



**BM&F BOVESPA**

*The New Exchange*



**BM&F BOVESPA**  
**3Q08 Earnings Conference Call**  
**November 12<sup>th</sup>**

# 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.**

**All forward-looking statements in this presentation are based on information and data available as of the date they were made, and BM&F Bovespa undertakes no obligation to update them in light of new information or future development.**

**This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities where such offer or sale would be unlawful prior to registration or qualification under the securities law. No offering shall be made except by means of a prospectus meeting the requirements of the Brazilian Securities Commission CVM Instruction 400 of 2003, as amended.**

# Consolidated Corporate Earnings

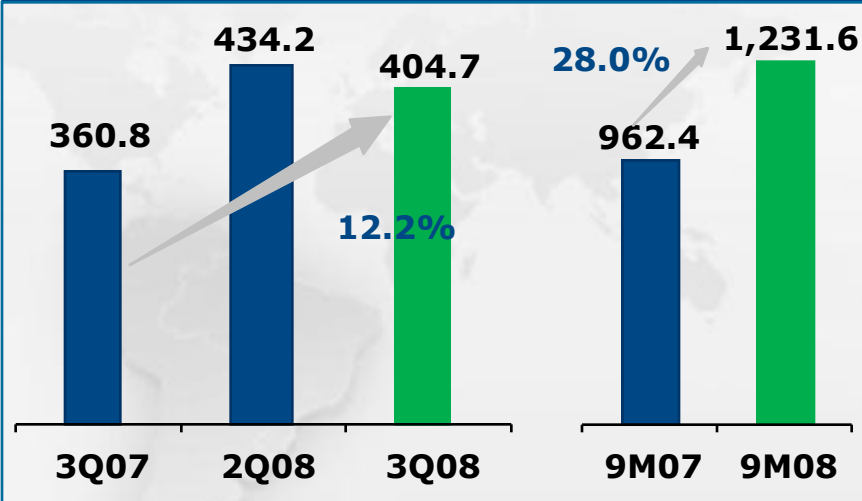
R\$ Millions	1H08	3Q08	9M08
<b>Net Revenues</b>	<b>826,899</b>	<b>404,675</b>	<b>1,231,574</b>
<b>Operating Expenses</b>	<b>(369,656)</b>	<b>(189,642)</b>	<b>(559,298)</b>
<b>Operating Result</b>	<b>457,243</b>	<b>215,033</b>	<b>672,277</b>
<i><b>Operational Margin</b></i>	<i><b>55.3%</b></i>	<i><b>53.1%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

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

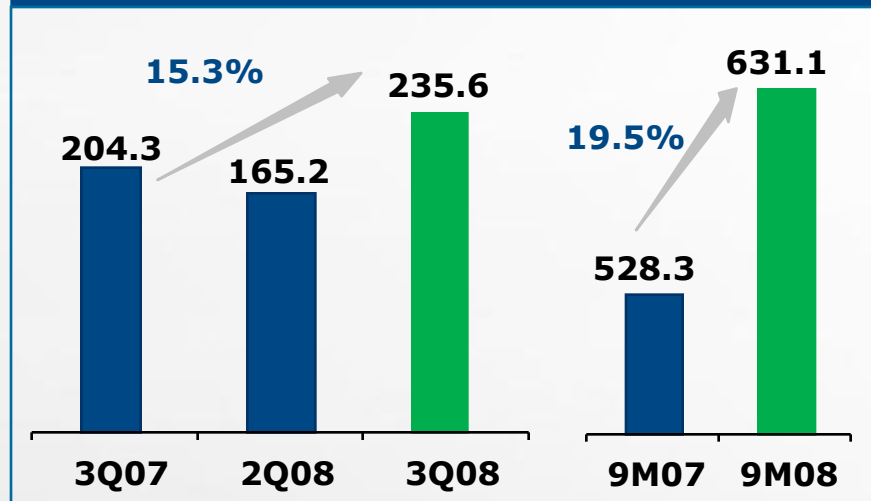
# Financial Highlights

## 2008 Adjusted and 2007 Pro Forma

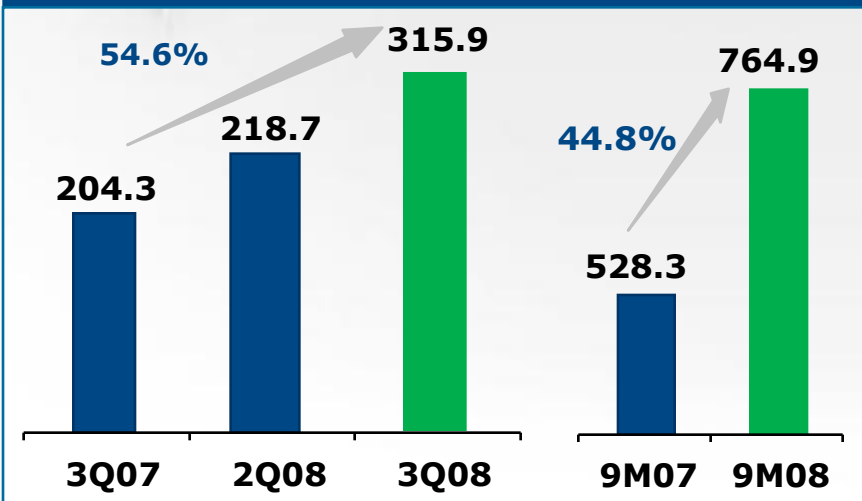
### Net Revenues (R\$ Millions)



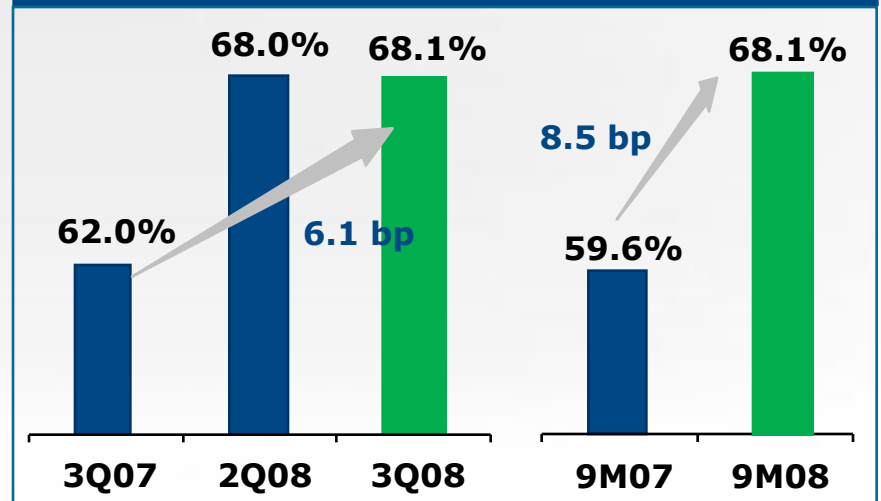
### Net Income (R\$ Millions) Excludes non-recurring expenses



### 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
<b>Gross Operating Revenues</b>	<b>402,008</b>	<b>483,625</b>	<b>450,833</b>	<b>1,071,551</b>	<b>1,372,066</b>
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)
<b>Net operating revenues</b>	<b>360,789</b>	<b>434,179</b>	<b>404,675</b>	<b>962,371</b>	<b>1,231,574</b>
Operating expenses	(145,572)	(146,700)	(137,158)	(414,242)	(416,408)
<b>Operating income</b>	<b>215,217</b>	<b>287,479</b>	<b>267,517</b>	<b>548,129</b>	<b>815,167</b>
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
<b>Net income before taxes</b>	<b>302,948</b>	<b>291,149</b>	<b>217,897</b>	<b>797,241</b>	<b>850,319</b>
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)
<b>Net income</b>	<b>204,336</b>	<b>165,206</b>	<b>235,611</b>	<b>528,266</b>	<b>631,090</b>

