



BM&F BOVESPA

The New Exchange



BM&F BOVESPA
3Q08 Earnings Conference Call
November 12th

Forward Looking Statements

This presentation may contain certain statements that express the management's expectations, beliefs and assumptions about future events or results. Such statements are not historical fact, being based on currently available competitive, financial and economic data, and on current projections about the industries BM&F Bovespa works in.

The verbs "anticipate," "believe," "estimate," "expect," "forecast," "plan," "predict," "project," "target" and other similar verbs are intended to identify these forward-looking statements, which involve risks and uncertainties that could cause actual results to differ materially from those projected in this presentation and do not guarantee any future BM&F Bovespa performance.

The factors that might affect performance include, but are not limited to: (i) market acceptance of BM&F services; (ii) volatility related to (a) the Brazilian economy and securities markets and (b) the highly-competitive industries BM&F Bovespa operates in; (iii) changes in (a) domestic and foreign legislation and taxation and (b) government policies related to the financial and securities markets; (iv) increasing competition from new entrants to the Brazilian markets; (v) ability to keep up with rapid changes in technological environment, including the implementation of enhanced functionality demanded by BM&F customers; (vi) ability to maintain an ongoing process for introducing competitive new products and services, while maintaining the competitiveness of existing ones; (vii) ability to attract new customers in domestic and foreign jurisdictions; (viii) ability to expand the offer of BM&F Bovespa products in foreign jurisdictions.

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Consolidated Corporate Earnings

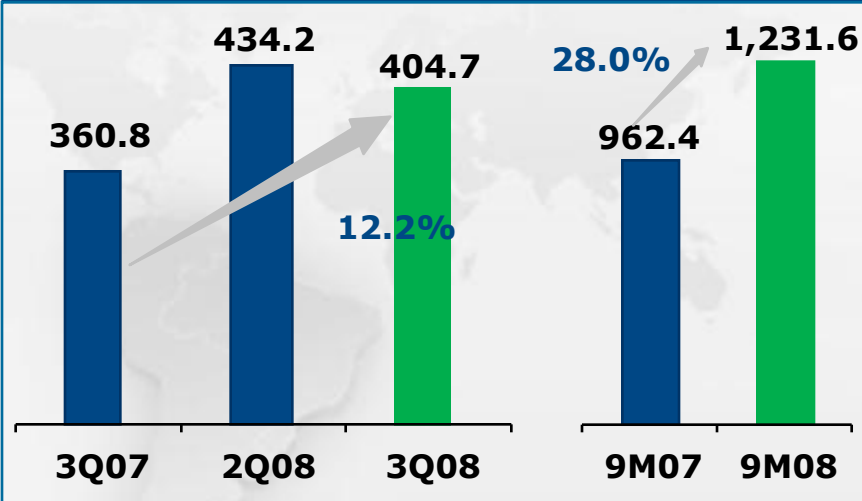
R\$ Millions	1H08	3Q08	9M08
Net Revenues	826,899	404,675	1,231,574
Operating Expenses	(369,656)	(189,642)	(559,298)
Operating Result	457,243	215,033	672,277
<i>Operational Margin</i>	<i>55.3%</i>	<i>53.1%</i>	<i>54.6%</i>
EBITDA	472,944	223,063	696,007
<i>EBITDA Margin</i>	<i>57.19%</i>	<i>55.1%</i>	<i>56.5%</i>
Goodwill Amortization	(81,105)	(121,658)	(202,763)
Financial Result	155,037	67,956	222,993
Non Operating Result	10,842	4,080	14,922
Net Income Before Tax	542,017	165,411	707,428
Income Tax and Social Cont.	(215,503)*	(46,935)	(262,438)
Deferred Income and Soc Cont.	3,329	82,848	86,177
Minority Interested	(607)	(354)	(961)
Net Income	329,236	200,970	530,206
<i>Net Margin</i>	<i>39.8%</i>	<i>49.7%</i>	<i>43.1%</i>

- The amount of deferred tax credits ,by the end of 1H08, was aggregated in
- the Income Taxes payable

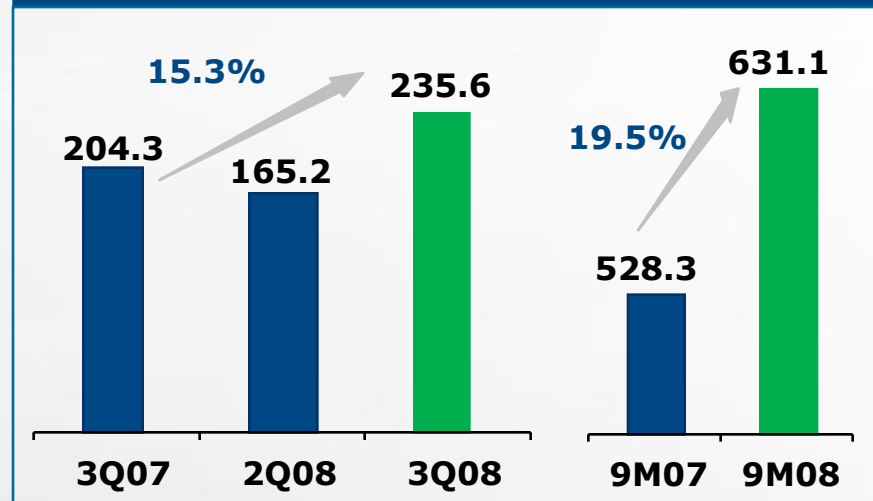
Financial Highlights

2008 Adjusted and 2007 Pro Forma

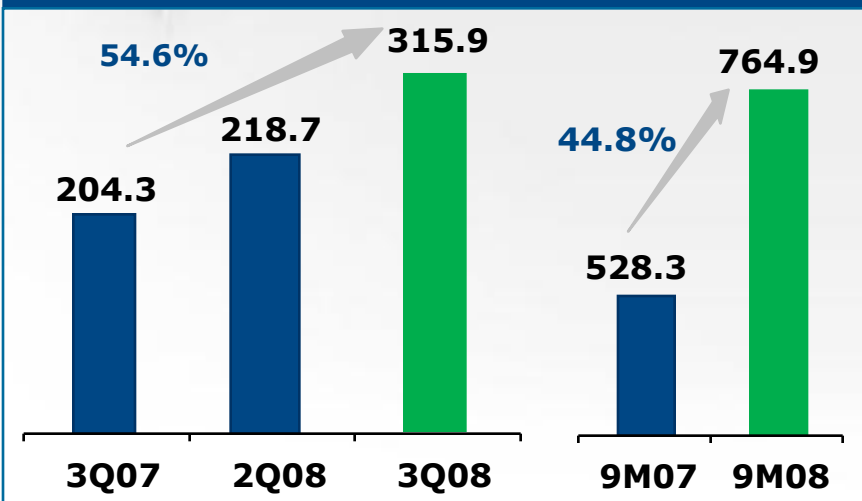
Net Revenues (R\$ Millions)



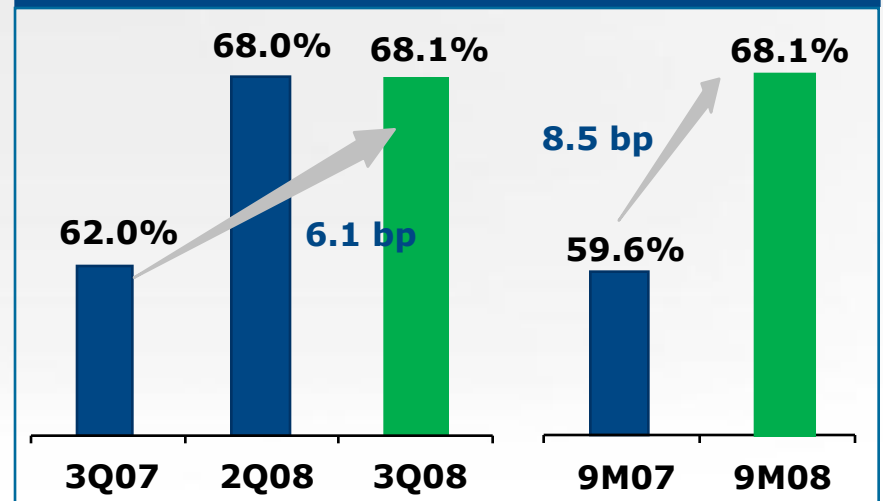
Net Income (R\$ Millions) Excludes non-recurring expenses



Adjusted Net Income (R\$ Millions) Excludes goodwill amortization and non-recurring expenses



EBITDA Margin (%)



Pro Forma – Income Statements

(In thousands of reais)	3Q07	2Q08	3Q08	9M07	9M08
Gross Operating Revenues	402,008	483,625	450,833	1,071,551	1,372,066
Revenues from trading and/or settlement systems - BM&F segment	157,388	161,321	170,386	458,373	486,645
Revenues from trading and/or settlement systems - Bovespa segment	232,541	309,329	264,601	577,361	844,457
Other operating revenues	12,079	12,975	15,846	35,817	40,964
Deductions from revenues	(41,219)	(49,446)	(46,158)	(109,180)	(140,492)
Net operating revenues	360,789	434,179	404,675	962,371	1,231,574
Operating expenses	(145,572)	(146,700)	(137,158)	(414,242)	(416,408)
Operating income	215,217	287,479	267,517	548,129	815,167
Goodwill amortization	-	(81,105)	(121,658)	-	(202,763)
Interest income, net	77,989	77,244	67,957	232,485	222,993
Non-operating income	9,742	7,531	4,080	16,627	14,922
Net income before taxes	302,948	291,149	217,897	797,241	850,319
Income and social contribution taxes	(97,922)	(124,973)	(68,109)	(266,919)	(304,445)
Deferred income and social contribution taxes	-	-	86,177	-	86,177
Minority interest	(690)	(970)	(354)	(2,056)	(961)
Net income	204,336	165,206	235,611	528,266	631,090

