

BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros
Brazilian Federal Taxpayer CNPJ No.09.346.601/0001-25
Corporate Registry (NIRE) No. 35.300.351.452

NOTICE TO THE MARKET

BM&FBOVESPA announces 2012 market performance

- ✓ The BOVESPA segment set new historic records for total financial volume, average daily financial volume, total number of trades and for average daily trading volume
- ✓ The BM&F segment set a new record for the number of contracts traded
- ✓ DI futures contracts set a new record for the number of contracts traded
- ✓ Corn futures and options on corn futures contracts set new records for the number of contracts traded
- ✓ Securities lending transactions set a new record for financial volume
- ✓ ETFs set new records for financial volume and for the number of contracts traded
- ✓ Real Estate Investment Funds (FIIs) set new records for financial volume and for the number of contracts traded
- ✓ The following indices provided the highest return in 2012: ICON: 40.44%; IFIX: 35.04%; and SMLL: 28.66%.

BOVESPA Segment

In **2012**, the total financial volume in the BOVESPA segment set a historic record of BRL1.78 trillion, surpassing the previous record of BRL1.61 trillion set in 2011. The average daily financial volume also established a new record of BRL7.25 billion, exceeding the BRL6.49 billion reached in 2011.

The total number of trades reached the milestone of 191,973,773 in **2012**, surpassing last year's record high of 141,229,649. The average daily trading volume also established a new record at 780,381, exceeding the 2011 mark of 567,187.

In **December**, the financial volume in the BOVESPA segment was BRL141.70 billion, compared to the BRL126.17 billion registered in November. The daily average financial volume was BRL7.87 billion in December, compared to BRL6.64 billion in the previous month. There were a total of 14,578,794 transactions carried out in December compared to 14,303,696 in November, and the average daily trading volume was 809,933, compared to 752,826 in November.

Equities

In **2012**, the most traded stocks were: Vale PNA, with BRL165.25 billion; Petrobras PN, with BRL129 billion; Itauunibanco PN, with BRL70.89 billion; OGX Petróleo ON, with BRL61.68 billion; and Bradesco PN, with BRL49.77 billion.

In **December**, the most traded stocks were: Vale PNA, with BRL10.71 billion; Petrobras PN, with BRL9.97 billion; Itauunibanco ON, with BRL5.21 billion; Bradesco PN, with BRL4.12 billion; and Petrobras ON, with BRL3.38 billion.

IBOVESPA

The IBOVESPA closed out **2012** at 60,952 points, up 7.40% for the year.

In 2012, the best performing stocks were: HYPERMARCAS ON (+95.53%); B2W VAREJO ON (+88.89%); SABESP ON (+73.79%); DURATEX ON (+71.16%); and LOJAS RENNEN ON (+70.38%). The worst performing stocks were: OGX PETROLEO ON (-67.84%); ELETROBRAS ON (-61.36%); ELETROBRAS PNB (-57.51%); ELETROPAULO PN (-47.40%); and PDG REALTY ON (-41.89%).

In **December**, the IBOVESPA advanced 6.05%.

The best performing stocks on the IBOVESPA, in December, were: MMX MINER ON (+26.77%); ELETROPAULO PN (+26.67%); GOL PN (+25.85%); BRASIL ON (+18.36%); and CETIP ON (+15.99%). In December, the worst performing stocks were: MARFRIG ON (-26.90%); ELETROBRAS ON (-17.25%); CIA HERING ON (-11.99%); BRASKEM PNA (-7.11%); and CPFL ENERGIA ON (-6.35%).



