



BM&F BOVESPA

The New Exchange



BM&F BOVESPA PRESENTATION

Dec 2008

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 S.A. 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 of BM&F Bovespa S.A. performance.

The factors that might affect performance include, but are not limited to: (i) market acceptance of BM&F Bovespa SA services; (ii) volatility related to (a) the Brazilian economy and securities markets and (b) the highly-competitive industries that BM&F Bovespa S.A. 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 Bovespa SA 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 S.A. 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 SA undertakes no obligation to update them in light of new information or future development.

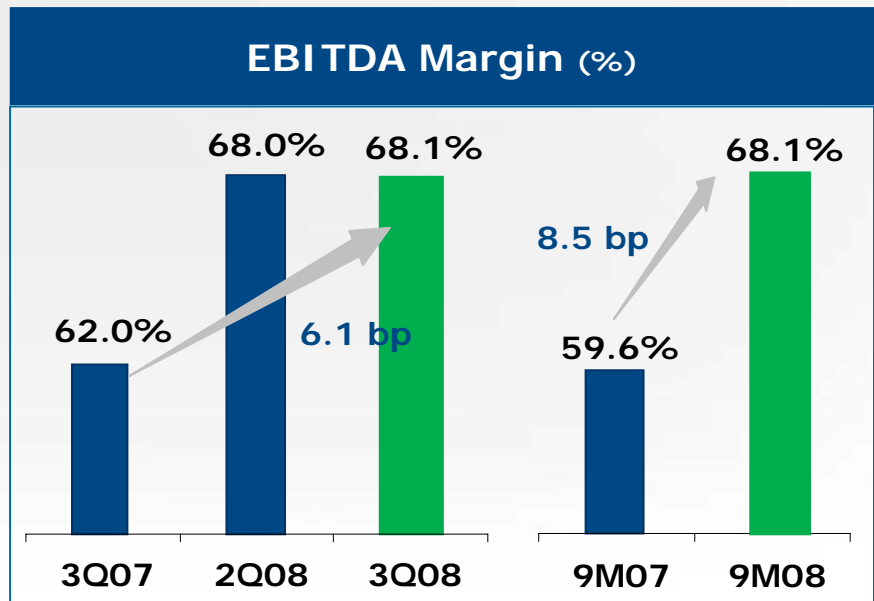
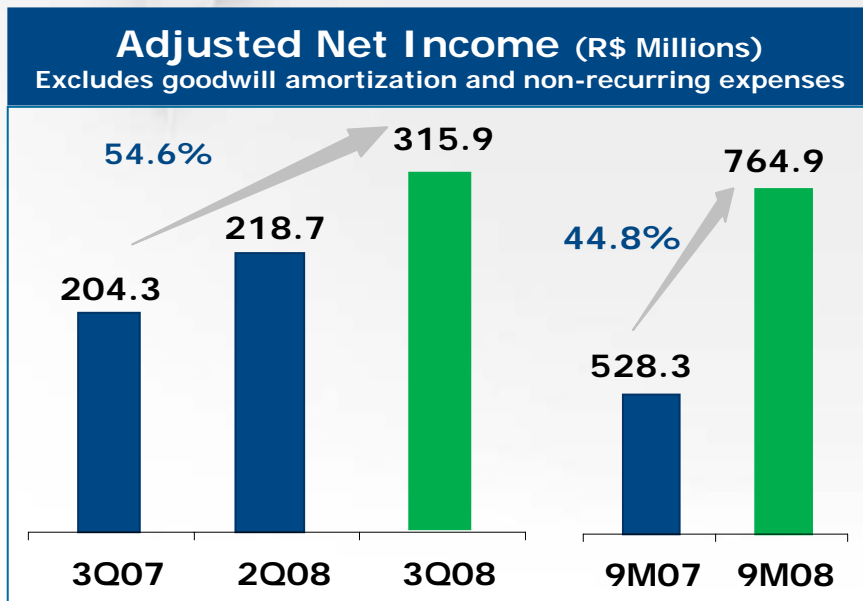
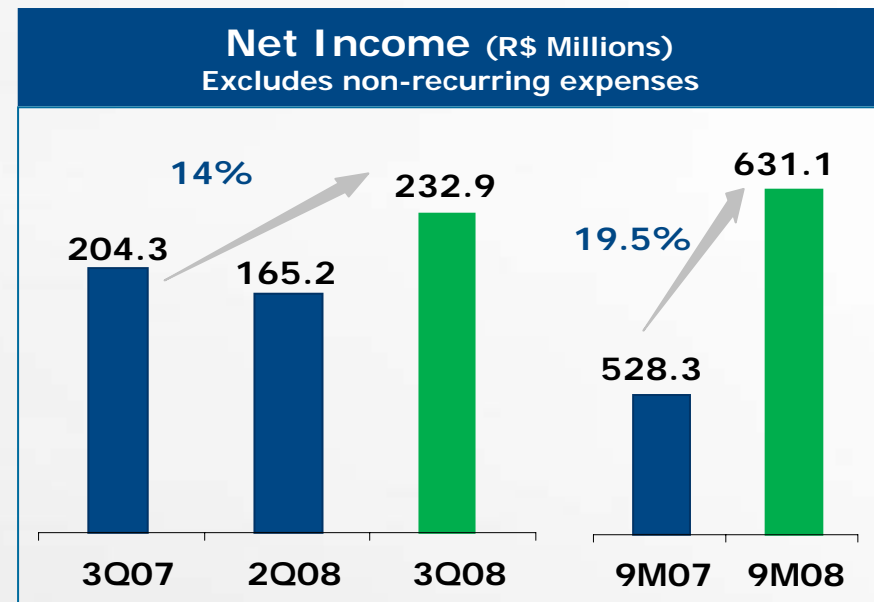
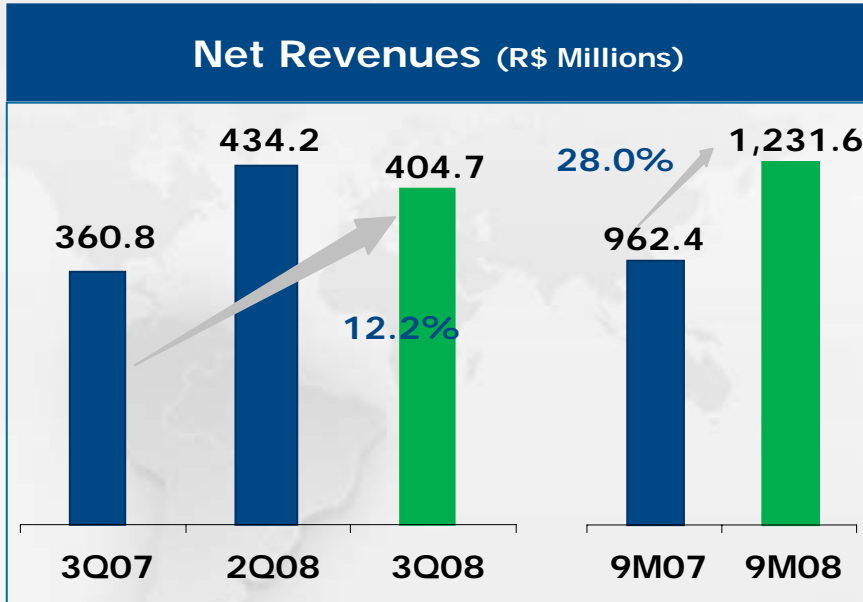
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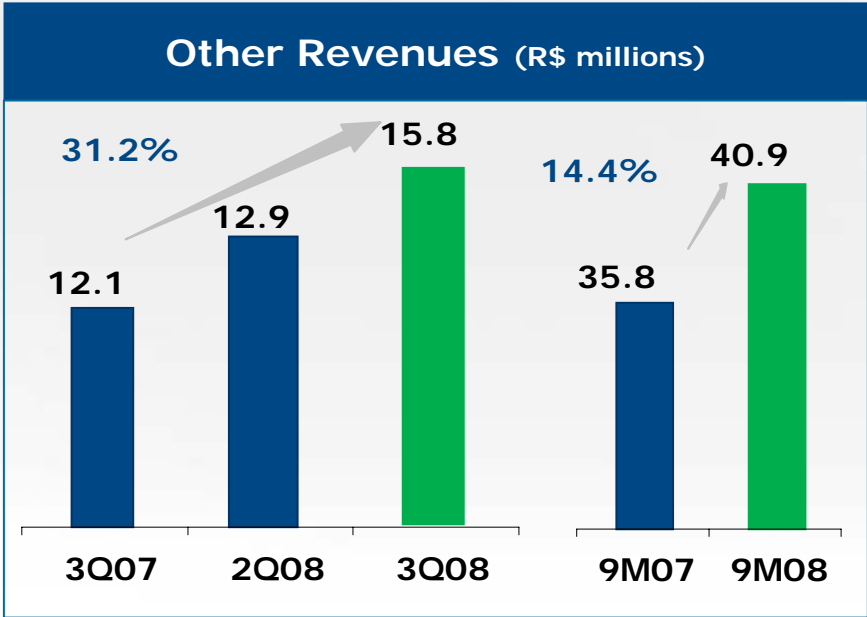
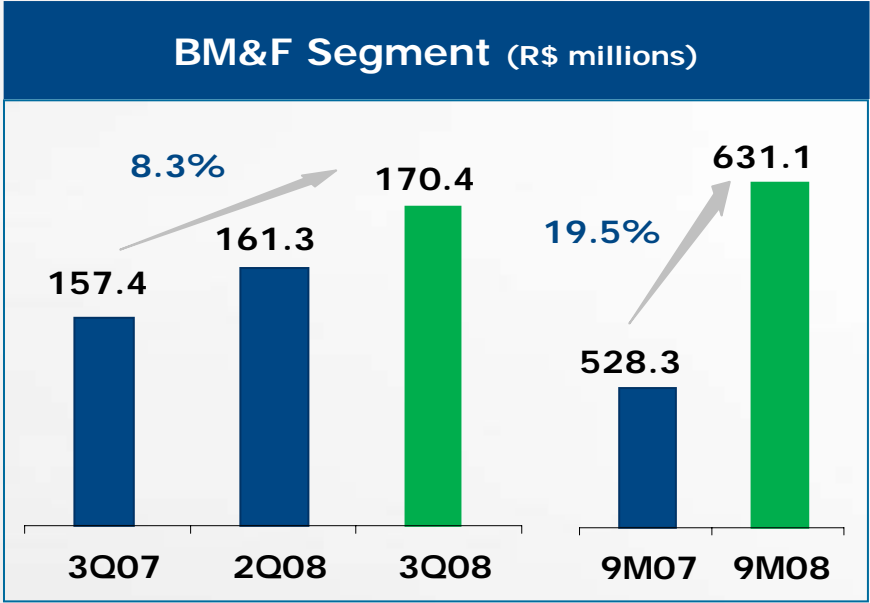
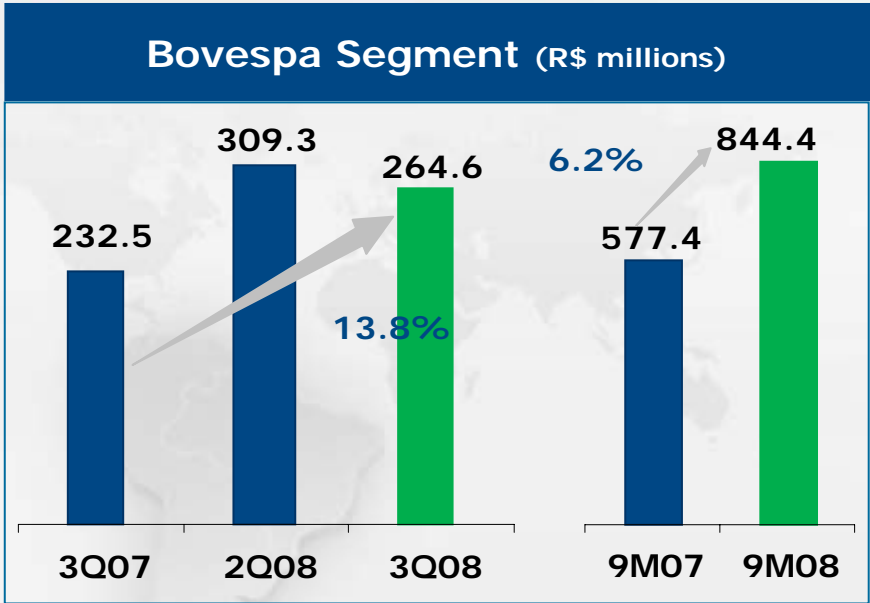
FINANCIAL DATA