	3Q08	9M08
Total amount of shares (thousands)	2,038,073	2,038,073
Earnings per share (R\$)	0.116	0.310
Adjusted earnings per share (R\$)	0.155	0.375
Total amount of shares – Fully Diluted (thousands)	2,044,014	2,044,014
Earnings per share (R\$)	0.115	0.309
Adjusted earnings per share (R\$)	0.154	0.374

Reconciliation of 9M08 Consolidated Adjusted Results

R\$ Thousands	Reported	Non Recur.	Adjusted
Net Revenues	1,231,574		1,231,574
Operating Expenses	(559,298)	142,890	(416,408)
Operating Result	672,277	142,890	815,167
<i>Operating Margin</i>	<i>54.6%</i>		<i>66.2%</i>
EBITDA	696,007		838,897
<i>EBITDA Margin</i>	<i>56.5%</i>		<i>68.1%</i>
Goodwill Amortization	(202,763)		(202,763)
Financial Income, net	222,993		222,993
Non-Operating Income	14,922		14,922
Income Before Taxes	707,428	142,890	850,318
Income Tax and Social Contribution	(262,438)	(42,007)	(304,445)
Deferred Tax Credits	(86,177)		(86,177)
Minority Interest	(961)		(961)
Net Income	530,206	100,884	631,090
<i>Net Margin</i>	<i>43.1%</i>		<i>51.2%</i>
Adjusted Net Income by Goodwill	664.030	100,884	764.914
<i>Adjusted Net Margin by Goodwill</i>	<i>53.9%</i>		<i>62.1%</i>

Balance Sheet as of 09/30/2008

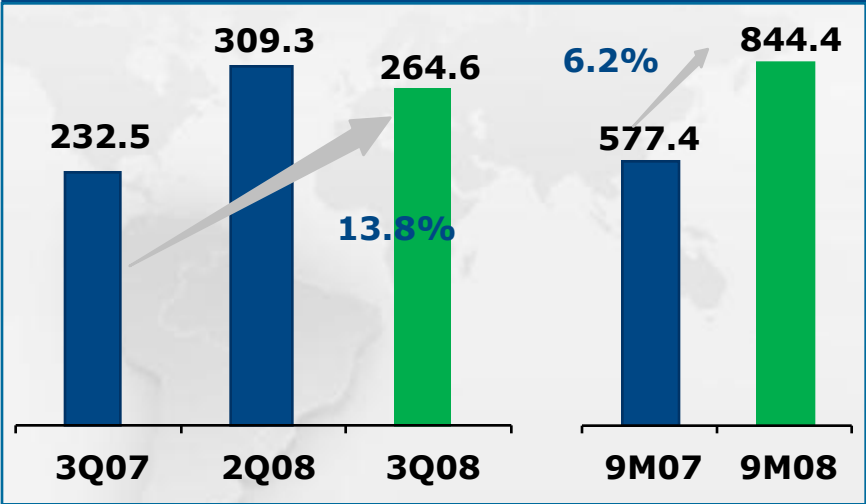
Assets (R\$ Thousands)		Liabilities and Stockholders' Equity (R\$ Thousands)	
Current	2,408,035	Current	1,110,351
Cash and Cash Equivalent	2,055,229	Cash Collateral	573,722
Other Credits	352,806	Short Term Debt	148,240
Long Term Assets	585,471	Others	388,389
Permanent	17,759,920	Long Term Liabilities	95,923
Investments	1,317,372	Minority Interest	15,272
Fixed	242,406	Stockholders' Equity	19,531,880
Intangible	16,182,148	Total Liabilities and Equity	20,753,426
Deferred	17,994		
Total Assets	20,753,426		



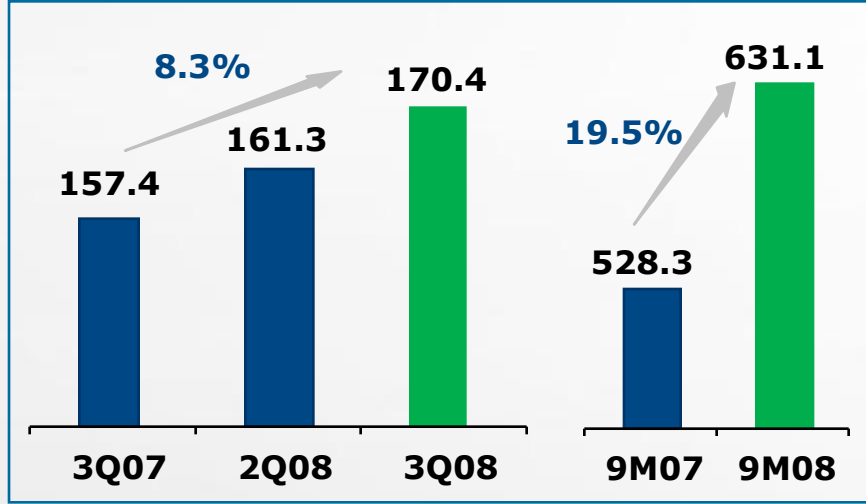
REVENUES

Revenues Breakdown

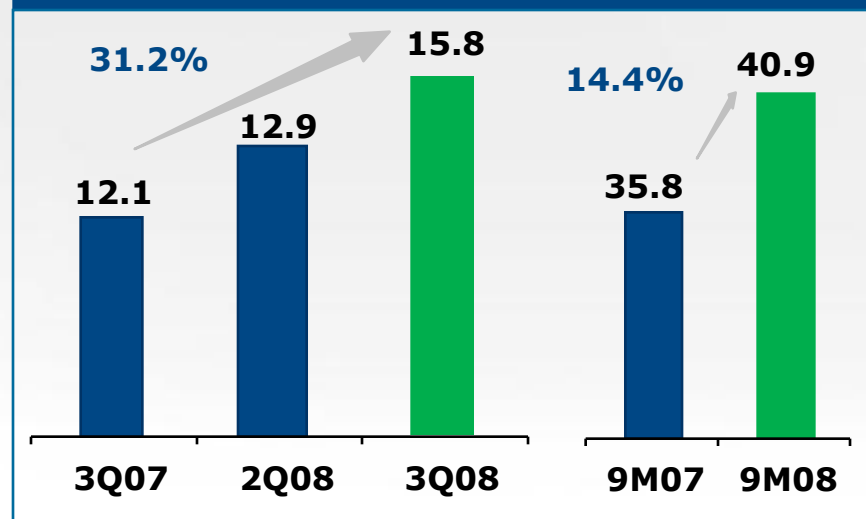
Bovespa Segment (R\$ Thousands)



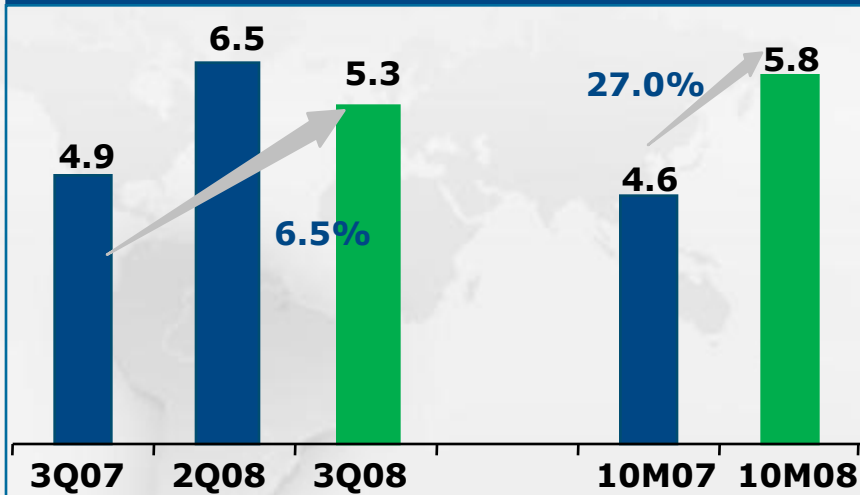
BM&F Segment (R\$ Thousands)