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

# Reconciliation of 9M08 Consolidated Adjusted Results

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

# Balance Sheet as of 09/30/2008

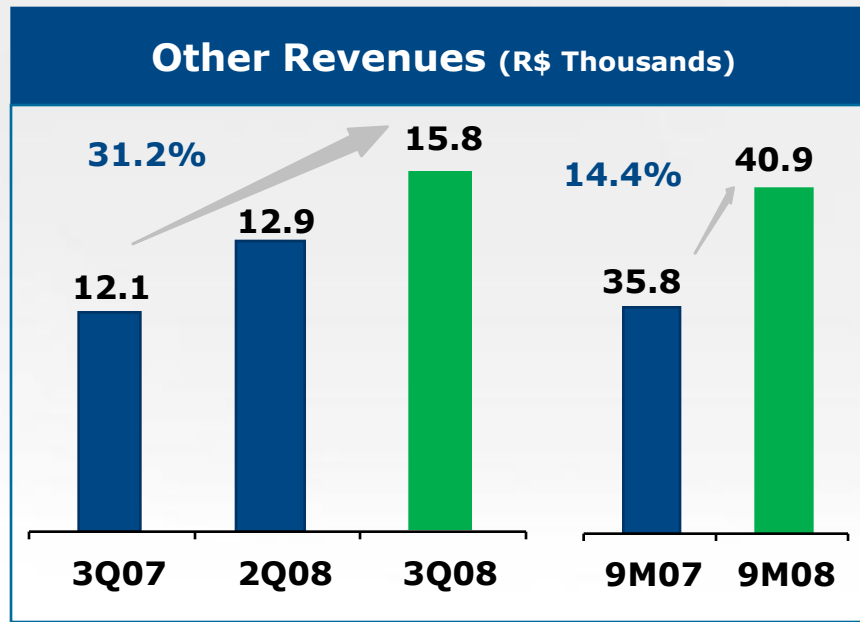
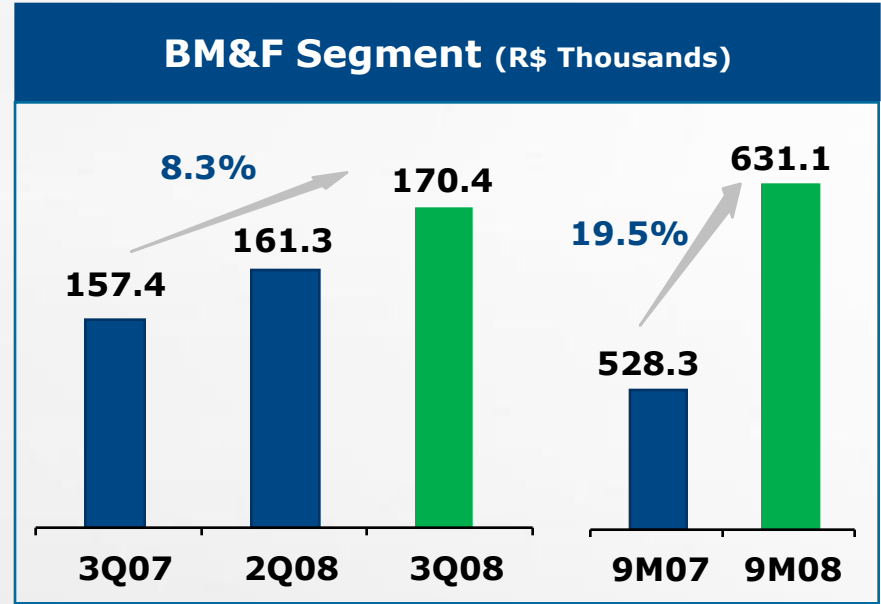
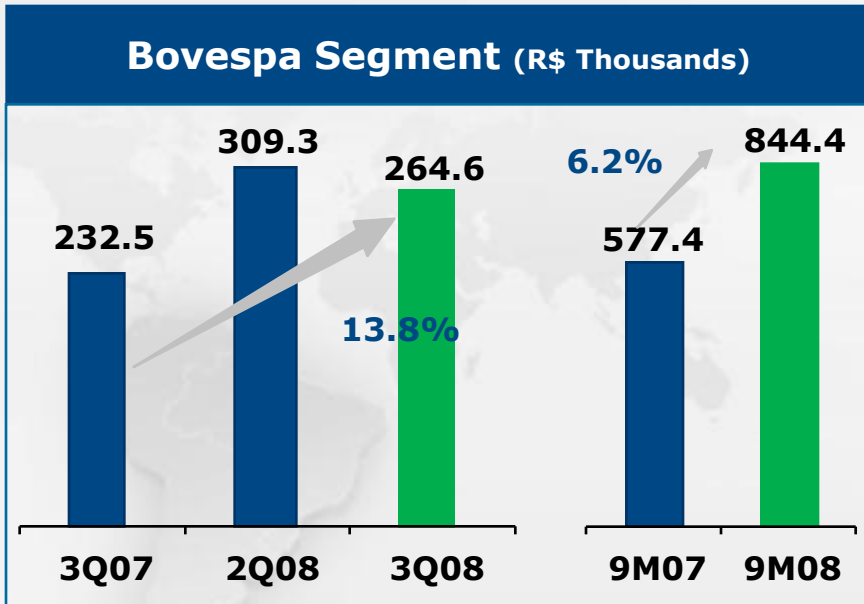
<b>Assets (R\$ Thousands)</b>		<b>Liabilities and Stockholders' Equity (R\$ Thousands)</b>	
<b>Current</b>	<b>2,408,035</b>	<b>Current</b>	<b>1,110,351</b>
<b>Cash and Cash Equivalent</b>	<b>2,055,229</b>	<b>Cash Collateral</b>	<b>573,722</b>
<b>Other Credits</b>	<b>352,806</b>	<b>Short Term Debt</b>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



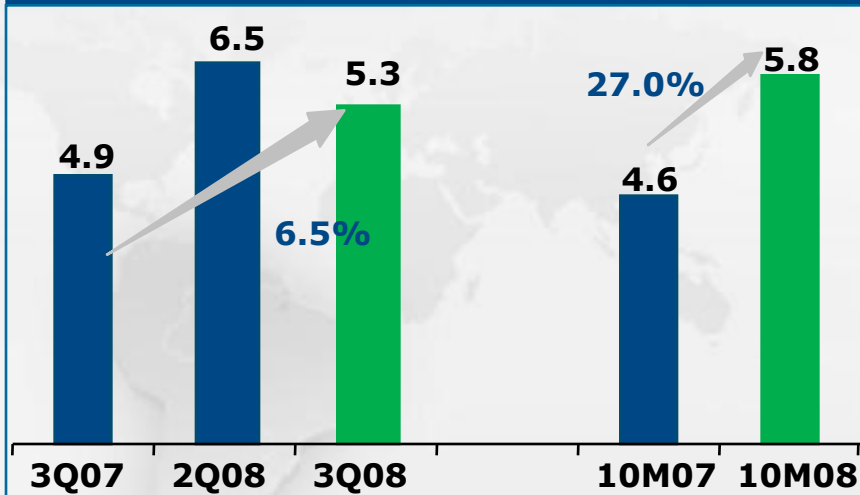


# REVENUES

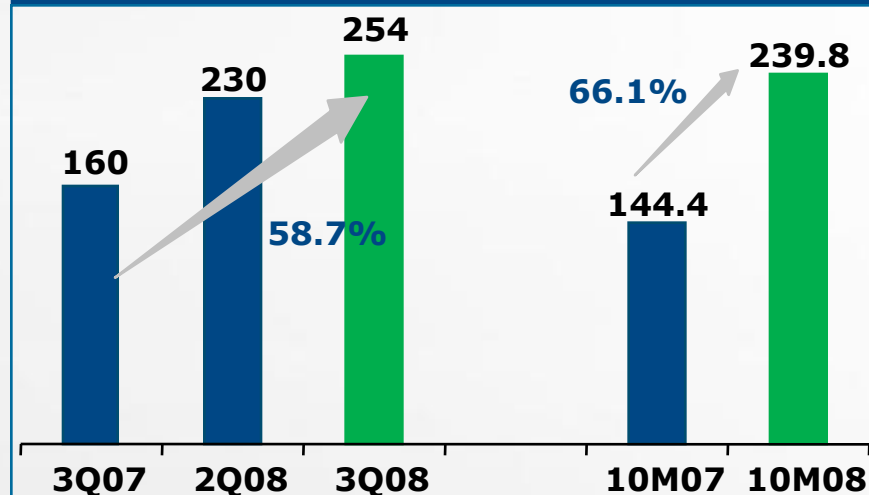
# Revenues Breakdown



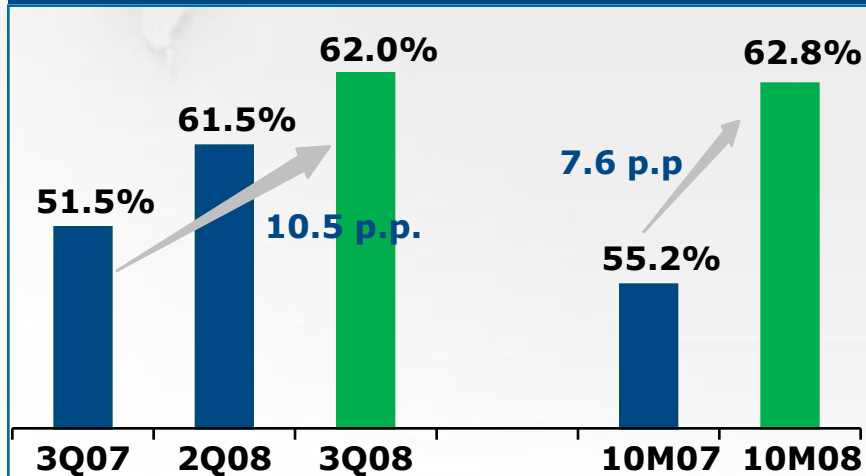
**Average Daily Trading Value**  
(R\$ Billions)



