

# 2Q14

## MARKET CAPITALIZATION

R\$22.0 billion (June 30, 2014)

## 2Q14 SHARE COUNT

Weighted avg: 1,835,726,059

End of period: 1,829,339,241

## RATINGS

### Standard & Poor's

BBB+ (counterparty credit rating)

A-2 (issuer)

### Moody's

Baa1 (global scale issuer)

Baa2 (Brazilian local currency issuer)

Baa1 (global notes)

## STOCK PERFORMANCE

Quarter to end of Jun-14: +3.0%

## CONFERENCE CALL (English)

Date: Friday, Aug 08, 2014.

Time: 11 am (BrT) /10 am (NYT)

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Password: BMFBOVESPA

## Live webcast and presentation:

[www.ccall.com.br/bmfbovespa/2q14.htm](http://www.ccall.com.br/bmfbovespa/2q14.htm)



[www.bmfbovespa.com.br/ir](http://www.bmfbovespa.com.br/ir)

## BM&FBOVESPA ANNOUNCES RESULTS FOR THE SECOND QUARTER OF 2014

Stable operating expenses in line with budget range for 2014

Share buyback totaled R\$337.7 million from March to July 2014 (30.2 million shares)

R\$200.1 million in dividends, totaling 80% of 2014 GAAP net income

Derivatives phase of the new integrated clearinghouse approved by Central Bank

**São Paulo, Brazil, August 07, 2014** – BM&FBOVESPA S.A. (ticker: BVMF3) today reported second quarter earnings ending June 30, 2014 ("2Q14"). Lower volumes drove revenue to a 22.8% decrease compared to the second quarter of 2013 ("2Q13"), while expenses were flat as a result of the company's expense discipline.

BM&FBOVESPA is reaffirming its previously announced budget ranges: (i) adjusted expenses<sup>1</sup> of R\$595 million to R\$615 million for 2014; and (ii) capital expenditure ("Capex") of R\$230 million to R\$260 million for 2014 and R\$190 million to R\$220 million for 2015.

### 2Q14 Highlights:

✓ In the BM&F Segment, the 37.9% fall in the average daily volume ("ADV") was partially offset by the 23.1% growth in the average rate per contract ("RPC") in 2Q14 compared to 2Q13.

✓ In the Bovespa segment, the average daily trading value ("ADTV") declined 18.7% from the year-ago second quarter, reflecting a combination of lower turnover velocity, which reached 66.6% in 2Q14, and a flat average market capitalization.

✓ The y-o-y revenue comparison was impacted by fewer trading days (60 in 2Q14 versus 63 in 2Q13) and by the fact that all-time high volumes and revenue in both Bovespa and BM&F segments were reached in 2Q13, reflecting higher volatility and better macroeconomic outlook in that quarter.

✓ Tesouro Direto maintained its growth trend, achieving a new all-time high in both average assets under custody (+25.3%) and the average number of investors (+22.7%).

✓ The financial value of registered agribusiness credit bills ("LCAs", or Letras de Crédito do Agronegócio) reached R\$103.6 billion in Jun-14, 98.1% growth compared to Jun-13.

✓ The company maintained its rigorous expense control and adjusted expenses reached R\$134.1 million in 2Q14, flat compared to 2Q13.

✓ Financial result grew 38.2%, reflecting higher interest rates in Brazil.

✓ Adjusted net income<sup>2</sup> reached R\$372.8 million in 2Q14, a 20.6% decrease from 2Q13, while adjusted EPS fell 16.8% to R\$0.203 in 2Q14, as the execution of the company's share buyback reduced the stock dilution.

Chief Executive Officer of BM&FBOVESPA, Edemir Pinto, said: "2014 has been a more challenging year for volumes in both equities and derivatives markets, mainly reflecting low market volatility and changes in the macroeconomic outlook. However, significant developments have been made in our strategic plan that should pave the way for our long-term growth. We have advanced in the goal of building a state-of-the-art technological infrastructure by setting for later this month the implementation of the derivatives phase of our new integrated Clearinghouse, which will increase market efficiency. On the regulatory front, we were pleased to see the announcement of government incentives to develop the access market for small and medium enterprises, as a result of extensive studies conducted by government organizations, market participants, and BM&FBOVESPA"

Chief Product and Investor Relations Officer, Eduardo Refinetti Guardia, commented: "We maintained our expense discipline this quarter and remain confident that we will deliver FY14 adjusted expenses growth below average inflation. In addition, we reaffirmed our commitment to our shareholders by maintaining an 80% payout ratio in 2Q14 and executing the share repurchase program that has already reached 3.5% of the free-float in 2014."

### Income Statement Summary (In R\$ million)

|                       | 2Q14    | 2Q13    | Change<br>2Q14/2Q13 | 1Q14    | Change<br>2Q14/1Q14 | 1H14    | 1H13    | Change<br>1H14/1H13 |
|-----------------------|---------|---------|---------------------|---------|---------------------|---------|---------|---------------------|
| Net Revenues          | 464.8   | 599.8   | -22.5%              | 489.7   | -5.1%               | 954.5   | 1,120.8 | -14.8%              |
| Expenses              | (178.2) | (176.8) | 0.8%                | (186.3) | -4.4%               | (364.5) | (349.6) | 4.3%                |
| Operating Income      | 286.6   | 423.0   | -32.3%              | 303.4   | -5.5%               | 589.9   | 771.2   | -23.5%              |
| Operating margin      | 61.7%   | 70.5%   | -887 bps            | 61.9%   | -29 bps             | 61.8%   | 68.8%   | -700 bps            |
| Financial Result      | 59.5    | 43.1    | 38.2%               | 48.0    | 24.0%               | 107.6   | 80.2    | 34.1%               |
| EBT                   | 391.1   | 517.5   | -24.4%              | 401.5   | -2.6%               | 792.7   | 940.0   | -15.7%              |
| Net Income*           | 250.1   | 350.8   | -28.7%              | 256.1   | -2.4%               | 506.2   | 617.8   | -18.1%              |
| Adjusted Net Income   | 372.8   | 469.6   | -20.6%              | 375.3   | -0.7%               | 748.1   | 864.2   | -13.4%              |
| Adjusted EPS (in R\$) | 0.203   | 0.244   | -16.8%              | 0.203   | 0.2%                | 0.407   | 0.449   | -9.5%               |
| Adjusted Expenses     | (134.1) | (133.2) | 0.7%                | (136.5) | -1.7%               | (270.6) | (257.1) | 5.2%                |

