



BM&FBOVESPA

The New Exchange



3Q12 Earnings Presentation

November 07, 2012

Forward Looking Statements



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Highlights 3Q12 vs. 3Q11

Growth in all business lines and costs under control

FINANCIAL HIGHLIGHTS

- ✓ **Gross Revenue: R\$581.3 million, +6.2%**
 - Bovespa Seg.: R\$263.4 million, +5.9%
 - BM&F Seg.: R\$219.3 million, +6.8%
 - Other revenues: R\$98.7 million, +5.8%

- ✓ **Net Revenue: R\$521.6 million, +5.7%**

- ✓ **Adjusted Expenses¹: R\$136.0 million, -0.2%**

- ✓ **Operating Income: R\$346.8 million, +7.0%**

- ✓ **EBITDA: R\$375.6 million, +8.1%**
 - EBITDA Margin: 72.0%

- ✓ **Adj. Net Income²: R\$400.6 million, +0.3%,**

- ✓ **Adj. EPS: R\$0.208, +1.7%**

- ✓ **Payout: R\$221.2 million in dividends and interest on capital, 80% of GAAP net income in 3Q12**

OPERATING HIGHLIGHTS

- ✓ **Bovespa Segment:**
 - ADTV: +8.7%
 - Margin: flat

- ✓ **BM&F Segment:**
 - RPC: +14.7%
 - ADV: -4.0%

- ✓ **High growth products:**
 - ETFs: +90.2% ADTV
 - Tesouro Direto: +45.6% AUM
 - FII : strong growth in market capitalization and number of investors
 - LCA: consistent increase of register volume

MAIN PROJECTS FOR 4Q12

- ✓ **Cross listing:** listing of S&P 500 mini contracts at BVMF and Ibovespa at CME
- ✓ **PUMA Trading System™:** equities module
- ✓ **Registration Platforms**

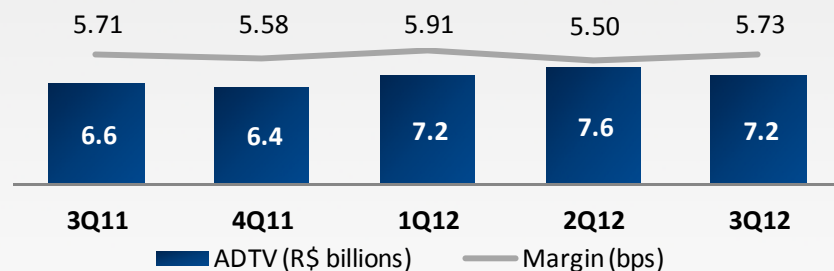
¹ Excludes stock options plan, depreciation, provisions and tax on dividends from CME Group. ² Excludes deferred liability recognized in correlation with temporary differences from amortization of goodwill for tax purposes, the impact of the stock options plan, the investment in associate (CME Group) accounted for under the equity method of accounting, net of taxes related to dividends and recoverable taxes paid overseas to be compensated.

Bovespa Segment

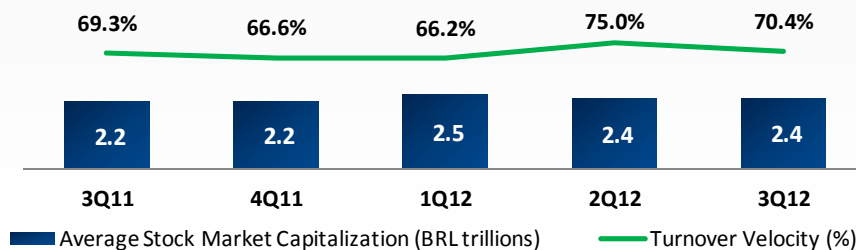
ADTV growth and flat margins

OPERATING HIGHLIGHTS

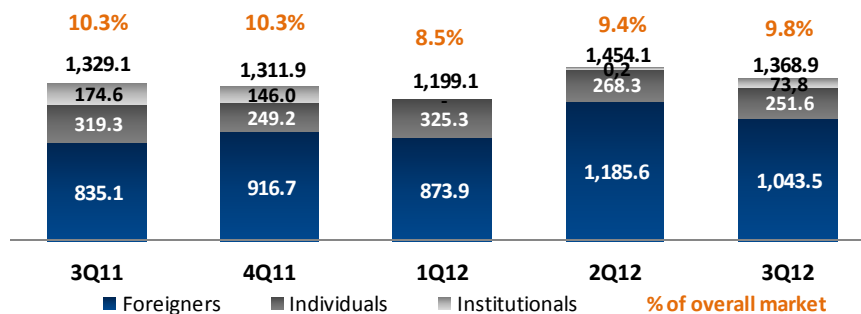
ADTV and margin in basis-points



Average market cap and turnover velocity



HFTs: ADTV (R\$ millions) and participation of volume (%)



✓ 3Q12 x 3Q11:

- +8.7% ADTV => 9.8% growth of cash equities ADTV
- foreign investors ADTV went up 26.2% => foreign HFTs ADTV rose 24.9%
- all-time-high monthly ADTV of R\$8.4 billion in Sep-12
- record of 1.5 million trades in 9/14
- stable trading margins at 5.7 bps
- higher turnover velocity of 70.4%
- 6.6% growth in the average market capitalization

✓ 3Q12 x 2Q12:

- ADTV 6.1% down compared to the previous record of R\$7.6 billion in 2Q12
- margins 4.2% higher => lower participation of institutional investors and day trades, which pay lower fee rates