All other indexes

All of the other indexes calculated by the Exchange performed as follows:

IBrX-50 (+9.87% with 9,096 points at the end of 2012; up 5.04% in December);
IBrX-100 (+11.55% with 21,982 points at the end of 2012; up 4.77% in December);
ISE (+20.49 with 2,432 points at the end of 2012; up 5.64% in December);
IEE (-11.72% with 28,792 points at the end of 2012; up 5.04% in December);
INDX (+26.29% with 12,147 points at the end of 2012; up 3.61% in December);
IVBX-2 (+20.81% with 6,954 points at the end of 2012; up 4.49% in December);
IGC (+19.02% with 7,950 points at the end of 2012; up 5.50% in December);
ITAG (+19.23% with 10,383 points at the end of 2012; up 4.51% in December);
SMLL (+28.66% with 1,544 points at the end of 2012; up 6.51% in December);
MLCX (+12% with 983 points at the end of 2012; up 4.77% in December);
ICON (+40.44% with 2,377 points at the end of 2012; up 2.90% in December);
IMOB (+22.37% with 917 points at the end of 2012; up 3.19% in December);
IFNC (+15.75% with 4,014 points at the end of 2012; up 6.06% in December);
ICO2 (+16.39% with 1,193 points at the end of 2012; up 4.94% in December);
IBRA (+13.59% with 2,057 points at the end of 2012; up 4.95% in December);
IDIV (+21.50% with 3,555 points at the end of 2012; up 7.64% in December);
IGCT (+19.02% with 2,186 points at the end of 2012; up 5.50% in December);
IMAT (+20.27% with 1,915 points at the end of 2012; up 6.51% in December);
UTIL (-6.36% with 2,752 points at the end of 2012; up 2.44% in December);
IFIX (35.04% with 1,573 points at the end of 2012; up 4.44% in December)

Market Value

The market value (market capitalization) of the 364 companies listed at BM&FBOVESPA at the end of **2012** totaled BRL2.52 trillion. In 2011, the market value was BRL2.29 trillion for the 373 companies that were listed at that time.

Special Corporate Governance Levels

At the end of 2012, the 178 companies that were part of the BM&FBOVESPA Special Corporate Governance Levels represented 66.25% of the market capitalization, 79.26% of the financial volume, and 85.16% of the trades on the cash market. At the end of 2011, there were 182 companies, representing 64.87% of the market capitalization, 78.68% of the financial volume, and 82.72% of the cash market trades.

In **December**, the 178 companies that were part of the BM&FBOVESPA Special Corporate Governance Levels represented 66.25% of the market capitalization, 75.65% of the financial volume, and 86.53% of the trades on the cash market. At the end of November, there were 177 companies, representing 65.23% of the market capitalization, 86.30% of the financial volume, and 96.81% of the cash market trades.

Remuneration to shareholders

In **2012**, the companies listed at BM&FBOVESPA paid their shareholders BRL45.82 billion. Of that, BRL18.77 billion were dividends; BRL16.82 billion were interest on capital; and BRL3.53 billion were subscription. In 2011, payments to shareholders were BRL46.52 billion, of which BRL21.25 billion were dividends; BRL8.90 billion were interest on capital; and BRL3.02 billion were subscription.

In **December 2012**, the companies listed at BM&FBOVESPA paid their shareholders BRL2.91 billion. Of that, BRL1.41 billion were dividends; BRL733.38 million were subscription; and BRL499.34 million were interest on capital. In November 2012, the total amount paid to shareholders was BRL1.29 billion, of which BRL693.42 million were dividends and BRL324.34 million were interest on capital.

Market Participation

The cash market (round lot) accounted for 94.7% of the total financial volume in **2012**, followed by the options market with 3.9%, and by the forward market with 1.4%. The after-market traded BRL10.77 billion in 690,262 trades.

In **December**, the cash market (round lot) accounted for 95.4% of the total financial volume, followed by the options market with 3%, and by the forward market with 1.6%. The after-market traded BRL1.3 billion with 59,792 trades, compared to BRL1.6 billion with 89,868 trades during the previous month.

Investor Participation

In **2012**, foreign investors led trading in the BOVESPA segment accounting for 40.4% of total contracts traded, compared to 34.7% in 2011. They were followed by institutional investors with 32.1%, compared to 33.3% in 2011. Individual investors accounted for 17.9%, compared to 21.4% during the previous year. Financial institutions accounted for 8.1%, compared to 8.7% in 2011, and companies accounted for 1.5%, compared to 1.7% the previous year.