\*Attributable to BM&FBOVESPA shareholders.

<sup>1</sup> Expenses adjusted to Company's depreciation, stock options plan costs, tax on dividends from the CME Group and provisions.

<sup>2</sup> Net income adjusted by (i) the effect of deferred liability recognition in connection with temporary differences from amortization of goodwill for tax purposes; (ii) the impact of the stock options plan; (iii) investment in affiliates (CME Group) accounted for under the equity method, net of taxes; and (iv) taxes paid overseas to be compensated.

## ANALYSIS OF 2Q14 FINANCIAL RESULTS

### REVENUE

**Total revenue:** BM&FBOVESPA posted top line revenue of R\$516.4 million in 2Q14, 22.8% lower than in 2Q13, reflecting a decrease in volumes traded in both financial and commodities derivatives (“BM&F Segment”) as well as equities (“Bovespa Segment”). Other revenue not related to volumes traded also decreased in this quarter.

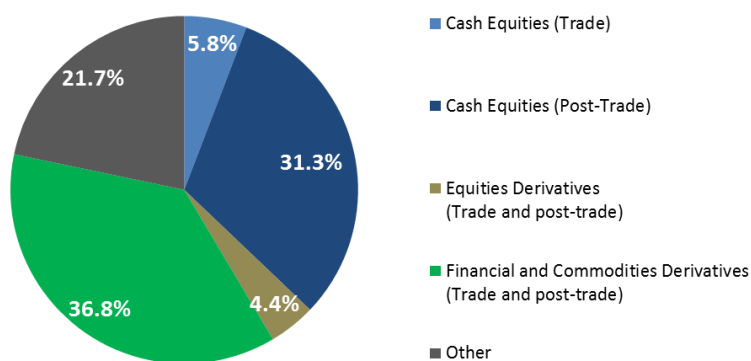
Revenue from trading and post-trading in the derivatives and equities segments together represented 79.0% of total revenue in 2Q14, reaching R\$408.1 million, a 25.3% decrease from the year-ago comparative quarter. Besides the volumes reduction, revenue was also impacted by lower number of trading days (60 in 2Q14 versus 63 in 2Q13).

**BM&F Segment - trading and settlement revenue:** Derivatives revenue reached R\$193.8 million (37.5% of total revenue), a 27.9% decrease over 2Q13. This performance reflects a 37.9% reduction in trading volumes coupled with fewer trading days, which were partially offset by an increase of 23.1% in the average RPC. The volumes reduction is mainly explained by lower activity of BRL-denominated interest rates contracts, which fell 52.9% year-over-year. On the other hand, the increase in the average RPC reflects a change in the mix of contracts traded and higher RPC for all group of contracts, particularly in (i) BRL-denominated interest rate contracts (+25.9%), due to higher participation of contracts with longer maturities that have higher prices, and (ii) USD-denominated interest rate (+17.3%) and FX (+7.3%) contracts, given the fact that the last two groups of contracts are denominated in the U.S. Dollar that appreciated 9.6% in the period.

**Bovespa Segment - trading and settlement revenue:** Equities revenue reached R\$221.8 million (43.0% of total revenue), representing a 23.4% year-over-year reduction, as subdued market performance and activity reflected wider concerns of a weak macroeconomic landscape. Revenue from trading and post-trade (transactions) was down 22.8% over 2Q13, totaling R\$214.3 million due mainly to (i) a 18.7% fall in ADTV, reflecting lower turnover velocity that hit 66.6% in 2Q14, versus 81.6% in 2Q13 coupled with a flat average market capitalization; and (ii) comparatively fewer trading days during the quarter. The trading/post-trading margins were relatively flat (-0.02bps year-over-year), reaching 5.299 basis points in 2Q14.

The derivatives markets were the main sources of revenue for the Company (41.2% of total revenue), with financial and commodities derivatives from the BM&F Segment responsible for 36.8% and options/forwards on single stocks and indices from the Bovespa Segment generating the other 4.4%. Revenue tied to cash equities trading reached 5.8% of total revenue.

2Q14 Revenue Breakdown (% of total revenue)



**Other revenue:** Revenue not related to trading and settlement reached R\$100.8 million (19.5% of total revenue) in 2Q14, down 8.8% year-over-year. The highlights were:

- ✔ **Securities lending:** Revenue in 2Q14 reached R\$21.3 million (4.1% of total revenue), 27.7% lower than 2Q13 explained mainly by a 24.2% decrease in the average financial value of open interest positions in the same period.
- ✔ **Depository, custody and back office:** Revenue from these services reached R\$29.6 million (5.7% of total revenue), a 2.1% increase compared to 2Q13, primarily as a result of growth in revenues from both the Tesouro Direto and the registration of LCAs.