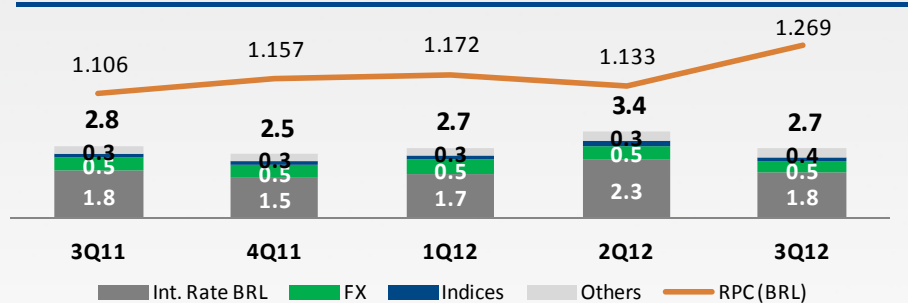
BM&F Segment

Average RPC growth

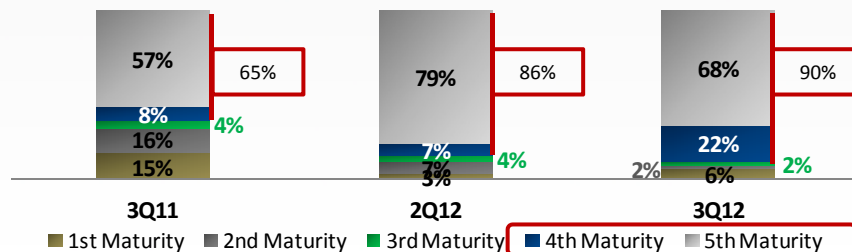


OPERATING HIGHLIGHTS

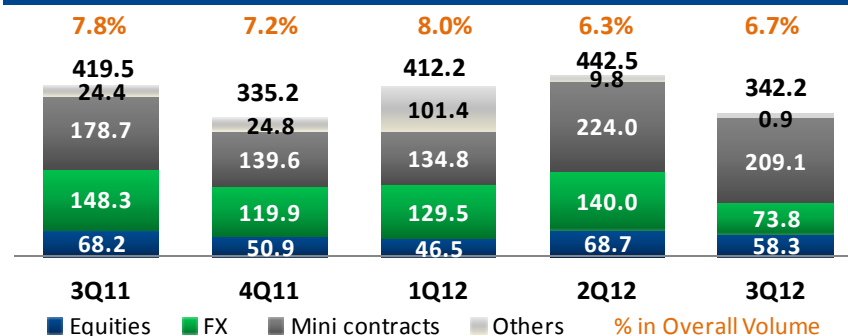
ADV (millions of contracts) and RPC (R\$)



BRL Int. Rates - volumes by maturities (%)



HFTs: ADV (thd contracts) and participation of volume (%)



✓ 3Q12 x 3Q11:

- +14.7% RPC
=> depreciation of R\$/US\$ rate impacting RPC of FX (+36.2%) and USD int. rates (+25.3%) contracts;
=> 10.1% increase in RPC for BRL int. rate due to concentration of trading in longer maturities contracts (4th and 5th)
- 4.0% ADV => drop in ADV of BRL int. rate (-2.4%), indices (-17.3%) and FX (-13.8%) went down
- Lower participation of HFTs, due mainly to a reduction in ADV of FX and indices contracts

✓ 3Q12 x 2Q12:

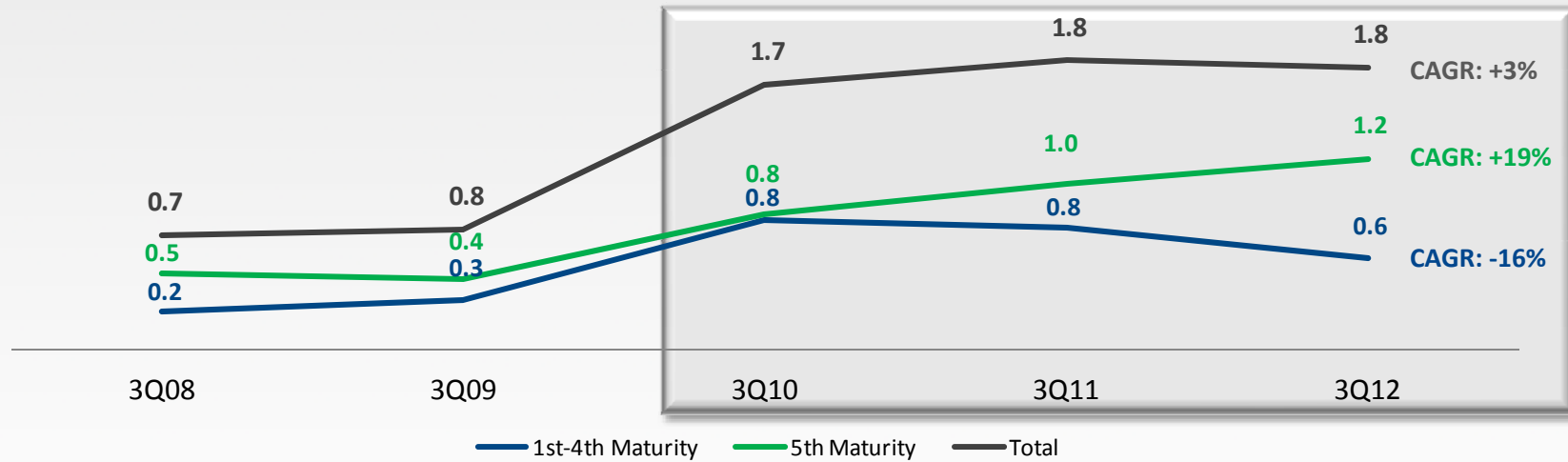
- +12.0% RPC => reflecting the depreciation of R\$/US\$ rate (-6.5%) and reduction of day trade operations of BRL int. rates
- 19.8% ADV compared to the previous record of R\$3.4 million contracts in 2Q12