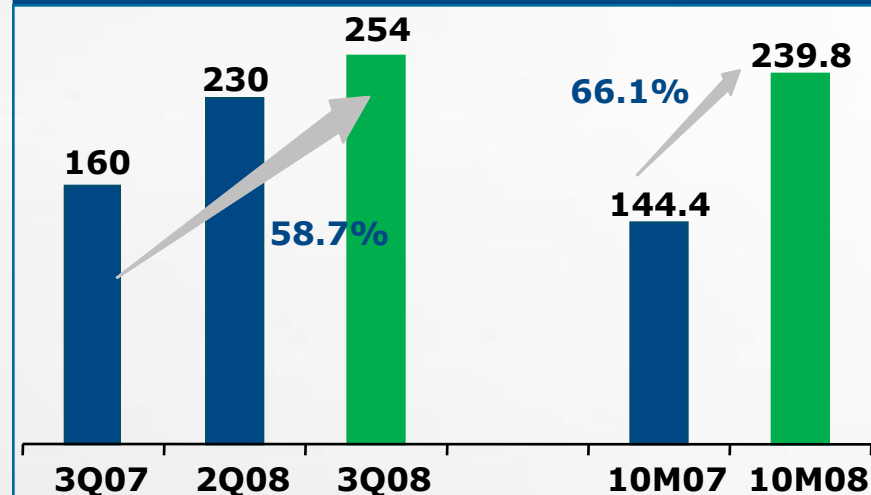
Other Revenues (R\$ Thousands)



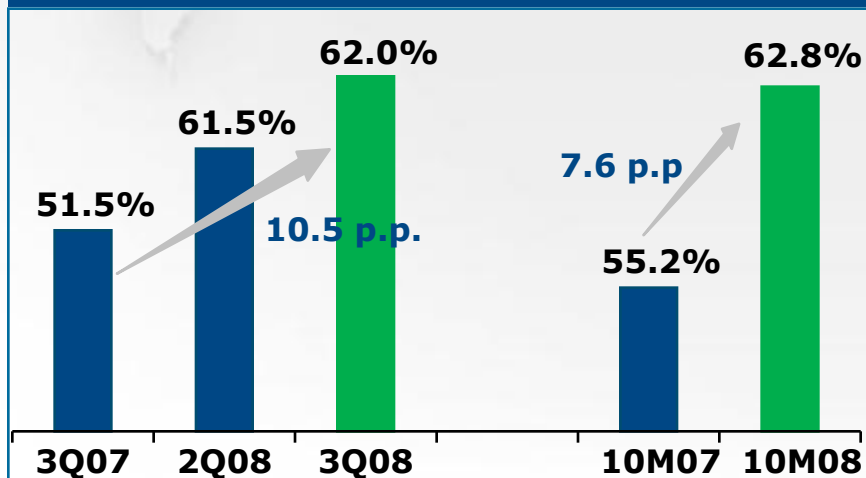
Average Daily Trading Value
(R\$ Billions)



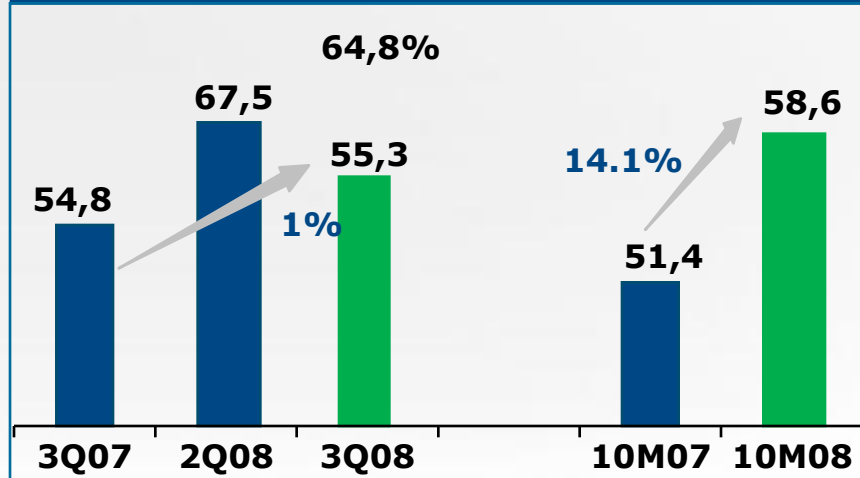
Average Daily Number of Trades
(Thousands)



Annualized Turnover*



Average IBOVESPA (Thousands)

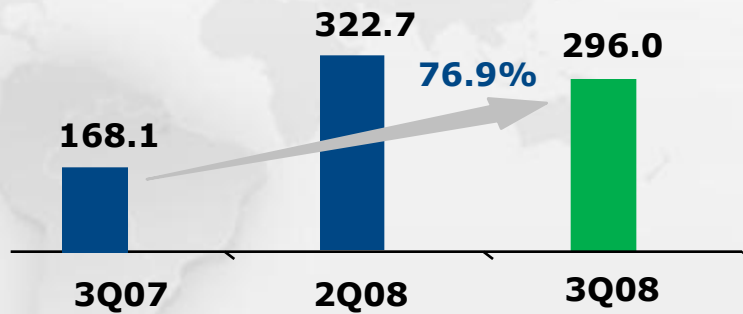


* Relation with the trading value of the cash market and the market cap of the exchange

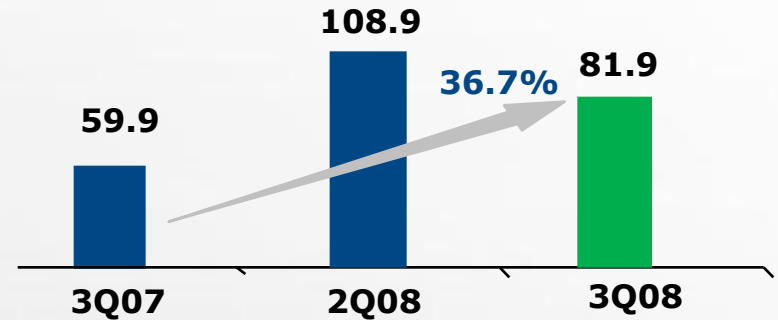
Market Data and Number of Investors Accounts – Bovespa segment

Market Data

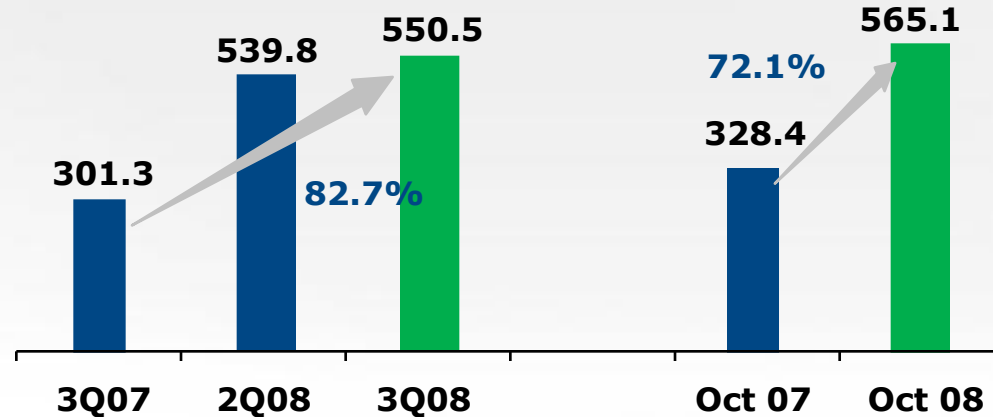
Home Broker – Number of Clients (thousands)



Vendors Number of Users (thousands)

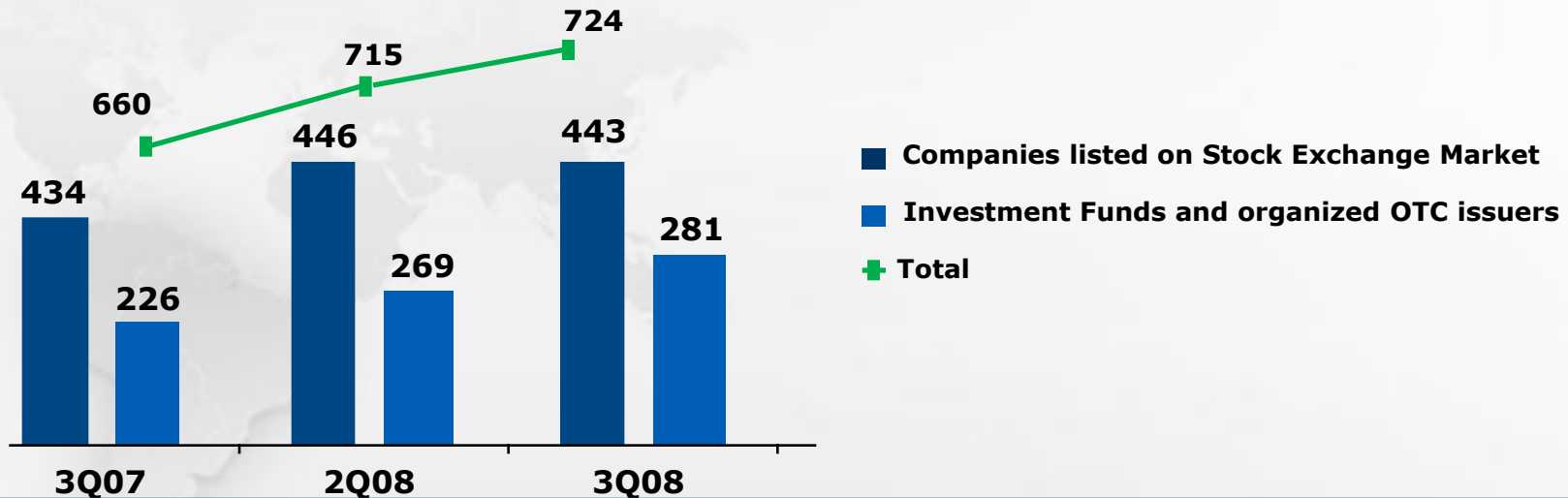


Number of Investors Accounts (thousands)

