Interest income, net	74,104	83,100	-10.8	253,862	306,093	-17.1
Net income for the period	220,174	202,404	8.8	881,050	909,605	-3.1
<i>Net Margin</i>	51.8%	56.9%		58.6%	56.8%	
EBITDA	276,399	235,589	17.3	975,108	1,089,408	-10.5
<i>EBITDA Margin</i>	65.1%	66.3%		64.9%	68.0%	
Earnings per share	0.110	0.101	8.8	0.439	0.454	-3.1
Adjusted operating expenses	133,669	119,925	11.5	446,677	512,603	-12.9
Adjusted net income	315,313	202,404	55.8	1,223,763	909,605	34.5
Adjusted earnings per share	0.157	0.101	55.8	0.610	0.454	34.5

\*except for earnings per share and adjusted earnings per share.

### QUOTES ON THE COMPANY'S PERFORMANCE

"The year of 2009 was remarkable due to the record volumes in the BOVESPA segment, the major developments in DMA and the greater participation of high-frequency investors" said Edemir Pinto, Chief Executive Officer. "In the BOVESPA segment, we reached a record average financial volume of R\$ 6.8 billion in 4Q09. In the BM&F segment, due to the increase in the volume of orders routed via CME-Globex and the growing adherence to the co-location service, trading via DMA accounted for 13.1% of the total volume in December of 2009, whereas trading by high-frequency investors accounted for 4.2%. This happened as a result of the continuous investments we have made in our trading environments." "In addition, we announced a MoU for a strategic partnership with CME Group that, when in place, will raise BM&FBOVESPA to a new level in the global market and it will bring a wide range of opportunities to the Company" added Edemir.

Carlos Kawall, Chief Financial and Investor Relations Officer, highlighted the rebound in public offerings in 2009, with a volume of R\$ 46.0 billion (second largest volume of capital raising in the history of the Brazilian capital market, which shows how confident investors are in our market in the period after the financial crisis), the turnover velocity, which climbed from 63.2% to 67.0% between 2008 and 2009 and the recurring expenses in 2009, which reached R\$446.7 million, in line with the budget of R\$450.0 million stipulated for 2009.

### OTHER FINANCIAL HIGHLIGHTS

- Cash and cash equivalents: cash and cash equivalents (short- and long-term) at the end of the quarter to December 2009 amounted to R\$3.2 billion, comprised of third-party collaterals worth R\$810.3 million, deposited with our clearing centers, and R\$ 504.9 million in own financial resources of restricted use for being tied to our clearing structure.
- Interest income, net: net interest income for the fourth quarter of 2009 was R\$74.1 million, a 10.8% drop when compared to 4Q08, primarily due to year-on-year decrease in financial revenues, to R\$81.5 million in 4Q09 from R\$95.9 million in 4Q08, which reflects cuts in the interest rates that remunerate financial



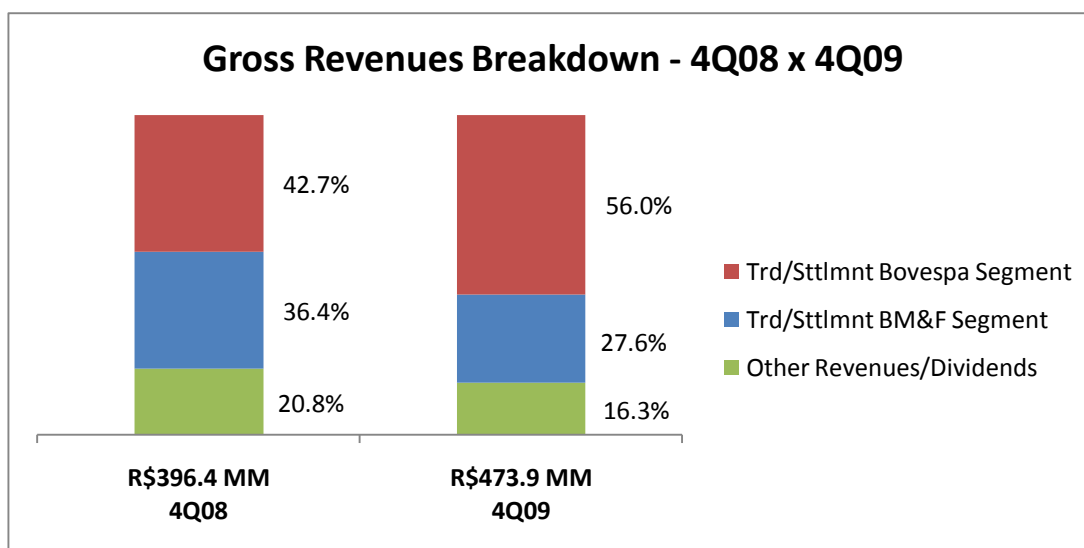
investments. In the comparison of the twelve months to December 2009, net interest income declined 17.1% from a year ago. It is worth remembering that in 4Q09 we earned R\$11.3 million in the conversion of Cetip's equity securities in stocks. Financial expenses for the fourth quarter of 2009 tumbled 41.8%, to R\$7.4 million from R\$12.8 million in the same period one year earlier, primarily due to financial charges on the loan we repaid in November 2008.