**Net Revenue:** Net revenue fell 22.5% year-over-year, reaching R\$464.8 million in 2Q14.

## EXPENSES

**Expenses:** totaled R\$178.2 million in 2Q14, flat year-over-year, and down 4.4% quarter-over-quarter.

**Adjusted expenses:** were R\$134.1 million in 2Q14, flat compared to 2Q13 and down 1.7% quarter-over-quarter. In the first semester of 2014 adjusted expenses reached R\$270.6 million, a 5.2% growth year-over-year and below average inflation in the period.

### Reconciliation of Adjusted Expenses (In R\$ million)

|                                     | 2Q14         | 2Q13         | Change<br>2Q14/2Q13 | 1Q14         | Change<br>2Q14/1Q14 | 1H14         | 1H13         | Change<br>1H14/1H13 |
|-------------------------------------|--------------|--------------|---------------------|--------------|---------------------|--------------|--------------|---------------------|
| <b>Total Expenses</b>               | <b>178.2</b> | <b>176.8</b> | <b>0.8%</b>         | <b>186.3</b> | <b>-4.4%</b>        | <b>364.5</b> | <b>349.6</b> | <b>4.3%</b>         |
| Depreciation                        | (28.0)       | (28.8)       | -2.7%               | (29.6)       | -5.1%               | (57.6)       | (55.9)       | 3.0%                |
| Stock options plan                  | (7.6)        | (7.8)        | -3.2%               | (6.9)        | 10.7%               | (14.4)       | (15.7)       | -8.1%               |
| Tax on dividends from the CME Group | (5.3)        | (5.1)        | 3.8%                | (5.5)        | -4.6%               | (10.8)       | (9.7)        | 11.5%               |
| Provisions                          | (3.2)        | (1.9)        | 67.5%               | (7.9)        | -59.9%              | (11.1)       | (11.2)       | -0.9%               |
| <b>Adjusted Expenses</b>            | <b>134.1</b> | <b>133.2</b> | <b>0.7%</b>         | <b>136.5</b> | <b>-1.7%</b>        | <b>270.6</b> | <b>257.1</b> | <b>5.2%</b>         |

**Personnel:** Personnel expenses totaled R\$86.5 million in 2Q14, flat year-over-year. The approximately 7% effect of the annual wage adjustment prescribed under our August 2013 collective bargaining agreement was offset mainly as result of:

- (i) downsizing in headcount in line with our ongoing efforts to control expenses;
- (ii) reduction in the amount accrued for expected 2014 expenses related to Company's profit sharing to employees resulting from expected cost-savings for the year; and
- (iii) increase in the amount of personnel cost connected to projects that was capitalized in 2Q14, which was R\$2.6 million higher than in 2Q13.

**Data processing:** Data processing expenses totaled R\$27.7 million, up 7.1% year-over-year primarily due to inflationary adjustments of IT maintenance contracts and higher service and maintenance expenses for software and hardware that support IT platforms deployed over the last twelve months (including PUMA Trading System), given that these expenses are no longer capitalized as was the case during the development and implementation stages.

**Third Party Services:** Third party services totaled R\$9.2 million, up 23.1% year-over-year due to the hiring of consulting services for several strategic projects and payment of fees for legal counsels.

**Communication:** Communication expenses totaled R\$2.9 million, down 39.5% from 2Q13 as a result of a successfully implemented change and rationalization of the sending process of custody statements and trade notices to investors, reducing postal service costs for the Company.

## OTHER FINANCIAL HIGHLIGHTS

**Cash and cash equivalents:** Short and long-term cash, cash equivalents and financial investments for the quarter ending June 30, 2014 amounted to R\$3.5 billion. Unrestricted financial resources at the end of the quarter totaled (i) R\$1.1 billion; R\$0.9 billion consisted of restricted financial resources mainly tied to the clearinghouses' safeguard structure; and (ii) R\$1.1 billion was related to third-party collateral pledged to the Company's clearinghouses.

**Indebtedness:** At the end of 2Q14, the Company had R\$1,380.8 million in gross debt outstanding (including principal and accrued interest), essentially composed of US\$612.0 million senior unsecured notes issued in July 2010.

**Equity in income of investees:** The Company's share of the CME Group's results, applying the equity method, totaled R\$45.0 million in 2Q14, of which R\$16.3 million is attributed to income tax paid abroad by the CME Group, which creates tax benefits for the Company.

**Financial Result:** The financial result was R\$59.5 million in 2Q14, up 38.2% year-over-year. A combination of an 18.6% increase in financial income to R\$89.8 million in 2Q14, reflecting higher average interest rates, and a decrease in financial expenses by 7.2% to R\$30.3 million in 2Q14.

**Income tax and social contributions:** totaled R\$140.9 million in 2Q14. Current taxes and social contributions amounted to R\$17.3 million, including R\$1.0 million in cash taxes and R\$16.3 million offset against the above-mentioned provision for taxes paid abroad by the CME Group, with no cash impact. Deferred taxes and social contributions were R\$123.7 million, composed of R\$138.6 million related to temporary differences from the amortization of goodwill for tax purposes recognized in 2Q14 and reversal of tax credits amounting R\$15.0 million.

**Net income:** Net income (attributable to shareholders) was R\$250.1 million, a decrease of 28.7% year-over-year.

**Adjusted net income and adjusted EPS:** Adjusted net income was R\$372.8 million in 2Q14, a decrease of 20.6% year-over-year, as described below. Adjusted EPS fell 16.8% to R\$0.203 in 2Q14. The acceleration in the execution of the company's share buyback partially offset the impact of the adjusted net income reduction in the adjusted EPS.