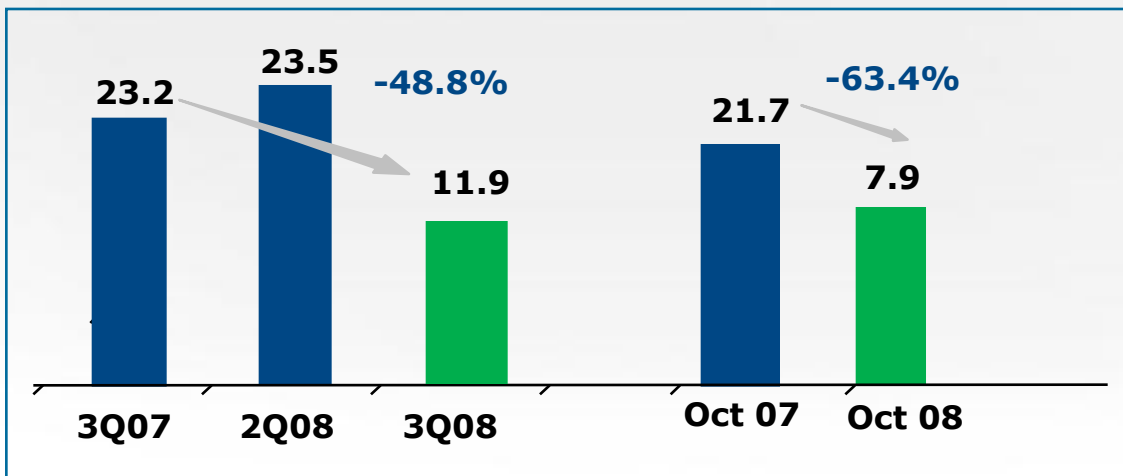


Listing and Securities Lending – Bovespa segment

Number of Issuers

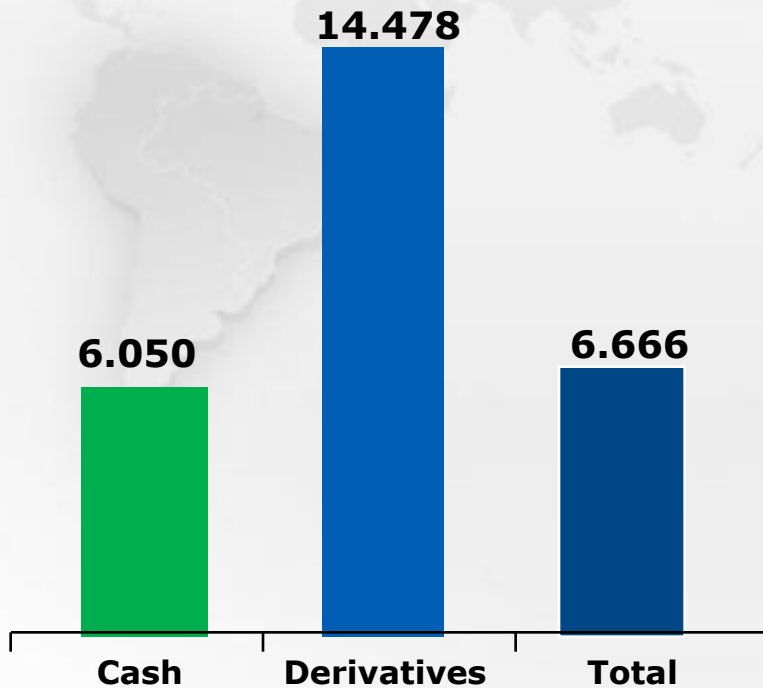


Securities Lending – Open Interest - (R\$ billions)



