

## BM&FBOVESPA ANNOUNCES RESULTS FOR THE SECOND QUARTER OF 2016

*Top line growth driven by higher volumes in the derivatives segment and increased revenues not related to volumes traded*

*Adjusted expenses<sup>1</sup> grew 3.5% year-over-year, in line with the OPEX budget for the year  
2Q16 results impacted by extraordinary items, mainly from total divestment from CME Group shares and expenses related to the proposed business combination with Cetip<sup>2</sup>*

# 2Q16

### MARKET CAPITALIZATION

R\$32.7 billion (Jun 30, 2016)

### 2Q16 SHARE COUNT

Weighted avg: 1,786,959,763

End of period: 1,787,390,007

### STOCK PERFORMANCE

Quarter to end of Jun'16: 17.0%

### CONFERENCE CALL (English)

Date: August 12<sup>th</sup>, 2016.

Time: 11a.m. (BrT) / 10a.m. (NYT)

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### Live webcast and presentation:

[www.ccall.com.br/bmfbovespa/2q16.htm](http://www.ccall.com.br/bmfbovespa/2q16.htm)



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

**São Paulo, Brazil, August 11, 2016** – BM&FBOVESPA S.A. (ticker: BVMF3) today reported its second-quarter earnings for the period ending on June 30, 2016 (2Q16). In this quarter, revenues reached R\$637.9 million, a 3.7% increase compared to the second quarter of 2015 (2Q15). 2Q16 earnings were impacted by extraordinary items mainly related to total divestment from CME Group shares and expenses related to the proposed business combination with Cetip.

BM&FBOVESPA reaffirms its previously announced 2016 budget ranges: (i) adjusted expenses (OPEX) from R\$640 million to R\$670 million; and (ii) capital expenditures (CAPEX) from R\$200 million to R\$230 million.

### Highlights of the 2Q16:

✓ Revenues from the BM&F Segment grew 5.5% year-over-year. Average daily volume (ADV) increased 4.0% while average revenue per contract (RPC) decreased 1.3% in comparison with 2Q15;

✓ Other revenues not related to volumes traded grew 8.1% year-over-year, mainly as a result of adjustments to commercial policies implemented over 2015;

✓ IFRS net loss (attributable to BM&FBOVESPA shareholders) was R\$114.4 million, nonetheless excluding the extraordinary items it would have been a net profit of R\$496.8 million; and

✓ R\$215.6 million in interest on capital (R\$0.121 per share), totaling 50% of 2Q16 net income excluding impacts related to the divestment from CME Group shares.

Chief Executive Officer of BM&FBOVESPA, Edemir Pinto, said: “On May 20th, we obtained the support of the vast majority of both BM&FBOVESPA’s and Cetip’s shareholders to approve the proposed business combination between the two companies. The transaction is now subject to regulatory approvals and the integration work must only begin when such approvals have been obtained. We are excited by this transformational transaction that will create a unique financial infrastructure company. By combining the strengths of the experienced teams in BM&FBOVESPA and Cetip, the new company will be even better positioned to increase the robustness of the Brazilian capital and derivatives markets and deliver efficiency to clients and market participants. In parallel to this major transaction, we continue to be focused on the implementation of the equities phase of the new integrated BM&FBOVESPA Clearinghouse, having started during this quarter the parallel production process, which is critical to the conclusion of this key project. Finally, aiming to promote the adoption of best practices and to preserve the attractiveness of the companies listed in the Brazilian equity market from a corporate governance standpoint, we opened a public hearing process to discuss enhancements to the rules of our Special Listing Segments – Novo Mercado and Level 2.”

Chief Financial and Investor Relations Officer, Daniel Sonder, commented: “Although we had a few extraordinary items in our accounting results, in essence we continue to execute very strongly on the key financial metrics of our business, with a special focus on expense management. It is noteworthy that in connection with the proposed transaction that will result in the business combination with Cetip, we are holding a significantly higher cash position (coming from the sale of CME Group shares) than would otherwise be necessary to run our business. We intend to preserve this cash position as well as a portion of the Company’s cash generation until the financial settlement of the transaction, which will occur after the regulatory approvals are obtained. This is also the reason behind a payout ratio below the Company’s practices in previous years, and the fact that the share buyback program has not been executed over the last quarters. We are thankful to our shareholders and humbled by their support for the combination with CETIP, and take very seriously the responsibility which has been entrusted to BM&FBOVESPA in the context of this important transaction.”

### Income statement summary (in R\$ millions)

	2Q16	2Q15	Change 2Q16/2Q15	1Q16	Change 2Q16/1Q16	1H16	1H15	Change 1H16/1H15
Net revenues	574.5	554.6	3.6%	563.5	1.9%	1,138.0	1,075.1	5.9%
Expenses	(268.8)	(198.0)	35.7%	(202.0)	33.0%	(470.8)	(419.4)	12.3%
Operating income	305.7	356.6	-14.3%	361.5	-15.4%	667.2	655.6	1.8%
Operating margin	53.2%	64.3%	-1,109 bps	64.1%	-1,093 bps	58.6%	61.0%	-236 bps
Financial result	(418.3)	71.4	-686.2%	160.5	-360.5%	(257.7)	132.9	-293.9%
IFRS net income (loss)*	(114.4)	318.0	-136.0%	339.3	-133.7%	224.9	597.5	-62.4%
Adjusted expenses	(146.7)	(141.7)	3.5%	(144.3)	1.6%	(291.0)	(280.3)	3.8%

\*Attributable to BM&FBOVESPA shareholders.