## Reconciliation of Adjusted Net Income (In R\$ million)

|  | 2Q14         | 2Q13         | Change<br>2Q14/2Q13 | 1Q14         | Change<br>2Q14/1Q14 | 1H14         | 1H13         | Change<br>1H14/1H13 |
|--|--------------|--------------|---------------------|--------------|---------------------|--------------|--------------|---------------------|
| <b>GAAP net income*</b>                      | <b>250.1</b> | <b>350.8</b> | <b>-28.7%</b>       | <b>256.1</b> | <b>-2.4%</b>        | <b>506.2</b> | <b>617.8</b> | <b>-18.1%</b>       |
| Stock options plan                           | 7.6          | 7.8          | -3.2%               | 6.9          | 10.7%               | 14.4         | 15.7         | -8.1%               |
| Deferred tax liabilities                     | 138.6        | 138.9        | -0.2%               | 138.6        | 0.0%                | 277.3        | 277.8        | -0.2%               |
| Equity in income of investees (net of taxes) | (39.8)       | (46.3)       | -14.1%              | (44.6)       | -10.9%              | (84.4)       | (78.8)       | 7.1%                |
| Recoverable taxes paid overseas              | 16.3         | 18.3         | -11.1%              | 18.2         | -10.9%              | 34.5         | 31.6         | 9.0%                |
| <b>Adjusted net income</b>                   | <b>372.8</b> | <b>469.6</b> | <b>-20.6%</b>       | <b>375.3</b> | <b>-0.7%</b>        | <b>748.1</b> | <b>864.2</b> | <b>-13.4%</b>       |

\*Attributable to BM&FBOVESPA shareholders.

**Capex:** Investments of R\$41.6 million were capitalized in 2Q14, of which R\$37.6 million consisted of investments in technology and infrastructure, including the construction of the new data center that was concluded this quarter, and R\$4.0 million in other facilities and equipment (except the new data center). In the first semester of 2014, investments amounted to R\$106.0 million. The Company's Capex budget ranges are R\$230 million to R\$260 million for 2014 and R\$190 million to R\$220 million for 2015.

**Dividends:** On August 7, 2014, the Company's Board of Directors approved R\$200.1 million in dividends to be paid on Aug 29<sup>th</sup>, 2014, based on the shareholders' position dated Aug 11<sup>th</sup>, 2014, totaling 80% of GAAP net income in 2014.

**Share buyback program:** In 2014, BM&FBOVESPA repurchased 67.2 million shares at a volume-weighted average price of R\$10.5 per share, totaling R\$708.2 million, such as: 37.0 million in January, as part of the previous share buyback program that was concluded in the same month, and 30.2 million from March through July, considering that the shares acquired over these last five months were part of the Company's buyback program approved in February 2014, which expires in December 2014 and allows the acquisition of up to 100 million shares.

## PERFORMANCE BY SEGMENT

**BM&F Segment:** ADV for the derivatives market reached 2,264.5 thousand contracts, a decrease of 37.9% year-over-year. This performance is mainly explained by lower volumes of BRL-denominated interest rate contracts (-52.9%) and FX contracts (-11.4%), partially offset by higher volumes of USD-denominated interest rate contracts (+27.6%).

Average RPC reached R\$1.416, up 23.1% year-over-year. This increase reflects: i) a change in the mix of contracts traded with lower participation of BRL-denominated interest rate contracts (53.0% in 2Q14 versus 69.9% in 2Q13); and ii) higher RPC per contract group, particularly in BRL-denominated interest rate (+25.9%), due to higher participation of contracts with longer maturities (4th and 5th months onwards, which have higher prices), USD-denominated interest rate (+17.3%) and FX (+7.3%) contracts, given the fact that the last two groups of contracts are denominated in the U.S. Dollar, which appreciated 9.6% in the period.

**Bovespa Segment:** ADTV for the equities market reached R\$6.74 billion in 2Q14, an 18.7% fall compared to the previous year's second quarter, reflecting a combination of a flat average market capitalization with a lower turnover velocity that reached 66.6% in 2Q14 versus an all-time record 81.6% in 2Q13.

Trading/post-trading margins were flat (-0.02bps), reaching 5.299 bps in 2Q14 from 5.314bps in 2Q13.

### Other high growth products:

🌱 *Tesouro Direto* achieved a new all-time record, with average assets under custody growing 25.3% year over year, to R\$12.1 billion in 2Q14. The average number of investors also reached a new record, of 114.3 thousand, up 22.7% year-over-year.

🌱 The financial value of registered LCAs reached R\$103.6 billion in Jun-14, 98.0% growth compared to Jun-13.

## UPDATE ON STRATEGIC INITIATIVES

**Clearinghouse Integration:** We have set August 18, 2014, as the date by which we are going to implement the derivatives module of our new integrated clearing facility (Clearing BM&FBOVESPA), which was approved by the Central Bank on August 7, 2014. This comes in the aftermath of eleven parallel running cycles carried out by our Exchange in conjunction with market participants as part of the system changeover. This means running the Clearing BM&FBOVESPA and the existing systems side by side while we all input the same data and perform the same processes, compare their output and assess the reliability of the new system. Following the implementation of the derivatives module of our new clearing system, we plan to release the schedules for development, testing and implementation of the equities module, fixed income securities module and forex module, which will require specific approvals from the Central Bank.

**PUMA Trading System:** Moving forward with the development of our trading environment, in particular the PUMA Trading System, a number of important projects have been delivered. In May, we had started the launching process of our new trading

workstation “Estação ePUMA” (“ePUMA Station”) that will replace the old MegaBolsa Station. In June, a new functionality was added to the Bovespa segment platform featuring rejection and auction “tunnels” for orders based on the average weighted price of the security, triggering an auction if the Exchange’s limit parameters are breached by a group of orders, so as to prevent big, sudden price moves that could be caused by automated strategies. Also in July, the trading of corporate debt securities moved from the old BovespaFix and SomaFix systems to the PUMA Trading System.