In **December**, foreign investors were also the leaders in the BOVESPA segment, accounting for 40.1%, of total contracts traded, compared to 41.9% in November. They were followed by institutional investors with 34.5% in December, compared to 31.6% in the previous month, and individual investors with 15.46% in December, compared to 17% in November. Financial institutions accounted for 8.8% in December, compared to 8% in the previous month, and companies accounted for 0.9% in December, compared to 1.3% in the previous month. The group Others accounted for 0.03% in December, compared to 0.01% in November.

Foreign Investment

Up to December 2012, the net flow of foreign investment into the Brazilian stock market was a positive BRL6.77 billion. This was the result of BRL4.95 billion in stock offerings (of which BRL4.75 were registered in Brazil) in public offerings, and the positive balance of BRL1.82 billion on the BM&FBOVESPA secondary market.

In December, the balance of transactions carried out by foreign investors at BM&FBOVESPA was a positive BRL3.72 billion, which was the net balance between stock sales of BRL54.58 billion and stock purchases of BRL58.29 billion.

Foreign investor participation in stock offerings, including IPOs, represented 49.8% of the total BRL9.93 billion in transactions related to the publication of the closing announcement dates ending on January 3, 2013, pursuant to information available on the Exchange's website, under the media room.

Investment Clubs

At the end of 2012, the number of investment clubs stood at 2,266, with 03 new clubs opening in **December**. In November, total liquid assets were BRL9.16 billion and the number of investment club participants was 82,781, according to the latest data available.

Individual Investors

At the end of 2012, the number of individual investor accounts in the equities market stood at 587,165. At the end of 2011, that number was 583,202. In November it was 594,117.

ETFs

In **2012**, the 15 ETFs available for trade at BM&FBOVESPA (BRAX11, CSMO11, MOBI11, BOVA11, SMAL11, MILA11, PIBB11, IT NOW IFNC 11, IT NOW ISUS 11, IT NOW GOVE 11, ECOO11, UTIP11, DIVO11, MATB11 and XBOV11) reached a record financial volume of BRL28.45 billion with 992,600 transactions carried out. In 2011, there were 10 ETFs (BRAX11, CSMO11, MOBI11, BOVA11, SMAL11, MILA11, PIBB11, IT NOW IFNC 11, IT NOW ISUS 11 and IT NOW GOVE 11), which together accounted for a total financial volume of BRL12.11 billion, and 577,723 transactions.

In **December**, 75,130 transactions were carried out with the 15 ETFs available for trade at the Exchange. In November, that number was 67,297. The total financial volume in December was BRL2.25 billion, compared to BRL1.92 billion in November. In December, the ETF BOVA11 registered the largest financial volume with BRL2.05 billion, compared to the BRL1.66 billion it registered in November.

Securities lending

In **2012**, securities lending transactions at BM&FBOVESPA reached a new milestone with a financial volume of BRL785.92 billion and 1,313,365 trades, surpassing 2011's financial volume of BRL732.75 billion and 1,417,787 trades.



In **December**, the financial volume for securities lending transactions was BRL65.86 billion, exceeding the mark of BRL60.57 billion in November 2012. The number of transactions in December was 88,221, compared to 97,157 in November.

Real Estate Investment Funds

In **2012**, Real Estate Investment Funds (FIIs) accounted for a financial volume of BRL3.59 billion and 316,023 transactions. During the previous year, they accounted for a financial volume of BRL912.46 million and 77,075 transactions. At the end of 2012, there were 93 Real Estate Investment Funds registered and authorized for trade on the BM&FBOVESPA markets and on its OTC market.

In **December**, Real Estate Investment Funds (FIIs) accounted for a financial volume of BRL905.32 million and 70,850 transactions. During the previous month, they accounted for a financial volume of BRL452.47 million and 33,150 transactions.