<sup>1</sup> Adjusted to (i) depreciation and amortization; (ii) stock grant plan costs – principal and payroll taxes – and stock option plan; (iii) transaction cost and planning of the proposed business combination with Cetip that is still pending regulatory approval; and (iv) transfer of fines, provisions and incentive programs to market participants.

<sup>2</sup> Pending regulatory approvals from the Brazilian Securities and Exchange Commission (CVM), Central Bank of Brazil (BACEN) and Antitrust Authority (CADE).

## ANALYSIS OF 2Q16 FINANCIAL RESULTS

### REVENUES

**Total revenues:** BM&FBOVESPA posted total revenue of R\$637.9 million, up 3.7% over 2Q15, reflecting higher volumes in the derivatives segment coupled with growth in revenues not related to volumes traded.

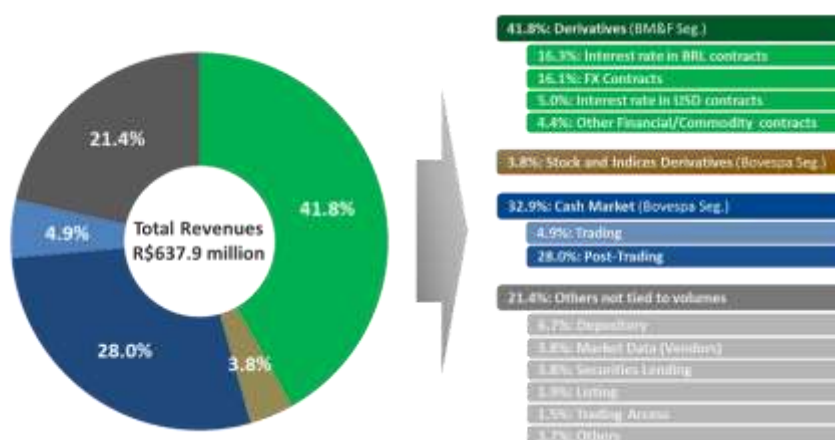
Revenues from trading and post-trading in the derivatives and equities markets together represented 78.6% of total revenues in 2Q16, reaching R\$501.2 million, a 3.6% increase year-over-year. The number of trading days, 63 in 2Q16 versus 61 in 2Q15, also had a positive impact on these revenues.

**BM&F Segment – trading, clearing and settlement:** reached R\$272.3 million (42.7% of total revenues), 5.5% higher than 2Q15, mainly explained by a 4.0% increase in ADV in the period (see performance by segment section).

**Bovespa Segment – trading, clearing and settlement:** totaled R\$239.0 million (37.5% of total revenues), stable compared to 2Q15. Trading and post-trading (transactions) revenues reached R\$234.4 million, 1.6% growth in the period (see performance by segment section). Other revenues from the Bovespa Segment decreased to R\$4.6 million in 2Q16, from R\$9.5 million in 2Q15, due to a reduction in revenues from the settlement of public offerings.

The derivatives markets were the main sources of revenue for the Company (45.6% of total revenues), with financial and commodity derivatives in the BM&F Segment accounting for 41.8% and options/forwards on single stocks and indices in the Bovespa Segment generating the other 3.8%. In addition, USD-linked revenues accounted for 25.0% of the Company's total revenue.

2Q16 Revenues Breakdown<sup>3</sup> (% of total revenues)



**Other revenues:** revenues not tied to volumes reached R\$126.6 million in 2Q16 (19.8% of total revenues), an 8.1% increase year-over-year. The highlights were:

- ✓ **Securities lending:** revenues from this service reached R\$24.3 million (3.8% of total revenues), 10.8% lower than 2Q15, explained mainly by an 8.5% decrease in the average financial value of open interest positions in the same period.
- ✓ **Depository, custody and back office:** revenues from these services reached R\$42.6 million (6.7% of total revenues), a 19.5% increase compared to 2Q15, as a result of 46.8% growth in revenues from *Tesouro Direto*, which reached R\$15.0 million in 2Q16, and adjustments of depository service prices to inflation in Jan'16.
- ✓ **Market data (vendors):** revenues from market data sales of R\$24.2 million (3.8% of total revenues) grew 29.0% over 2Q15, explained by: (i) the depreciation of the Brazilian Real against the US Dollar, since 59.6% of this revenue line were denominated in US Dollars in 2Q16; and (ii) the new commercial policy implemented in Jul'15.

**Net Revenues:** net revenues increased 3.6% year-over-year, reaching R\$574.5 million in 2Q16.

### EXPENSES

**Expenses:** totaled R\$268.8 million in 2Q16, up 35.7% compared to 2Q15. This growth is mainly explained by extraordinary expenses connected to the proposed combination of activities with Cetip<sup>4</sup> and increase in personnel expenses connected to higher stock grant expenses.

- ✓ **Adjusted expenses:** reached R\$146.7 million in 2Q16, a 3.5% increase year-over-year, significantly below the average inflation rate of 8.8%<sup>5</sup> in the period. In the first half of 2016, adjusted expenses reached R\$291.0 million, 3.8% growth compared to the same period of 2015.

<sup>3</sup> The revenues breakdown showed in the chart includes the revenue lines "others" for the Bovespa Segment and "foreign exchange" and "securities" for the BM&F Segment, as reported in the audited financial statements note 20, within other revenues not tied to volumes traded.

<sup>4</sup> Pending regulatory approvals from CVM, BACEN and CADE.

<sup>5</sup> 12 months accumulated Consumer Price Index (IPCA) between Jul'15 and Jun'16; (source: IBGE –<http://www.ibge.gov.br/>).