- **Effects of the switch to IFRS:** as a result of the 2008 change in Brazilian accounting principles and reporting standards, which we adopted in line with standards set by the Brazilian Committee of Accounting Standards (*Comitê de Pronunciamentos Contábeis*), or CPC, in the fourth quarter of 2009 we recognized expenses amounting to R\$15.5 million which correlate with adjustments to the stock options plan adopted by BM&FBOVESPA, and a reversal of expenses with leasing arrangements in the amount of R\$3.4 million.
- **Deferred liabilities:** deferred liabilities are a result of deferral of R\$79.6 million related to a transitory adjustment of the tax benefit derived from amortization of goodwill in the quarter to December 2009, with no impact on cash flow. Considering the 12 months ended December 30<sup>th</sup>, the amount of deferred liabilities amounted R\$ 318.6 million.

**DISCUSSION AND ANALYSIS OF REVENUES AND EXPENSES**

**Gross revenues**

Gross revenues for the quarter totaled R\$473.9 million. As a percentage, revenues from trading and settlement in the BM&F and the Bovespa segments equaled 83.7% of 4Q09 total gross revenues, as compared to 79.2% in the same quarter one year ago. Gross revenues in 4Q09 were up 19.6% from the same period a year earlier. In the twelve months to December 2009, gross revenues accumulated R\$1,672.9 million, a 6.2% decline from the same period in the year before.



Source: BM&FBOVESPA

Without computing dividends paid to us by the CME in the relevant quarters, revenues unrelated to trading and settlement activities reached R\$72.7 million, or 15.3% of our total revenues for the fourth quarter of 2009, which is



up 5.4% from R\$69.0 million for the same quarter a year earlier, when it accounted for 17.4% of our total revenues for the period. Our business lines unrelated to trading and settlement activities are:

- Access fees by trading participants: revenues of R\$9.9 million for the fourth quarter of 2009 accounted for 2.1% of total revenues, having climbed 38.8% as compared to R\$7.1 million for the same quarter a year ago. In the twelve months to December 2009 these revenues amounted to R\$40.3 million, up 103.8% from the same period a year earlier. This growth correlates primarily with our new access policy for participants in both the BM&F and the Bovespa segments, implemented in January 2009;
- Vendors: revenues for the fourth quarter of 2009 amounted to R\$14.6 million, or 3.1% of total revenues, a 30.2% rise over the same period in the previous year. In the twelve months to December 2009 these revenues reached R\$57.7 million, a 33.1% surge from the same period one year earlier. This increase correlates mainly with implementation of our new pricing policy started in April 2009.
- Listing fees: 4Q09 revenues of R\$10.0 million account for 2.1% of total revenues, and a 25.4% climb over the same quarter a year ago. In the twelve months to December 2009 these revenues reached R\$39.5 million, soaring 32.8% from the same period one year earlier. This growth in revenues from listing fees is due mainly to our new pricing policy for listing fees charged from issuers, and to the end of the period of gradual discounts granted to companies listing securities to trade on our special listing segments;
- Depository / Custody / Back Office revenues: 4Q09 revenues of R\$21.2 million, or 4.5% of total revenues were up 22.2% from R\$17.3 million for the same quarter one year ago, showing the first effects of the new pricing policy adopted by our depository center, the growth in the revenues from *Tesouro Direto* (treasury direct) and the rise in market prices in the same period. In the twelve months to December 2009 these revenues reached R\$70.2 million, up 12.3% from the same period a year earlier;
- Securities lending: 4Q09 revenues of R\$10.5 million account for 2.2% of total revenues, and a 64.2% rise when compared to R\$6.4 million for the same quarter one year earlier. In the twelve months to December 2009 these revenues dropped 32.0% from the same period one year ago. Such reduction is related to the volumes of trading in the BOVESPA segment and the performance of the market, particularly the changes in the prices of stock traded on the spot market between 2008 and 2009. However, a sensitive recovery can already be seen during the second semester of 2009, when revenues reached R\$ 19.4 million, a 42.7% increase when compared to the first semester.

#### Operating Expenses:

in BRL Thousands	1Q09	2Q09	3Q09	4Q09	2009	4Q08	2008
<b>Recurring Expenses (Adjusted)</b>	<b>101,642</b>	<b>103,303</b>	<b>108,063</b>	<b>133,669</b>	<b>446,677</b>	<b>119,925</b>	<b>512,603</b>
<i>Severance expenses</i>	18,000	-	-	-	18,000	-	-
<b>(=) Expenses with impact on cash flow</b>	<b>119,642</b>	<b>103,303</b>	<b>108,063</b>	<b>133,669</b>	<b>464,677</b>	<b>119,925</b>	<b>512,603</b>
<i>Stock Options</i>	18,758	13,446	11,936	15,494	59,634	-	-
<i>Depreciation</i>	8,951	9,887	11,546	12,012	42,396	8,212	31,942
<i>Provision for doubtful accounts</i>	1,409	1,562	957	(803)	3,125	-	-
<b>(=) Total Expenses</b>	<b>148,760</b>	<b>128,198</b>	<b>132,502</b>	<b>160,372</b>	<b>569,832</b>	<b>128,137</b>	<b>544,545</b>



Recurring expenses reached R\$446.7 million in 2009, in line with the budget target of R\$ 450.0 million stipulated for 2009 and 12.9% below the R\$ 512.6 million verified in 2008.