BM&F Segment

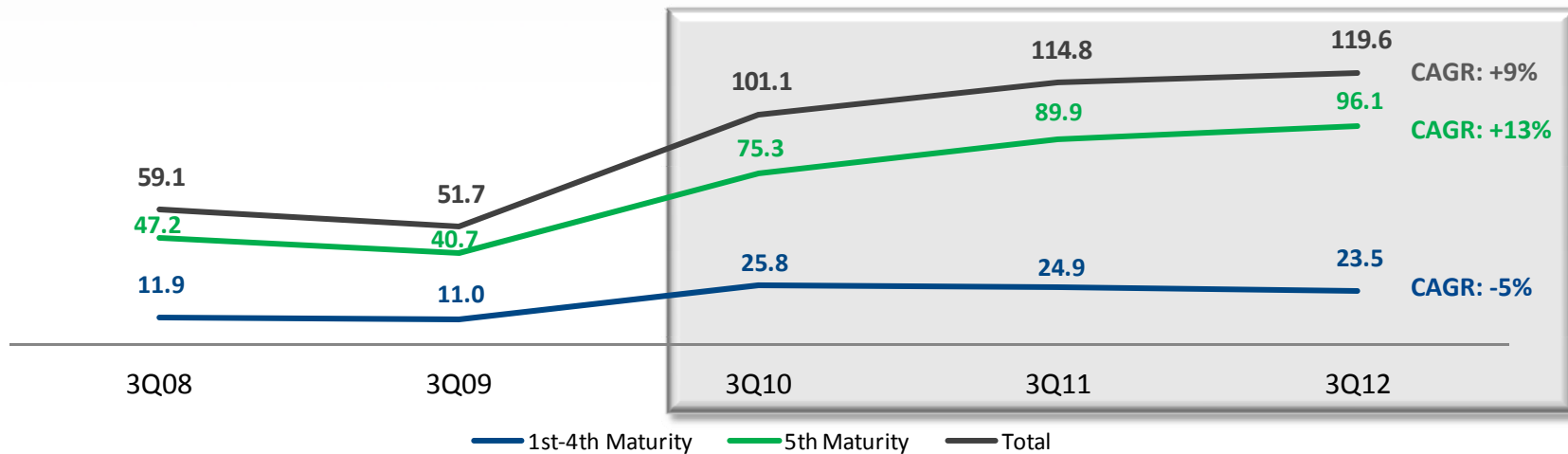
Longer maturity of BRL interest rate contracts



BRL INT. RATE: ADV PER MATURITY (MILLIONS OF CONTRACTS)



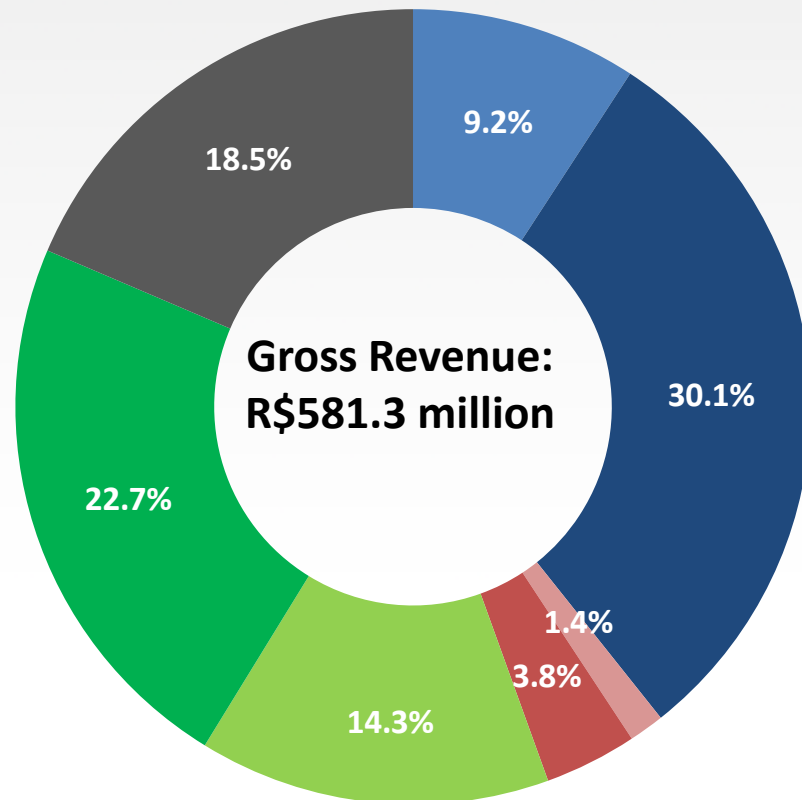
BRL INT. RATES: REVENUES (IN R\$ MILLION)



Revenue Breakdown in 3Q12

Diversified revenue sources as a differential

REVENUE BREAKDOWN (3Q12)



39.3%: Cash Equities

9.2%: Trading

30.1%: Post-trading

5.2%: Derivatives on Stocks and Indices

1.4%: Trading

3.8%: Post-trading

37.0%: Financial/Commodities Derivatives

14.3%: Trading

22.7%: Post-trading

18.5%: Other revenues

4.5%: Depository, Custody and back-office

3.2%: Securities Lending

3.1%: Vendors

2.2%: Trading Access (brokers)

1.9%: Listing

3.6%: Others

High Growth Products

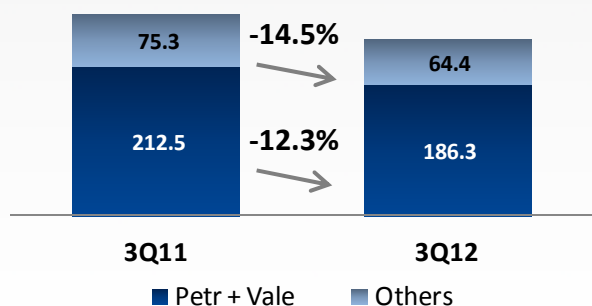
Increased sophistication of market participants



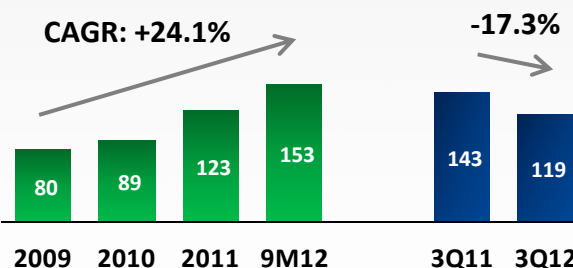
HIGH GROWTH PRODUCTS

- ✓ Focus on product and market development, supporting higher sophistication of market participants
- ✓ Selected fast-growth products accounted for 7.6% of total revenues in 3Q12 (7.3% in 3Q11)
- ✓ Ibovespa index-related products (options on Ibovespa, stock indices futures and ETFs) were negatively impacted by reduced volatility when compared to 3Q11