### Reconciliation of adjusted expenses (in R\$ millions)

	2Q16	2Q15	Change 2Q16/2Q15	1Q16	Change 2Q16/1Q16	1H16	1H15	Change 1H16/1H15
<b>Total expenses</b>	<b>268.8</b>	<b>198.0</b>	<b>35.7%</b>	<b>202.0</b>	<b>33.0%</b>	<b>470.8</b>	<b>419.4</b>	<b>12.3%</b>
Depreciation	(23.8)	(28.1)	-15.4%	(23.8)	-0.2%	(47.6)	(58.7)	-18.9%
Stock grant/option	(41.2)	(22.1)	86.3%	(25.4)	62.1%	(66.6)	(65.5)	1.7%
Proposed business combination with Cetip	(46.3)	0.0	-	(1.0)	-	(47.3)	0.0	-
Planning of the business integration with Cetip	(1.5)	0.0	-	0.0	-	(1.5)	0.0	-
Provisions and others	(9.4)	(6.1)	53.6%	(7.5)	25.4%	(16.8)	(14.9)	12.7%
<b>Adjusted expenses</b>	<b>146.7</b>	<b>141.7</b>	<b>3.5%</b>	<b>144.3</b>	<b>1.6%</b>	<b>291.0</b>	<b>280.3</b>	<b>3.8%</b>

**Personnel:** totaled R\$126.0 million in 2Q16, an increase of 22.0% year-over-year, mainly due to higher stock grant expenses, which reached R\$41.2 million in 2Q16, versus R\$22.1 million in 2Q15. Stock grant expenses were composed of (i) R\$18.6 million in principal; and (ii) R\$22.5 million in payroll tax provision to be paid upon the delivery of shares to the beneficiaries. In 2Q16, stock grant expenses – principal and provision for payroll taxes – were impacted by extraordinary severance expenses of R\$17.6 million and, specifically in the case of provision for payroll taxes<sup>6</sup>, by an increase in BM&FBOVESPA's stock price.

**Adjusted personnel:** increased 4.5% year-over-year to R\$84.8 million, due primarily to the annual salary adjustment of approximately 9% applied in Aug'15.

### Reconciliation of adjusted personnel (in R\$ millions)

	2Q16	2Q15	Change 2Q16/2Q15	1Q16	Change 2Q16/1Q16	1H16	1H15	Change 1H16/1H15
<b>Personnel expenses</b>	<b>126.0</b>	<b>103.2</b>	<b>22.0%</b>	<b>106.3</b>	<b>18.5%</b>	<b>232.2</b>	<b>230.0</b>	<b>1.0%</b>
Stock grant/option	(41.2)	(22.1)	86.3%	(25.4)	62.1%	(66.6)	(65.5)	1.7%
<b>Adjusted personnel expenses</b>	<b>84.8</b>	<b>81.1</b>	<b>4.5%</b>	<b>80.9</b>	<b>4.8%</b>	<b>165.6</b>	<b>164.6</b>	<b>0.6%</b>

**Data processing:** totaled R\$34.3 million, an 11.6% increase compared to 2Q15, mainly due to the impact of exchange rate and inflation in the IT maintenance contracts.

**Depreciation and amortization:** totaled R\$23.8 million, a 15.4% decrease over 2Q15, explained by: (i) completed depreciation and amortization of certain equipment and systems; and (ii) lengthening of the life cycle period used to calculate the depreciation and amortization of equipment and systems.

**Transaction with Cetip:** amounted to R\$47.8 million in 2Q16, composed of extraordinary expenses connected to the proposed business combination with Cetip, R\$46.3 million in transaction costs<sup>7</sup> and R\$1.5 million in expenses<sup>8</sup> related to planning of the business integration, which will happen after regulatory approval.

**Others:** totaled R\$17.5 million, a 13.4% increase year-over-year, due to higher provision expenses.

**Operating income:** totaled R\$305.7 million, down 14.3% over 2Q15. Excluding the extraordinary expenses connected to: (i) the proposed business combination with Cetip and (ii) extraordinary stock grant expenses of R\$17.6 million related to severance, this line would have totaled R\$371.1 million, 4.1% higher compared to 2Q15.

## OTHER FINANCIAL HIGHLIGHTS

**Cash and cash equivalents:** short- and long-term cash, cash equivalents and financial investments as of June 30, 2016 amounted to R\$10,463.4 million<sup>9</sup>, including R\$1,640.4 million in third party cash (mainly related to cash collateral pledged to the Company's clearinghouses). BM&FBOVESPA's own cash totaled R\$8,233.6 million and is comprised of: (i) between R\$2.0 billion and R\$2.5 billion to run the business (including R\$1,091.9 million in restricted financial resources tied to the clearinghouses' safeguard structure); and (ii) approximately R\$6.0 billion in unrestricted available cash retained to fund the proposed transaction with Cetip (including proceeds from the sales of CME Group shares, amounting to R\$5,487.7 million<sup>10</sup>, before tax).

**Indebtedness:** at the end of 2Q16, the Company had R\$2,027.7 million in gross debt outstanding (including principal and accrued interest), composed of US\$612.0 million senior unsecured notes issued in Jul'10 (2020 Notes). Starting from the end of Mar'16, the principal amount of the 2020 Notes has been hedged by swaps against changes in the Brazilian Real vs US Dollar exchange rate.

<sup>6</sup> The amount of payroll tax provision is calculated based on BM&FBOVESPA's stock price at the end of the quarter (R\$18.00 in June 30, 2016, compared to R\$15.38 in March 31, 2016, and R\$11.72 in June 30, 2015). Payroll tax provisions recognized in 2Q16 reflects the amount accrued during the quarter as well as the adjustment of the amount accrued during the 1Q16 to the new reference stock price of R\$18.00.