Fixed Income

In **2012**, the financial volume for the fixed income secondary market, counting both the Bovespa Fix and the Soma Fix, totaled BRL1.46 billion, compared to BRL267 million in 2011. Of this total, debentures accounted for BRL256.39 million, Receivables Investment Funds (FIDC) accounted for BRL880.12 million, and Mortgage Backed Securities (CRI) accounted for BRL326.79 million.

In **December**, the financial volume for the fixed income market, counting both the Bovespa Fix and the Soma Fix, totaled BRL907.39 million, compared to BRL19.17 million in November. Of this total, debentures accounted for BRL13.11 million, Mortgage Backed Securities (CRI) accounted for BRL24.65 million and Receivables Investment Funds (FIDC) accounted for BRL869.32 million.

BM&F Segment

In **2012**, the BM&F segment set a new record for contracts traded with 688,916,114 surpassing the previous 2011 record of 671,979,899. The financial volume in 2012 totaled BRL48.5 trillion, compared to a total of BRL46.4 trillion in 2011.

In **December**, the markets in the BM&F segment accounted for a total of 51,418,281 contracts traded and a financial volume of BRL3.7 trillion, compared to 50,403,024 contracts and BRL3.5 trillion in November. Open interest contracts ended the last trading day of December with 52,909,677 positions, compared to 50,763,880 in November.

Financial Derivatives

In **2012**, the interest rate futures (DI) traded a record 340,800,485 contracts, compared to 320,821,062 in 2011. The US dollar futures ended the year with 84,049,097 contracts traded, compared to 86,167,955 in 2011. The Ibovespa futures traded 22,328,572 contracts in 2012, compared to 21,650,138 during the previous year.

In **December**, the interest rate futures (DI) accounted for 25,876,016 contracts, compared to 25,285,272 in November. The US dollar futures ended December with 6,371,928 contracts traded, compared to 6,182,664 in November. The Ibovespa futures traded 1,247,301 contracts compared to 1,579,905 during the previous month.

Mini Contracts

In **2012**, derivatives mini contracts traded 40,794,681 contracts compared to 28,517,331 in 2011. The Ibovespa futures traded 38,951,711 mini contracts in 2012, up from 26,234,515 in 2011, and the US dollar futures accounted for 1,821,820 mini contracts traded compared to 1,710,007 in 2011.

In **December**, derivatives mini contracts traded 3,125,651 contracts compared to 3,572,620 in November. The Ibovespa futures market traded 3,042,793 mini contracts, compared to 3,485,321 the previous month. The US dollar futures market traded 80,963 mini contracts down from 84,495 in November, and the open interest on mini contract futures ended December with 22,970 positions compared to 22,347 in November.

Commodity derivatives

In **2012**, a total of 2,258,122 futures and options commodity contracts were traded, down from 2,356,897 in 2011.



A total of 804,508 Corn futures and options contracts were traded in **2012**, surpassing the previous record of 558,311 in 2011. Live cattle futures and option contracts totaled 1,058,254 in 2012, down from 1,170,100 in 2011. Arabica coffee ended 2012 with 256,887 contracts traded compared to 463,121 in 2011. The Ethanol futures market traded 71,135 contracts in 2012, down from 94,726 in 2011, and in 2012 the Soybean market traded 67,316 contracts compared to 70,639 the previous year.

In **December**, a total of 110,980 futures and options commodity contracts were traded, down from 141,304 in November. When trading closed in December, there were 74,623 open interest contracts, compared 83,567 at the end of the previous month.

Live cattle futures and options contracts totaled 59,654, in December, compared to 72,643 in November. The corn market closed out the period with a total of 36,666 futures and options contracts traded, down from 45,745 in November. Arabica coffee ended December with 8,861 contracts traded, down from the 17,177 contracts traded in November. The soybean market registered 1,999 contracts in December compared to 2,410 during the previous month, and the ethanol futures market accounted for 3,800 contracts traded, compared to the 3,329 contracts traded in November.