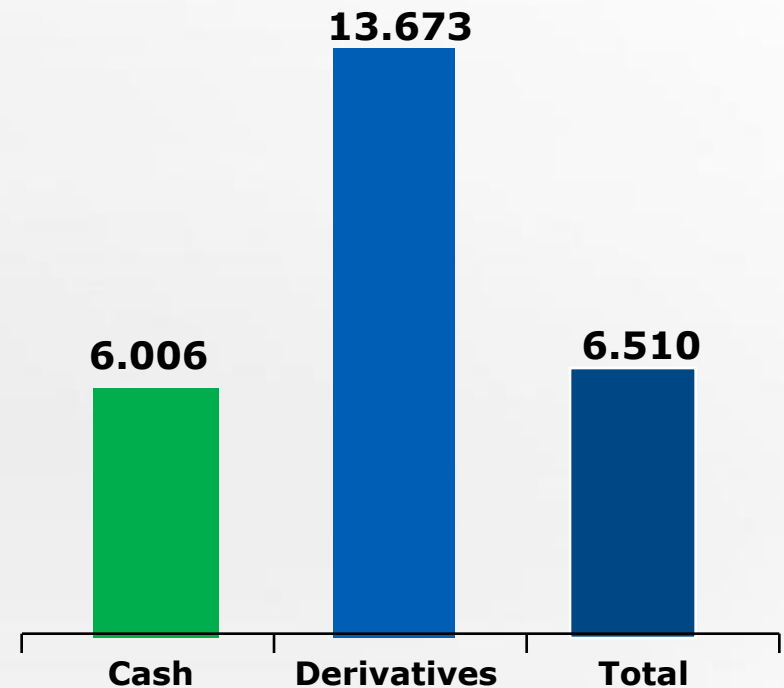
2Q08 Margin

Basis Points

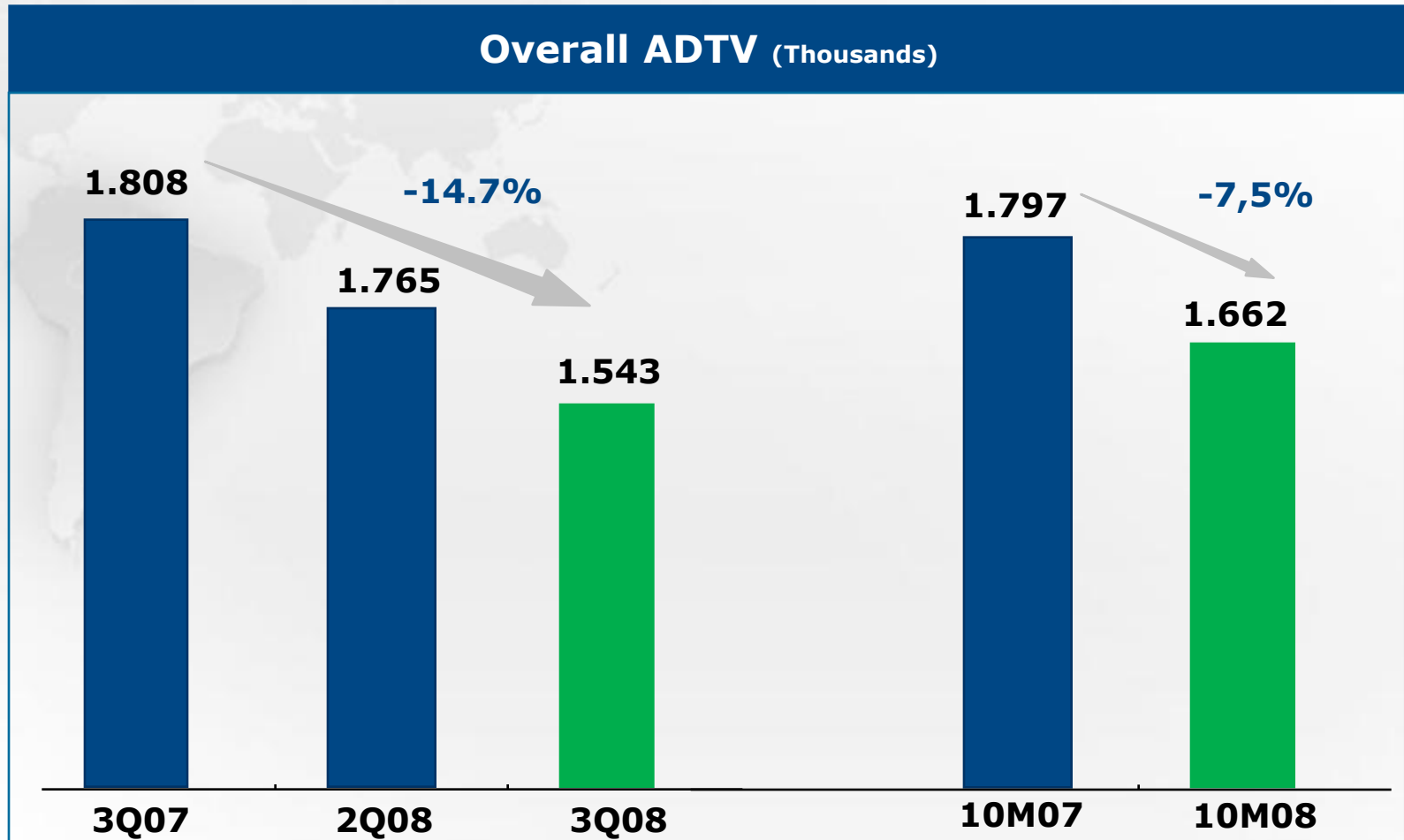


3Q08 Margin

Basis Points

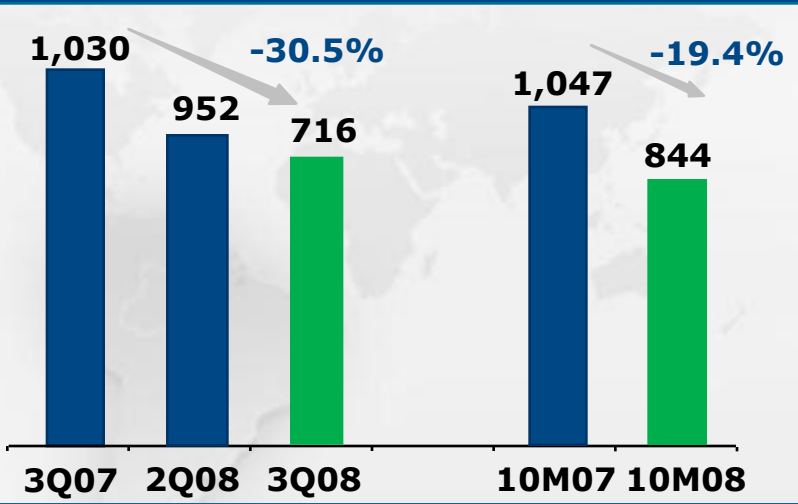


* Trading, clearing and settlement fees divide by traded value

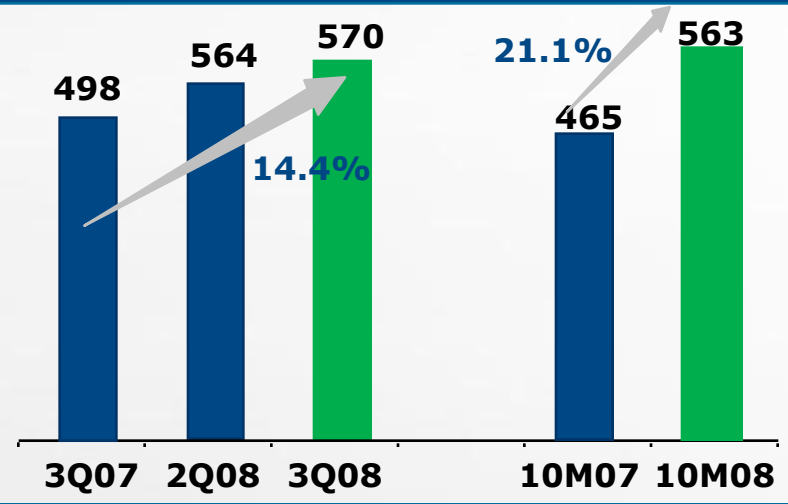


ADTV of Major Derivatives Contracts – BM&F segment

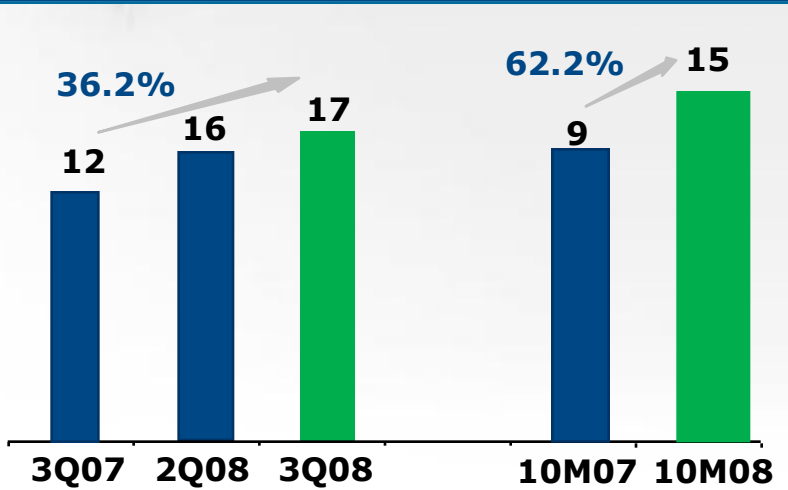
Interest Rates in BRL (Thousands)



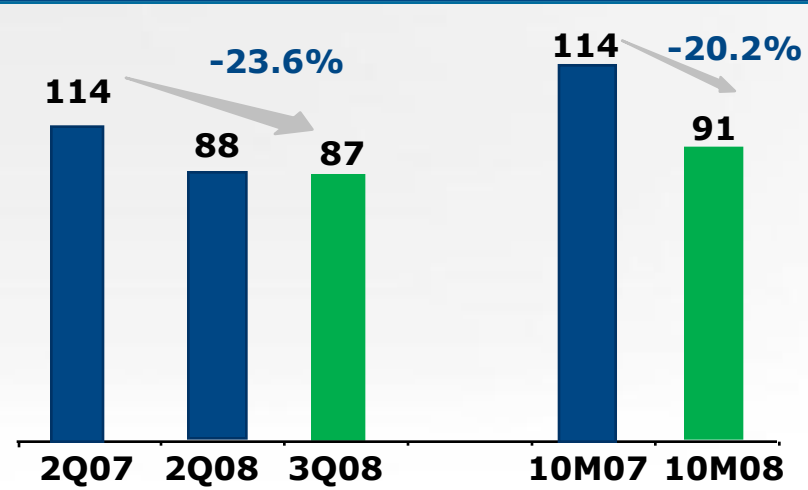
FX Rates (Thousands)



Agro (Thousands)



Indices (Thousands)

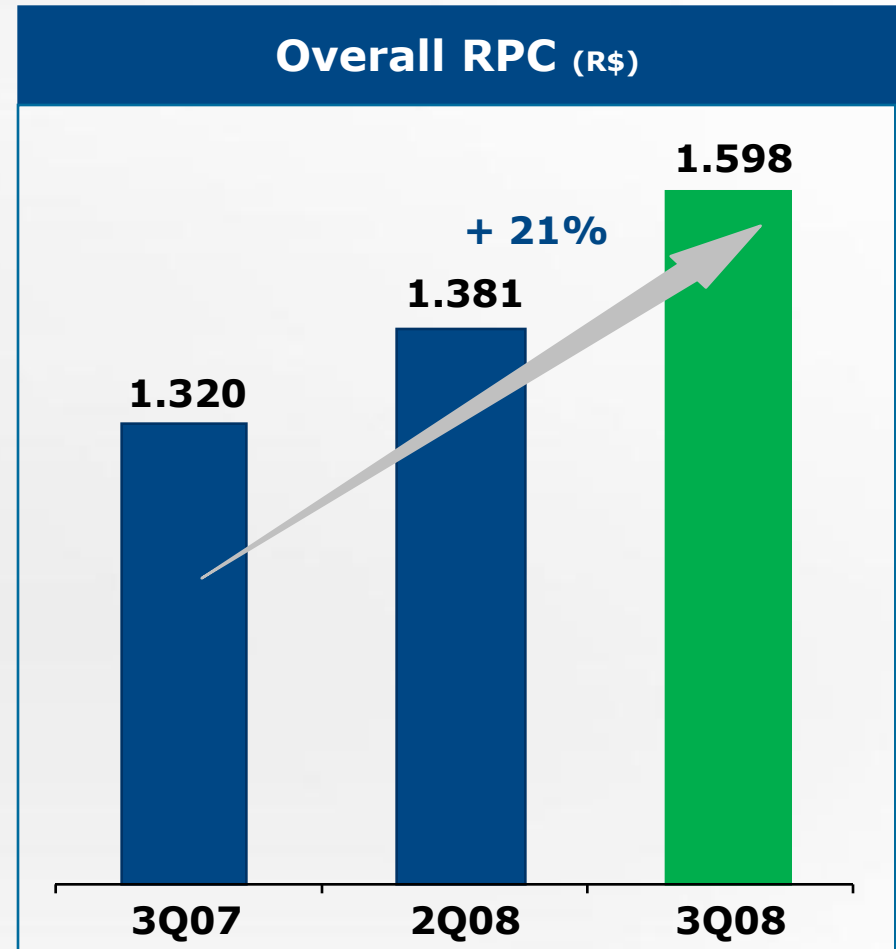
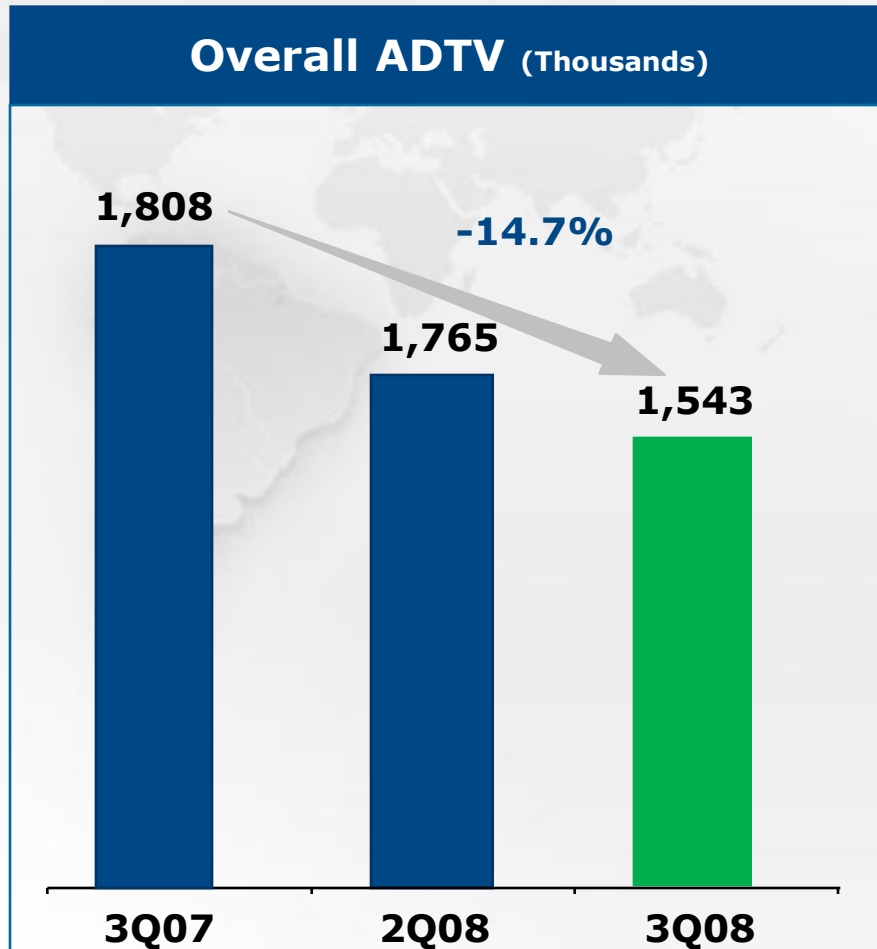