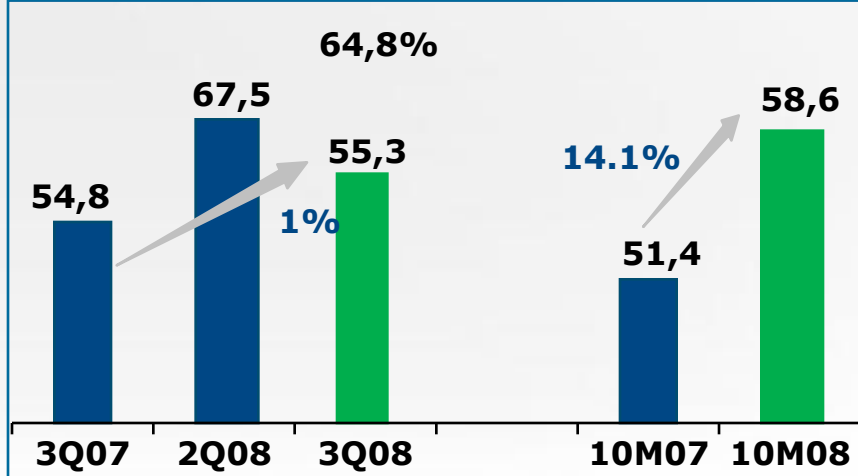
**Average Daily Number of Trades**  
(Thousands)



**Annualized Turnover\***



**Average IBOVESPA (Thousands)**

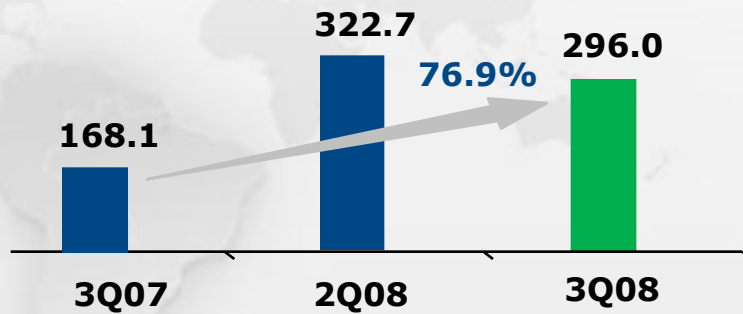


\* Relation with the trading value of the cash market and the market cap of the exchange

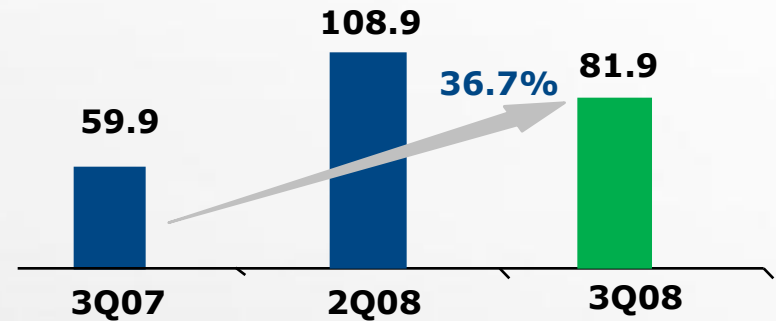
# Market Data and Number of Investors Accounts – Bovespa segment

## Market Data

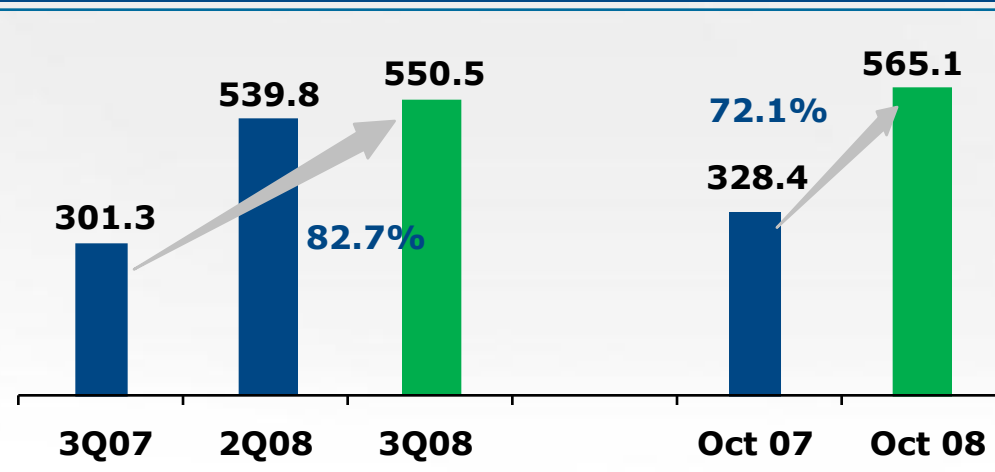
**Home Broker – Number of Clients (thousands)**