The main highlights of 4Q09 in comparison to 3Q09 include:

- Personnel: the personnel expenses, adjusted to eliminate the costs related to the stock options plan, reached R\$58.6 million in 4Q09, up 12.9% from R\$51.9 million in 3Q09. The main highlights in 4Q09 were: R\$4.9 million due to overtime agreement adjustments and severances and 5% related to the annual union bargain, which was agreed in August of 2009.
- Data processing: data processing expenses of R\$31.2 million in 4Q09 were up 28.7% from R\$36.8 million in 3Q09, due to the greater number of projects conducted at the end of the year and to the increase in expenses related to IT service providers, which reached R\$ 1.9 million in 4Q09.
- Third-party providers: expenses related to third-party providers increased by 84.7%, to R\$17.3 million, in 4Q09, due to the hiring of consultants for strategic projects (back office abroad and consultants hired to assist in the formulation of a new fee structure policy related to the BOVESPA segment ) and other services, such as operational improvements for brokerage houses– PQO (Operational Qualification Program)

The main highlights of 2009 in comparison to 2008 include:

- Personnel: personnel expenses, adjusted to eliminate the effect of costs related to the stock option plan (R\$ 59.6 million) for employees, as well as of expenses related to employee dismissals originated from the process of integration of the Company (R\$ 18 million), reached R\$212.2 million in 2009, down 2.8% from R\$218.2 million in 2008, due mainly to the synergies captured in the process of integration between the two Exchanges.
- Data processing: data processing expenses of R\$102.6 million in 2009 were down 28.1% from R\$142.7 million in 2008, also due to the synergies captured in the process of integration between the two Exchanges.
- Marketing and promotion: decreased by 23.8%, to R\$19.6 million in 2009, from R\$25.6 million in 2008, also reflecting the synergies captured after the integration between the two Exchanges.
- Communications: communications expenses increased by 25.1%, to R\$23.4 million in 2009, from R\$18.7 million in 2008, as a result of increased number of executed trades and the corresponding increase in trading advices.

## **MAIN RECENT DEVELOPMENTS**

### **Technological Developments in trading environments**

The continuing improvements and innovations made in the information technology area have positioned the BM&FBOVESPA electronic trading platforms amongst the most advanced platforms across the world.

A number of projects have been implemented or are in the process of being implemented, including the following:



### BM&F Segment

- DMA Model 2 (Direct Market Access via DMA Provider)<sup>2</sup>: scheduled to start in 1Q10, an additional DMA provider will connect to the Exchange GTS system, GL Trade (GL Net) to provide customers with international order routing services along with current providers Marco Polo, Bloomberg Tradebook and Cedro.
- Pay for the development of Back and Middle Office solutions utilized by FCMs (scheduled to start in 3Q10)
- NDF forward currency contracts: OTC market product for hedging in Brazilian Reals, U.S. Dollars, Euros and Japanese Yens (implemented in January of 2010)

### Bovespa Segment

- MegaDirect: starting from October 20, we launched this communication software for automated connectivity between brokerage firms and the MegaBolsa system. This solution, which lowered round-trip latency to estimated 10 milliseconds from 153 milliseconds currently, is set to replace the Multigateway solution. In addition, it should give market participants the ability to use distinct trading screens provided by independent software vendors (ISVs);
- Increased throughput capacity at the equities clearinghouse: scheduled to start in November, the processing capacity at our equities clearinghouse increased to 1.5 million daily trades, from 770 thousand previously;
- DMA Developments: the implementation of DMA Model 2 (DMA via providers), DMA Model 3 (sponsored direct connection) and DMA Model 4 (DMA via co-location), are also scheduled to launch in the first quarter of 2010. These new implementations are still pending to be approved by the Brazilian Securities and Exchange Commission (CVM);
- MegaLine tool: this pre-trade risk management tool is scheduled to launch in 4Q09

### MoU with CME Group about strategic partnership

BVMF announced, on February 11, 2009, it has entered into a Memorandum of Understanding with the CME Group, Inc., for the creation of a global preferred strategic partnership with an aim to: (i) pursue strategic

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<sup>2</sup> The DMA (Direct Market Access) is divided in four different types of access, described as following:

**Type 1** – Traditional Model, through which the broker offers its trading infrastructure to the participant

**Type 2** – Access via DMA providers, including CME-Globex routing, through which participants that are already connected to the infrastructure of such providers will be able to access our matching engine

**Type 3** – Sponsored Direct Connection with the exchange, a sort of connection that does not require a link with the broker infrastructure, only via a logical link.

**Type 4** – Co-Location, an access model through which the participant plugs servers inside the exchange's data center that are capable of registering trades automatically, according to the algorithms previously developed.



investments and commercial opportunities with other international exchanges, on a shared and equal basis; (ii) jointly develop a multi-asset class trading platform for the trading of equities, derivatives, fixed income securities and other exchange-traded or OTC-traded assets; (iii) increase its ownership interest in CME to 5%, equivalent on this date to approximately one billion U.S. Dollars; and (iv) receive a seat on CME's Board of Directors.

For the complete implementation of each phase of the new platform, including the acquisition of all the related underlying technology and intellectual rights, BVMF investments, over the next 10 years, are estimated for the amount of USD175 million at a present value of USD100 million.

BVMF will raise its equity stake in CME to 5% is equivalent to approximately USD620 million.