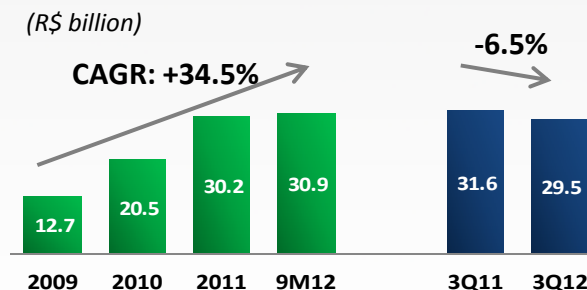
Options on stocks/indices (ADTV - R\$ MM)



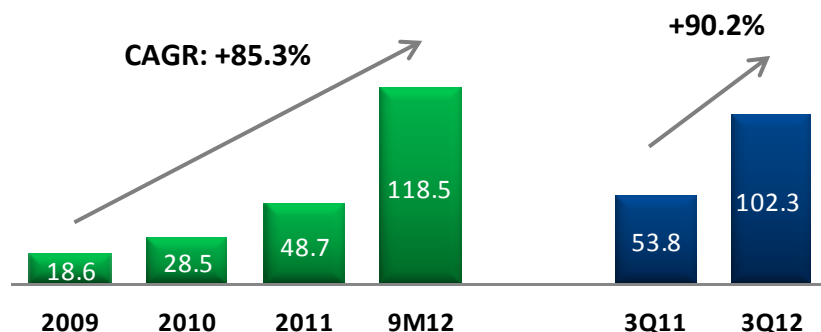
Stock index futures (ADV - thd contracts)



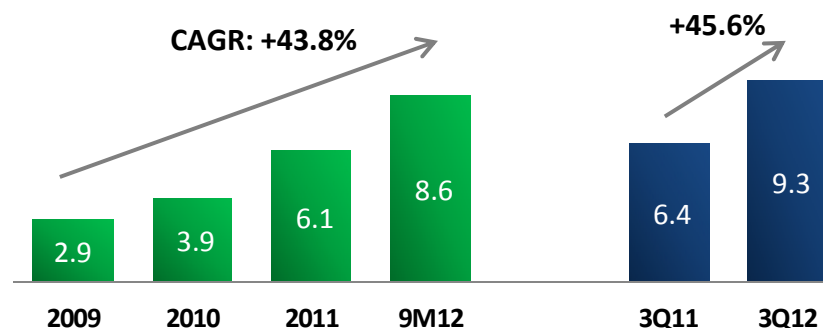
Securities Lending (Open Interest)



ETFs (ADTV - R\$ MM)



Tesouro Direto (custody - R\$ Bn)



High Growth Products

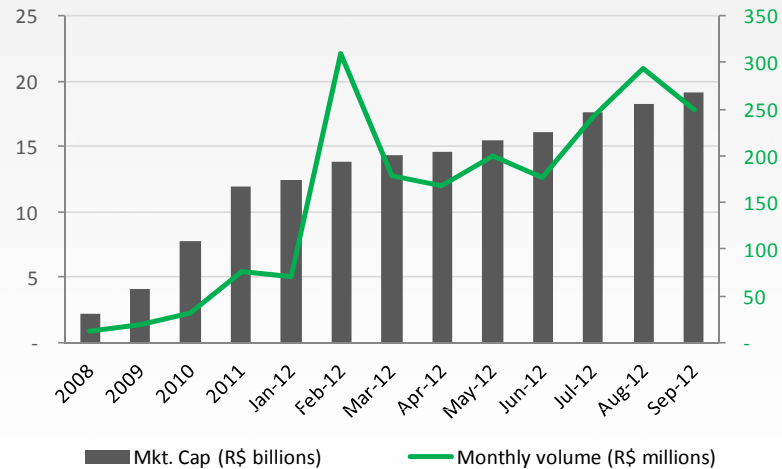
Real Estate Funds (FII) and Agribusiness Credit Bills (LCA)



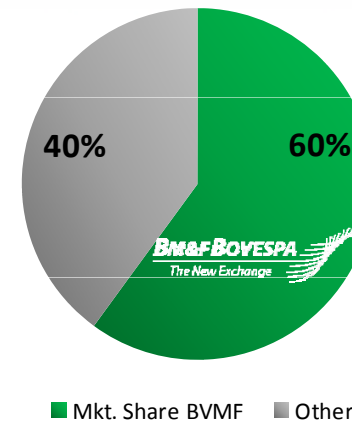
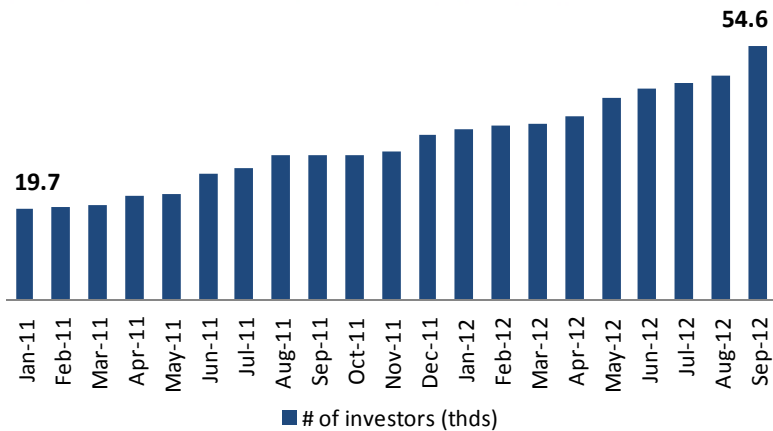
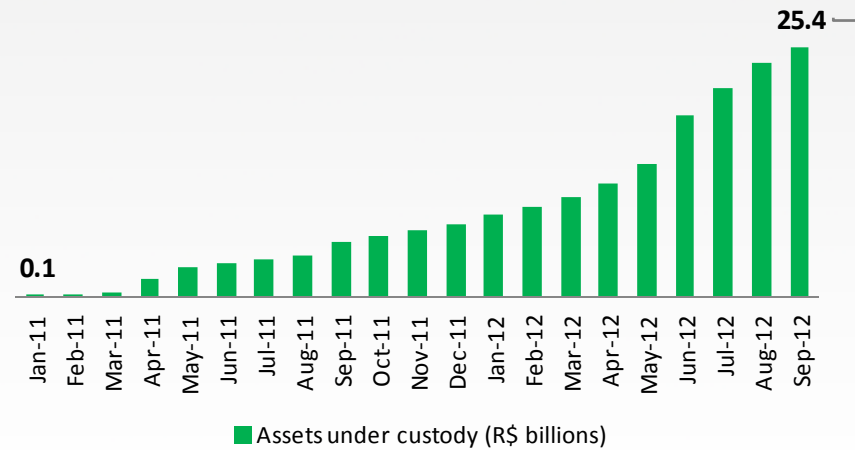
FIXED INCOME AND REAL ESTATE PRODUCTS