Financial Highlights

2008 Adjusted and 2007 Pro Forma

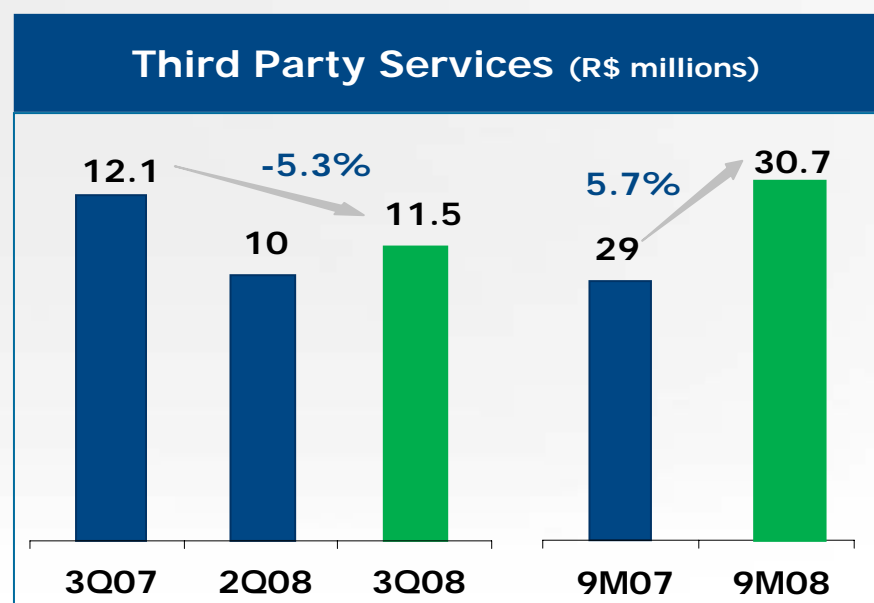
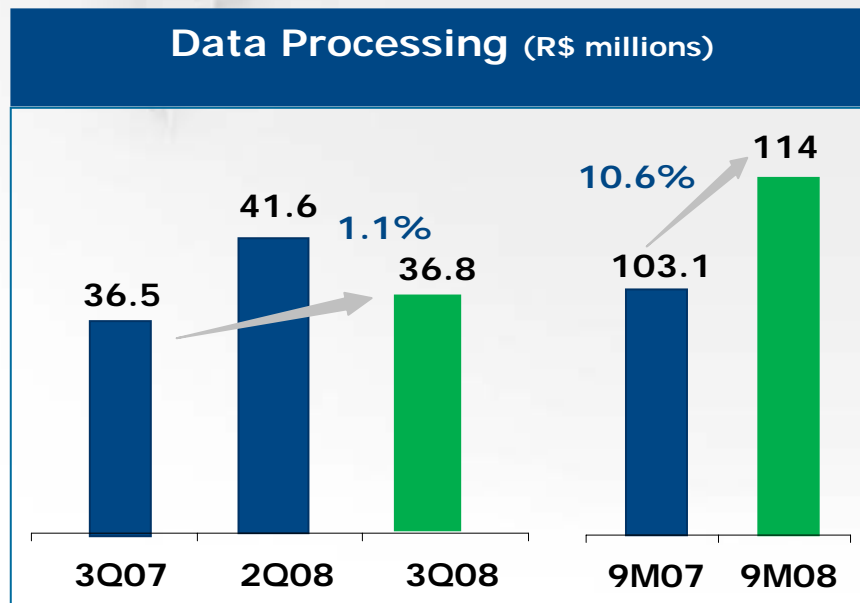
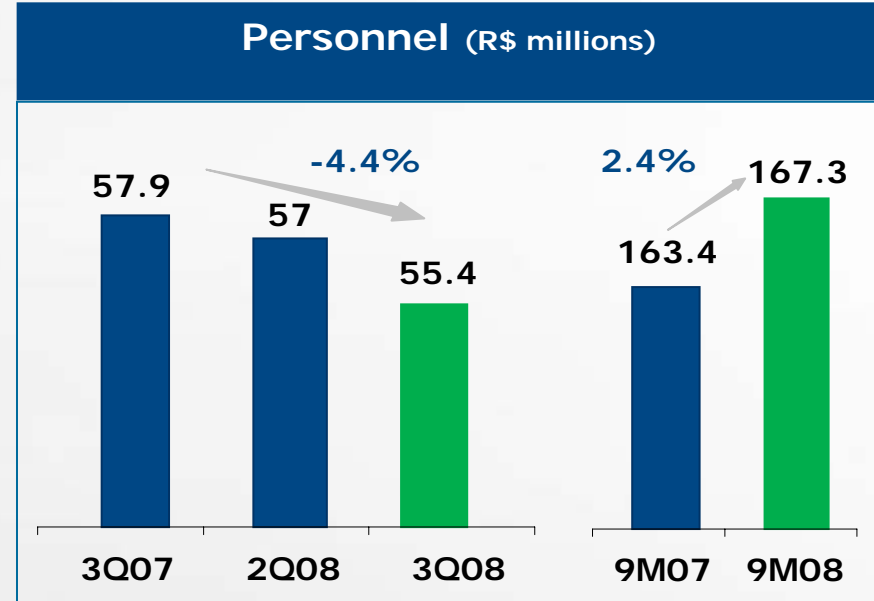
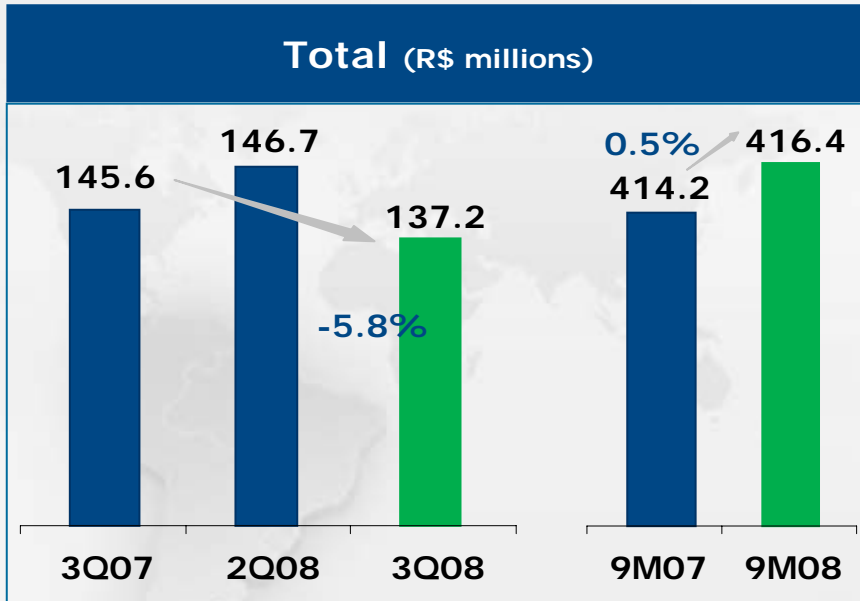


