

BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros
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NOTICE TO THE MARKET

BM&FBOVESPA announces May 2012 market performance

- ETFs have record financial volume
- Real Estate Investment Funds turn over more in first five months of year than in all 2011
- BOVESPA Segment has record number of trades

BOVESPA Segment

In May 2012, the equities market's (BOVESPA segment) financial volume totaled BRL 163.62 billion in a record 19,571,917 trades, with daily averages of BRL 7.43 billion and 889,633 trades.

In April, financial volume totaled BRL 146.62 billion, the total number of trades 14,667,906 (the previous record was 16,234,673 trades in March 2011), and the daily averages BRL 7.33 billion and 733,395 trades respectively.

Equities

The most traded stocks in May were: Vale PNA, with BRL 15.14 billion; PETROBRAS PN with BRL 11.81 billion; ITAUUNIBANCO PN, with BRL 7.78; OGX PETRÓLEO ON, with BRL 6.38 billion; and BRADESCO PN, with BRL 5.10 billion.

Indexes

The Ibovespa ended May at 54,940 points, down 11.85% from the previous month.

The best performing stocks were: CCR SA ON (+6.08%); SANTANDER BR UNT (+4.89%); DASA ON (+2.91%). The worst performing stocks were: USIMINAS ON (-49.62%); ROSSI RESID ON (-34.00%); BROOKFIELD ON (-29.28%); MMX MINER ON (-28.44%); JBS ON (-27.33%).

All of the other BOVESPA segment stock-exchange indexes ended May as follows:

UTIL (-6.34, at 3,224 points); ICON (-7.79, at 1,895 points); IVBX (-9.63, at 6,273 points); IEE (-5.84, at 33,733 points); IDIV (-7.84, at 3,166 points); ISE (-7.76, at 2,146 points); INDX (-11.96, at 9,936 points); IMAT (-16.33, at 1,558 points); SMLL (-11.09, at 1,283 points); IGC (-7.86, at 6,889 points); IGCT (-8.03, at 1,906 points); IBRA (-8.34, at 1,824 points); ICO2 (-7.99, at 1,036 points); MLCX (-8.06, at 878 points); IBRX-100 (-8.60, at 19,640 points); ITAG (-6.76, at 8,870 points); IBRX-50 (-8.87, at 8,098 points); IFNC (-4.60, at 3,360 points); IMOB (-9.04, at 754 points).

Market Value

Market capitalization of the 370 companies listed on the BM&FBOVESPA in May was BRL 2.28 trillion, compared to BRL 2.47 trillion for the 373 companies listed in April.

Special Corporate Governance Levels

At the end of May, the 182 companies that are part of the BM&FBOVESPA's special corporate governance levels represented 65.81% of the market capitalization, 82.12% of the financial volume, and 85.68% of the trades in the spot market. At the end of April, there were 182 companies representing 65.64% of the market capitalization, 80.97% of the financial volume, and 84.81% of the spot market trades.

Payouts to Shareholders

In May of 2012, the companies traded on BM&FBOVESPA paid shareholders BRL 8.57 billion, of which BRL 2.94 billion in interest on shareholders' equity and BRL 4.75 billion in dividends. In April the payout totaled BRL 8.87 billion, of which BRL 3.67 billion in interest on shareholders' equity and BRL 2.35 billion in dividends.

Market Participation

The spot market accounted for 93.8% of total financial volume in May, followed by the options market, with 4.7%, and by the forward market, with 1.5%. The After Market traded BRL 830.01 million with 62,800 trades, compared to BRL 726.64 million and 49,349 trades in the previous month.

Investor Participation

In May, foreign investors were responsible for 41.63% of the total volume, compared to 40.16% in April. Institutional investors came next, with 31.99% from 32.56%; individual investors had 17.40%, compared to 17.78%; financial institutions, with 7.87%, compared to 8.54%; companies, with 1%, compared to 0.86%; and other types of investors with 0.11%, the same as in previous month.