**Incentives for Small and Medium Enterprises (“SMEs”):** in July, in an effort to encourage SMEs to seek equity financing the Brazilian government issued Provisional Measure No. 651 (“PM 651”). The Provisional Measure creates a tax exemption on capital gains ascertained by investors owning equity in SMEs that meet the following requirements (i) are listed on either the Bovespa Mais or Novo Mercado segments of BM&FBOVESPA; (ii) have market capitalization of no more than R\$700 million, and (iii) earn no more than R\$500 million in annual revenues. The tax exemption, which is set to be in place through 2023, covers investments made either at the time of the initial public offering or, thereafter, through secondary market purchases. In addition, listed SMEs are afforded special treatment which entails certain cost savings in fulfilling offering, disclosure and reporting requirements.

**Foreign Exchange Traded Fund Launch (Foreign ETF):** April 29 marked the first day of trading for the first Brazilian-listed foreign exchange-traded index fund, the iShares S&P 500 FIC FI Investimento no Exterior, managed by BlackRock. The new ETF mostly holds shares of BlackRock’s iShares Core S&P500 ETF and tracks the U.S. benchmark Standard & Poor’s 500 Index. .

**BDR Programs:** BM&FBOVESPA will expand the unsponsored level I BDR programs by (i) enabling the admission of new programs structured by the depository institutions that already operate in this market, and (ii) launching a bidding process for acceptance of new depository institutions interested in structuring new BDRs’ programs.

## SUMMARY OF CONSOLIDATED BALANCE SHEET

| ASSETS<br><i>(In thousands of Brazilian Reals)</i> | 06/30/2014        | 12/31/2013        | LIABILITIES AND EQUITY<br><i>(In thousands of Brazilian Reals)</i> | 06/30/2014        | 12/31/2013        |
|--|-------------------|-------------------|--|-------------------|-------------------|
| <b>Current assets</b>                              | <b>2.800.326</b>  | <b>4.319.483</b>  | <b>Current liabilities</b>   | <b>1.674.774</b>  | <b>2.710.846</b>  |
| Cash and cash equivalents                          | 198.698           | 1.196.589         | Collateral for transactions  | 1.069.246         | 2.072.989         |
| Financial investments                              | 2.321.227         | 2.853.393         | Others   | 605.528           | 637.857           |
| Others   | 280.401           | 269.501           | <b>Noncurrent liabilities</b>                                      | <b>4.092.036</b>  | <b>3.886.921</b>  |
| <b>Noncurrent assets</b>                           | <b>21.619.670</b> | <b>21.577.176</b> | Debt issued abroad   | 1.340.873         | 1.426.193         |
| <b>Long-term receivables</b>                       | <b>1.299.502</b>  | <b>1.135.424</b>  | Deferred inc. tax and social contrib.                              | 2.577.821         | 2.295.774         |
| Financial investments                              | 976.063           | 820.778           | Others   | 173.342           | 164.954           |
| Others   | 323.439           | 314.646           | <b>Equity</b>  | <b>18.653.186</b> | <b>19.298.892</b> |
| <b>Investments</b>                                 | <b>3.176.786</b>  | <b>3.346.277</b>  | Capital  | 2.540.239         | 2.540.239         |
| <b>Property and equipment, net</b>                 | <b>428.801</b>    | <b>423.150</b>    | Capital reserve  | 15.208.176        | 16.056.681        |
| <b>Intangible assets</b>                           | <b>16.714.581</b> | <b>16.672.325</b> | Others   | 904.771           | 701.972           |
| Goodwill   | 16.064.309        | 16.064.309        | <b>Non-controlling interests</b>                                   | <b>18.638.388</b> | <b>19.284.229</b> |
| <b>Total Assets</b>                                | <b>24.419.996</b> | <b>25.896.659</b> | <b>Total liabilities and equity</b>                                | <b>24.419.996</b> | <b>25.896.659</b> |