Revenues Breakdown



| Date | Event |
|-----------------------------------|--|
| Until Aug 22 th , 2008 | <p>25% dicount applied to shareholders with at least 10 thousand BMEF3 stocks for the trading and clearing services offered by the BM&F segment</p> <p>Additional 5% discount for trading and clearing services offered by the BM&F segment, applied to every investor</p> |
| From Aug 25th to Nov 14th/2008 | <p>Extinction of all discounts after the unification of BMEF3 and BOVH3 shares, creating the BVMF3 ticker</p> |
| From Nov 17th to Feb 13th / 2009 | <p>Review of the trading and clearing fees for the contracts negotiated on the BM&F segment, according to the base table</p> <p>Annoucement of discounts applied to the different types of participants of the BM&F segment, aiming to compensate the additional revenues obtained with the discounts termination, respecting the following criteria:</p> <ul style="list-style-type: none"> 40% discount for clients that trade through Brokeragehouses 50% discount for clients that trade through DMA 70% discount for algorithm traders |
| Starting from Feb 16th/09 | <p>Establishment of a new pricing policy that will be based on volume traded</p> <p>Differentiation of trading fees between individuals/investment clubs and the other participants</p> <p>Change on the custody fees (Bovespa Segment), respecting the following criteria:</p> <ul style="list-style-type: none"> R\$ 3,00 per inactive account R\$ 6,90 per active account R\$ 1,00 per stock (ISIN code) for portfolios with more than R\$ 100.000 <p>Changes for fees involving fixed income assets, spot FX and securities lending (BTC)</p> |

Operating Expenses Breakdown



Main Impacts on the Income Taxes

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\$ Millions

| 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 |
| TOTAL 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

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> | 54.6% | | 66.2% |
| EBITDA | 696,007 | | 838,897 |
| <i>EBITDA Margin</i> | 56.5% | | 68.1% |
| 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> | 43.1% | | 51.2% |
| Adjusted Net Income by Goodwill | 664.030 | 100,884 | 764.914 |
| <i>Adjusted Net Margin by Goodwill</i> | 53.9% | | 62.1% |