✓ Estimated annualized revenues for FIIs and LCAs in 3Q12 around R\$10 million

Real Estate Funds (FIIs)



Agribusiness Credit Bills (LCAs)

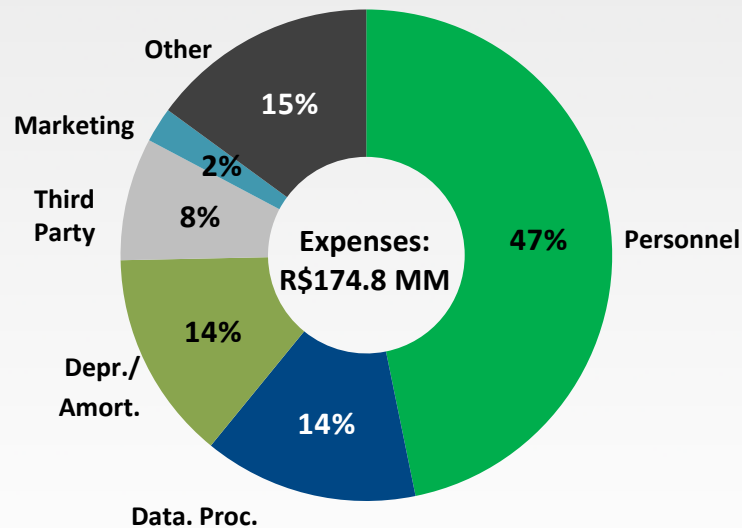


Expenses in 3Q12

Focus on cost control and higher operating efficiency

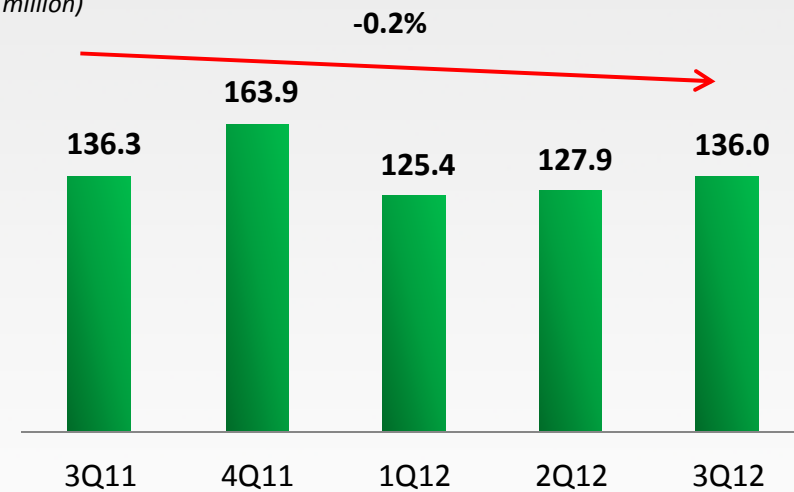


TOTAL EXPENSES BREAKDOWN (3Q12)



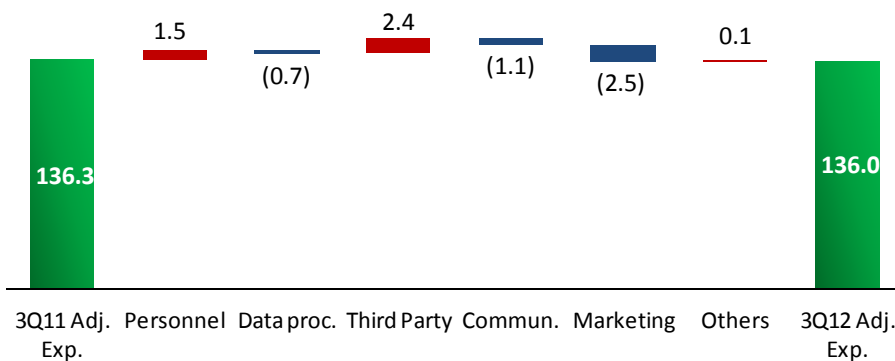
ADJUSTED EXPENSES

(R\$ million)



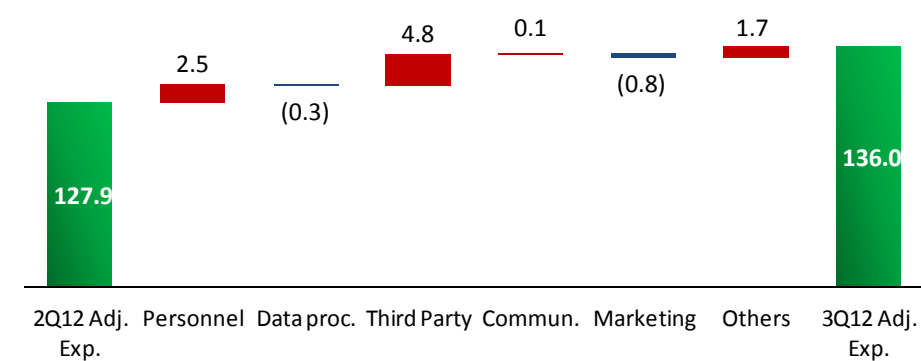
ADJUSTED EXPENSES: 3Q11 vs. 3Q12

(R\$ million)



ADJUSTED EXPENSES: 2Q12 vs. 3Q12

(R\$ million)