Rate per Contract – BM&F Segment

R\$	3Q07	2Q08	3Q08
Interest Rates in BRL	1.049	1.064	1.268
FX Rates	1.937	1.785	2.057
Indices	1.668	2.460	2.157
Commodities	3.590	3.890	3.814
OTC	1.904	2.322	2.587
Web Trading	0.069	0.160	0.160
Total	1.320	1.381	1.598

- Includes trading fees, clearing fees, clearing fees at maturity and permanence fees
- On August 25, 2008, the discount policy applied to investors that held at least 10.000 stocks BMEF3 was terminated.

Volumes Slowdown was partially offset by the RPC Increase – BM&F segment



* Includes Trading Fees, Clearing Fees, Permanence Fees and Clearing Fees at the Maturity

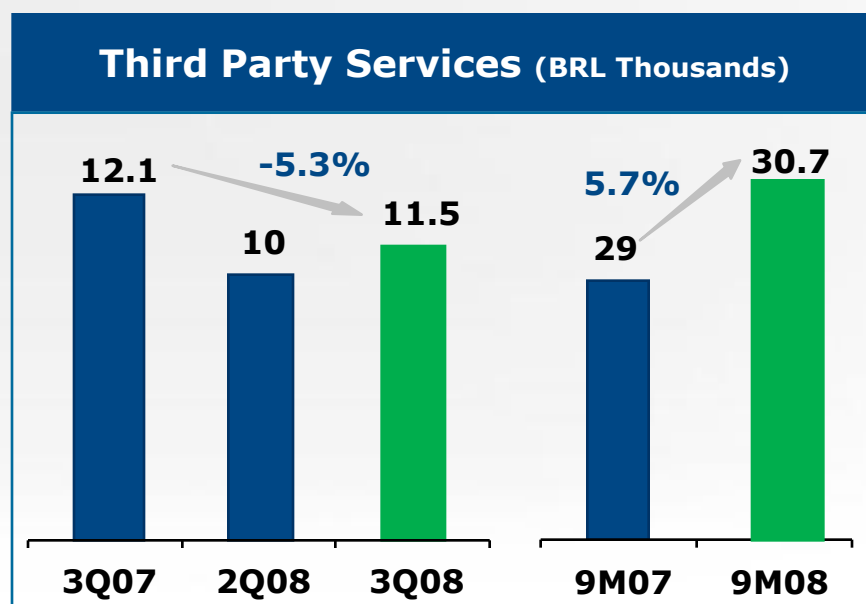
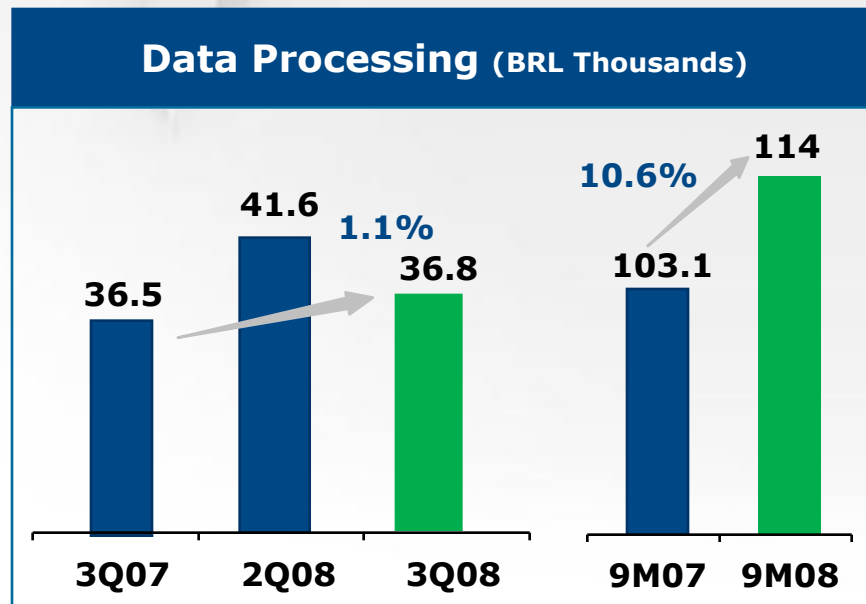
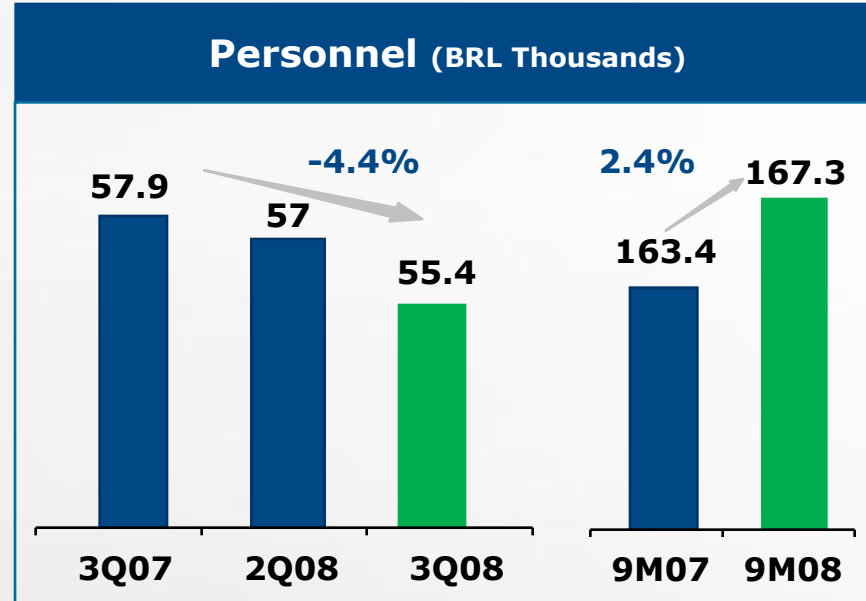
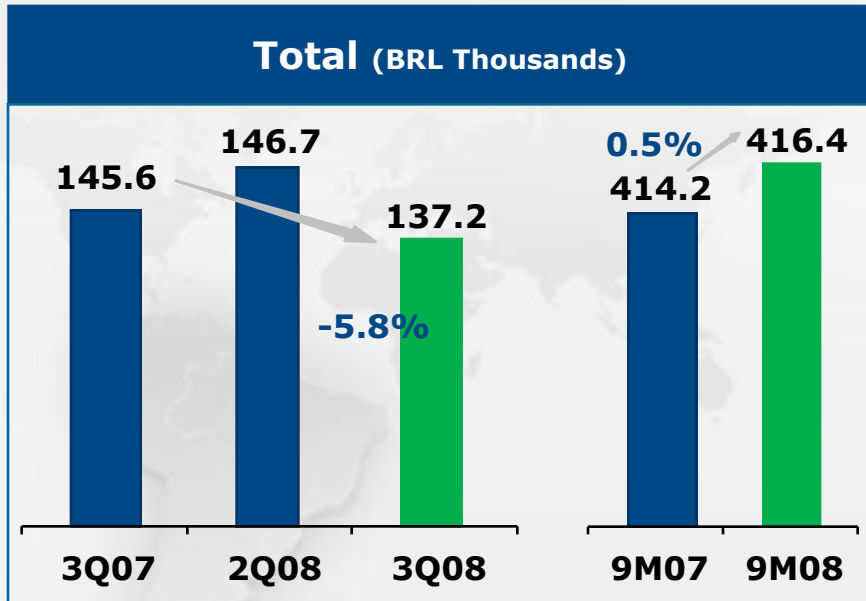