Expenses Pro Forma

| BRL thousands | 3Q07 | 2Q08 | 3Q08 | Var% | Var% |
|-----------------------------|----------------|----------------|----------------|--------------|--------------|
| | | | | 3Q08x2Q08 | 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% |

Consolidated Corporate Earnings

| R\$ Thousands | 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

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 | | |



THE NEW COMPANY

- ▶ **To become an integrated exchange, offering a full range of services, one stop shop**
- ▶ **To offer innovative and multi asset class products and the state of the art in trading and clearing**
- ▶ **To be a global player and the hub for Latin America securities**

Complete Array of Services



Cash Market Trading - shares, bonds and FX

Derivatives Market Trading

Clearing and Settlement

Securities Lending

Depository

Custody

Listing

Market Data

Indices Licensing

Software Licensing



High Competitive Edge

- ✓ **Regulation in Brazil demands that all trades carried in exchanges must be matched at the beneficial owner level**
- ✓ **Internalization of orders is not allowed**
- ✓ **Our clearing houses act as central counterparty agents and we have the risk management at the investor level with mark to market (margin variation calls) done on daily basis**
- ✓ **All trades must be carried through a brokerage house (clearing agent), which is responsible for their clients risk and know your client policies**
- ✓ **Current regulation requires settlement, clearing and depository services to be provided to third parties on a commercial basis**

✓ Risk Calculation and Collateral Pledged

- ✓ Risk calculation in almost real time (calculated every 15 minutes), updating the registered transactions and the requirement of additional collateral whenever necessary.
- ✓ Risk calculation based on stress testing.
- ✓ When it comes to the Equities Clearinghouse (CBLC) and Derivatives Clearinghouses, risk calculation and collateral requirement are performed individually, according to each client or final beneficial owner.
- ✓ Collateral pledged in the Clearinghouse's custody account, with segregation between the different clients.

✓ Legal Protection of Pledged Collateral

- ✓ Legal protection of the collateral held by clearinghouses against bankruptcy procedures and judicial blocking attempts by creditors

Date: December 2nd, 2008

R\$ billions

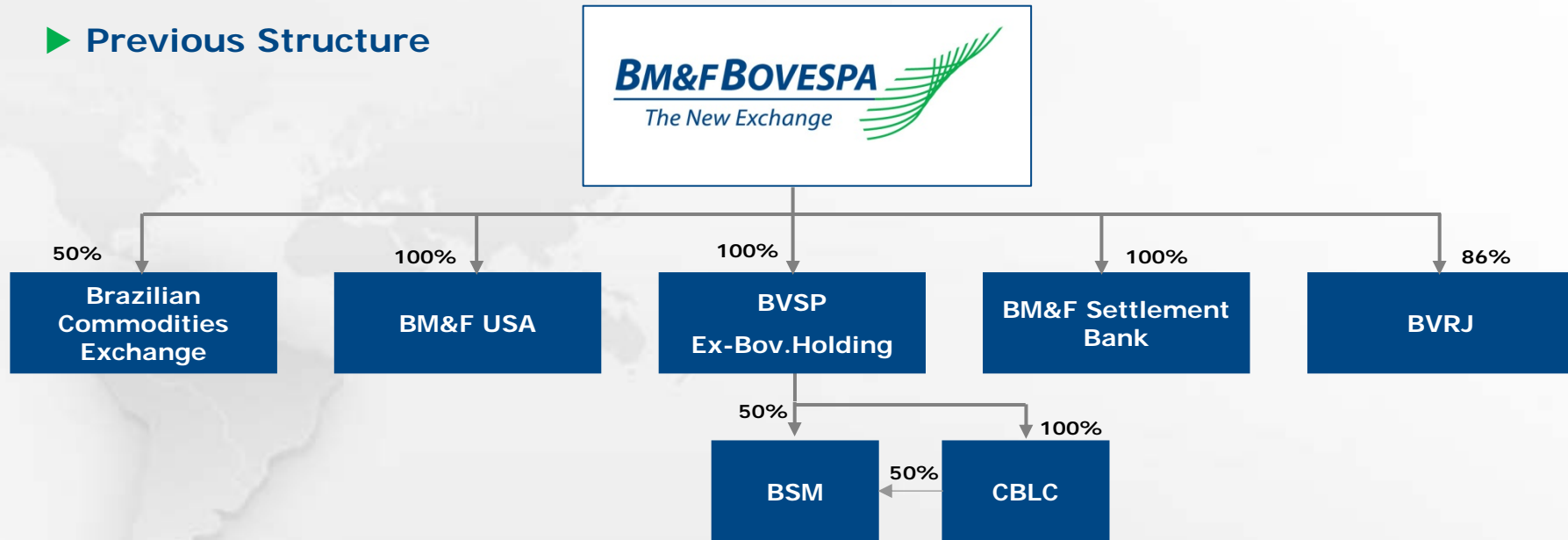
| Clearings | Deposited | Required |
|-------------------|------------------|-----------------|
| Derivatives | 96.2 | 78.1 |
| Public Bonds | 86.5 | 73.4 |
| Letters of Credit | 4.4 | 2.6 |
| Others* | 5.3 | 2.1 |
| Cash Equities | 22.7 | 12.9 |
| FX | 4.0 | 1.5 |
| Fixed Income | 1.4 | 0.1 |
| Total in BRL | 124.3 | 92.6 |
| Total in USD | 53.0 | 39.5 |