Adjusted Expenses in 3Q12

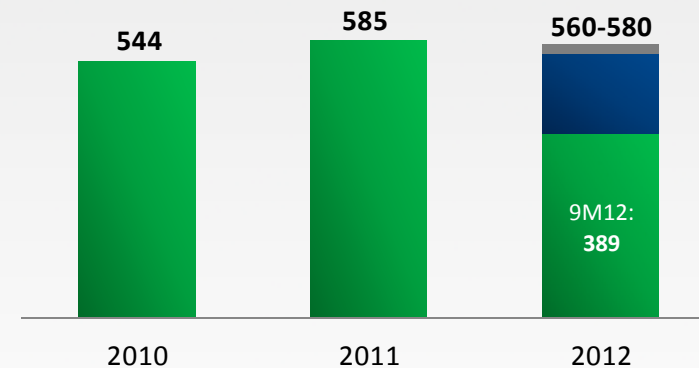
Focus on market integrity



2012 ADJUSTED OPEX BUDGET

- ✓ **Nominal reduction in expenses**
 - **Focus on cost control:** inflationary growth in expenses fully counterbalanced by greater operating efficiency
- ✓ **Budget range: R\$560-580 million**
 - Budget includes planned transfer of resources to BSM of approximately **R\$15 million** in 4Q12

(R\$ million)



BM&FBOVESPA MARKET SURVEILLANCE (BSM)

- ✓ Established in 2007, BSM is responsible for the securities market surveillance and self-regulation of all markets managed by BVMF, seeking to strengthen their integrity, pursuant to CVM rule 461/07
- ✓ A ~R\$15 million transfer to strengthen the cash position of BSM and supplement the funding of its activities over 2013 is in line with one of the primary objectives of BVMF, which is to ensure sustained market integrity

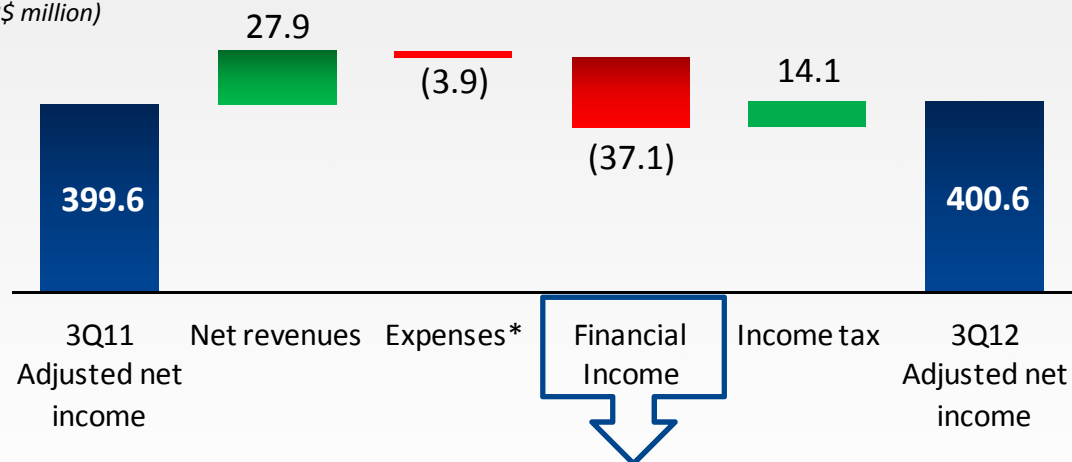
Net income

Net income impacted by a fall in financial income

ADJUSTED NET INCOME

Adjusted net income did not fully capture the revenue growth due to a plunge in interest income

(R\$ million)



Financial Income: 3Q12 vs. 3Q11

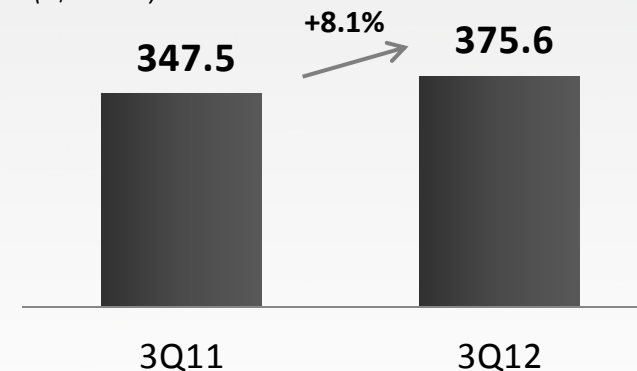
- ✓ **R\$45.5 million**, down 44.9%
 - **Financial Revenue:** R\$67.6 million, down 33.7% due mainly to lower interest rates
 - **Financial Expenses:** R\$22.1 million, a 14.0% growth due to depreciation of 24.0% in R\$/US\$

* Excludes stock options plan and tax on dividends from CME Group.

EBITDA

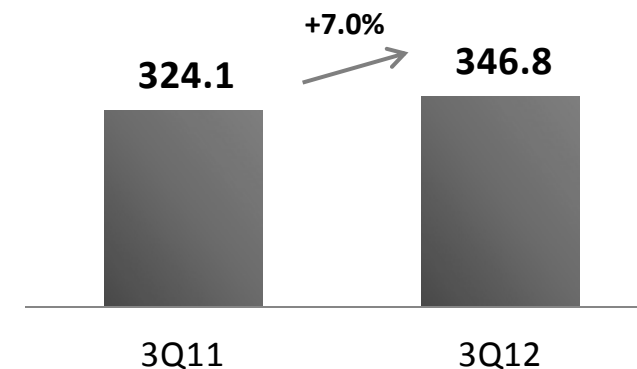
EBITDA growth in line with operating income growth

(R\$ million)



OPERATING INCOME

(R\$ million)