<sup>7</sup> Includes expenses with legal reports, auditors, appraisers, and lawyers, among other professionals engaged as advisors for the transaction. In 1Q16, these expenses amounted to R\$1.0 million and were recognized under expenses incurred with third-party services.

<sup>8</sup> Includes expenses with consulting services hired to help the integration planning of the proposed combination with Cetip which is subject to regulatory approvals.

<sup>9</sup> Does not include the amount related to the shares of Bolsa Mexicana de Valores, Bolsa de Comercio de Santiago and Bolsa de Valores de Colombia owned by BM&FBOVESPA, which are treated as a financial investment and amounted to R\$150.0 million at the end of Jun'16.

<sup>10</sup> Total pretax proceeds from sales executed in Sep'15 (R\$1,201.3 million) and Apr'16 (R\$4,286.4 million).

**Financial Result:** totaled a loss of R\$418.3 million in 2Q16, mainly impacted by the divestment from CME Group shares, as described below:

**Financial income:** reached R\$284.2 million in 2Q16, 129.5% higher than 2Q15, explained by a higher average interest rate on a higher average financial investment balance, which includes proceeds from the sales of shares held in the CME Group executed in Sep'15 and Apr'16.

**Financial expenses:** totaled R\$129.7 million, a 147.0% increase over 2Q15, and includes: (i) R\$58.5 million regarding the short position in local interest rates in the swap entered into in Mar'16 to hedge the 2020 Notes; (ii) R\$16.4 million in financial transaction tax (IOF) applied on the internalization of proceeds from the divestment from CME Group shares; and (iii) maintenance of stand-by facilities, available but not drawn, in connection with the transaction with Cetip.

**Divestment from CME Group shares:** totaled a loss of R\$572.8 million, non-recurring, composed of: (i) R\$460.5 million, with no cash impact, reflecting changes in the CME Group share price and the Brazilian Real vs US Dollar exchange rate from Sep'15 to the date of total divestment from CME Group shares<sup>11</sup>; and (ii) R\$112.3 million, with cash impact, related to PIS and Cofins levied on the capital gain generated in this transaction.

**Income tax and social contributions:** totaled R\$1.5 million in 2Q16, impacted by the sale of CME Group shares, as detailed below:

**Current tax and social contribution:** totaled R\$907.8 million, mainly consisting of: (i) current taxes amounting to R\$821.1 million related to the capital gain on the sale of CME Group shares, with no cash impact in 2016<sup>12</sup>; (ii) R\$99.2 million reversal of tax assets related to accumulated taxes paid abroad, as a result of the sale of CME Group shares, since this tax asset can only be offset against gains obtained abroad; and (iii) R\$2.4 million in taxes paid by BM&FBOVESPA Settlement Bank, with cash impact.

**Deferred tax and social contribution:** reached R\$906.2 million (positive), with no cash impact, mainly composed of: (i) R\$135.3 million related to temporary differences from the amortization of goodwill for tax purposes in 2Q16; and (ii) reversal of deferred tax liabilities amounting to R\$920.9 million as a result of the sale of CME Group shares.

**IFRS net income (attributable to shareholders):** totaled a net loss of R\$114.4 million in 2Q16, versus a net profit of R\$318.0 million in 2Q15.

Excluding extraordinary items that impacted the Company's results this quarter, the quarterly net income would have amounted to R\$496.8 million, which would have represented an increase of 56.2% over R\$318.0 million in 2Q15.

#### 2Q16 extraordinary items (in R\$ millions)

	Income statement line impacted	Before Tax	After Tax
Extraordinary stock grant expenses	Expenses	17.6	11.6
Transaction with Cetip	Expenses	47.8	31.5
Divestment from CME Group shares <sup>13</sup>	Financial result	572.8	557.3
IOF on proceeds from CME Group shares sale	Financial expense	16.4	10.8

**CAPEX:** capital expenditures totaled R\$47.0 million in 2Q16, of which R\$46.1 million was invested in technology and infrastructure, particularly in the equities phase of the new integrated BM&FBOVESPA Clearinghouse. In the first half of 2016, capital expenditures reached R\$108.0 million. The 2016 CAPEX budget ranges from R\$200 million to R\$230 million.

**Interest on Capital:** on August 11, 2016, the Company's Board of Directors approved the distribution of R\$215.6 million in interest on capital to be paid on September 6, 2016, based on the shareholders' position dated August 22, 2016, representing 50% of the net income excluding extraordinary items related to the divestment from CME Group shares<sup>14</sup>.

## PERFORMANCE BY SEGMENT

**BM&F Segment:** ADV for the derivatives market reached 3.0 million contracts in 2Q16, up 4.0% year-over-year. This increase is mainly explained by an 86.7% growth in the volume of Mini contracts, especially in Mini FX rate contracts, which was partially offset by a 13.9% decrease in the volume of Interest rates in BRL contracts, the most traded in the segment, and a decrease of 11.7% in the volume of FX rates contracts.

Average RPC reached R\$1.420 in 2Q16, down 1.3% over 2Q15. This reduction reflected a higher participation of Mini contracts (to 27.6% of total volume in 2Q16, from 15.4% in 2Q15), given that the RPC for these contracts is lower than average.

**Bovespa Segment:** average daily traded value (ADTV) for equities reached R\$7.1 billion in 2Q16, flat compared to 2Q15. The growth of turnover velocity, which reached 79.4% in 2Q16 versus 70.5% in 2Q15, was offset by a reduction of 10.0% in average market capitalization, which totaled R\$2.2 trillion in 2Q16.