**Vendors Number of Users (thousands)**

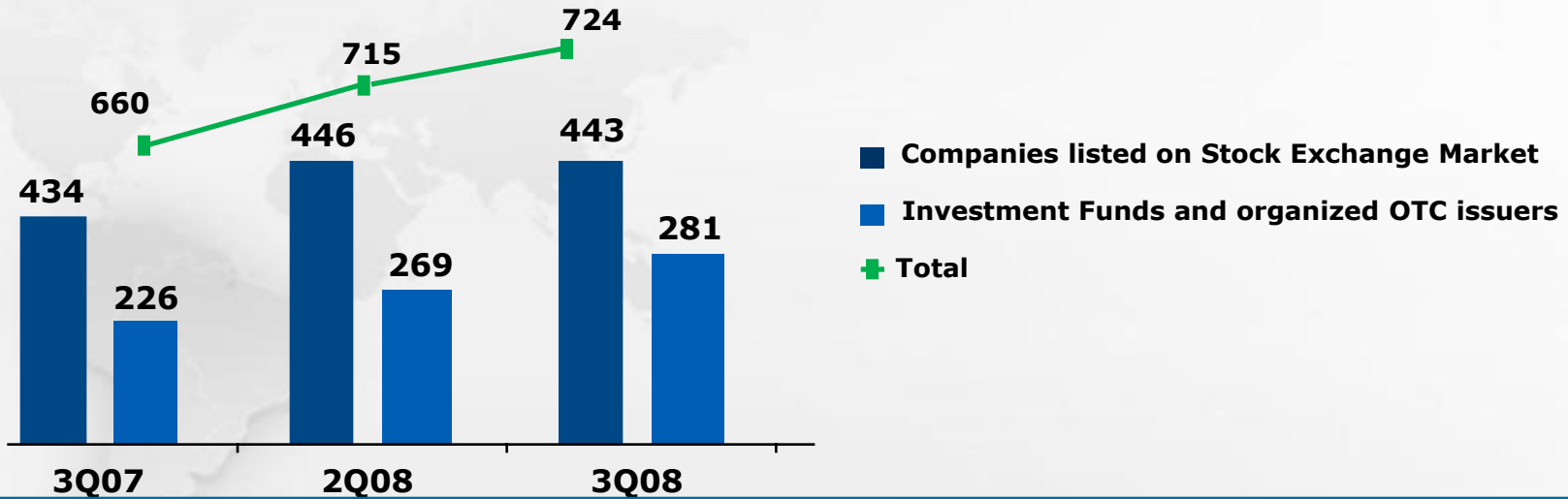


## Number of Investors Accounts (thousands)

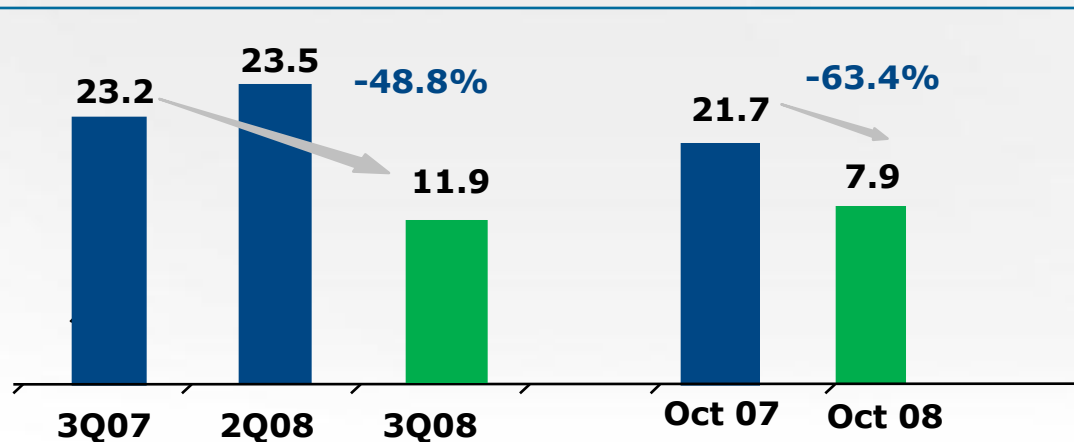


# Listing and Securities Lending – Bovespa segment

## Number of Issuers

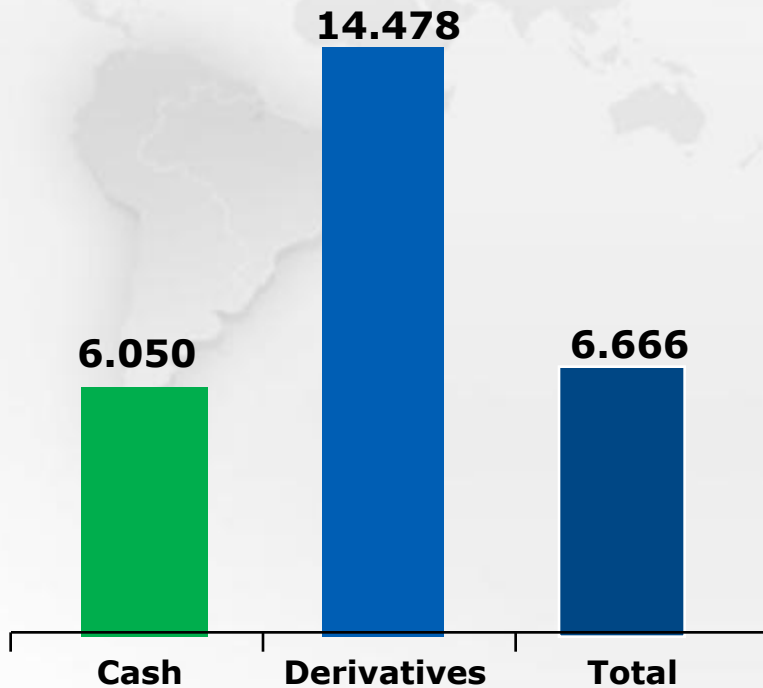


## Securities Lending – Open Interest - (R\$ billions)



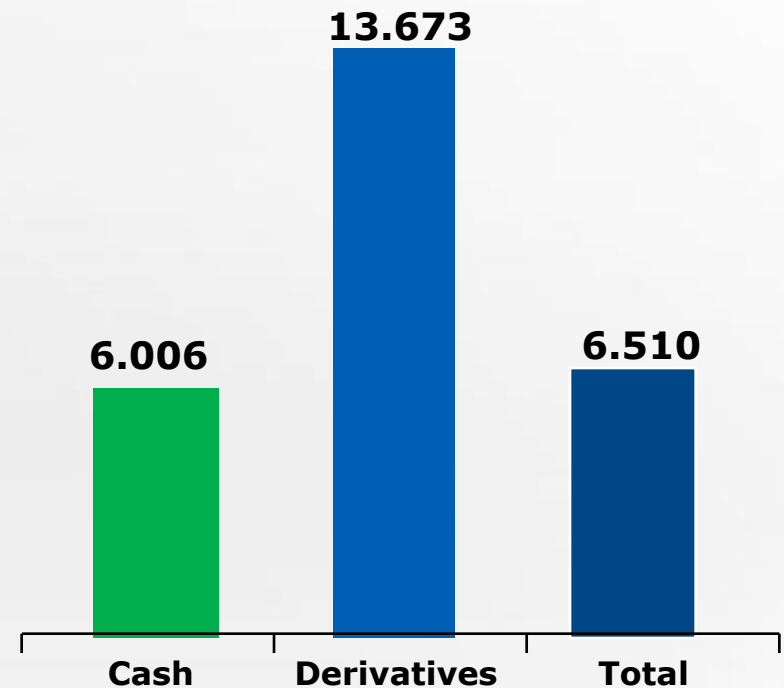
## 2Q08 Margin

Basis Points

