| BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros | CETIP S.A. – Mercados Organizados |
|---|---|
| CNPJ no. 09.346.601/0001-25 | CNPJ no. 09.358.105/0001-91 |
| NIRE no. 35.300.351.452 | NIRE no. 33.300.285.601 |
| Public Company | Public Company |

# MATERIAL FACT

## MERGER OF BM&FBOVESPA – BOLSA DE VALORES, MERCADORIAS E FUTUROS AND CETIP S.A. – MERCADOS ORGANIZADOS

**BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros** and **CETIP S.A. – Mercados Organizados** (jointly, the "Companies"), with reference to Material Facts previously released regarding the analysis of their business combination ("Transaction") by the *Brazilian Antitrust Authority* ("CADE"), hereby inform that, on this date, CADE's General Superintendence ("SG") forwarded the Transaction to the CADE's Tribunal in accordance with the procedure required by article 57 (II) of Law 12,529/2011.

According to the technical report ("Opinion") issued by the SG, the SG identified concerns from a competitive standpoint, which, according to the SG, would not justify the rejection of the Transaction due to (i) the efficiencies to be created and the positive effects to the market; and (ii) the possibility of mitigating such concerns through remedies. CADE's Tribunal, therefore, will be responsible for assessing the possible measures to be observed by the Companies as a condition for the approval of the Transaction.

With respect to the competitive concerns and the positive effects associated with the Transaction, we highlight below a passage of the "Competitive Analysis Summary" from the Opinion:

*"267. Based on the set of arguments summarized above, we conclude that it is possible that the merger under review will result in loss to competition, related to (i) up to a certain limit, the creation of a monopoly in certain over the counter segments in which there used to be competition, even if incipient, between the Applicants [Companies], although it is important to stress that these are few segments, which represent very little in comparison with the total; (ii) particularly, the elimination of potential competition between the Applicants in certain segments, especially in the over the counter market; and (iii) the potential increase in barriers to entry for new agents in the affected markets, due to its [the Companies'] verticalized structure and the possibility of qualifying its central securities depository as an essential facility.*

*268. Nevertheless, the set of efficiencies shown by the Applicants and confirmed by consulted third parties reveals that, albeit not sufficient to completely mitigate the exposed negative effects satisfactorily, the efficiencies seem to make the rejection of the transaction disproportional since, in fact, the transaction should result in certain benefits to the market, and since competitive problems are focused, in particular, on the elimination of potential competition and the increase of barriers to entry, which could be mitigated by less drastic remedies.*

*269. Thus, this SG understands that, if, on the one hand, the rejection of the present transaction would be disproportional, considering the limited scope of the potential anticompetitive effects vis à vis the likely efficiencies and the feasibility of remedies, on the other hand, it is not possible to approve the transaction without restrictions to mitigate the potential problems. As such, the approval of the transaction would require the adoption of remedies that address such problems, preserving the positive effects that the transaction could trigger to the market and all users."*

The full text of the Opinion and all public documents relating to CADE's analysis of the case are available at the antitrust authority's website (www.cade.gov.br) (in Portuguese).

The Companies will seek to address to CADE's Tribunal the elements identified in the SG's Opinion in order to obtain approval for the Transaction within the legal timeframe.

São Paulo,
November 29, 2016

**Daniel Sonder**
Chief Financial, Corporate Affairs & Investor Relations Officer,
BM&BOVESPA

**Willy Jordan**
Chief Financial, Corporate Affairs & Investor Relations Officer, CETIP