

BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros

Public Company
CNPJ No. 09346601/0001-25
NIRE No. 35300351452

MATERIAL FACT

BM&FBOVESPA S.A. (“BVMF”) hereby announces to its shareholders (in compliance with the provisions of article 157, paragraph 4, of Brazilian Corporate Law No. 6404/1976 and CVM Instruction No. 358/2002 of the Brazilian Securities and Exchange Commission) that on this date it has entered into a Memorandum of Understanding with the CME Group, Inc. (“CME”), which controls the Chicago Mercantile Exchange (CME), New York Mercantile Exchange (NYMEX), Board of Trade of the City of Chicago, Inc. (CBOT) and Commodity Exchange, Inc. (COMEX), for the creation of a global preferred strategic partnership with an aim to: (i) pursue strategic 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 (USD1 billion); and (iv) receive a seat on CME’s Board of Directors.

1. BVMF and CME as Global Preferred Strategic Partners

BVMF and CME will work together as “global preferred strategic partners” to jointly identify strategic investments and commercial partnerships with leading equities and derivatives exchanges. BVMF and CME will seek to make these investments and/or partnerships on a shared and equal basis, subject to legal and regulatory restrictions, as well as to the relationship history and specificities of both BVMF and CME in connection to the other exchange where the investment and/or the partnership will be made.

However, when it is not possible or appropriate for BVMF and CME to co-participate, such as when a legal or regulatory restriction applies; or when the third-party exchange of interest is not willing or is unable to partner with either BVMF or CME; or if joint participation is impracticable, the Exchange which holds the leading investment or partnership position will continue the transaction alone.

In order to operate their global preferred strategic partnership, BVMF and CME will hold joint quarterly meetings of their senior executives (Strategic Committee), in order to analyze the potential investment opportunities and commercial partnerships of BVMF and/or CME with any other exchange throughout the world, as well as the attributes, affinities and contributions each might have in connection with the third-party exchange targeted for investment and/or partnership.

2. New Unique and Integrated Multi-Asset Class Trading Platform for Equities, Derivatives, Foreign Exchange, Fixed-Income Securities, Other OTC Products and Block Trading

Based on technology derived from the CME Globex® trading system, as well as on new technology to be jointly created by the parties, BVMF and CME will jointly develop a new electronic trading platform, with capacity to process transactions in less than one millisecond. This new platform will house all of the following BVMF segments under the same infrastructure:

- Individual equities (cash market);
- Derivatives based on equities; equity indices, interest rates, exchange rates and commodities;
- Spot foreign exchange currency;
- Spot government bonds;
- Spot private bonds; and
- Other OTC derivatives.

The new platform will also include a trading system for large blocks of shares (block trading).

The first to be developed will be the derivatives module, which until the beginning of 2011 will replace the Global Trading System (GTS), which is the current electronic trading system utilized by BVMF for its financial and commodity derivatives segment. The second module will be implemented by year-end 2011 to replace the Mega Bolsa, SISBEX and BovespaFIX trading systems currently used by BVMF for the equities, federal government bond and private bond markets, respectively.

Both BVMF and CME will have the right to make commercial use of the new electronic trading system and will share revenues resulting from this commercialization. BVMF will be entitled to commercialize the new platform freely in South America, Central America, Mexico and China. This will apply to other countries as well, where commercial use may occur as long as it is associated with an investment transaction, subject to certain restrictions

pertaining to product listing by the exchange where an investment has been made.

BVMF and CME will have co-ownership of the new multi-asset class trading platform, sharing their intellectual properties, as well as the derived enhancements, upgrades and software, as co-authors through cross, perpetual and irrevocable licenses.

As an additional reflection of their new partnership, CME will transfer to BVMF all knowledge that is needed for the operation and development of the new platform, based on the CME Globex® technology. With this transfer BVMF will become fully independent and autonomous to also commercialize the new platform in certain regions and under certain conditions.

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 (one hundred and seventy five million United States Dollars) at a present value of USD100 million (one hundred million United States Dollars).

3. Increase of BVMF's Ownership Interest in CME

BVMF will raise its equity stake in CME from the current 1.8% to 5% of CME's equity capital, placing each company on an equal footing with respect to its equity investment in the other.

This investment by BVMF, which is equivalent to approximately USD620 million, is subject to BVMF shareholder approval, for which in due course a shareholders' meeting will be called. Adding this amount to BVMF's current stake in CME brings its total investment to approximately USD1 billion, subject to lockup restrictions until February 26, 2012. This is the same lockup restriction timeframe that applies to the original cross investment.

4. BVMF Representation in CME's Board of Directors

For the full implementation of their new partnership, CME and BVMF will nominate and recommend to their respective shareholders the election of a representative from each exchange to the other Board of Directors. Therefore, during the time that their minimum reciprocal investments are held, each exchange will have a representative in the other exchange's Board.

5. Other Joint Opportunities

- (i) Mutual Cooperation in Central Counterparty Services for OTC Derivatives – BVMF and CME will prospect mutual opportunities to develop the central counterparty services they provide for the OTC derivatives markets. Such opportunities may include netting agreements, collateral management, and the use of CME ClearPort ® technology and know-how for registration, settlement and risk management of OTC derivatives transactions.
- (ii) Multilateral Order Routing and Market Data Distribution System – BVMF and CME will jointly develop multilateral order routing and/or market data distribution systems for the equities and derivatives markets of both current and future global partner exchanges.

6. Term

The global preferred strategic partnership has an initial term of fifteen (15) years, with the relevant strategic and commercial aspects being realigned on its 5th and 10th anniversaries. During this time, it will continue in effect for as long as each party holds a two percent (2%) minimum stake in the other party's capital.

7. Expansion and Internationalization of the Equities Segment

The current CME partnership and the development of a new state-of-the-art multi-asset class trading platform will provide BVMF with the best of conditions to support the increase in order flows resulting from the ongoing expansion and development of the Brazilian capital market, as well as the future increase in order flows that will come from the order routing system that NASDAQ OMX is currently developing. Through this system, the connected U.S. broker-dealers will be able to send buy and sell orders for individual equities traded at BM&FBOVESPA, and the connected Brazilian brokers will also be able to send buy and sell orders for individual equities traded at NASDAQ OMX. Therefore, this partnership consolidates BVMF initiatives to provide its users with a solid technological infrastructure, in order to guarantee a globally aligned connection, which is geared towards the broad development of the Brazilian capital markets.

São Paulo, February 11, 2010.

Edemir Pinto
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