* Collateral deposited in shares of stocks, bank CDs, gold, cash and quotes of funds

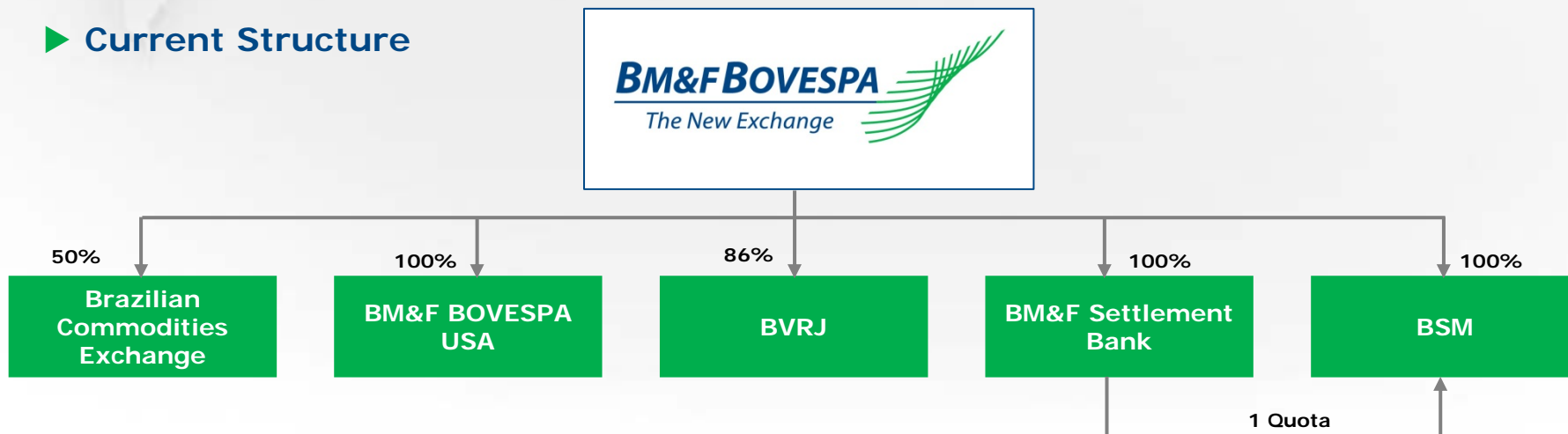
- ✓ **Settlement directly with Central Bank of Brazil**
 - ✓ Even though the Clearinghouses are not banks, they have an exclusive settlement account in the Central Bank of Brazil to settle their transactions
 - ✓ The direct settlement with the Central Bank of Brazil avoids the Clearinghouse's exposure of credit risk offered by financial institutions.

- ✓ **Short Selling**
 - ✓ When it comes to Equities Clearinghouse (CBLC), short selling occurs when an investor sells a security lent by another investor. The decision of lending shares is taken at the beneficiary owner level, who is entitled to the returns generated by the transaction.
 - ✓ The borrowing of securities is centralized in the Clearinghouse, with collateral requirement higher than the security value (100%, plus amount equivalent to the security price variation risk) and daily mark to market.
 - ✓ The Clearinghouse plays the role of the central counterparty, guaranteeing the return of borrowed securities.