## CONSOLIDATED INCOME STATEMENT

| <i>(In thousand of Reals,<br/>except if otherwise indicates)</i> | 2Q14             | 2Q13             | Change<br>2Q14/2Q13 | 1Q14             | Change<br>2Q14/1Q14 | 1H14             | 1H13             | Change<br>1H14/1H13 |
|--|------------------|------------------|---------------------|------------------|---------------------|------------------|------------------|---------------------|
| <b>Total Revenues</b>  | <b>516,447</b>   | <b>668,799</b>   | <b>-22.8%</b>       | <b>546,082</b>   | <b>-5.4%</b>        | <b>1,062,529</b> | <b>1,249,385</b> | <b>-15.0%</b>       |
| <b>Trading/Settlement - BM&amp;F</b>                             | <b>193,839</b>   | <b>268,830</b>   | <b>-27.9%</b>       | <b>226,431</b>   | <b>-14.4%</b>       | <b>420,270</b>   | <b>490,598</b>   | <b>-14.3%</b>       |
| Derivatives  | 190,107          | 263,171          | -27.8%              | 222,451          | -14.5%              | 412,558          | 479,460          | -14.0%              |
| Foreign Exchange   | 3,732            | 5,655            | -34.0%              | 3,980            | -6.2%               | 7,712            | 11,130           | -30.7%              |
| Securities   | 0                | 4                | -100.0%             | 0                |                     | 0                | 8                | -100.0%             |
| <b>Trading/Settlement - Bovespa</b>                              | <b>221,818</b>   | <b>289,491</b>   | <b>-23.4%</b>       | <b>219,672</b>   | <b>1.0%</b>         | <b>441,490</b>   | <b>545,661</b>   | <b>-19.1%</b>       |
| Trading fees   | 36,386           | 50,031           | -27.3%              | 35,406           | 2.8%                | 71,792           | 109,711          | -34.6%              |
| Clearing fees  | 177,878          | 227,445          | -21.8%              | 176,780          | 0.6%                | 354,658          | 420,813          | -15.7%              |
| Others   | 7,554            | 12,015           | -37.1%              | 7,486            | 0.9%                | 15,040           | 15,137           | -0.6%               |
| <b>Other Revenues</b>  | <b>100,790</b>   | <b>110,478</b>   | <b>-8.8%</b>        | <b>99,979</b>    | <b>0.8%</b>         | <b>200,769</b>   | <b>213,126</b>   | <b>-5.8%</b>        |
| Securities Lending   | 21,340           | 29,512           | -27.7%              | 20,834           | 2.4%                | 42,174           | 54,130           | -22.1%              |
| Listing  | 11,844           | 12,351           | -4.1%               | 11,792           | 0.4%                | 23,636           | 23,765           | -0.5%               |
| Depository, custody and back-office                              | 29,636           | 29,017           | 2.1%                | 28,569           | 3.7%                | 58,205           | 56,339           | 3.3%                |
| Trading access (Brokers)   | 10,000           | 12,516           | -20.1%              | 9,597            | 4.2%                | 19,597           | 25,743           | -23.9%              |
| Vendors  | 17,021           | 17,233           | -1.2%               | 17,245           | -1.3%               | 34,266           | 33,992           | 0.8%                |
| Brazilian Commodities Exchange                                   | 821              | 1,418            | -42.1%              | 1,124            | -27.0%              | 1,945            | 2,210            | -12.0%              |
| BM&FBOVESPA Bank   | 6,206            | 5,117            | 21.3%               | 6,454            | -3.8%               | 12,660           | 9,815            | 29.0%               |
| Others   | 3,922            | 3,314            | 18.3%               | 4,364            | -10.1%              | 8,286            | 7,132            | 16.2%               |
| <b>Revenue deductions</b>  | <b>-51,667</b>   | <b>-68,979</b>   | <b>-25.1%</b>       | <b>-56,398</b>   | <b>-8.4%</b>        | <b>-108,065</b>  | <b>-128,546</b>  | <b>-15.9%</b>       |
| PLS and Cofins   | -45,107          | -60,537          | -25.5%              | -49,298          | -8.5%               | -94,405          | -112,912         | -16.4%              |
| Service tax  | -6,560           | -8,442           | -22.3%              | -7,100           | -7.6%               | -13,660          | -15,634          | -12.6%              |
| <b>Net Revenues</b>  | <b>464,780</b>   | <b>599,820</b>   | <b>-22.5%</b>       | <b>489,684</b>   | <b>-5.1%</b>        | <b>954,464</b>   | <b>1,120,839</b> | <b>-14.8%</b>       |
| <b>Expenses</b>  | <b>-178,217</b>  | <b>-176,797</b>  | <b>0.8%</b>         | <b>-186,329</b>  | <b>-4.4%</b>        | <b>-364,546</b>  | <b>-349,616</b>  | <b>4.3%</b>         |
| Personnel  | -86,493          | -86,579          | -0.1%               | -85,942          | 0.6%                | -172,435         | -168,534         | 2.3%                |
| Data processing  | -27,720          | -25,892          | 7.1%                | -27,704          | 0.1%                | -55,424          | -48,833          | 13.5%               |
| Deprec. and Amortization   | -28,047          | -28,823          | -2.7%               | -29,550          | -5.1%               | -57,597          | -55,906          | 3.0%                |
| Third Party Services   | -9,212           | -7,485           | 23.1%               | -8,526           | 8.0%                | -17,738          | -16,510          | 7.4%                |
| Maintenance  | -2,832           | -2,905           | -2.5%               | -3,150           | -10.1%              | -5,982           | -5,774           | 3.6%                |
| Communication  | -2,900           | -4,793           | -39.5%              | -4,225           | -31.4%              | -7,125           | -8,792           | -19.0%              |
| Marketing  | -2,539           | -3,190           | -20.4%              | -2,663           | -4.7%               | -5,202           | -5,874           | -11.4%              |
| Taxes  | -6,612           | -6,061           | 9.1%                | -7,014           | -5.7%               | -13,626          | -11,327          | 20.3%               |
| Board/Committees Compensation                                    | -2,223           | -2,098           | 6.0%                | -2,069           | 7.4%                | -4,292           | -3,742           | 14.7%               |
| Others   | -9,639           | -8,971           | 7.4%                | -15,486          | -37.8%              | -25,125          | -24,324          | 3.3%                |
| <b>Operating Income</b>  | <b>286,563</b>   | <b>423,023</b>   | <b>-32.3%</b>       | <b>303,355</b>   | <b>-5.5%</b>        | <b>589,918</b>   | <b>771,223</b>   | <b>-23.5%</b>       |
| <i>Operating margin</i>  | <i>61.7%</i>     | <i>70.5%</i>     | <i>-887 bps</i>     | <i>61.9%</i>     | <i>-29 bps</i>      | <i>61.8%</i>     | <i>68.8%</i>     | <i>-700 bps</i>     |
| <b>Equity in Income of Investees</b>                             | <b>45,037</b>    | <b>51,364</b>    | <b>-12.3%</b>       | <b>50,171</b>    | <b>-10.2%</b>       | <b>95,208</b>    | <b>88,516</b>    | <b>7.6%</b>         |
| <b>Financial Result</b>  | <b>59,544</b>    | <b>43,087</b>    | <b>38.2%</b>        | <b>48,019</b>    | <b>24.0%</b>        | <b>107,563</b>   | <b>80,216</b>    | <b>34.1%</b>        |
| Financial Income   | 89,835           | 75,721           | 18.6%               | 79,433           | 13.1%               | 169,268          | 137,209          | 23.4%               |
| Financial Expenses   | -30,291          | -32,634          | -7.2%               | -31,414          | -3.6%               | -61,705          | -56,993          | 8.3%                |
| <b>Income before Taxes</b>                                       | <b>391,144</b>   | <b>517,474</b>   | <b>-24.4%</b>       | <b>401,545</b>   | <b>-2.6%</b>        | <b>792,689</b>   | <b>939,955</b>   | <b>-15.7%</b>       |
| <b>Income Tax and Social Contribution</b>                        | <b>-140,928</b>  | <b>-166,527</b>  | <b>-15.4%</b>       | <b>-145,323</b>  | <b>-3.0%</b>        | <b>-286,251</b>  | <b>-321,996</b>  | <b>-11.1%</b>       |
| Current  | -17,277          | -27,122          | -36.3%              | -19,408          | -11.0%              | -36,685          | -41,108          | -10.8%              |
| Deferred   | -123,651         | -139,405         | -11.3%              | -125,915         | -1.8%               | -249,566         | -280,888         | -11.2%              |
| <b>Net Income</b>  | <b>250,216</b>   | <b>350,947</b>   | <b>-28.7%</b>       | <b>256,222</b>   | <b>-2.3%</b>        | <b>506,438</b>   | <b>617,959</b>   | <b>-18.0%</b>       |
| <i>Net Margin</i>  | <i>53.8%</i>     | <i>58.5%</i>     | <i>-467 bps</i>     | <i>52.3%</i>     | <i>151 bps</i>      | <i>53.1%</i>     | <i>55.1%</i>     | <i>-207 bps</i>     |
| <b>Attributable to:</b>  |                  |                  |                     |                  |                     |                  |                  |                     |
| BM&FBOVESPA's Shareholders                                       | <b>250,077</b>   | <b>350,835</b>   | <b>-28.7%</b>       | <b>256,142</b>   | <b>-2.4%</b>        | <b>506,219</b>   | <b>617,810</b>   | <b>-18.1%</b>       |
| <i>Net Margin</i>  | <i>53.8%</i>     | <i>58.5%</i>     | <i>-470 bps</i>     | <i>52.3%</i>     | <i>150 bps</i>      | <i>53.0%</i>     | <i>55.1%</i>     | <i>-210 bps</i>     |
| Minority Interest  | 139              | 112              | 24.1%               | 80               | 73.8%               | 219              | 149              | 47.0%               |
| Sharecount   | 1,835,726,059    | 1,923,804,897    | -4.6%               | 1,851,586,787    | -0.9%               | 1,839,727,630    | 1,923,610,563    | -4.4%               |
| EPS attrib. to BM&FBOVESPA's Shareholders                        | <b>0.136228</b>  | <b>0.182365</b>  | <b>-25.3%</b>       | <b>0.138336</b>  | <b>-1.5%</b>        | <b>0.275160</b>  | <b>0.321172</b>  | <b>-14.3%</b>       |
| <b>Adjusted Net Income</b>                                       | <b>372,807</b>   | <b>469,597</b>   | <b>-20.6%</b>       | <b>375,256</b>   | <b>-0.7%</b>        | <b>748,063</b>   | <b>864,185</b>   | <b>-13.4%</b>       |
| <b>Adjusted Expenses</b>   | <b>(134,136)</b> | <b>(133,159)</b> | <b>0.7%</b>         | <b>(136,489)</b> | <b>-1.7%</b>        | <b>(270,625)</b> | <b>(257,128)</b> | <b>5.2%</b>         |
| <b>Adjusted EPS</b>  | <b>0.203084</b>  | <b>0.244098</b>  | <b>-16.8%</b>       | <b>0.202667</b>  | <b>0.2%</b>         | <b>0.406616</b>  | <b>0.449252</b>  | <b>-9.5%</b>        |