Foreign Investment

Over January to May the financial volume traded by foreign investors in the stock market was a positive BRL 6.17 billion, from BRL 3.25 billion in stock offerings (BRL 3.05 billion of which registered in Brazil) and a positive BRL 2.92 billion on the BM&FBOVESPA secondary market.

In May, the financial volume traded by foreign investors in the stock market was a negative BRL 2.34 billion, which is the net balance between stock sales of BRL 69.01 billion and stock purchases of BRL 66.67 billion.

Foreign investor participation in stock offerings, including IPOs, represented 61.4% of the total BRL 5.29 billion in transactions related to the publication of the closing announcement dates ending on May 04, 2012, pursuant to information available on the Exchange's website, under the media section.

Investment Clubs

BM&FBOVESPA ended May with 2,714 investment clubs and 11 new registrations. Total liquid assets reached BRL 9.72 billion and the number of participants reached 104,000, according to the latest available data.

Individual Investors

BM&FBOVESPA ended May with 576,042 individual investor stock exchange accounts in custody, compared to 575,197 accounts in April.

ETFs

The financial volume registered in May by the 12 BM&FBOVESPA Exchange-Traded Funds (ETFs) reached a record BRL 4.02 billion in 128,355 trades, from BRL 2.69 billion (the previous record) and 73,632 the previous month. The BOVA11 ETF had a financial volume of BRL 3.91 billion and 124,638 trades.

Securities Lending

In May, the total number of securities lending transactions reached 125,361, compared to 105,572 in April. Financial volume was BRL 64.75 billion in May from BRL 60.48 billion the previous month.

Corporate Securities

In May, the trading volume for the secondary market for corporate securities, counting both the BOVESPA FIX and the SOMA FIX, totaled BRL 26.76 million, compared to BRL 65.95 million in April. Of this total, debentures accounted for BRL 17.74 million and Mortgage Backed Securities (CRI) accounted for BRL 9.02 million.

Real Estate Funds

Over January to May, Real Estate Funds (FII's) turned over BRL 927.67 million, surpassing the BRL 912.46 million for all 2011.

FII's turned over BRL 200.52 million in 15,369 transactions in May, against BRL 168.04 million and 11,671 transactions in April. There were 72 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 85,784,768 contracts and BRL 5.4 trillion in volume in May, compared to 70,327,592 contracts and BRL 4.35 trillion in April.

Open interest contracts ended the last trading day of May 2012 with 39,415,401 positions, compared to 34,360,475 in April.

Financial Derivatives

In May, interest rate futures (ID) traded 40,777,838 contracts, in contrast to 32,150,624 in April. US Dollar futures ended the month of May with 9,491,443 contracts, compared to 7,330,873 in the previous month. Ibovespa futures traded 2,878,171 contracts, compared to 1,929,453 in April.

Mini Contracts

The derivatives market for mini contracts traded 4,466,938 contracts in May, compared to 3,110,375 in April. Of this total, the futures market for Ibovespa mini contracts traded 4,235,724, compared to 2,952,727 contracts in the previous month. Mini US Dollar futures traded 230,286 contracts, compared to 156,439 in April. Mini futures contracts ended May with 29,171 open interest contracts, compared to 19,867 in the previous month.

Agribusiness Derivatives

In May, the BM&FBOVESPA agribusiness derivatives market (including futures and options) totaled 183,317 contracts traded, compared to 184,063 in April. Agribusiness markets totaled 115,758 open interest contracts, in contrast to 120,573 in the previous month.

Live cattle futures and options totaled 90,494 contracts traded in May, compared to 78,634 in April. Corn futures and options totaled 55,249 contracts traded, compared to 64,138 in April. Arabica coffee ended May with 25,878 contracts, compared to 23,456 in April. Hydrous ethanol futures totaled 7,247 contracts, compared to 7,629 in April. Soybean derivatives totaled 4,449 contracts traded in May, against 10,206 the previous month.

