



BOLSA DE MERCADORIAS E FUTUROS-BM&F SA

Publicly-held Company

COMPANY REGISTRY (NIRE) 35300343565
CORPORATE TAXPAYER'S ID (CNPJ) 08936812/0001-55

MATERIAL FACT

BOLSA DE MERCADORIAS E FUTUROS-BM&F SA ("BM&F"), subject to the provisions of CVM Instructions No. 319/99 and No. 358/02, hereby informs its shareholders and the market that its management shall submit to the resolution of its shareholders, gathered at a Special Shareholders' Meeting, to be held on February 26, 2008, the merger between BM&F and CMEG Brazil 2 Participações Ltda., a limited company with registered office in the City of São Paulo, State of São Paulo, at Rua Peixoto Gomide, 59, Jardim Paulista, enrolled with the Corporate Taxpayer Register of the Brazilian Ministry of Finance (CNPJ/MF) under No. 09285747/0001-08 ("CMEG 2"), a subsidiary of the CME Group Inc. ("CME Group"), which is the direct controlling shareholder of the Chicago Mercantile Exchange Inc. ("CME"), under the terms and conditions described below ("Merger").

1. Purpose and benefit of the Merger

1.1 The Merger is part of a business transaction between BM&F and the CME, which was described in the offering memorandum of BM&F's Initial Public Offering dated November 28, 2007.

1.2 Certain operational and commercial agreements shall be executed by and between BM&F and CME, with the purpose of promoting and developing the derivatives market, as well as establishing a cooperation relationship aimed at enhancing the services and products of the relevant exchanges. Among the agreements to be executed are an order routing agreement and a memorandum of understanding whose purpose is to evaluate new business opportunities arising out of the business transaction, including BM&F becoming a super-clearing member of CME, the provision of offshore collateral management services by CME to BM&F and the development and trading of new products in their respective markets.

1.3 The business transaction shall benefit BM&F's operations, expediting its insertion in the international marketplace and allowing for an enhancement in foreign participation in its markets, which shall result in increasing competitiveness and profitability, by virtue of:

- The distribution of BM&F's products through CME's electronic trading network, which is available in about eighty (80) countries and which shall provide order routing services to BM&F's derivatives contracts;



- The distribution of CME's products in Brazil through BM&F's electronic trading network, which shall provide order routing services to CME's derivatives contracts; and
- The exclusivity of CME's investment and order routing services to BM&F vis-à-vis other South and Central American exchanges.

For the reasons stated above, the BM&F management believes that the Merger is in the best interest of both BM&F and its shareholders.

1.4 As a result of the Merger, BM&F shall acquire a direct equity interest in the CME Group of one million, one hundred and eighty-nine thousand, sixty-six (1,189,066) Class A common shares issued by the CME Group, and the CME Group, through its affiliates, shall become a BM&F shareholder by holding one hundred and one million, seventy-eight thousand, five hundred and eighty (101,078,580) common shares issued by BM&F. BM&F's shares to be issued as a result of the Merger shall be subject to a lockup period of four (4) years, subject to the exceptions contractually agreed upon. Similarly, the shares of the CME Group that will be held by BM&F shall be subject to the same lockup period, subject to the same exceptions.

2. Merger Proposal

2.1 On the date hereof, the Board of Directors of the Company voted in favor of the closing of the transaction with the CME Group involving the Merger of CMEG 2 with BM&F, pursuant to the terms of the instrument called Merger Protocol and Justification ("Protocol"), executed by the management of the Company and the partners of CMEG 2 on the same date.

2.2 The Board of Directors also approved calling a BM&F Special Shareholders' Meeting, to be held on February 26, 2008.

2.3 Therefore, the Protocol shall be submitted to the BM&F shareholders at a Special Shareholders' Meeting, and to the CMEG 2 partners at a Partners' Meeting.

3. Increase in BM&F's capital stock and issue of new common shares

3.1 The book value of CMEG 2's net worth, to be merged into BM&F, is one billion, two hundred and seventy-six million, one hundred and ninety-nine thousand, one hundred and seventy-four Brazilian reais and thirty cents (R\$1,276,199,174.30), in accordance with the report prepared by KPMG Auditores Independentes, in the capacity of the specialized company responsible for the appraisal (see clause 4 below). Therefore, the conveyance of CMEG 2's net worth shall result in an equity increase at the same amount and in an increase of BM&F's capital stock at the amount of one hundred and one million, seventy-eight thousand, five hundred and eighty Brazilian Reais (R\$101,078,580.00), with the difference, in the amount of one billion, one hundred and seventy-five million, one hundred and twenty thousand, five hundred and ninety-four Brazilian reais and thirty cents (R\$1,175,120,594.30) accounted for as the BM&F's capital reserve.