## STATISTICAL OPERATING DATA FOR BOVESPA SEGMENT

### AVERAGE DAILY TRADED VALUE - ADTV (In R\$ millions)

| Market  | 2Q14           | 2Q13           | 2Q14/2Q13 (%) | 1Q14           | 2Q14/1Q14 (%) |
|---|----------------|----------------|---------------|----------------|---------------|
| <b>Stocks and Equity Deriv.</b>               | 6,738.4        | 8,287.8        | -18.7%        | 6,453.4        | 4.4%          |
| Cash market                                   | 6,471.6        | 7,916.8        | -18.3%        | 6,217.8        | 4.1%          |
| Derivatives                                   | 266.7          | 371.0          | -28.1%        | 235.6          | 13.2%         |
| Options market (stocks / indices)             | 189.5          | 281.3          | -32.6%        | 155.1          | 22.1%         |
| Forward market                                | 77.3           | 89.7           | -13.8%        | 80.5           | -4.0%         |
| <b>Fixed income and other spot securities</b> | 1.3            | 0.8            | 63.4%         | 1.2            | 10.2%         |
| <b>TOTAL</b>                                  | <b>6,739.7</b> | <b>8,288.6</b> | <b>-18.7%</b> | <b>6,454.6</b> | <b>4.4%</b>   |