EXPENSES

Expenses Pro Forma

BRL thousands	3Q07	2Q08	3Q08	Var% 3Q08x2Q08	Var% 3Q08x3Q07
Personnel	57,895	56,966	55,364	-2.8%	-4.4%
Data Processing	36,456	41,618	36,843	-12.0%	1.1%
Depreciation & Amortization	8,580	7,923	8,030	1.3%	-6.4%
Third Party Services	12,111	9,962	11,470	15.1%	-5.3%
Maintenance	3,580	3,270	2,972	-9.1%	-17.0%
Communication	3,538	4,984	4,287	-14.0%	21.2%
Leases	923	1,096	1,200	9.5%	30.0%
Supplies	1,151	1,200	928	-22.7%	-19.4%
Marketing	9,216	7,824	5,324	-32.0%	-42.2%
Taxes	2,513	1,685	(1,916)	-213.7%	-176.2%
Board Compensation	-	2,020	1,267	-37.3%	-
Others	9,609	8,152	11,389	39.7%	18.5%
Total	145,572	146,700	137,158	-6.5%	-5.8%

Operating Expenses Breakdown



Until September 30th, 2008, the IT expenses regarding the projects of increasing the capacity of trades and reducing the latency amounted R\$ 24.3 million:

✓ **BM&F Segment**

Expenditures: R\$ 13.6 million and **Main Projects:** New GTS, Direct Market Access, CME Globex

✓ **BOVESPA Segment**

Expenditures: R\$ 10.7 million and **Main Project:** Megabolsa

<u>Capacity Evolution</u>	2007	2008	2009
BM&F Segment			
Orders per second	25	3,750	8,000
Trades per day (thousands)	50	200	400
Bovespa Segment			
Offers per day (millions)	2.4	7.0	15.0
Trades per day (thousands)	300	770	1,500

R\$ Millions

	3Q08	9M08
Income Before Tax	217,9	850,3
Theoretical Tax (34%)	74,1	289,1
Additions and exclusions in the Tax Report Book	-6,0	15,3
Interest on Capital	-52,7	-61,2
Tax Loss - Bovespa Holding ⁽¹⁾	-5,4	-5,4
Goodwill Amortization	41,4	69,0
Others	10,7	12,9
Total	68,1	304,4

(1) Refers to the tax loss used to compensate the taxable income obtained in September 2008

R\$ Millions

	Event	Deferred Asset
Goodwill Amortization⁽¹⁾	202.8	68.9
Tax Loss carry forward - Bovespa Holding⁽²⁾	33.5	11.4
Temporary Provisions⁽³⁾	17.1	5.8
Impact on 2008 earnings	253.4	86.2
Others⁽⁴⁾	10.6	3.6
Total Deferred Tax Assets	264.0	89.8

(1) There will be additional deferred tax credits, to be registered considering the goodwill amortization for Bovespa Holding for the period of October and November/08, of R\$ 27.9 million

(2) Related to the 30% of the forecasted pre tax income of BVSP (former Bovespa Holding) for October and November/08

(3) Due to provisions created for employee's compensation and third party expenditures

(4) Credits generated during the fiscal year of 2007

Interest Income Breakdown

R\$ Million

Description	3Q08	9M08
Financial revenues⁽¹⁾	93,7	269,0
Financial expenses	25,7	46,0
Interests regarding the loan	13,8	16,6
IOF (Tax on financial transactions)	1,0	5,0
PIS and COFINS contingencies - Interest on Capital - BM&FBOVESPA ⁽²⁾	2,9	2,9
Settlement and Custody services hired by BM&F Bank	2,7	8,0
FX variations	1,6	6,4
PIS and COFINS contingencies - Interest on Capital - BOVESPA HOLDING ⁽³⁾	1,6	2,6
Banking expenses	0,5	1,0
Other	1,6	3,5
NET INTEREST INCOME	68,0	223,0

NOTE: The loan obtained with Bradesco Bank was entirely paid in November 11th, 2008.

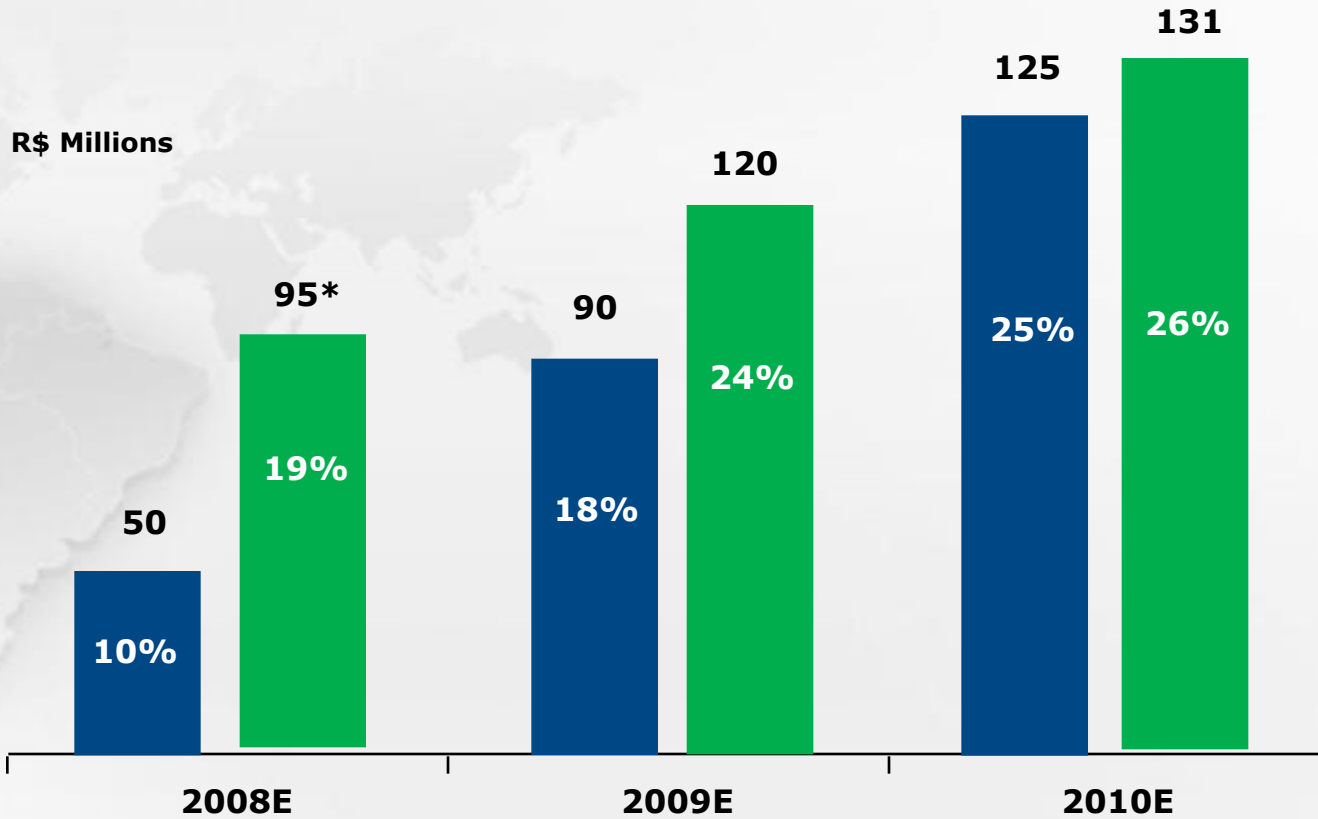
(1) Composed mainly of the remuneration of BM&FBOVESPA's total cash, including both proper and collaterals deposited in cash.

(2) Payment of taxes regarding Interest on Capital received by BM&FBOVESPA from BOVESPA HOLDING

(3) Payment of taxes regarding Interest on Capital received by BOVESPA HOLDING from BVSP and CBLC

	May/08	Jul/08	Sep/08	Layoffs	%
Full employees	1,386	1,427	1,204	182	-13.1%
Outsourced	440	387	303	137	-31.1%
Total	1,826	1,814	1,507	319	-17.5%

- **319 already dismissed by 09/30/2008**
- **46 will leave the company until 04/04/2009**

