



BM&FBOVESPA S.A.
BOLSA DE VALORES, MERCADORIAS E FUTUROS
The Brazilian Securities, Commodities and Futures Exchange

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NOTICE TO THE MARKET

BM&FBOVESPA announces August 2011 market performance

- BOVESPA segment has record monthly financial volume; record monthly and daily-average number of trades
- Record number of securities lending transactions
- ETF financial volume and number of transactions rise from July
- Number of cash settled soybean futures contracts leaps to 14,526 in August from 8,020 traded in July. Options on cash settled soybean futures the highlight at 10,461 from 2,697 July.

BOVESPA Segment

In August 2011, the equity markets (BOVESPA segment) financial volume totaled a record BRL 177.906 billion, in a record 16,234,673 trades, with daily averages of BRL 7.73 billion and a record 705,855 trades. This was in comparison to the prior total volume record of BRL 155.55 billion in October 2010, the prior total trades record of 11,172,707 in May 2011 and the prior daily average trades record of 544,88 in February 2011.

In July 2011 financial volume totaled BRL 119.63 billion, the total number of trades 11,016,993, and the daily averages BRL 5.69 billion and 524,619 trades respectively.

Equities

The most traded stocks in August were: Vale PNA, with BRL 18 billion; Petrobras PN with BRL 12.33 billion; Itaunibanco PN, with BRL 8.72 billion, OGX Petróleo ON, with BRL 6.9 billion; and Vale ON, with BRL 5.71 billion.

Indexes

The Ibovespa ended August at 56,495 points, down 3.95% from the previous month.

The best performing stocks were: AmBev PN (+20.88%); MRV ON (+16.52%); Hypermarcas ON (+11.91%); B2W Varejo ON (+10.92%); and TAM PN (+10.74%). The worst performing stocks were: Marfrig ON (-49.41%); Eletropaulo PN (-17.97%); ALL ON (-17.59%); Fibria ON (-15.99%); and Eletrobrás ON (-13.02%).

All of the other BOVESPA segment stock-exchange indexes ended August as follows: IBrX-50 (-4.62% at 7,964 points); IBrX-100 (-4.16% at 18,884 points); ISE (-3.63% at 1,912 points); Itel (-0.01% at 1,731 points); IEE (-4.30% at 28,195 points); INDX (+3.49% at 9,268 points); IVBX-2 (-1.41% at 5,675 points); IGC (-3.56% at 6,478 points); Itag (-3.21% at 8,252 points); Small Cap (-2.61% at 1,251 points); MidLarge Cap (-4.08% at 833 points); ICON (+4.74% at 1,596 points); IMOB (+0.31% at 855 points); IFNC (-2.99% at 3,141 points); ICO2 (-2.46% at 958 points); IGCT (-4.31% at 1,810 points); UTIL (-3.96% at 2,493 points); IDIV (+3.31% at 2,627 points); IMAT (-3.52% at 1,695 points); and IBRA (-4.10% at 1,734 points).

Market Value

Market capitalization of the 377 companies listed on the BM&FBOVESPA in August was BRL 2.23 trillion, compared to BRL 2.31 trillion for the 377 companies listed in July.

Special Corporate Governance Levels

At the end of August, the 182 companies that are part of the BM&FBOVESPA's special corporate governance levels represented 65.32% of the market capitalization, 77.05% of the financial volume, and 83.46% of the trades in the spot market. At the end of July,



there were 181 companies, representing 64.96% of the market capitalization, 79.04% of the financial volume, and 76.84% of the spot market trades.

Market Participation

The spot market accounted for 95% of total trading volume in August, followed by the options market, with 3.9%, and by the forward market, with 1.1%. The after-market traded BRL 1.12 billion with 78,909 trades, compared to BRL 1.08 billion and 73,841 trades in the previous month.

Investor Participation

In August, foreign investors were responsible for 36.50% of the total volume, compared to 32.73% in July. Institutional investors came next, with 32.08%, compared to 34.81%; individual investors had 20.16%, compared to 23.62%; financial institutions, with 9.73%, compared to 7.63%; companies, with 1.47%, compared to 1.14%; and other types of investors with 0.06%, from 0.07% the previous month.