Trading/post-trading margins reached 5.208 bps in 2Q16 versus 5.309 bps in 2Q15. This reduction is mainly explained by the combination of: (i) higher participation of day trades in the overall volume, whose fees are below the average; and (ii) higher volumes connected to the expiration of options on equity indices, to which trading and post-trading fees do not apply in most of these volumes.

#### Other high growth products:

<sup>11</sup> Since 3Q15, the investment in CME Group ceased to be treated as non-current assets (investment in associate) and started to be treated as a financial asset available for sale in current assets (financial investments), and on April 7, 2016 BM&FBOVESPA sold this investment which represented 4% of the CME Group total shares.

<sup>12</sup> The tax levied on the capital gain created by the sale of CME Group shares is due in Jan'17, and could be partially offset with tax credits accumulated during the 2016 tax year.

<sup>13</sup> The net impact from the divestment from CME Group shares, which totaled R\$557.3 million (R\$572.8 million before taxes), takes into account amounts that impacted the results in previous periods as a base to calculate taxes. Additionally, this divestment has led to a reversal of tax assets in the amount of R\$99.2 million related to accumulated taxes paid abroad, since this tax asset can only be offset against gains obtained abroad (see note 4.c to the financial statements).

<sup>14</sup> Divestment from CME Group (R\$557.3 million, after taxes), IOF on proceeds from CME shares sale (R\$10.8 million, after taxes) and FX variation on the unhedged position of the 2020 Note (R\$22.5 million, after taxes – refers to the period between March 29 and 31, 2016 and impacted 1Q16 results).

- ✔ *Tesouro Direto* continues to show a strong performance, with assets under custody growing 87.5% compared to 2Q15, amounting to R\$31.6 billion in 2Q16. The average number of investors reached 314.6 thousand in 2Q16 and represented a 91.4% increase in the year-over-year comparison.
- ✔ *Exchange Traded Funds (ETFs)*: ADTV reached R\$211.8 million in 2Q16, an increase of 32.4% over 2Q15.

## UPDATE ON STRATEGIC INITIATIVES

**Merger between BM&FBOVESPA and Cetip:** on May 20, 2016, BM&FBOVESPA's Extraordinary Shareholders Meeting approved the transaction that will result in the business combination with Cetip. The final proposal for combination was announced by both companies' Boards of Directors on April 8, 2016. The transaction was also approved by Cetip's shareholders and is now awaiting regulatory approval from CVM, BACEN and CADE.

**BM&FBOVESPA Clearinghouse (post-trading integration):** by the end of Jun'16, integrated tests and certification with market participants within the equities and corporate fixed income phase of the new BM&FBOVESPA Clearinghouse was concluded. Now begins the parallel production phase, which replicates in the new production environment of BM&FBOVESPA Clearinghouse, with the integrated version of derivatives, equities and corporate fixed income markets, all the post-trading activities occurred in their own production environment. The conclusion of this phase will result in a unique integrated infrastructure for the post-trading activities of derivatives, equities and corporate fixed income markets. Furthermore, the integrated risk calculation, performed by CORE (CloseOut Risk Evaluation), will also be extended to the equities and corporate fixed income markets. The migration date will depend on the results of the parallel production phase, as well as on regulatory authorization.

**Investment in Latin American Exchanges:** continuing its strategic plan in Latin America, BM&FBOVESPA acquired 9.9% of the Colombian Stock Exchange, with an investment of approximately R\$44 million, and increased its stake in Santiago Stock Exchange to approximately 10.4%, totaling an investment of approximately R\$52 million. In addition to these investments, BM&FBOVESPA also holds a 4.1% equity stake in the Mexican Stock Exchange.

**Market Makers:** continuing the expansion of its market maker programs, BM&FBOVESPA launched, in the financial derivatives market, a market maker program for IPCA (Inflation) Spread Future contract. This contract has shown a significant increase in ADV and open interest. By the end of the quarter, there were 35 active market maker programs (compared to 19 at the end of 2Q15), of which 26 for options on single stocks and indices, and 9 for financial and commodities derivatives.

**Non-sponsored Brazilian Depositary Receipts (BDRs):** by the end of Jun'16, there were 106 non-sponsored BDRs available for trading at BM&FBOVESPA, versus 68 on Jun'15. In 2Q16 the average daily trading volume of this product, which was still incipient, was 121.9% higher than the previous year and it reached R\$15.3 million. Additionally, 16 new non-sponsored BDRs began trading on Jul'16, taking the total number of programs to 122.

**Evolution Process of the Special Listing Segments:** to assure constant evolution of corporate governance standards in Brazil and alignment with international best practices, BM&FBOVESPA has initiated a discussion with regulators, listed companies, market participants, investors and other corporate governance stakeholders to enhance the rules for its special listing segments. The first stage of this process started in Mar'16 with a survey conducted by BM&FBOVESPA to investigate state-of-the-art corporate governance practices in place in other jurisdictions, as well as a public consultation with market participants to obtain a wide range of opinions and inputs on issues that should be addressed in the upcoming proposed changes to the Special Listing Segments. Based on the result from the first stage, in Jun'16 BM&FBOVESPA proposed a series of changes to the rules of Novo Mercado and Level 2 listing segments, and announced a public hearing with all stakeholders before moving on to a restricted hearing with companies listed in these segments.