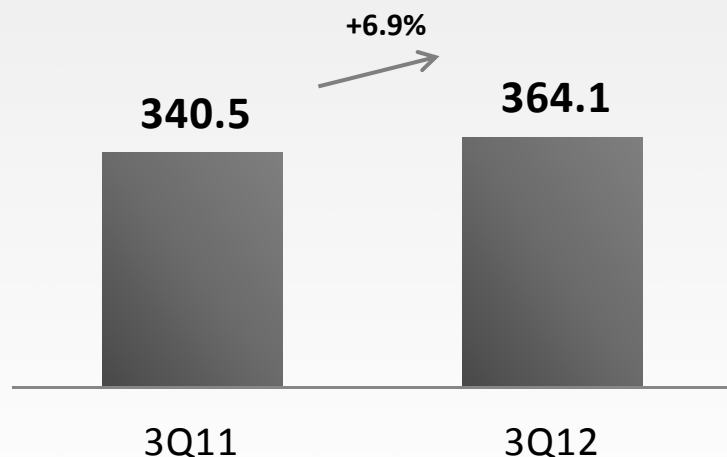
Financial Highlights

Focus on cash generation and shareholders return



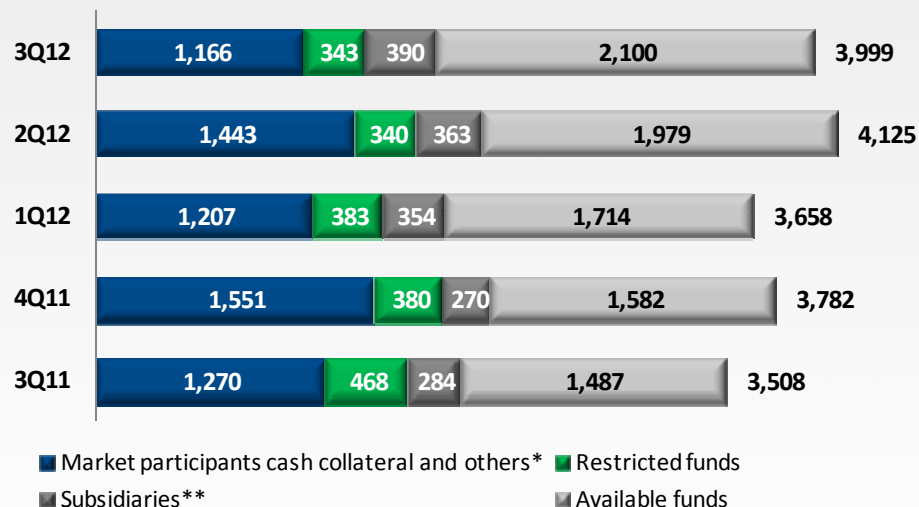
OPERATING CASH GENERATION

(R\$ million)



CASH AND FINANCIAL INVESTMENTS

(R\$ million)



RETURNING CAPITAL TO SHAREHOLDERS

- ✓ **Payout: R\$221.2 million**, R\$131.2 million in dividends and R\$90.0 million in interest on capital, 80% of GAAP net income in 3Q12.
- ✓ **Share buyback program:** up to 60 million shares authorized for repurchase until June 28, 2013

CAPEX BUDGET FOR 2012

- ✓ **Budget range : R\$230-260 million**
- ✓ **Actual 3Q12: R\$52.3 million**
- ✓ **Actual 9M12: R\$124.2 million**

*Includes collaterals pledged by participants in the form of cash, receivables and rights in securities under custody, as well as payouts still undisbursed.

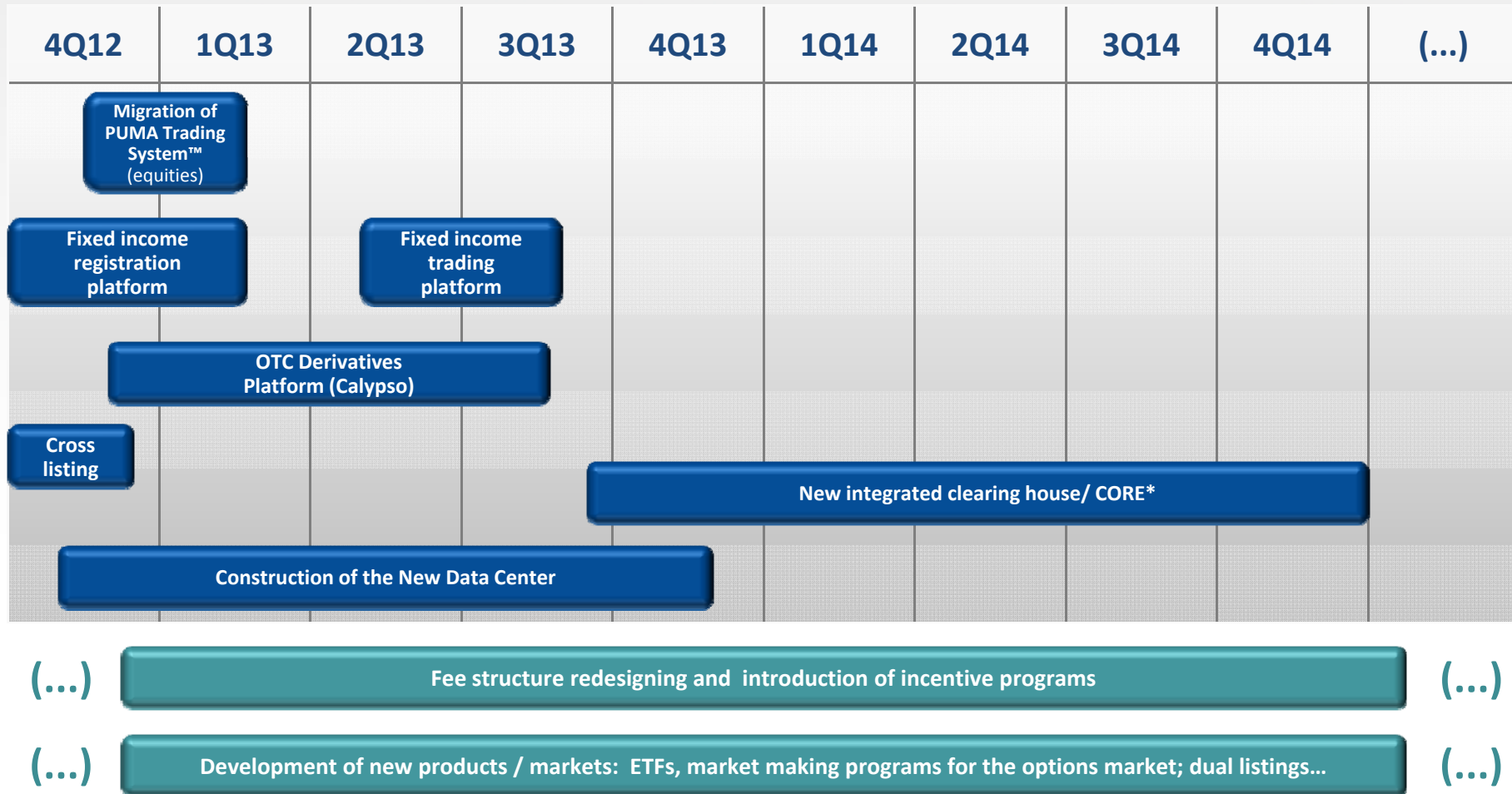
** Includes third party collaterals and restricted funds at BM&F Settlement Bank (Banco BM&F).