Foreign Investment

The net flow of foreign investment into the Brazilian stock market in 2011 through August reached BRL 7,686,809,062.40, which is the combined result of the amount of BRL 7,797,276,175.40 in acquisitions carried out by foreign investors in stock offerings (of which BRL 6.2 billion offered in Brazil) and the negative balance of BRL 110,467,113.00 in direct trading at BM&FBOVESPA.

In July, the financial volume traded by foreign investors in the stock market was a negative BRL 399,314,054.00, which is the net balance between stock sales of BRL 65,092,884,463.00 and stock purchases of BRL 64,693,570,409.00.

The foreign investor participation in stock offerings, including IPOs, represented 58.1% of the total BRL 13,417,556,898.50 in transactions related to the publication of the closing announcement dates ending on September 2, 2011, pursuant to information available on the Exchange's website, under the media section.



Investment Clubs

BM&FBOVESPA ended August with 2,926 investment clubs and 20 new registrations. Total liquid assets reached BRL 9.41 billion and the number of participants reached 122,360, according to the latest available data.

Individual Investors

BM&FBOVESPA ended August with 595,850 individual investor stock exchange accounts in custody, compared to 598,233 accounts in July.

ETFs

The financial volume registered in August by the eight BM&FBOVESPA Exchange-Traded Funds (ETFs) reached BRL 1.4 billion in 78,809 trades, from BRL 667.75 million and 31,997 the previous month.

In August the ETF with the highest financial volume was BOVA11 with BRL 1.33 billion and 75,231 transactions.

Securities Lending

In August, the total number of securities lending transactions reached a record 141,721 compared to the previous record of 121,971 in May 2011 and to 114,989 in July. Financial volume was BRL 62.63 billion in August from BRL 52.16 billion the previous month.

Corporate Securities

In August, the trading volume for the secondary market for corporate securities, counting both the BOVESPA FIX and the SOMA FIX, totaled BRL 39.73 million, compared to BRL 46.24 million in July. Of this total, debentures accounted for BRL 29.74 million and Mortgage Backed Securities (CRI) accounted for BRL 9.99 million.

Real Estate Funds

Real Estate Funds (FFIs) turned over BRL 89.28 million in 8,685 transactions in August, against BRL 87.44 million and 7,548 transactions in July. There were 60 of these funds registered at the end of the month for trading in the exchange and OTC markets of BM&FBOVESPA.

BM&F Segment

Derivatives markets in the BM&F segment (including financial and commodities derivatives) totaled 78,606,873 contracts and BRL 5.23 trillion in volume in August, compared to 44,199,125 contracts and BRL 3.35 trillion in July. The daily average of contracts traded in the derivatives markets in August was 3,417,690, in contrast to 2,104,720 in July. Open interest contracts ended the last trading day of August with 37,821,302 positions, compared to 30,716,596 in July.

Financial Derivatives

In August, interest rate futures (ID) traded 43,131,174 contracts, in contrast to 17,793,477 in July. The US dollar futures ended the month of August with 8,674,297 contracts, compared to 7,096,360 in the previous month. The Ibovespa futures traded 3,022,720 contracts, compared to 1,759,640 in July. The Euro futures contract (EUR) registered 37,122 contracts, in contrast to 43,830 contracts in July.

Mini Contracts

The derivatives market for mini contracts traded 4,163,031 contracts in August, compared to 2,277,364 in July. Of this total, the futures market for Ibovespa mini contracts traded 3,858,463, compared to 2,102,618 contracts in the previous month. Mini U.S. dollar futures traded 303,044 contracts, compared to 173,359 in July. Mini futures contracts ended July with 38,741 open interest contracts, compared to 58,665 in the previous month



Agribusiness Derivatives

In August, the BM&FBOVESPA agribusiness derivatives market (including futures and options) totaled 252,193 contracts traded, compared to 227,749 in July. Agribusiness markets totaled 136,855 open interest contracts, in contrast to 118,555 in the previous month. Options on commodity futures totaled 41,561 contracts in August, against 33,183 the previous month.

Cash-settled soybean derivatives, launched in January, totaled 14,528 contracts traded in August, against 8,020 the previous month. The increase was due to higher volume in options on cash settled soybean futures, at 10,461 traded in August from 2,697 the previous month.