## RECONCILIATION OF ADJUSTED NET INCOME

	2Q16	2Q15	Change 2Q16/2Q15	1Q16	Change 2Q16/1Q16	1H16	1H15	Change 1H16/1H15
<b>IRFS net income (loss)*</b>	<b>(114.4)</b>	<b>318.0</b>	<b>-136.0%</b>	<b>339.3</b>	<b>-133.7%</b>	<b>224.9</b>	<b>597.5</b>	<b>-62.4%</b>
Stock grant/option (recurring net of tax)	27.2	12.7	114.5%	16.8	62.1%	44.0	24.8	77.3%
Deferred tax liabilities	135.3	137.5	-1.6%	135.3	0.0%	270.6	275.1	-1.6%
Equity in Income of Investees (net of taxes)	-	(31.4)	-	(19.6)	-	(19.6)	(69.2)	-71.7%
Expenses related to Cetip's transaction (net of tax)	31.5	0.0	-	0.7	-	32.2	0.0	0.0%
Divestment in CME Group shares (net of tax)	557.3	0.0	-	0.0	-	557.3	0.0	-
IOF on proceeds from CME Group shares sale (net of tax)	10.8	0.0	-	0.0	-	10.8	0.0	-
<b>Adjusted net income</b>	<b>647.7</b>	<b>436.8</b>	<b>48.3%</b>	<b>472.5</b>	<b>37.1%</b>	<b>1,120.1</b>	<b>828.1</b>	<b>35.3%</b>

\*Attributable to BM&FBOVESPA shareholders.

## SUMMARY OF CONSOLIDATED BALANCE SHEET

ASSETS (In R\$ thousands)			LIABILITIES AND EQUITY (In R\$ thousands)		
	Jun 30, 2016	Dec 31, 2015		Jun 30, 2016	Dec 31, 2015
<b>Current assets</b>	<b>8,649,731</b>	<b>8,673,786</b>	<b>Current liabilities</b>	<b>3,241,252</b>	<b>2,096,785</b>
Cash and cash equivalents	470,557	440,845	Collateral for transactions	1,579,811	1,338,010
Financial investments	7,871,347	7,798,529	Others	1,661,441	758,775
Others	307,827	434,412	<b>Noncurrent liabilities</b>	<b>5,035,949</b>	<b>5,859,897</b>
<b>Noncurrent assets</b>	<b>18,154,073</b>	<b>17,635,109</b>	Debt issued abroad	1,968,707	2,384,084
<b>Long-term receivables</b>	<b>2,429,138</b>	<b>1,961,426</b>	Deferred inc. tax and social contrib.	2,580,523	3,272,276
Financial investments	2,271,459	1,815,620	Others	486,719	203,537
Others	157,679	145,806	<b>Equity</b>	<b>18,526,603</b>	<b>18,352,213</b>
<b>Investments</b>	<b>29,876</b>	<b>30,635</b>	Capital	2,540,239	2,540,239
<b>Property and equipment, net</b>	<b>454,881</b>	<b>453,094</b>	Capital reserve	14,273,310	14,300,310
<b>Intangible assets</b>	<b>15,240,178</b>	<b>15,189,954</b>	Others	1,700,529	1,501,550
Goodwill	14,401,628	14,401,628	<b>Non-controlling interests</b>	<b>10,525</b>	<b>10,114</b>
<b>Total Assets</b>	<b>26,803,804</b>	<b>26,308,895</b>	<b>Total liabilities and equity</b>	<b>26,803,804</b>	<b>26,308,895</b>