### Strategic and commercial partnership with the Nasdaq OMX group

In Dec 28, 2009, BVMF released a material fact regarding its negotiations with The NASDAQ OMX Group, as follows:

- Order Routing: NASDAQ OMX intends to develop a technological system that will allow (a) North-American broker dealers connected to the system to send buy and sell orders for stocks traded in BM&FBOVESPA, through a contractual relationship with a Brazilian broker, and (b) Brazilian brokers connected to the system to send buy and sell orders for stocks traded in NASDAQ OMX, through a contractual relationship with a North-American broker dealer.
- Distribution of Prices of Securities (Market Data): NASDAQ OMX will distribute the prices of the securities (market data) traded in BM&FBOVESPA and BM&FBOVESPA will distribute the prices of the securities traded in NASDAQ OMX. Such agreement provides for electronic and international distribution on a non-exclusive basis.
- Licensing of Products to Brazilian Companies: BM&FBOVESPA will offer to publicly traded Brazilian companies products licensed from NASDAQ OMX, designed to support and facilitate the activities of such companies, as those related to investors relations (IR), structuring and management of board of directors, issuance of press-releases and communications to the market and analysts.

### Estimated investment and operating expenses for 2010

For 2010, an estimated total investments of R\$302.1 million and total operating expenses of R\$550 million (except stock options plan and depreciation), which will be divided into the following areas: IT and trading and post trading services; Growth of customer base and revenues; and Institutional Strengthening, as follows:

<i>BRL millions</i>	Opex 2010		Capex 2010	
IT and trading and post trading services	309	56%	276.9	92%
Growth of customer base and revenues	113	20%		
Institutional Strengthening	128	23%	25.2	8%
Total	550		302.1	





- IT and trading and post trading services: investments will be allocated to the expansion of trade capabilities, develop, jointly with CME Group, a multi-asset class trading platform for the trading of equities, derivatives, fixed income securities and other exchange-traded or OTC-traded assets, restructuring of data processing centers (main and contingency), enhancement of IT systems and the integration between the clearinghouses.
- Growth of customer base and revenues: strengthening of the popularization and financial education program, expansion of company prospecting activities (Bovespa Mais, Novo Mercado and BDRs), implementation of a new fee structure policy for the BOVESPA segment, attracting high-frequency investors, development of products and international expansion
- Institutional Strengthening: creation of the Business Research and Project area, strengthening of the Social and Sustainability area and enhancements to the Internal Controls and Project Management areas

## DISCUSSION AND ANALYSIS OF OPERATING DATA

### BM&F Segment

- Average daily number of contracts traded: the average daily number of contracts traded in the fourth quarter of 2009 increased by 26.1%, to 1.56 million contracts, from 1.24 million contracts traded in the previous period. In 2009, the average daily number of contracts traded fell by 3.3% when compared to the previous year, whereas it increased by 9.6% in 4Q09 when compared to 3Q09. The highlight was the increase of 42.2% in the daily average number of interest rate contracts traded in 4Q09, to 800,800 contracts, from 563,000 contracts in 4Q08, as well as the increase in the daily average number of interest rate contracts traded in 2009, up 7.0% from 2008. The daily average number of equity indices and foreign exchange rate contracts traded between 4Q09 and 4Q08 increased by 18.4% and 13.8%, respectively, whereas the daily average number of equity indices and foreign exchange rate contracts traded between 2009 and 2008 decreased by 8.7% and 16.4%, respectively.
- Commodities: the volume traded fell by 13.6% between 4Q08 and 4Q09 and fell by 31.4% between 2008 and 2009. The RPC fell by 25% between 4T08 and 4T09 and fell 35.4% between 2008 and 2009. On the other hand, the positive highlight was the cash-settled corn contract, whose volumes have been consistently growing in the last few months, reaching 41,500 contracts traded in the month of January 2010, from 4,800 contracts traded in January 2009.
- Average revenue per contract (RPC): average revenue per contract of R\$1.333 in 4Q09 fell by 25.5% and 4.2% when compared to 4Q08 and 3Q09, respectively. In a year-on-year comparison of the twelve months to December 2009, the average revenue per contract fell by 10.3%, primarily due to the following: (i) the elimination of existing discounts from August of 2008 to November 2008, which inflated the fees per contract in the period; (ii) the exchange rate variation, which adversely impacted the revenues from transactions with foreign exchange rate contracts, U.S. Dollar-denominated interest rate contracts and commodities contracts; and (iii) the discounts to the use of DMA and high-frequency traders.
- CME Globex: adherence by participants to interconnected trading activities based on this order routing arrangement climbed to 3.4% of total volume traded and daily average of 107.0 thousand contracts (both sides of the trade) in December 2009, from 2.8% of this volume and daily average of 84.0 thousand contracts in September, while in October 2009 it corresponded to 4.7% of this volume, with a daily average of 151.0 thousand contracts traded.



- **High-frequency trading:** with a daily average of 122.0 thousand contracts traded (both sides), high-frequency traders accounted for 4.2% of the total volume traded in the BM&F segment in December 2009, versus 3.8% of the total volume traded and a daily average of 108.0 thousand contracts traded in September 2009, reaching 6% in October 2009. We should note that, as of December 2009, this type of trading accounted for 23.9% of the volume traded in contracts based on stock market indices, 45.5% of the volume traded in mini contracts (web trading) and 4.4% of the volume traded in FX contracts.