Agribusiness Securities

After adding up all of the transactions carried out in the SRTA registration system, the agribusiness securities registered at BM&FBOVESPA totaled BRL38.80 in **December**, compared to BRL34.40 billion in November. The stock of LCAs (Agribusiness Credit Bills) totaled BRL36.48 billion in December, compared to BRL32.70 billion in November.

Spot Gold

In **2012**, the spot gold market (250 grams) traded 10,258 contracts, compared to 23,579 in 2011. The financial volume for the spot gold market totaled BRL276.26 million, compared to BRL509.80 million the year before.

In **December**, the spot gold market (250 grams) traded 1,018 contracts, down from 1,563 in November. The total financial volume in December was BRL28.38 million, compared to BRL44.74 million in the month before.

Spot Dollar

In 2012, the spot US dollar totaled 6,793 transactions with a financial volume of US\$12.67 billion, compared to 12,859 transactions and a financial volume of US\$32.88 billion in 2011. The financial volume of U.S. dollars traded on the Brazilian interbank settlement market and registered in the BM&FBOVESPA FX Clearinghouse was US\$503.74 billion, with 34,201 trades, down from US\$588.83 billion and 31,362 trades in 2011.

In **December**, the spot dollar totaled 95 transactions with a financial volume of US\$105 million. In November, 119 transactions were registered with a financial volume of US\$108.25 million. In December, the financial volume of U.S. dollars traded on the Brazilian interbank settlement market and registered in the BM&FBOVESPA FX Clearinghouse was US\$42.70 billion with 2,488 transactions, compared to US\$34.31 billion and 2,588 transactions in November.

Public Fixed Income

In **2012**, the financial volume for the public fixed income secondary market, counting all the transactions carried out on Sisbex, totaled BRL40.13 billion, compared to BRL261.90 billion in 2011. Of this total, BRL726 million was related to outright purchase and sale transactions and BRL34.9 billion was related to repo transactions.

In **December**, the financial volume for the public fixed income secondary market, counting all the transactions carried out on Sisbex, was BRL50.2 billion, down from BRL250 billion in November.

Investor Participation

In **2012**, financial institutions led trading in the markets of the BM&F segment accounting for 34.48% of total contracts traded, compared to 38.08% in 2011. They were followed by institutional investors with 33.96% in 2012, compared to 32.53% in 2011, and foreign investors with 25.41% compared to 23.04% during the previous year. Individual investors ended the year with 4.53%, up from 4.48% in 2011, and companies accounted for 1.55% compared to 1.83% the previous year.

In **December**, institutional investors led trading in the markets of the BM&F segment accounting for 37.01% of total contracts traded, compared to 33.72% in November. They were followed by financial institutions with 32.68%, compared to 32.62% the previous month. During this same period foreign investors accounted for 25.16%, compared to 28.40%. Individual investors ended December with 3.92%, compared to 4.11% in November; and companies accounted for 1.16%, up from 1.05% the month before.

Individual investors

At the end of **2012**, there were 144,238 individual investors with at least one active account registered at the Derivatives Clearinghouse, compared to 135,256 at the end of the previous year. In November, that number was 142,483.

DMA in 2012

BM&F Segment

In 2012, the transactions carried out via Direct Market Access (DMA) in the BM&F* segment totaled 387,272,045 contracts traded in 42,409,314 trades. During the previous year, 308,640,392 contracts were traded in 31,898,200 trades.

The volumes registered by each DMA model in the BM&F segment were as follows:

Traditional DMA – 156,198,511 contracts traded in 13,519,896 trades in 2012, compared to 129,580,019 contracts traded in 11,315,513 trades in 2011;

Via DMA provider (including orders routed via the Globex System) – 140,873,134 contracts traded in 3,442,800 trades in 2012, compared to 115,838,062 contracts traded in 3,344,235 trades in 2011;

DMA via direct connection – 15,252 contracts traded in 2,518 trades in 2012, compared to 24,451 contracts traded in 4,829 trades in 2011; and

DMA via co-location – 90,185,148 contracts traded in 25,444,100 trades in 2012, compared to 63,197,860 contracts traded in 17,233,623 trades in 2011.