### AVERAGE DAILY NUMBER OF TRADES (thousand)

| Market  | 2Q14         | 2Q13         | 2Q14/2Q13 (%) | 1Q14         | 2Q14/1Q14 (%) |
|---|--------------|--------------|---------------|--------------|---------------|
| <b>Stocks and Equity Deriv.</b>               | 860.2        | 982.5        | -12.4%        | 886.2        | -2.9%         |
| Cash market                                   | 763.8        | 850.8        | -10.2%        | 805.6        | -5.2%         |
| Derivatives                                   | 96.4         | 131.7        | -26.8%        | 80.6         | 19.6%         |
| Options market (stocks / indices)             | 95.8         | 130.8        | -26.7%        | 79.9         | 19.9%         |
| Forward market                                | 0.6          | 0.9          | -33.7%        | 0.7          | -14.3%        |
| <b>Fixed income and other spot securities</b> | 0.008        | 0.010        | -18.6%        | 0.007        | 15.0%         |
| <b>TOTAL</b>                                  | <b>860.2</b> | <b>982.5</b> | <b>-12.4%</b> | <b>886.2</b> | <b>-2.9%</b>  |

### OTHER OPERATIONAL STATISTICS

|  | 2Q14    | 2Q13    | 2Q14/2Q13 (%) | 1Q14    | 2Q14/1Q14 (%) |
|--|---------|---------|---------------|---------|---------------|
| Average Market Cap. (R\$ billions)                                   | 2,409.4 | 2,405.5 | 0.2%          | 2,233.8 | 7.9%          |
| Average Ibovespa (closing price)                                     | 52,741  | 53,338  | -1.1%         | 47,907  | 10.1%         |
| Average value under custody (R\$ billions)                           | 1,194.5 | 1,186.9 | 0.6%          | 1,107.9 | 7.8%          |
| Average value under custody - ex ADRs and Forgn. Inv. (R\$ billions) | 472.8   | 501.7   | -5.8%         | 447.7   | 5.6%          |
| Number of custody accounts – average                                 | 595,417 | 649,102 | -8.3%         | 610,475 | -2.5%         |
| ETFs (ADTV - R\$ million)  | 103.0   | 115.4   | -10.7%        | 79.1    | 30.3%         |
| # Listed Companies to Trade Stocks                                   | 460     | 456     | 0.9%          | 460     | 0.0%          |
| Turnover Velocity (annualized)                                       | 66.6%   | 81.6%   | -1,502 bps    | 69.0%   | -243 bps      |

### TRADING MARGINS (basis points)

| Market                               | 2Q14         | 2Q13         | 2Q14/2Q13 (%)    | 1Q14         | 2Q14/1Q14 (%)    |
|--------------------------------------|--------------|--------------|------------------|--------------|------------------|
| <b>Stocks and Equity Derivatives</b> | 5.298        | 5.299        | 0,00 bps         | 5,384        | -5,38 bps        |
| Cash Market                          | 4.937        | 4.968        | -0,03 bps        | 5,068        | -5,07 bps        |
| Derivatives                          | 14.063       | 12.355       | -1,71 bps        | 13,737       | -13,74 bps       |
| Forward Market                       | 12.999       | 12.999       | 0,00 bps         | 14,121       | -14,12 bps       |
| Options Market                       | 14.497       | 12.150       | 2,35 bps         | 12,998       | -13,00 bps       |
| <b>TOTAL</b>                         | <b>5.299</b> | <b>5.314</b> | <b>-0,02 bps</b> | <b>5,389</b> | <b>-5,39 bps</b> |

## STATISTICAL OPERATING DATA FOR BM&F SEGMENT

### AVERAGE DAILY VOLUME - ADV (thousand contracts)

|                       | 2Q14           | 2Q13           | 2Q14/2Q13 (%) | 1Q14           | 2Q14/1Q14 (%) |
|-----------------------|----------------|----------------|---------------|----------------|---------------|
| Interest Rates in BRL | 1,200.0        | 2,549.7        | -52.9%        | 1,734.7        | -30.8%        |
| FX Rates              | 472.7          | 533.6          | -11.4%        | 524.3          | -9.8%         |
| Stock Indices         | 115.3          | 143.5          | -19.7%        | 97.2           | 18.6%         |
| Interest Rates in USD | 204.1          | 160.0          | 27.6%         | 196.7          | 3.8%          |
| Commodities           | 8.9            | 8.6            | 2.9%          | 10.9           | -18.3%        |
| Mini Contracts        | 255.1          | 237.1          | 7.6%          | 249.4          | 2.3%          |
| OTC                   | 8.6            | 15.8           | -45.7%        | 13.5           | -36.7%        |
| <b>TOTAL</b>          | <b>2,264.5</b> | <b>3,648.3</b> | <b>-37.9%</b> | <b>2,826.6</b> | <b>-19.9%</b> |

### REVENUE PER CONTRACT (In R\$)

|                       | 2Q14         | 2Q13         | 2Q14/2Q13 (%) | 1Q14         | 2Q14/1Q14 (%) |
|-----------------------|--------------|--------------|---------------|--------------|---------------|
| Interest Rates in BRL | 1.188        | 0.944        | 25.9%         | 1.037        | 14.5%         |
| FX Rates              | 2.600        | 2.422        | 7.3%          | 2.626        | -1.0%         |
| Stock Indices         | 1.861        | 1.748        | 6.5%          | 1.774        | 4.9%          |
| Interest Rates in USD | 1.300        | 1.108        | 17.3%         | 1.426        | -8.8%         |
| Commodities           | 2.572        | 2.497        | 3.0%          | 2.410        | 6.7%          |
| Mini Contracts        | 0.120        | 0.118        | 1.9%          | 0.122        | -1.2%         |
| OTC                   | 2.246        | 1.432        | 56.9%         | 1.107        | 103.0%        |
| <b>TOTAL</b>          | <b>1.416</b> | <b>1.151</b> | <b>23.1%</b>  | <b>1.309</b> | <b>8.2%</b>   |