## CONSOLIDATED INCOME STATEMENT

<i>(In thousand of Brazilian Reals, unless otherwise indicated)</i>	2Q16	2Q15	Change 2Q16/2Q15	1Q16	Change 2Q16/1Q16	1H16	1H15	Change 1H16/1H15
<b>Total revenues</b>	<b>637,851</b>	<b>615,355</b>	<b>3.7%</b>	<b>625,387</b>	<b>2.0%</b>	<b>1,263,238</b>	<b>1,192,656</b>	<b>5.9%</b>
<b>Trading/settlement - BM&amp;F</b>	<b>272,258</b>	<b>258,011</b>	<b>5.5%</b>	<b>277,736</b>	<b>-2.0%</b>	<b>549,994</b>	<b>508,950</b>	<b>8.1%</b>
Derivatives	266,805	253,216	5.4%	272,308	-2.0%	539,113	499,424	7.9%
Foreign exchange	5,453	4,671	16.7%	5,428	0.5%	10,881	9,402	15.7%
Securities	-	124	-	-	-	-	124	-
<b>Trading/settlement - Bovespa</b>	<b>238,998</b>	<b>240,255</b>	<b>-0.5%</b>	<b>224,132</b>	<b>6.6%</b>	<b>463,130</b>	<b>458,351</b>	<b>1.0%</b>
Trading fees	38,312	37,426	2.4%	36,019	6.4%	74,331	72,616	2.4%
Clearing fees	196,078	193,312	1.4%	183,704	6.7%	379,782	372,771	1.9%
Others	4,608	9,517	-51.6%	4,409	4.5%	9,017	12,964	-30.4%
<b>Other revenues</b>	<b>126,595</b>	<b>117,089</b>	<b>8.1%</b>	<b>123,519</b>	<b>2.5%</b>	<b>250,114</b>	<b>225,355</b>	<b>11.0%</b>
Securities lending	24,329	27,288	-10.8%	23,156	5.1%	47,485	49,494	-4.1%
Listing	12,915	12,526	3.1%	13,555	-4.7%	26,470	24,599	7.6%
Depository, custody and back-office	42,592	35,628	19.5%	36,465	16.8%	79,057	66,946	18.1%
Trading access (Brokers)	9,338	9,889	-5.6%	9,779	-4.5%	19,117	19,719	-3.1%
Vendors	24,197	18,760	29.0%	27,298	-11.4%	51,495	37,741	36.4%
BM&FBOVESPA bank	9,574	7,998	19.7%	9,326	2.7%	18,900	15,160	24.7%
Others	3,650	5,000	-27.0%	3,940	-7.4%	7,590	11,696	-35.1%
<b>Revenue deductions</b>	<b>(63,377)</b>	<b>(60,721)</b>	<b>4.4%</b>	<b>(61,879)</b>	<b>2.4%</b>	<b>(125,256)</b>	<b>(117,579)</b>	<b>6.5%</b>
PIS and Cofins	(54,967)	(52,868)	4.0%	(53,633)	2.5%	(108,600)	(102,364)	6.1%
Service tax	(8,410)	(7,853)	7.1%	(8,246)	2.0%	(16,656)	(15,215)	9.5%
<b>Net revenues</b>	<b>574,474</b>	<b>554,634</b>	<b>3.6%</b>	<b>563,508</b>	<b>1.9%</b>	<b>1,137,982</b>	<b>1,075,077</b>	<b>5.9%</b>
<b>Expenses</b>	<b>(268,786)</b>	<b>(198,017)</b>	<b>35.7%</b>	<b>(202,037)</b>	<b>33.0%</b>	<b>(470,823)</b>	<b>(419,438)</b>	<b>12.3%</b>
Personnel	(125,953)	(103,203)	22.0%	(106,275)	18.5%	(232,228)	(230,042)	1.0%
Data processing	(34,329)	(30,774)	11.6%	(35,856)	-4.3%	(70,185)	(59,627)	17.7%
Deprec. and amortization	(23,766)	(28,104)	-15.4%	(23,814)	-0.2%	(47,580)	(58,697)	-18.9%
Third-party services	(8,580)	(9,900)	-13.3%	(7,619)	12.6%	(16,199)	(17,035)	-4.9%
Maintenance	(3,801)	(3,302)	15.1%	(3,740)	1.6%	(7,541)	(6,349)	18.8%
Communication	(1,125)	(1,046)	7.6%	(1,604)	-29.9%	(2,729)	(3,378)	-19.2%
Marketing	(1,624)	(1,714)	-5.3%	(1,581)	2.7%	(3,205)	(3,345)	-4.2%
Taxes	(1,826)	(2,056)	-11.2%	(1,821)	0.3%	(3,647)	(3,558)	2.5%
Board/committees compensation	(2,516)	(2,500)	0.6%	(2,307)	9.1%	(4,823)	(4,407)	9.4%
Transaction with Cetip	(47,785)	-	-	(1,007)	4645.3%	(48,792)	-	-
Others	(17,481)	(15,418)	13.4%	(16,413)	6.5%	(33,894)	(33,000)	2.7%
<b>Operating income</b>	<b>305,688</b>	<b>356,617</b>	<b>-14.3%</b>	<b>361,471</b>	<b>-15.4%</b>	<b>667,159</b>	<b>655,639</b>	<b>1.8%</b>
Operating margin	53.2%	64.3%	-1,109 bps	64.1%	-1,093 bps	58.6%	61.0%	-236 bps
<b>Equity in income of investees</b>	<b>-</b>	<b>40,344</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87,232</b>	<b>-</b>
<b>Financial result</b>	<b>(418,290)</b>	<b>71,359</b>	<b>-686.2%</b>	<b>160,543</b>	<b>-360.5%</b>	<b>(257,747)</b>	<b>132,944</b>	<b>-293.9%</b>
Financial income	284,244	123,877	129.5%	229,507	23.8%	513,751	232,608	120.9%
Financial expenses	(129,734)	(52,518)	147.0%	(68,964)	88.1%	(198,698)	(99,664)	99.4%
Divestment from CME Group shares	(572,800)	-	-	-	-	(572,800)	-	-
<b>Income before taxes</b>	<b>(112,602)</b>	<b>468,320</b>	<b>-124.0%</b>	<b>522,014</b>	<b>-121.6%</b>	<b>409,412</b>	<b>875,815</b>	<b>-53.3%</b>
<b>Income tax and social contribution</b>	<b>(1,541)</b>	<b>(150,052)</b>	<b>-99.0%</b>	<b>(182,534)</b>	<b>-99.2%</b>	<b>(184,075)</b>	<b>(277,799)</b>	<b>-33.7%</b>
Current	(907,790)	(8,420)	10681.4%	(13,297)	6727.0%	(921,087)	(19,837)	4543.3%
Deferred	906,249	(141,632)	-739.9%	(169,237)	-635.5%	737,012	(257,962)	-385.7%
<b>Net income (loss)</b>	<b>(114,143)</b>	<b>318,268</b>	<b>-135.9%</b>	<b>339,480</b>	<b>-133.6%</b>	<b>225,337</b>	<b>598,016</b>	<b>-62.3%</b>
Net margin	-19.9%	57.4%	-7,725 bps	60.2%	-8,011 bps	19.8%	55.6%	-3,582 bps
<b>Attributable to:</b>								
BM&FBOVESPA's shareholders	(114,401)	317,990	-136.0%	339,327	-133.7%	224,926	597,466	-62.4%
Net margin	-19.9%	57.3%	-7,725 bps	60.2%	-8,013 bps	19.8%	55.6%	-3,581 bps
Minority interest	258	278	-7.2%	153	68.6%	411	550	-25.3%
Sharecount	1,786,959,763	1,795,780,506	-0.5%	1,786,388,503	0.0%	1,786,915,815	1,796,105,319	-0.5%
<b>EPS attrib. to BM&amp;FBOVESPA's shareholders</b>	<b>(0.064020)</b>	<b>0.177076</b>	<b>-136.2%</b>	<b>0.189951</b>	<b>-133.7%</b>	<b>0.125874</b>	<b>0.332645</b>	<b>-62.2%</b>
<b>Adjusted expenses</b>	<b>(146,671)</b>	<b>(141,700)</b>	<b>3.5%</b>	<b>(144,341)</b>	<b>1.6%</b>	<b>(291,012)</b>	<b>(280,314)</b>	<b>3.8%</b>