### **Bovespa Segment**

- **Average daily financial volume:** the average daily volume traded in the fourth quarter of 2009, of R\$6.8 billion, increased by 56.4% in comparison to the same period for the previous year, whereas in a comparison of the twelve months to December 2009, the average daily volume traded of R\$ 5.3 billion represented a 4.3% retreat from the same period one year ago. Increase of 31.2% between 3Q09 and 4Q09, reaching historical levels of R\$7.3 billion in October 2009.
- **Turnover velocity:** in the fourth quarter of 2009, the annualized turnover velocity reached 71.6% against 74.6% in the same period for the previous year due to the fact that the total market capitalization increasing at a higher rate than the volume, whereas in a comparison of the twelve months to December 2009, turnover velocity was 67.0% against 63.2% in the same period for the previous year.
- **Average daily trades:** the average daily number of trades reached record highs both for the quarter and the twelve months to December 2009. Average daily trades of 391,000 in the fourth quarter of 2009 increased by 31.9% year-on-year. In this period, such effect increased the average value per trade to R\$ 17,000 from R\$ 14,000. In the twelve months to December 2009 the average of 332,000 daily trades represented an increase of 35.6% in comparison to the 245,000 daily trades in the same period one year ago and an increase of 17.2% comparing 4Q09 with 3Q09.
- **Investors:** The number of active custody accounts at the end of the quarter to December was 576,000, up 3.1% from 559,000 in the same quarter the year before. The volume traded by foreign investors in the fourth quarter accounted for 31.6%, from 35.1% in the same quarter one year earlier. The volume traded by institutional investors in the fourth quarter accounted for 27.3%, from 24.0% in the same quarter one year earlier.
- **IPO market:** In the fourth quarter of 2009, the following companies launched their IPOs: Banco Santander<sup>3</sup>, Cetip, Direcional and Fleury. In addition, ten follow-on offerings were carried out (Rossi, PDG Realty, Gol, Brookfield, CCR, Iguatemi, Cyrela, Marfrig, EDP and Anhanguera), all of which raised an aggregate of R\$24.0 billion. In 2010<sup>4</sup>, R\$ 2.9 billion was already raised, consisting of 2 IPOs (Alliansce and Multiplus) and 2 follow-on offerings (Inpar e PDG Realty). Six other offerings are in the pipeline, including four initial public offerings (Br Properties, OSX Brasil, Primav Ecorodovias and Renova Energia) and two follow-on offerings (M. Dias Branco and MRV).
- **Collateral:** On December 31, 2009, the collateral deposited by participants totaled R\$101,641.1 million, down 19.1% from the total amount of R\$125,676.8 million deposited in 2008. This fall is due mainly to the reduction

<sup>3</sup> The Santander IPO is registered as a follow-on offering with the CVM because years ago, before the acquisition by Santander, the bank then named BANESPA had conducted a small initial offering and registered as a public company, with an immaterial free float. As a result, for all practical purposes, the Santander offering equates to an IPO.

<sup>4</sup> Data until February 5, 2010



of 38.8% in the volume of margin required for Derivatives Clearinghouse products, which is basically due to the reduced risk levels, clearly demonstrating the improved market conditions between those two years. This fall was smoothed by the increase of 69.6% in the collateral deposited in the Equities and Private Fixed Income Clearinghouse, which is basically due to the increased level of activities in the BOVESPA segment.