3.1.1 The above mentioned capital increase shall be effected through the issuance of one hundred and one million, seventy-eight thousand, five hundred and eighty (101,078,580) new common shares, without par value, to be fully subscribed and paid up by CMEG Brazil 1 Participações Ltda., a limited company with registered office in the City of São Paulo, State of São Paulo, at Rua Peixoto Gomide, No. 59, enrolled with the



CNPJ/MF under No. 09279194/0001-80 ("CMEG 1"), and indirectly controlled by the CME Group as the sole partner of CMEG 2.

3.2 The exchange ratio of the CMEG 2's quotas, which shall be cancelled, for BM&F's shares, which shall be attributed to CMEG 2's partners, was established taking into consideration the benefits generated from this Merger to BM&F's operations and results, as already recognized by the market.

3.3 The transaction was subject to a valuation report ("Report") prepared at BM&F's request by N M Rothschild & Sons (Brasil) Ltda., with registered office in the City of São Paulo, enrolled with the CNPJ/MF under No. 32210791/0001-70. The Report contains an opinion on the effects of an increase in BM&F's per share profits as a result of the transaction and on the Order Routing Agreement between BM&F and the CME Group.

3.4 BM&F's common shares to be attributed to CMEG 1 shall be entitled, as of the their issue date, to the same rights granted to BM&F's outstanding common shares, as provided by law and its Bylaws, thus entitling them to fully participate in the results of the current fiscal year.

3.5 The rights granted by BM&F's Bylaws or other political and economic advantages to its outstanding common shares shall not be modified as a result of the Merger.

3.6 The equity fluctuation from the period between the reference date of the Merger (January 14, 2008) and the date of the Merger shall be recognized and absorbed by BM&F according to applicable accounting principles.

3.7 BM&F's Bylaws shall not be amended as a consequence of the Merger, except for the amendment related to the capital stock increase referred to in item 3.1 above. Due to this capital increase and should the Merger be approved at the Special Shareholders' Meeting, and in order to reflect the capital stock increase previously approved by BM&F's Board of Directors at a meeting held on December 18, 2007, whereby seven million, eight hundred and twenty-nine thousand, nine hundred and twenty-eight (7,829,928) common shares with no par value were issued, the wording of article 5 of the Bylaws shall be amended and become effective with the following language:

"Article 5. The subscribed and paid-in capital stock is one billion, ten million, seven hundred and eighty-five thousand, eight hundred Brazilian reais (R\$1,010,785,800.00), divided into one billion, ten million, seven hundred and eighty-five thousand, eight hundred (1,010,785,800) common shares without par value."

4. Valuation

4.1 For the purpose of the Merger, BM&F's management appointed KPMG Auditores Independentes, enrolled with the CNPJ/MF under No. 57755217/0001-29 and in the Regional Accounting Council (CRC) under No. 2SP014428/O-6, with registered office in the City of São Paulo, State of São Paulo, at Rua Dr. Renato Paes de Barros, 33 ("KPMG"), as the specialized company which shall proceed with the appraisal of the book value of CMEG 2's net worth to be transferred to BM&F and prepare the relevant appraisal report of CMEG 2's net worth ("Appraisal Report").

4.2 The appointment and retention of KPMG, as well as the content of the Appraisal Report shall be ratified and approved at BM&F's Special Shareholders' Meeting referred to above.



4.3 KPMG has stated that there are no conflicts or pooling of interests, present or potential, with the relevant shareholders of each of the companies, or in respect to the Merger itself that could impair or affect preparation of the Appraisal Report, for the purpose of the transaction described herein.

5. Liabilities and contingencies

5.1 There are no liabilities and contingencies not accounted for, to the knowledge of BM&F, to be absorbed by BM&F as a result of the Merger.

6. Submission to competent authorities

6.1 The transaction shall be submitted to the approval of the antitrust authorities in Brazil.

7. Costs

7.1 The costs to be incurred with the implementation of the Merger are estimated at one million eight hundred thousand Brazilian reais (R\$1,800,000.00), including expenses related to publications, auditors, appraisal companies, lawyers and other technical professionals to be retained to render consulting services for the transaction.

8. Availability of documents

8.1 The Protocol, CMEG 2's audited financial statements that were used as a basis for preparation of the Appraisal Report, the Appraisal Report itself, the Report as well as any documentation which might be prepared pursuant to applicable laws and regulations shall be available at BM&F's headquarters as of January 23, 2008, and sent to the Brazilian Securities and Exchange Commission (CVM) and Bolsa de Valores de São Paulo (BOVESPA) via the IPE system.

São Paulo, January 22, 2008.

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