## STATISTICAL OPERATING DATA FOR BM&F SEGMENT

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

Contracts	2Q16	2Q15	2Q16/2Q15 (%)	1Q16	2Q16/1Q16 (%)
Interest rates in BRL	1,397.0	1,622.2	-13.9%	1,455.6	-4.0%
FX rates	411.3	465.7	-11.7%	435.5	-5.6%
Stock indices	97.6	98.5	-1.0%	105.6	-7.6%
Interest rates in USD	264.5	252.1	4.9%	271.6	-2.6%
Commodities	7.6	8.9	-14.8%	6.6	14.2%
Mini contracts	829.3	444.2	86.7%	799.3	3.8%
<b>TOTAL</b>	<b>3,007.2</b>	<b>2,891.7</b>	<b>4.0%</b>	<b>3,074.3</b>	<b>-2.2%</b>

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

Contracts	2Q16	2Q15	2Q16/2Q15 (%)	1Q16	2Q16/1Q16 (%)
Interest rates in BRL	1.224	1.057	15.8%	1.140	7.3%
FX rates	3.967	3.572	11.1%	4.415	-10.1%
Stock indices	1.937	2.258	-14.2%	1.847	4.9%
Interest rates in USD	1.897	1.811	4.8%	2.156	-12.0%
Commodities	2.075	2.337	-11.2%	2.396	-13.4%
Mini contracts	0.269	0.192	39.9%	0.270	-0.5%
<b>TOTAL</b>	<b>1.420</b>	<b>1.440</b>	<b>-1.3%</b>	<b>1.495</b>	<b>-5.0%</b>



## STATISTICAL OPERATING DATA FOR BOVESPA SEGMENT

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

Market	2Q16	2Q15	2Q16/2Q15 (%)	1Q16	2Q16/1Q16 (%)
<b>Stocks and equity deriv.</b>	7,141.9	7,118.3	0.3%	6,954.5	2.7%
Cash market	6,872.4	6,868.0	0.1%	6,646.4	3.4%
Derivatives	269.5	250.3	7.7%	308.0	-12.5%
Options market (stocks / indices)	209.2	185.1	13.0%	251.4	-16.8%
Forward market	60.3	65.2	-7.4%	56.6	6.5%
<b>Fixed income and other cash-market securities</b>	1.7	6.6	-74.3%	2.3	-26.8%
<b>TOTAL</b>	<b>7,143.6</b>	<b>7,124.9</b>	<b>0.3%</b>	<b>6,956.8</b>	<b>2.7%</b>

### AVERAGE DAILY NUMBER OF TRADES (in thousands)

Market	2Q16	2Q15	2Q16/2Q15 (%)	1Q16	2Q16/1Q16 (%)
<b>Stocks and equity deriv.</b>	950.7	908.4	4.7%	1,071.1	-11.2%
Cash market	892.5	838.9	6.4%	1,007.0	-11.4%
Derivatives	58.2	69.5	-16.3%	64.1	-9.3%
Options market (stocks / indices)	57.7	69.0	-16.4%	63.7	-9.4%
Forward market	0.5	0.5	-0.1%	0.4	8.8%
<b>Fixed income and other cash-market securities</b>	0.012	0.007	80.5%	0.011	7.7%
<b>TOTAL</b>	<b>950.7</b>	<b>908.4</b>	<b>4.7%</b>	<b>1,071.1</b>	<b>-11.2%</b>

### OTHER OPERATIONAL STATISTICS

	2Q16	2Q15	2Q16/2Q15 (%)	1Q16	2Q16/1Q16 (%)
Average market cap. (in R\$ billions)	2,155.6	2,395.7	-10.0%	1,897.2	13.6%
Average Ibovespa (closing price)	50,983	54,577	-6.6%	43,516	17.2%
Average value under custody (in R\$ billions)	1,076.5	1,185.2	-9.2%	938.6	14.7%
Average value under custody - ex ADRs and Forgn. Inv. (in R\$ billions)	381.3	439.9	-13.3%	338.1	12.8%
Number of custody accounts - average	582,706	584,340	-0.3%	581,509	0.2%
Treasury Direct platform (average assets under custody - R\$ billions)	31.6	16.9	87.5%	26.9	17.6%
ETFs ADTV (in R\$ millions)	211.8	160.0	32.4%	206.2	2.7%
# Listed companies to trade stocks	440	454	-3.1%	445	-1.1%
Turnover velocity (annualized)	79.4%	70.5%	886 bps	87.2%	-785 bps

### TRADING MARGINS (basis points)

Market	2Q16	2Q15	2Q16/2Q15 (%)	1Q16	2Q16/1Q16 (%)
<b>Stocks and equity derivatives</b>	5.206	5.312	-0.11 bps	5.263	-0.06 bps
Cash market	4.850	4.987	-0.14 bps	4.847	0.00 bps
Derivatives	14.298	14.222	0.08 bps	14.222	0.08 bps
Options market	14.672	14.652	0.02 bps	14.491	0.18 bps
Forward market	12.999	12.999	0.00 bps	13.030	-0.03 bps
<b>TOTAL</b>	<b>5.208</b>	<b>5.309</b>	<b>-0.10 bps</b>	<b>5.264</b>	<b>-0.06 bps</b>