**4Q09 Consolidated Income Statement Compared With 4Q08 Pro Forma Unaudited Income Statement**  
(in BRL thousands)

in thousands of BRL	4Q09	4Q08 (Pro Forma)	Var. 4Q09/4Q08	3Q09	Var. 4Q09/3Q09	2009	2008 (Pro Forma)	Var. 2009/2008
<b>Operational Revenues</b>	<b>473,890</b>	<b>396,369</b>	<b>19.6%</b>	<b>426,505</b>	<b>11.1%</b>	<b>1,672,894</b>	<b>1,783,358</b>	<b>-6.2%</b>
<b>Trading / Clearing Systems - BM&amp;F</b>	<b>133,997</b>	<b>147,585</b>	<b>-9.2%</b>	<b>138,436</b>	<b>-3.2%</b>	<b>552,492</b>	<b>634,230</b>	<b>-12.9%</b>
Derivatives	125,793	137,973	-8.8%	128,147	-1.8%	516,052	601,275	-14.2%
Foreign Exchange	5,160	6,376	-19.1%	4,534	13.8%	20,849	21,302	-2.1%
Securities	16	61	-73.8%	26	-38.5%	155	330	-53.0%
Brazilian Commodities Exchange	955	2,008	-52.4%	3,535	-73.0%	7,146	7,865	-9.1%
BM&F Bank	2,073	1,167	77.6%	2,194	-5.5%	8,290	3,458	139.7%
<b>Trading / Clearing Systems-Bovespa</b>	<b>317,088</b>	<b>208,220</b>	<b>52.3%</b>	<b>267,456</b>	<b>18.6%</b>	<b>1,032,201</b>	<b>1,055,028</b>	<b>-2.2%</b>
Trading fees	191,615	123,700	54.9%	160,901	19.1%	617,000	635,091	-2.8%
Clearing fees	73,830	45,642	61.8%	60,693	21.6%	232,166	259,355	-10.5%
Securities Lending	10,533	6,413	64.2%	8,866	18.8%	32,989	48,528	-32.0%
Listing	10,034	8,000	25.4%	9,562	4.9%	39,549	29,776	32.8%
Depository and custody	21,153	17,317	22.2%	16,780	26.1%	70,231	62,523	12.3%
Trading access (Brokers)	9,923	7,148	38.8%	10,654	-6.9%	40,266	19,755	103.8%
<b>Other Operational Revenues</b>	<b>22,805</b>	<b>40,564</b>	<b>-43.8%</b>	<b>20,613</b>	<b>10.6%</b>	<b>88,201</b>	<b>94,100</b>	<b>-6.3%</b>
Vendors	14,569	11,187	30.2%	14,111	3.2%	57,691	43,359	33.1%
Commodities classification fees	1,088	1,373	-20.8%	1,716	-36.6%	4,304	3,535	21.8%
Others	2,387	14,401	-83.4%	4,786	-50.1%	13,615	26,556	-48.7%
Dividends	4,761	13,603	-65.0%	-	-	12,591	20,650	-39.0%
<b>Revenue deductions</b>	<b>(49,131)</b>	<b>(40,855)</b>	<b>20.3%</b>	<b>(43,510)</b>	<b>12.9%</b>	<b>(170,350)</b>	<b>(181,347)</b>	<b>-6.1%</b>
PIS and Cofins	(43,347)	(36,450)	18.9%	(38,406)	12.9%	(150,786)	(162,752)	-7.4%
Service tax	(5,784)	(4,405)	31.3%	(5,104)	13.3%	(19,564)	(18,595)	5.2%
<b>Net Operational Revenues</b>	<b>424,759</b>	<b>355,514</b>	<b>19.5%</b>	<b>382,995</b>	<b>10.9%</b>	<b>1,502,544</b>	<b>1,602,011</b>	<b>-6.2%</b>
<b>Operational Expenses</b>	<b>(160,372)</b>	<b>(128,137)</b>	<b>25.2%</b>	<b>(132,502)</b>	<b>21.0%</b>	<b>(569,832)</b>	<b>(544,545)</b>	<b>4.6%</b>
Personel	(74,124)	(50,945)	45.5%	(63,883)	16.0%	(289,806)	(218,243)	32.8%
Data processing	(31,186)	(28,674)	8.8%	(24,233)	28.7%	(102,596)	(142,702)	-28.1%
Deprec. and Amortization	(12,012)	(8,212)	46.3%	(11,546)	4.0%	(42,396)	(31,942)	32.7%
Third Party Services	(17,303)	(10,338)	67.4%	(9,370)	84.7%	(45,495)	(40,998)	11.0%
Maintenance	(2,865)	(4,051)	-29.3%	(2,750)	4.2%	(11,007)	(13,536)	-18.7%
Communications	(6,969)	(5,226)	33.4%	(6,219)	12.1%	(23,428)	(18,721)	25.1%
Leases	(984)	(1,083)	-9.1%	(558)	76.3%	(3,032)	(4,351)	-30.3%
Supplies	(740)	(985)	-24.9%	(713)	3.8%	(2,510)	(3,629)	-30.8%
Marketing	(5,947)	(5,353)	11.1%	(5,841)	1.8%	(19,555)	(25,654)	-23.8%
Taxes	(994)	(372)	167.2%	(495)	100.8%	(2,323)	(1,654)	40.4%
Board Compensation	(1,367)	(1,856)	-26.3%	(1,184)	15.5%	(5,252)	(7,179)	-26.8%
Other	(5,881)	(11,042)	-46.7%	(5,710)	3.0%	(22,432)	(35,936)	-37.6%
<b>Operating Income</b>	<b>264,387</b>	<b>227,377</b>	<b>16.3%</b>	<b>250,493</b>	<b>5.5%</b>	<b>932,712</b>	<b>1,057,466</b>	<b>-11.8%</b>
<b>Financial Income</b>	<b>74,104</b>	<b>83,100</b>	<b>-10.8%</b>	<b>57,042</b>	<b>29.9%</b>	<b>253,862</b>	<b>306,093</b>	<b>-17.1%</b>
Financial Revenues	81,534	95,856	-14.9%	65,870	23.8%	289,686	364,859	-20.6%
Financial Expenses	(7,430)	(12,756)	-41.8%	(8,828)	-15.8%	(35,824)	(58,766)	-39.0%
<b>Income before Taxes</b>	<b>338,491</b>	<b>310,477</b>	<b>9.0%</b>	<b>307,535</b>	<b>10.1%</b>	<b>1,186,574</b>	<b>1,363,559</b>	<b>-13.0%</b>
<b>Income Tax and Social Contribution</b>	<b>(1,410)</b>	<b>(96,339)</b>	<b>-98.5%</b>	<b>(544)</b>	<b>159.2%</b>	<b>32,085</b>	<b>(458,497)</b>	<b>-107.0%</b>
Income Tax	(966)	(70,751)	-98.6%	(338)	185.8%	23,890	(337,143)	-107.1%
Social Contribution	(444)	(25,588)	-98.3%	(206)	115.5%	8,195	(121,354)	-106.8%
<b>Def. Inc.Tax and Soc. Contribution</b>	<b>(116,961)</b>	<b>(11,128)</b>	<b>951.1%</b>	<b>(60,196)</b>	<b>94.3%</b>	<b>(336,590)</b>	<b>6,109</b>	<b>-5609.7%</b>
Deferred income tax	(86,001)	(8,121)	959.0%	(43,462)	97.9%	(247,493)	4,492	-5609.6%
Deferred social contribution	(30,960)	(3,007)	929.6%	(16,734)	85.0%	(89,097)	1,617	-5610.0%
<b>Minority Interest</b>	<b>54</b>	<b>(606)</b>	<b>-108.9%</b>	<b>(1,029)</b>	<b>-105.2%</b>	<b>(1,019)</b>	<b>(1,567)</b>	<b>-35.0%</b>
<b>Net Income</b>	<b>220,174</b>	<b>202,404</b>	<b>8.8%</b>	<b>245,766</b>	<b>-10.4%</b>	<b>881,050</b>	<b>909,605</b>	<b>-3.1%</b>
Net Margin	51.8%	56.9%		64.2%		58.6%	56.8%	
<b>EBITDA</b>	<b>276,399</b>	<b>235,589</b>	<b>17.3%</b>	<b>262,039</b>	<b>5.5%</b>	<b>975,108</b>	<b>1,089,408</b>	<b>-10.5%</b>
EBITDA Margin	65.1%	66.3%		68.4%		64.9%	68.0%	
<b>Adjusted Net Income</b>	<b>315,313</b>	<b>202,404</b>	<b>55.8%</b>	<b>337,348</b>	<b>-6.5%</b>	<b>1,223,763</b>	<b>909,605</b>	<b>34.5%</b>
<b>Adjusted Operational Expenses</b>	<b>(133,669)</b>	<b>(119,925)</b>	<b>11.5%</b>	<b>(109,019)</b>	<b>22.6%</b>	<b>(446,675)</b>	<b>(512,603)</b>	<b>-12.9%</b>