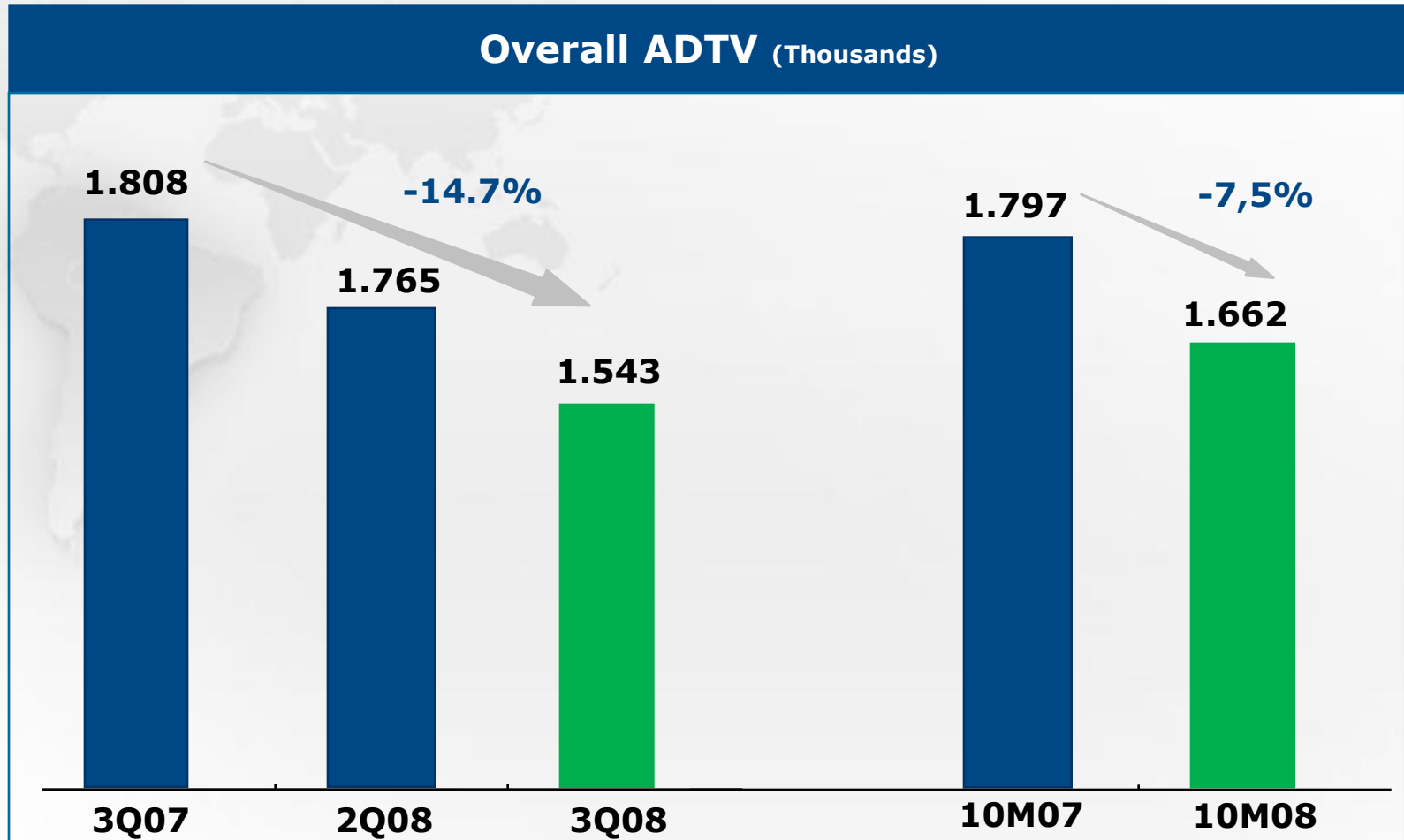


## 3Q08 Margin

Basis Points

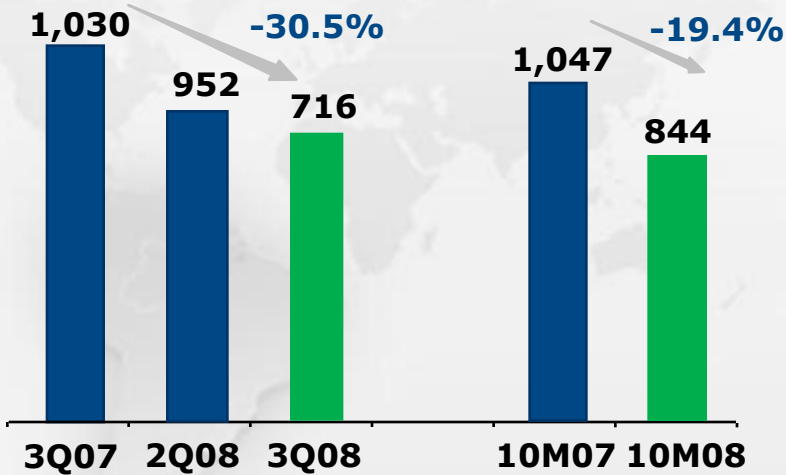


\* Trading, clearing and settlement fees divide by traded value

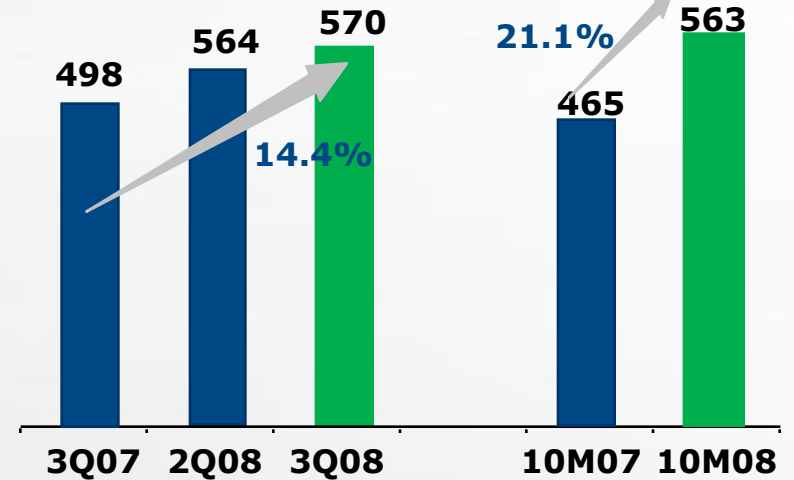


# ADTV of Major Derivatives Contracts – BM&F segment

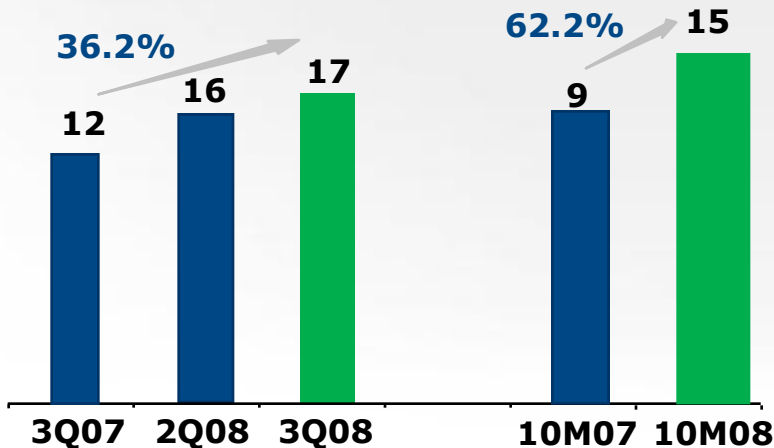
**Interest Rates in BRL (Thousands)**



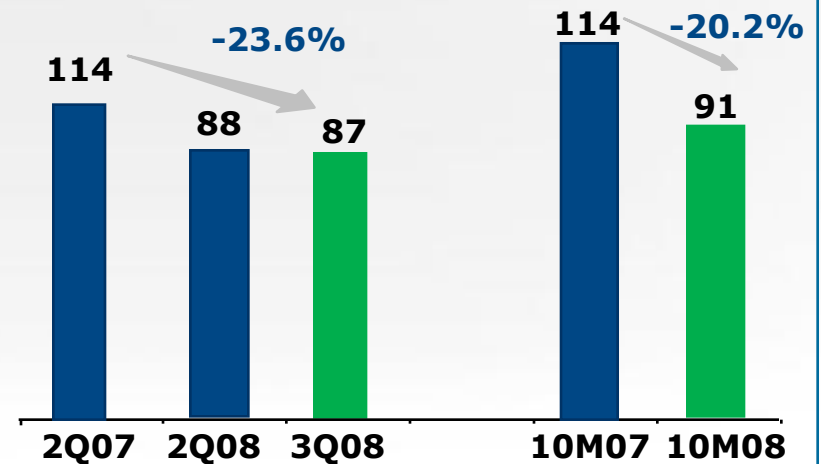