In 2012, the transactions carried out by foreign investors who were presented to BM&FBOVESPA by CME (which either use the Globex-PUMA Trading System order routing system or access the BM&FBOVESPA markets via co-location) totaled 37,126,170 contracts traded in 10,411,066 trades. In 2011, those totals were 34,698,206 and 8,791,426 respectively.

BOVESPA Segment

In **2012**, the transactions carried out via Direct Market Access (DMA) in the BOVESPA* segment had a total financial volume of BRL1.30 trillion in 199,897,247 trades. During 2011, those numbers were BRL1.17 trillion and 138,419,583 respectively.

The volumes registered by each DMA model in the BOVESPA segment were as follows:

Traditional DMA – BRL967.70 billion in 142,257,179 trades in 2012, compared to BRL1.05 trillion in 119,710,422 trades in 2011;

Via DMA provider – BRL40.96 billion in 5,795,954 trades in 2012, compared to BRL12.07 billion in 1,301,041 trades in 2011;

DMA via direct connection – BRL15.02 billion in 940,060 trades in 2012, compared to BRL255.33 million in 29,550 trades in 2011; and

DMA via co-location – BRL283.24 billion in 50,904,054 trades in 2012, compared to BRL107.53 billion in 17,378,570 trades in 2011.

DMA in December

BM&F Segment

In **December**, the transactions carried out via Direct Market Access (DMA) in the BM&F* segment totaled 29,119,207 contracts traded in 3,329,655 trades. During the previous month, 27,847,718 contracts were traded in 3,535,478 trades.

The volumes registered by each DMA model in the BM&F segment were as follows:

Traditional DMA – 13,035,994 contracts traded in 999,297 trades in December, compared to 12,307,813 contracts and 1,119,801 trades in November;



Via DMA provider (including orders routed via the Globex System) – 9,692,351 contracts traded in 212,394 trades in December, compared to 8,523,001 contracts traded in 244,208 trades in November;

DMA via direct connection – there were no contracts traded using this model in December; and

DMA via co-location – 6,390,862 contracts traded in 2,117,964 trades in December, compared to 7,016,045 contracts traded in 2,171,361 trades in November.

In December, the transactions carried out by foreign investors who were presented to BM&FBOVESPA by CME (which either use the Globex- PUMA Trading System order routing system or access the BM&FBOVESPA markets via co-location) totaled 2,197,708 contracts traded in 744,776 trades. In November, those totals were 2,624,561 and 851,290 respectively.

BOVESPA Segment

In December, the transactions carried out via Direct Market Access (DMA) in the BOVESPA* segment had a total financial volume of BRL98.64 billion in 15,261,245 trades. During the month of November, those numbers were BRL99.45 billion and 15,308,709 respectively.

The volumes registered by each DMA model in the BOVESPA segment were as follows:

Traditional DMA – BRL63.14 billion in 10,191,828 trades in December, compared to BRL67.34 billion in 10,063,413 trades in November;

Via DMA provider – BRL5.33 billion in 707,885 trades in December, compared to BRL7.40 billion in 722,304 trades in November;

DMA via direct connection – BRL2.21 billion in 121,800 trades in December, compared to BRL1.77 billion in 105,383 trades in November; and

DMA via co-location – BRL24.96 billion in 4,239,732 trades in December, compared to BRL24.94 billion in 4,417,609 trades in November;

** 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 trading system 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 in the BM&F segment is also a form of DMA model 2.

In model 3 or DMA via direct connection, the client connects the Exchange trading platforms through a direct connection.

In model 4 or DMA 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.

São Paulo, January 7, 2013.

Eduardo Refinetti Guardia

Chief Financial, Corporate Affairs and Investor Relations Officer