**Consolidated Balance Sheet – 2009 compared to 2008**  
**(in BRL thousands)**

<b>ASSETS</b>	<b>2009</b>	<b>2008</b>	<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2009</b>	<b>2008</b>
<b>Current Assets</b>	<u>2,778,968</u>	<u>1,965,461</u>	<b>Current Liabilities</b>	<u>1,162,075</u>	<u>1,075,744</u>
Cash and cash equivalents	50,779	40,227	Collateral for transactions	810,317	585,963
Financial investments	2,599,784	1,744,069	Earnings / rights on securit. in custody	31,897	36,020
Accounts receivable - net	40,205	105,169	Suppliers	21,443	18,442
Other receivables - net	22,656	9,933	Salaries and social charges	43,237	20,806
Taxes recoverable and prepaid	51,143	9,540	Provision for taxes and contrib. payable	24,616	40,254
Deferred inc. tax and social contrib.	5,688	48,594	Income tax and social contribution	3,697	2,652
Prepaid expenses	8,713	7,929	Financing	9,295	4,087
			Divid. and interest on own cap. payable	20,839	194,984
<b>Non-current Assets</b>	<u>18,422,215</u>	<u>18,464,628</u>	Redemption of preferred shares	1,839	4,132
			Other accounts payable	194,895	168,404
<b>Long-term receivables</b>	<u>715,951</u>	<u>808,863</u>			
Financial investments	585,648	629,945	<b>Non-current Liabilities</b>	<u>313,002</u>	<u>46,729</u>
Other receivables - net	4,555	11,361	Financing	2,495	-
Deferred income tax and social contr	40,853	73,476	Deferred Income Tax and Social Contrib.	261,060	-
Judicial deposits	84,895	93,885	Prov. for conting. and legal obligations	49,447	46,160
Prepaid expenses	-	196	Other accounts payable	-	569
<b>Investments</b>	<u>1,319,439</u>	<u>1,318,282</u>	<b>Minority interest in subsidiaries</b>	16,357	15,892
Investment in subsidiary company	-	-			
Other Investments	1,319,439	1,318,282	<b>Shareholders' Equity</b>	<u>19,709,749</u>	<u>19,291,724</u>
			Capital	2,540,239	2,540,239
<b>Property and equipment</b>	268,895	247,850	Capital reserve	16,666,489	16,606,853
			Revaluation reserves	23,551	24,131
<b>Intangible assets</b>	<u>16,117,930</u>	<u>16,089,633</u>	Legal reserve	3,453	3,453
Goodwill	16,064,309	16,064,309	Statutory reserves	706,119	302,928
Software and projects	53,621	25,324	Treasury stock	(230,102)	(185,880)
<b>TOTAL ASSETS</b>	<u>21,201,183</u>	<u>20,430,089</u>	<b>TOTAL LIAB. AND SHAREHOLDERS' EQUITY</b>	<u>21,201,183</u>	<u>20,430,089</u>



**OPERATIONAL STATISTICAL DATA – BM&F SEGMENT**

**AVERAGE DAILY TRADED CONTRACTS (THOUSANDS)**

Product	4Q09	4Q08	4Q09/4Q08 (%) Change	3Q09	4Q09/3Q09 (%) Change	2009	2008	2009/2008 (%) Change
BRL Int. rate contracts	800.8	563.0	42.2%	755.6	6.0%	843.5	788.7	7.0%
USD Int. rate contracts	83.2	92.2	-9.8%	64.4	29.1%	78.3	94.3	-17.0%
FX Contracts	494.1	434.3	13.8%	463.0	6.7%	447.1	534.9	-16.4%
Index-based contracts	98.4	83.1	18.4%	69.6	41.4%	80.0	87.6	-8.7%
Commodity contracts	11.3	13.0	-13.6%	10.1	11.2%	10.2	14.9	-31.4%
OTC contracts	13.8	9.2	49.5%	8.8	55.5%	9.3	12.4	-25.5%
Web Trading	57.6	41.6	38.4%	50.7	13.6%	52.6	40.5	30.0%
<b>Total</b>	<b>1,559.2</b>	<b>1,236.6</b>	<b>26.1%</b>	<b>1,422.3</b>	<b>9.6%</b>	<b>1,521.0</b>	<b>1,573.3</b>	<b>-3.3%</b>