**FX Rates (Thousands)**



**Agro (Thousands)**



**Indices (Thousands)**



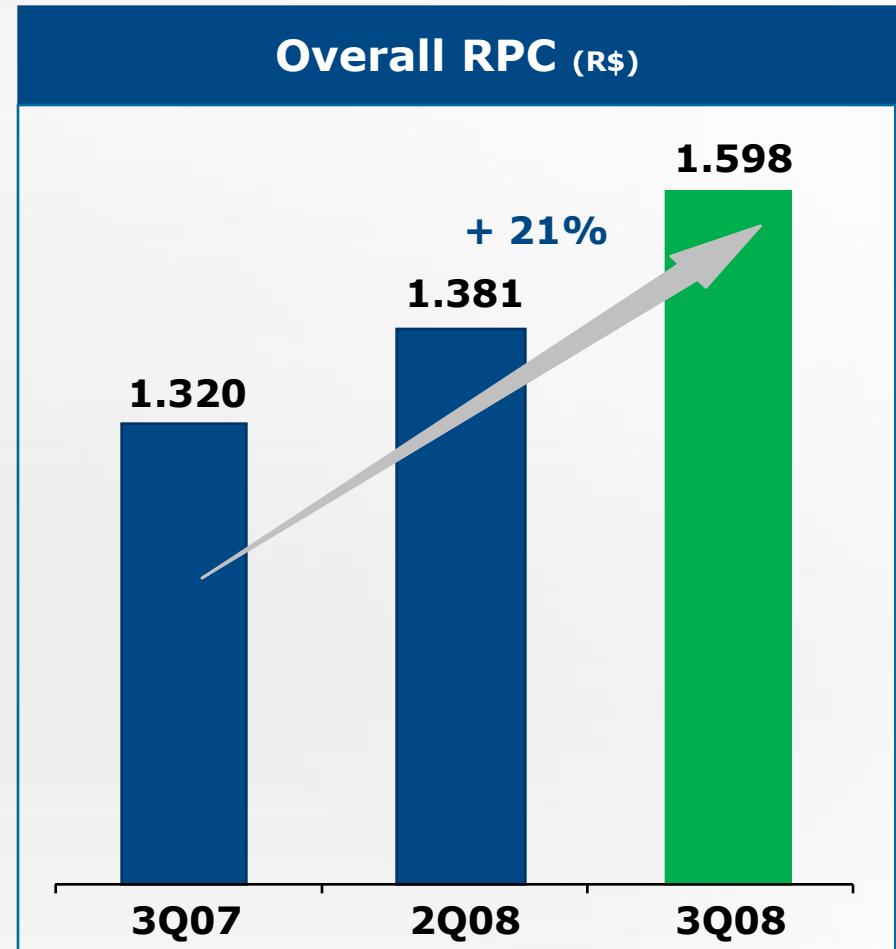
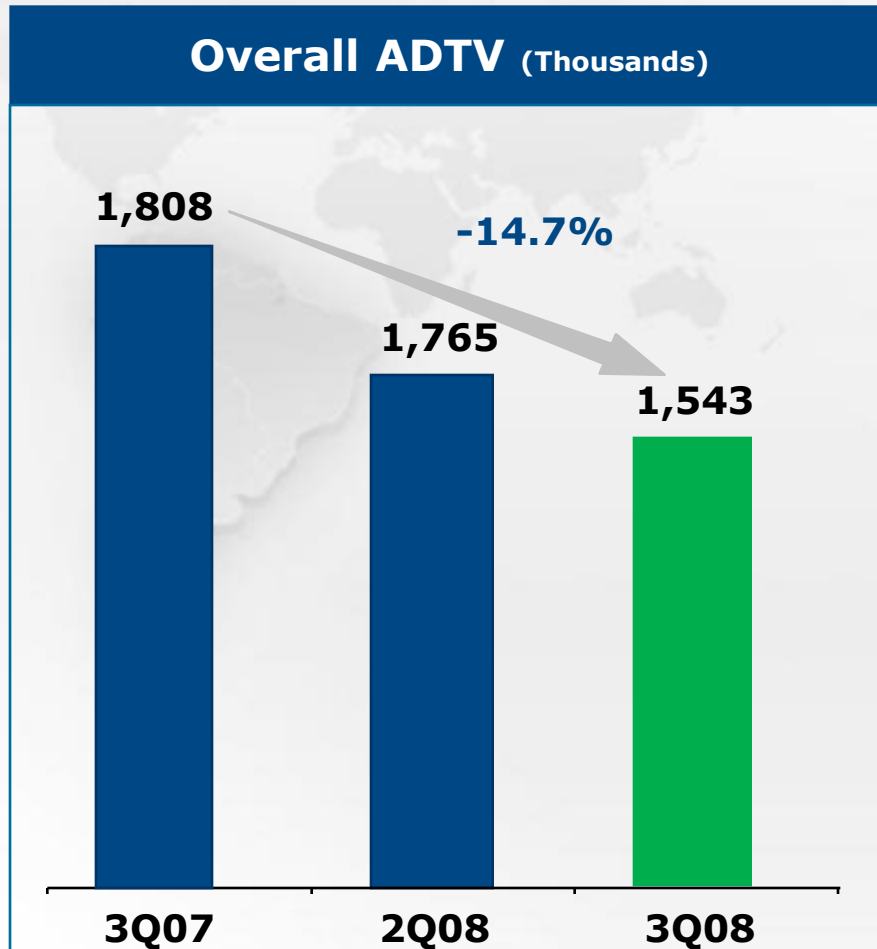


# Rate per Contract – BM&F Segment

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

- 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

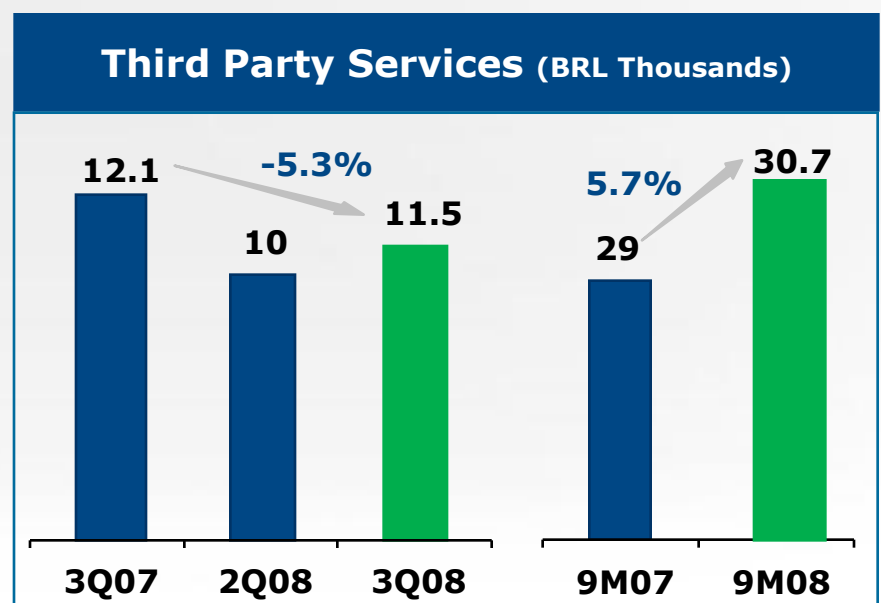
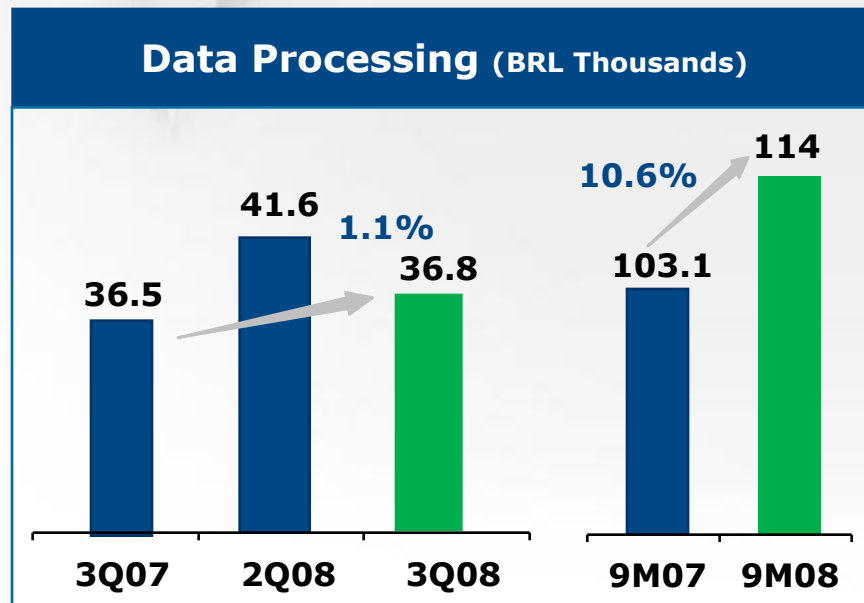
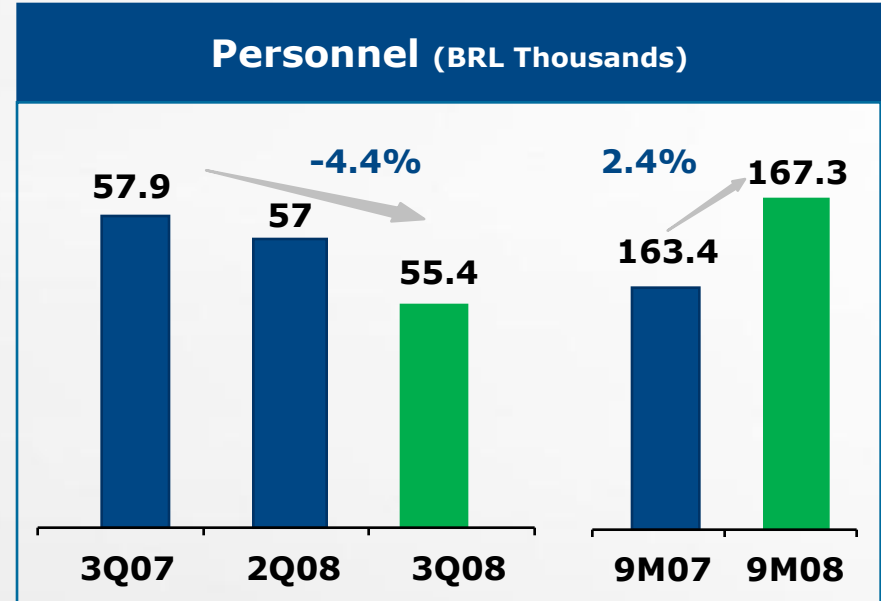
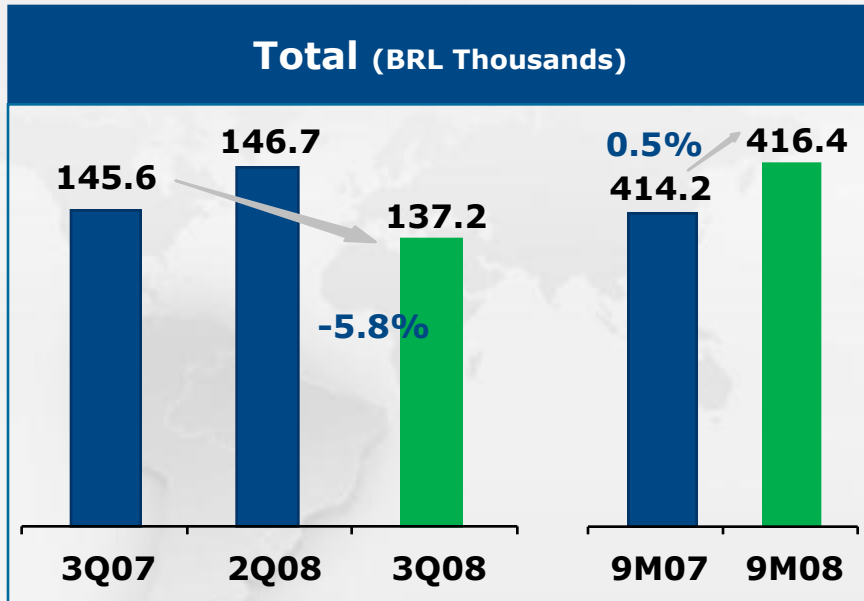