Live cattle futures and options totaled 124,299 contracts traded in August, compared to 124,623 in July. Corn futures and options totaled 57,033 contracts traded, compared to 51,953 in July. Arabica coffee ended August with 47,632 contracts, compared to 35,927 in July. Hydrous ethanol futures totaled 8,701 contracts, compared to 7,226 in July.

Spot Gold

The spot gold market (250 grams) traded, in August, 2,656 contracts, compared to 2,492 contracts in July. Spot gold market volume totaled BRL 61.54 million, compared to BRL 50.47 million in the previous month.

Spot U.S. Dollar

There were 976 spot US Dollar transactions totaling USD2.39 billion in August, from 715 and USD3.2 billion in July. US dollar transactions in the Brazilian interbank market, registered for settlement with the Foreign Exchange Clearinghouse, totaled 4,037 transactions and USD54.24 billion, from 3,296 transactions and USD48.18 billion in July.

Government Securities

Financial volume in the secondary market for government securities totaled BRL 21.68 billion in August, against BRL 3.85 billion in July, based on all of the transactions at SISBEX. Of the August total, BRL 991.04 million was in outright transactions and BRL 20.54 billion in repurchase agreements. Financial volume from government securities lending was BRL 153.21 million, against BRL 151.78 million the previous month.

Investor Participation

In August, financial institutions led derivatives trading (BM&F segment), accounting for 34.74% of contracts traded, compared to 33.23% in the previous month. Institutional investors were responsible for 31.86%, compared to 39.18%; foreign investors for 25.97%, compared to 24.53%; individuals for 5.13%, compared to 5.46%; and companies for 2.31%, versus 1.77%.

Individual Investors

BM&FBOVESPA ended August with 152,954 individual investor stock exchange accounts in custody, compared to 148,310 accounts in July.

Volumes and trades by Direct Market Access (DMA)

BM&F Segment

In August, BM&F* market segment transactions carried out through order routing via Direct Market Access (DMA) registered 41,417,494 contracts traded and 4,431,750 trades. In July, the volume reached 20,009,841 contracts traded and 2,417,398 trades.

The volumes registered by each access modality in the BM&F segment were as follows:

- **Traditional DMA** – 17,540,231 contracts traded, in 1,306,241 trades, in comparison to 7,440,774 contracts and 797,002 trades in July;
- **Via DMA provider** (including orders routed via the Globex System) – 14,088,756 contracts traded, in 435,281 trades, compared to 7,040,432 contracts and 258,881 trades in July;

- **DMA via direct connection** – 4,210 contracts traded in 830 trades, against 3,691 contracts and 977 trades in July;
- **DMA via co-location** – 9,784,297 contracts traded, in 2,689,398 trades, compared to 5,524,944 contracts and 1,360,538 trades in July.

In August, transactions carried out by foreign investors presented by CME to BVMF (who use the Globex-GTS order routing system or access BVMF markets via co-location) totaled 5,308,308 contracts traded, in 1,235,349 trades, compared to 2,897,744 contracts and 688,862 trades in July.

BOVESPA Segment

In August, order routing via DMA in the BOVESPA* segment totaled BRL 138,522,096,000.00 and 17,021,408 trades, from BRL 95,030,778,000.00 and 11,225,193 trades the previous month.

Trading volumes per type of DMA in the BOVESPA segment:

Traditional DMA – Volume of BRL 120,451,427,000.00 and 14,098,638 trades from BRL 87,674,861,000.00 and 10,091,956 in July;

DMA via co-location – Volume of BRL 16,691,370,000.00 and 2,755,498 trades from BRL 6,381,361,000.00 and 1,007,081 in July;

DMA via provider – Volume of BRL 1,379,299,000.00 and 167,272 trades from BRL 974,556,000.00 and 126,156 in July.

** Direct access to the BM&FBOVESPA market segments is carried out through DMA models 1, 2, 3 and 4. In model 1 or traditional DMA, the client accesses the GTS or Mega Bolsa through technological intermediation of a brokerage house. In model 2 or via DMA provider, the client does not use the technological intermediation of a brokerage house, but rather connects to the system through an authorized access provider. DMA via order routing with CME Globex is also a form of DMA model 2. In*



model 3, the client connects to the system through a direct connection. In model 4 or via co-location, the client installs its own computer within the Exchange's facilities.

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