**AVERAGE RATE PER CONTRACT - RPC (BRL)**

Product	4Q09	4Q08	4Q09/4Q08 (%) Change	3Q09	4Q09/3Q09 (%) Change	2009	2008	2009/2008 (%) Change
BRL Int. rate contracts	1.037	1.164	-10.9%	1.068	-2.9%	0.979	1.141	-14.2%
USD Int. rate contracts	1.017	1.777	-42.7%	1.178	-13.6%	1.356	1.211	12.0%
FX Contracts	1.927	2.699	-28.6%	2.031	-5.1%	2.161	2.062	4.8%
Index-based contracts	1.577	1.806	-12.7%	1.559	1.2%	1.622	2.143	-24.3%
Commodity contracts	2.345	3.126	-25.0%	2.440	-3.9%	2.307	3.571	-35.4%
OTC contracts	1.508	2.443	-38.3%	1.485	1.5%	1.655	2.342	-29.4%
Web Trading	0.150	0.173	-13.3%	0.175	-14.3%	0.176	0.162	8.5%
<b>Total</b>	<b>1.333</b>	<b>1.789</b>	<b>-25.5%</b>	<b>1.391</b>	<b>-4.2%</b>	<b>1.365</b>	<b>1.522</b>	<b>-10.3%</b>



**OPERATIONAL STATISTICAL DATA – BOVESPA SEGMENT**

AVERAGE DAILY TRADED VALUE (BRL MILLIONS)								
	4Q09	4Q08	4Q09/4Q08 (%) Change	3Q09	4Q09/3Q09 (%) Change	2009	2009	2009/2008 (%) Change
<b>Stocks and Equity Deriv.</b>	6,839.8	4,370.2	56.5%	5,212.4	31.2%	5,285.2	5,520.3	-4.3%
Cash market	6,377.1	4,147.0	53.8%	4,885.6	30.5%	4,943.7	5,162.3	-4.2%
Derivatives	462.7	223.3	107.2%	326.8	41.6%	341.5	357.9	-4.6%
Forward market	134.8	72.7	85.3%	113.0	19.3%	96.5	177.8	-45.7%
Options market (stocks / indices)	327.9	150.5	117.8%	213.8	53.4%	245.0	180.2	36.0%
<b>Fixed income and other spot securities</b>	1.5	2.7	-45.3%	2.1	-28.3%	1.6	5.2	-70.0%
<b>Total</b>	<b>6,841.3</b>	<b>4,372.9</b>	<b>56.4%</b>	<b>5,214.4</b>	<b>31.2%</b>	<b>5,286.8</b>	<b>5,525.5</b>	<b>-4.3%</b>

AVERAGE DAILY NUMBER OF TRADES								
	4Q09	4Q08	4Q09/4Q08 (%) Change	3Q09	4Q09/3Q09 (%) Change	2009	2009	2009/2008 (%) Change
<b>Stocks and Equity Deriv.</b>	391,793	297,067	31.9%	334,356	17.2%	332,343	245,062	35.6%
Cash market	318,872	245,262	30.0%	279,924	13.9%	270,626	195,062	38.7%
Derivatives	72,921	51,805	40.8%	54,432	34.0%	61,717	50,001	23.4%
Forward market	1,821	963	89.1%	1,441	26.4%	1,325	2,237	-40.8%
Options market (stocks / indices)	71,100	50,842	39.8%	52,991	34.2%	60,392	47,764	26.4%
<b>Fixed income and other spot securities</b>	6.6	7.1	-7.0%	6.3	5.6%	6.6	8.5	-22.9%
<b>Total</b>	<b>391,800</b>	<b>297,074</b>	<b>31.9%</b>	<b>334,362</b>	<b>17.2%</b>	<b>332,349</b>	<b>245,071</b>	<b>35.6%</b>

OTHER OPERATIONAL STATISTICS								
	4Q09	4Q08	4Q09/4Q08 (%) Change	3Q09	4Q09/3Q09 (%) Change	2009	2009	2009/2008 (%) Change
End of period Market Cap. (BRL billions)	2,335	1,375	69.8%	2,093	11.5%	2,335	1,375	69.8%
Average Market Cap. (BRL billions)	2,237	1,384	61.6%	1,919	16.6%	1,827	2,037	-10.3%
End of period Ibovespa	68,588	37,550	82.7%	61,518	11.5%	68,588	37,550	82.7%
Average Ibovespa	65,997	37,269	77.1%	55,914	18.0%	52,750	55,261	-4.5%
Value under custody (BRL billions)	873	650	34.2%	752	16.0%	873	650	34.2%
Number of custody accounts (thousands)	576	559	3.1%	538	7.0%	576	559	3.1%
Securities Lending (End of period of Open Interest - BRL billions)	16	7	127.6%	16	-4.0%	16	7	127.6%
# Companies listed	434	439	-1.1%	433	0.2%	434	439	-1.1%
Treasury Direct - stock of securities (BRL millions)	3,015	2,283	32.1%	2,981	1.2%	3,015	2,283	32.1%
Turnover Velocity (annualized)	71.6%	74.6%	-3 p.p.	62.6%	9,0 p.p.	67.0%	63.2%	3,8 p.p.

TRADING MARGINS (basis points)			
Market	4Q09	4Q08	3Q09
<b>Stocks and Equity Derivatives</b>	<b>6.5</b>	<b>6.2</b>	<b>6.6</b>
Cash Market	5.9	5.8	6.2
Derivatives	14.2	13.8	13.8
Forward Market	13.2	13.0	13.0
Options Market	14.7	14.1	14.3
<b>Total BOVESPA</b>	<b>6.5</b>	<b>6.2</b>	<b>6.6</b>