# EXPENSES

# Expenses Pro Forma

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

# Operating Expenses Breakdown



**Until September 30<sup>th</sup>, 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
<b>BM&amp;F Segment</b>			
Orders per second	25	3,750	8,000
Trades per day (thousands)	50	200	400
<b>Bovespa Segment</b>			
Offers per day (millions)	2.4	7.0	15.0
Trades per day (thousands)	300	770	1,500

R\$ Millions

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

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

R\$ Millions

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

(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
<b>Financial revenues<sup>(1)</sup></b>	<b>93,7</b>	<b>269,0</b>
<b>Financial expenses</b>	<b>25,7</b>	<b>46,0</b>
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 <sup>(2)</sup>	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 <sup>(3)</sup>	1,6	2,6
Banking expenses	0,5	1,0
Other	1,6	3,5
<b>NET INTEREST INCOME</b>	<b>68,0</b>	<b>223,0</b>

**NOTE: The loan obtained with Bradesco Bank was entirely paid in November 11<sup>th</sup>, 2008.**

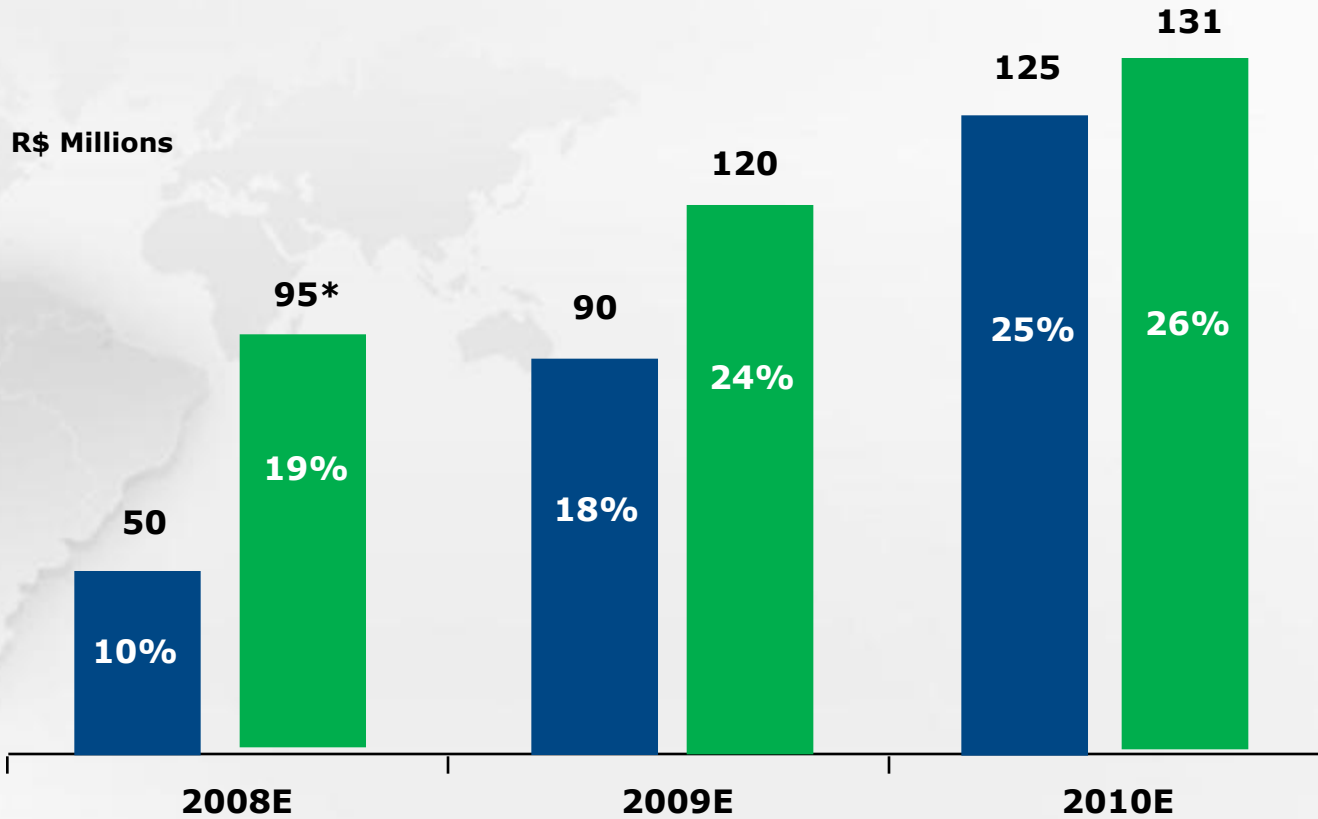
(1) Composed mainly of the remuneration of BM&FBOVESPA's total cash, including both proper and collaterals deposited in cash.

(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	%
<b>Full employees</b>	<b>1,386</b>	<b>1,427</b>	<b>1,204</b>	<b>182</b>	<b>-13.1%</b>
<b>Outsourced</b>	<b>440</b>	<b>387</b>	<b>303</b>	<b>137</b>	<b>-31.1%</b>
<b>Total</b>	<b>1,826</b>	<b>1,814</b>	<b>1,507</b>	<b>319</b>	<b>-17.5%</b>