Agribusiness Securities

In May, agribusiness securities registered with BM&FBOVESPA totaled BRL 14.83 billion, from BRL 12.86 billion in April, including all of the transactions executed in the Agribusiness Securities Registration system.

Agribusiness Credit Bills (LCAs) registered with the Exchange totaled BRL 13.51 billion, compared to BRL 11.55 billion in April.

Spot Gold

The spot gold market (250 grams) traded, in May, 680 contracts, compared to 633 contracts in April. Spot gold market volume totaled BRL 17.16 million, compared to BRL 15.42 million in the previous month.

Spot US Dollar

There were 1,053 spot US Dollar transactions totaling USD1.55 billion in May, from 788 and USD1.63 billion in April. US Dollar transactions in the Brazilian interbank market, registered for settlement with

the Foreign Exchange Clearinghouse, totaled 4,106 transactions and USD42.22 billion, from 3,321 transactions and USD40.25 billion in April.

Government Securities

Financial volume in the secondary market for government securities totaled BRL 10.77 billion in May, against BRL 1.47 billion in April, based on all of the transactions at SISBEX.

Investor Participation

In May, financial institutions led derivatives trading (BM&F segment), accounting for 34.42% of contracts traded, compared to 33% in the previous month. Institutional investors were responsible for 33.92%, compared to 33.66%; foreign investors for 25.07%, compared to 26.44%; individuals for 4.46%, compared to 4.62%; and companies for 2.07%, versus 2.25%.

Individual Investors

BM&FBOVESPA ended May with 145,993 individual investor stock exchange accounts in custody, compared to 141,668 accounts in April.

Volumes and trades by Direct Market Access (DMA)

BM&F Segment

In May, BM&F* market segment transactions carried out through order routing via Direct Market Access (DMA) registered 46,634,728 contracts traded and 4,907,513 trades. In April, the volume reached 36,785,292 contracts traded and 3,549,223 trades.

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

- **Traditional DMA** – 17,950,749 contracts traded, in 1,433,246 trades, in comparison to 15,883,303 contracts and 1,022,870 trades in April;
- **Via DMA provider** (including orders routed via the Globex System) – 17,089,554 contracts traded, in 363,298 trades, compared to 12,948,655 contracts and 284,139 trades in April;
- **DMA via direct connection** – 1,729 contracts traded in 276 trades, against 778 contracts and 234 trades in April;
- **DMA via co-location** – 10,956,374 contracts traded, in 3,038,201 trades, compared to 7,952,556 contracts and 2,241,980 trades in April.

In May, transactions carried out by foreign investors presented by CME to BM&FBOVESPA (who use the Globex-PUMA Trading System order routing system or access BM&FBOVESPA markets via co-location) totaled 4,388,168 contracts traded, in 1,229,458 trades, compared to 3,444,594 contracts and 952,512 trades in April.

BOVESPA Segment

In May, order routing via DMA in the BOVESPA* segment totaled BRL 128.2 billion and 20,706,234 trades, from BRL 102.8 billion and 15,251,450 trades the previous month.

Trading volumes per type of DMA in the BOVESPA segment:

Traditional DMA – Volume of BRL 96.84 billion and 14,632,837 trades from BRL 80.45 billion and 11,466,034 in April;

DMA via provider – Volume of BRL 3.29 billion and 522,128 trades, from BRL 1.96 billion and 272,333 in April.

DMA via co-location – Volume of BRL 28.05 billion and 5,551,001 trades from BRL 20.28 billion and 3,501,366 in April;

** 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.*

Notes: *The volumes registered by access modality include both buy and sell sides of a trade.*

The volumes by access modality for both the BM&F and the BOVESPA market segments have been reported in a consolidated manner in the BM&FBOVESPA statements since May 2009.

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