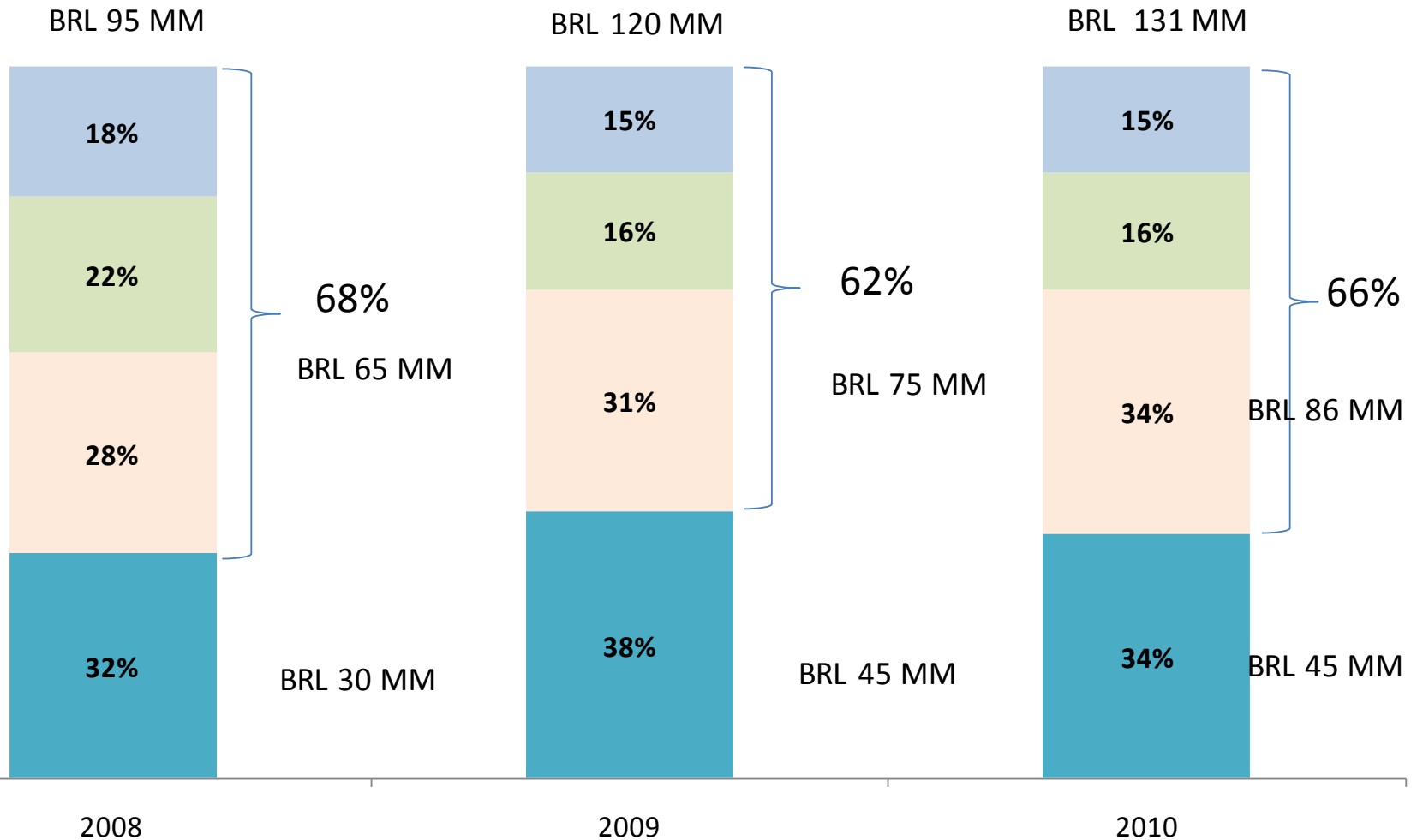


 Preliminary Estimates (April)

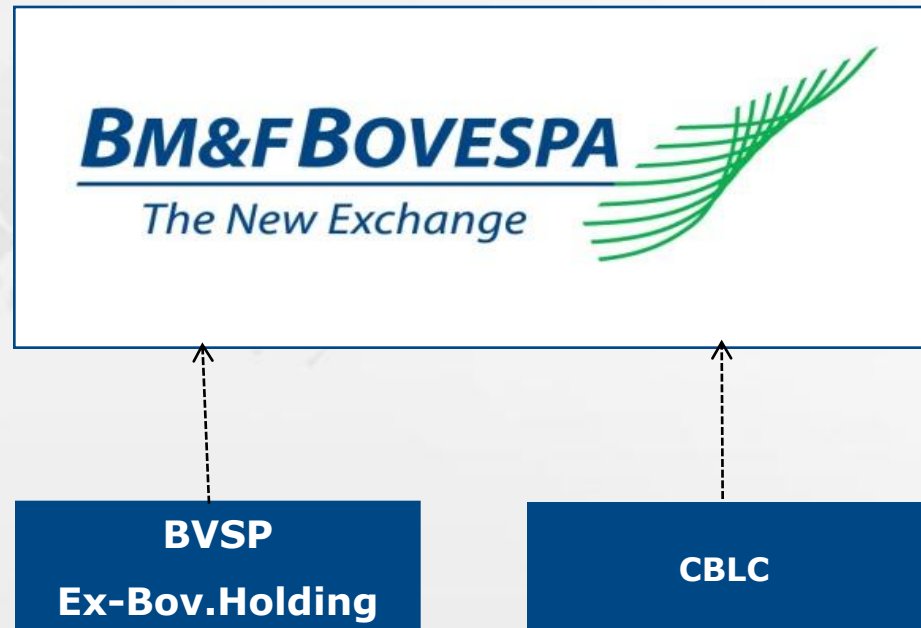
 Current Estimates (August)

* Annualized

■ Processes - Others ■ Processes - Marketing ■ Processes - IT ■ Personnel



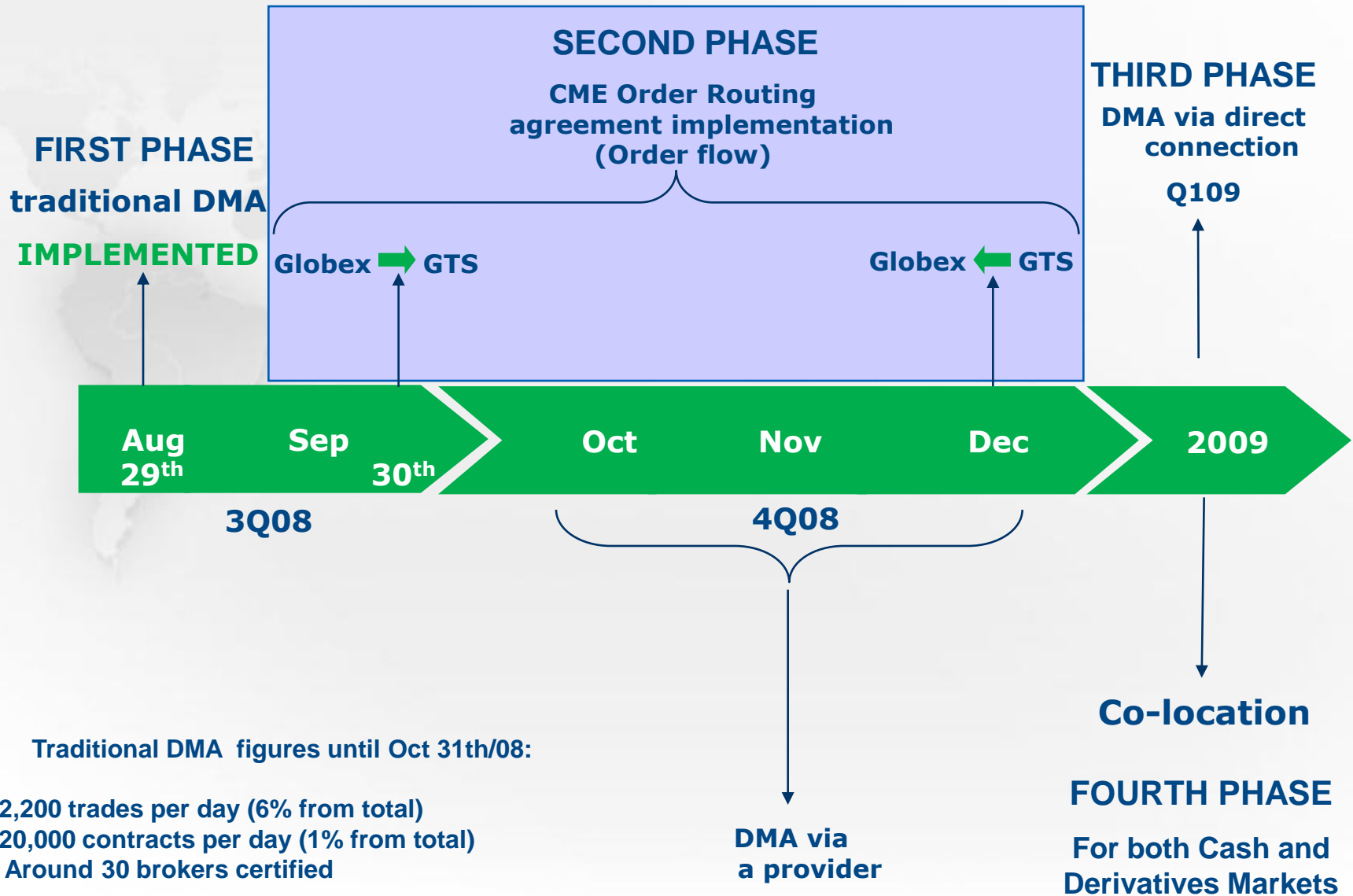
- ▶ **The Board approved the buy back program on September, 24th**
- ▶ **The Company is able to buy 3.5% of the free-float that represents 71.2 million shares, to be cancelled afterwards.**
- ▶ **5.941.200 shares were bought between September, 29th and October, 17th .**
- ▶ **The program will continue on November 13th.**



✓ **Approval will happen through an Extraordinary General Meeting, scheduled for Nov 28th, 2008.**

✓ **The goodwill amortization expense will be deductible after the merger of BVSP and CBLC in BM&FBOVESPA**

CME Order Routing Agreement and DMA Timeline





BM&F BOVESPA

The New Exchange



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