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

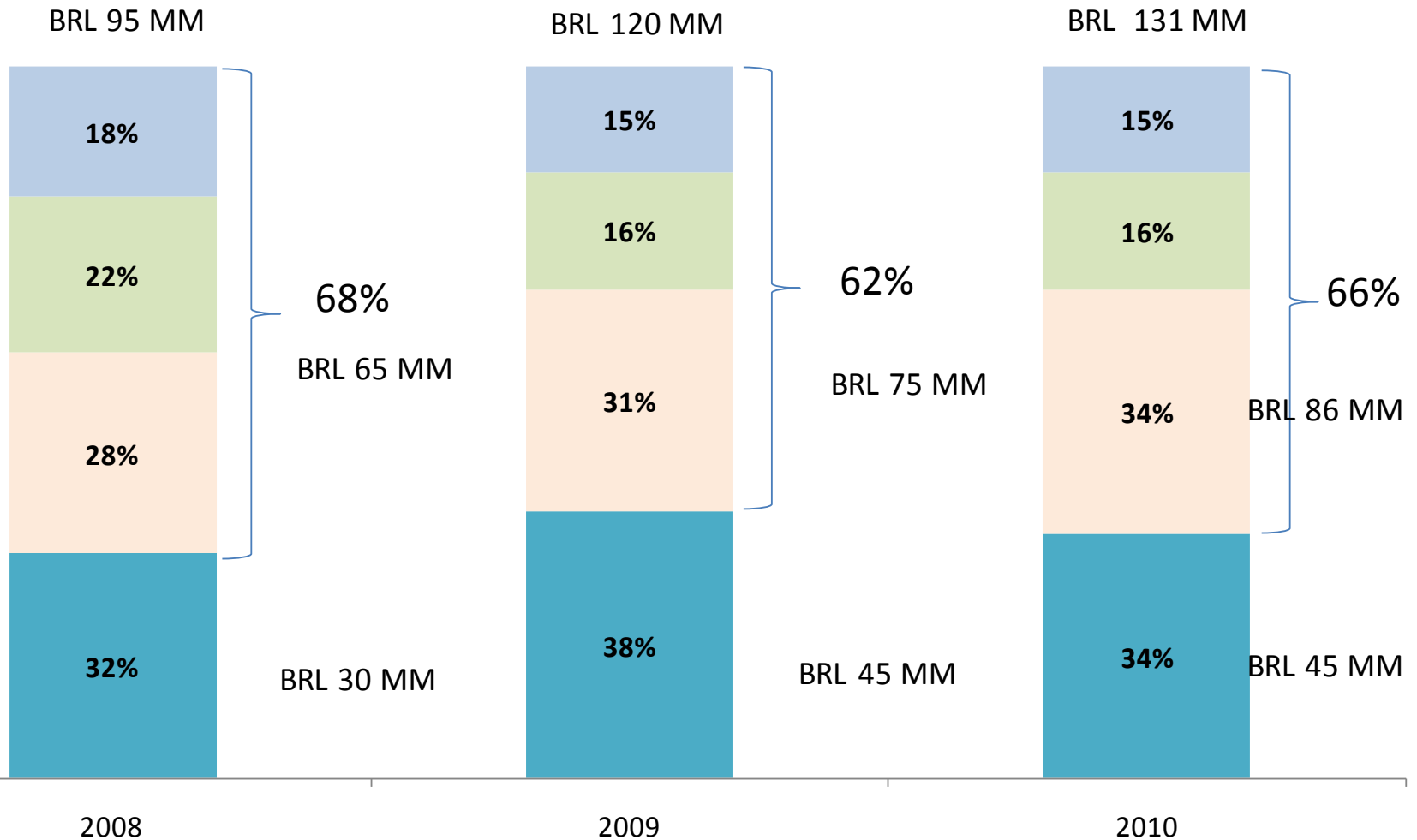


 Preliminary Estimates (April)

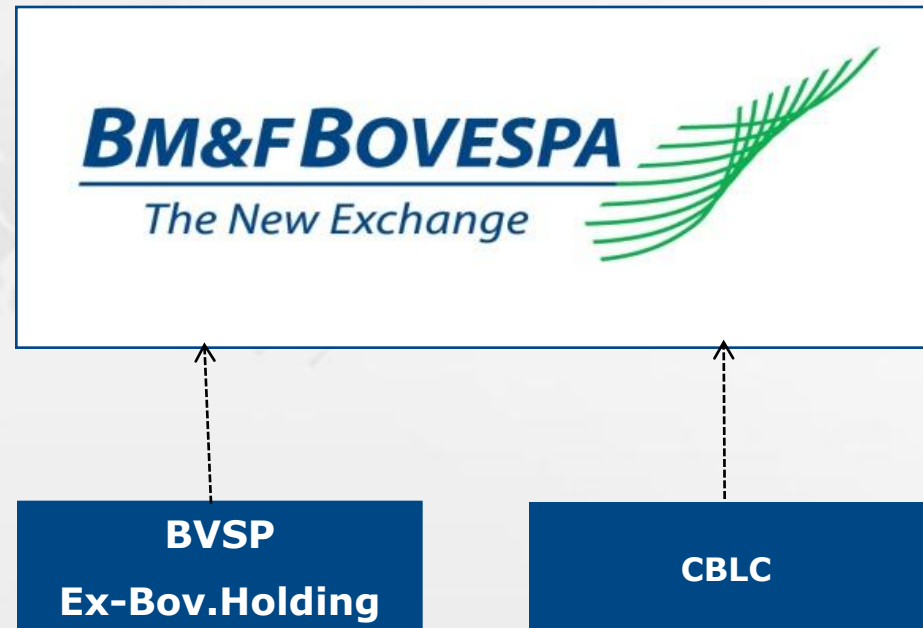
 Current Estimates (August)

\* Annualized

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



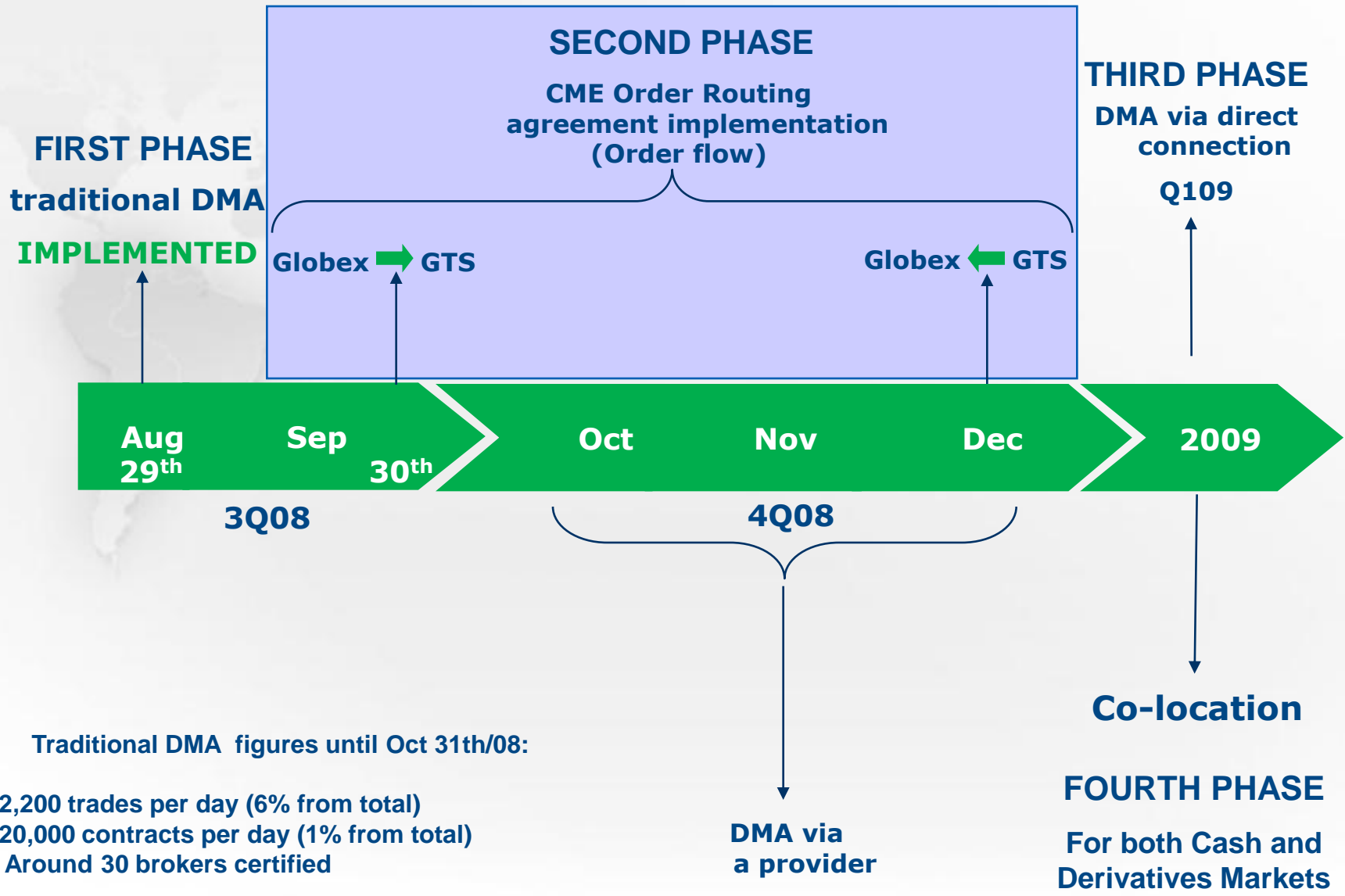
- ▶ **The Board approved the buy back program on September, 24th**
- ▶ **The Company is able to buy 3.5% of the free-float that represents 71.2 million shares, to be cancelled afterwards.**
- ▶ **5.941.200 shares were bought between September, 29th and October, 17th .**
- ▶ **The program will continue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



✓ **Approval will happen through an Extraordinary General Meeting, scheduled for Nov 28<sup>th</sup> ,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



Traditional DMA figures until Oct 31th/08:

- (i) 2,200 trades per day (6% from total)
- (ii) 20,000 contracts per day (1% from total)
- (iii) Around 30 brokers certified



**BM&F BOVESPA**

*The New Exchange*



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