Main Projects

Deliveries already implemented and programmed



INTENSE DELIVERY PHASE STARTING IN 4Q12



*CORE, Close-out Risk Evaluation.

Final Remarks

BVMF better prepared to capture opportunities



OPPORTUNITIES IN BRAZILIAN MARKETS

- New reality of lower interest rates
- Capital markets set to become a more important alternative for long-term funding



MAINTAINING MARKET INTEGRITY

- Control, governance, transparency and market security
- Strengthening the integrity of Brazilian capital markets targeting growth

WHAT IS BVMF DOING?

- Investing intensively in trading and post-trading platforms
- Increasing focus on customers (brokers and investors): revisiting the fee structure, investing in product development
- Stringent cost controls
- Ensuring market integrity by establishing efficient controls and strengthening BSM

WHAT IS ALREADY HAPPENING!

- Operating leverage materialization
- Revenue growth, despite slow economic growth scenario and international instability
- High potential products have been showing strong growth



APPENDIX

Financial Statements

Summary of Income Statement (Consolidated)



SUMMARY OF INCOME STATEMENT

<i>(in R\$ millions)</i>	3Q12	3Q11	Change 3Q12/3Q11	2Q12	Change 3Q12/2Q12
Gross Revenues	581.3	547.1	6.2%	603.2	-3.6%
Net Revenues	521.6	493.7	5.7%	541.2	-3.6%
Expenses	(174.8)	(169.6)	3.1%	(166.1)	5.2%
Operating Income	346.8	324.1	7.0%	375.0	-7.5%
<i>Operating margin</i>	66.5%	65.7%	84 bps	69.3%	-281 bps
Operating Income	37.2	28.3	31.5%	42.4	-12.1%
Financial Income	45.5	82.7	-44.9%	54.7	-16.8%
EBT	429.6	435.1	-1.3%	472.1	-9.0%
Net Income*	276.5	292.0	-5.3%	300.1	-7.9%
EBITDA	375.6	347.5	8.1%	403.8	-7.0%
<i>EBITDA Margin</i>	72.0%	70.4%	162 bps	74.6%	-261 bps
Adjusted Net Income	400.6	399.6	0.3%	422.9	-5.3%
Adjusted EPS (in R\$)	0.208	0.204	1.7%	0.219	-5.3%
Adjusted Expenses	(136.0)	(136.3)	-0.2%	(127.9)	6.4%

* Attributable to BM&FBOVESPA shareholders.

Financial Statements

Summary of Balance Sheet (Consolidated)

ASSETS

LIABILITIES AND SH. EQUITY

<i>(in R\$ millions)</i>	9/30/2012	12/31/2011	<i>(in R\$ millions)</i>	9/30/2012	12/31/2011
Current assets	3,693.9	2,401.1	Current liabilities	1,610.4	1,929.9
Cash and cash equivalents	46.3	64.6	Collateral for transactions	1,110.9	1,501.0
Financial investments	3,425.7	2,128.7	Others	499.5	428.9
Others	221.9	207.8	Non-current liabilities	2,898.8	2,402.5
Non-current assets	20,439.7	21,188.8	Financing	1,234.1	1,138.7
Long-term receivables	727.6	1,767.4	Deferred Inc. Tax and Social Contrib.	1,605.9	1,204.6
Financial investments	526.8	1,589.1	Others	58.8	59.2
Others	200.7	178.4	Shareholders' equity	19,624.4	19,257.5
Investments	2,946.0	2,710.1	Capital	2,540.2	2,540.2
Property and equipment	328.7	357.2	Capital reserve	16,031.6	16,033.9
Intangible assets	16,437.4	16,354.1	Others	1,052.6	683.4
Goodwill	16,064.3	16,064.3	Minority interest in subsidiaries	16.2	16.5
Total Assets	24,133.6	23,589.9	Liabilities and Shareholders' Equity	24,133.6	23,589.9

Financial Statements

Reconciliation of Adjusted Net Income and Expenses



RECONCILIATION OF ADJUSTED NET INCOME

<i>(in R\$ millions)</i>	3Q12	3Q11	Change 3Q12/3Q11	2Q12	Change 3Q12/2Q12
Gaap net income*	276.5	292.0	-5.3%	300.1	-7.9%
Stock options plan	7.8	8.5	-8.3%	8.2	-4.0%
Deferred tax liabilities	134.8	124.7	8.1%	134.8	0.0%
Equity in results of investees (net of taxes)	(32.6)	(25.7)	26.9%	(37.6)	-13.4%
Recoverable taxes paid overseas	14.1	0.0	-	17.5	-19.4%
Adjusted net income	400.6	399.6	0.3%	422.9	-5.3%

* Attributable to BM&FBOVESPA shareholders.

RECONCILIATION OF ADJUSTED EXPENSES

<i>(in R\$ millions)</i>	3Q12	3Q11	Change 3Q12/3Q11	2Q12	Change 3Q12/2Q12
Total Expenses	174.8	169.6	3.1%	166.1	5.2%
Depreciation	(24.1)	(20.7)	16.4%	(24.0)	0.4%
Stock options plan	(7.8)	(8.5)	-8.3%	(8.2)	-4.0%
Tax on dividends from the CME Group	(4.7)	(2.6)	76.1%	(4.7)	-1.9%
Provisions	(2.1)	(1.4)	52.3%	(1.4)	57.2%
Adjusted Expenses	136.0	136.3	-0.2%	127.9	6.4%



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