► Previous Structure



► Current Structure



- ▶ **Simplified the corporate and governance structures, fulfilling the regulatory requirements**
- ▶ **New Accounting law (11,638/07) will bring the BRGAAP closer to the IFRS, which will be fully required for the financial statements of 2010**
- ▶ **2008: The current corporate/accounting law requires the amortization of the goodwill for P&L purposes**
 - **BRL 202.8 million already recorded until Sep. 30th,2008**
 - **BRL 121.6 million to be recorded until the end of the year, being deductible R\$ 41.2 million correspondent to December/08**
 - **TOTAL: BRL 324.4 million**
- ▶ **2009 onwards: The company will adopt the IFRS standards**
 - **No goodwill amortization for P&L purposes**
 - **Purchase Price Allocation of the Goodwill to be divided between:**
 - **Market value of the assets (Tangible / Intangibles)**
 - **Expectation of future earnings**

- ▶ **With the incorporation of BVSP and CBLC in BM&FBovespa (General Meeting held on November 28th,2008)**
 - **Goodwill became tax deductible – recognized in the corporate book in Dec,2008, and, starting from 2009, registration will occur in the tax report**
 - **Intangibles annually impaired to Market value (2009)**
- ▶ **Interest on Equity Capital**
 - **Equity basis has been increased after the integration, which raises the Interest on Equity potential value**

Recent Acquisitions from comparable Exchanges

| | CME CBOT | NYSE EURONEXT | NASDAQ OMX | ASX SFE | NYSE ARCH | NASDAQ INSTINET | NASDAQ CARPENTER | EURONEXT UBITRADE | EURONEXT DAVIDGE | AVERAGE |
|---|---------------|------------------|---------------|---------------|---------------|--------------------|---------------------|----------------------|---------------------|---------------|
| Brands/Trade names | 1,4% | 1,4% | 2,3% | - | 2,5% | - | - | - | - | 0,8% |
| Customer Relationships | 7,6% | 6,9% | 6,7% | - | 2,1% | 17,0% | 22,0% | 6,0% | 3,0% | 7,9% |
| Licenses / Agreements / Registrations | 0,5% | 27,2% | 13,0% | - | 34,1% | - | - | - | - | 8,3% |
| Market data customer relationship / Software / Technology | 2,2% | - | 1,2% | 0,5% | 0,8% | 1,0% | 4,0% | 1,0% | 1,0% | 1,3% |
| Market rate and above market leases | 0,1% | - | - | - | - | - | - | - | - | 0,0% |
| Products in development | 0,03% | - | - | - | - | - | - | - | - | 0,0% |
| Real estate lease relationship | 0,2% | - | - | - | - | - | - | - | - | 0,0% |
| Trading Products | 52,1% | - | - | - | - | - | - | - | - | 5,8% |
| Other | - | 1,4% | - | - | - | - | 6,0% | - | - | 0,8% |
| Total of Intangible Assets | 64,1% | 36,9% | 23,2% | 0,5% | 39,5% | 18,0% | 32,0% | 7,0% | 4,0% | 25,0% |
| Remaining Assets | 2,7% | 18,9% | 43,4% | 59,8% | 23,7% | 0,0% | 1,0% | 51,0% | 14,0% | 23,8% |
| Goodwill | 33,2% | 44,2% | 33,4% | 39,7% | 36,8% | 82,0% | 67,0% | 42,0% | 82,0% | 51,1% |
| Total | 100,0% | 100,0% | 100,0% | 100,0% | 100,0% | 100,0% | 100,0% | 100,0% | 100,0% | 100,0% |

Source: Deloitte Touche Tohmatsu

Simulation - Goodwill Amortization according to IFRS

INCOME STATEMENT

| CORPORATE (Base for dividend distribution) | | TAX (Base for tax calculation) | |
|---|-----------|-----------------------------------|------------|
| Description | Amount | Description | Amount |
| Revenues | 100 | Revenues | 100 |
| Expenses | (40) | Expenses | (40) |
| | | Goodwill Amortization | (50) |
| Pre Tax Income | 60 | Pre Tax Income | 10 |
| | | Taxes | (3) |
| | | Taxes | (3) |
| NET PROFIT | 57 | | |
| <i>Effective tax rate</i> | <i>6%</i> | <i>Official tax rate</i> | <i>34%</i> |



- ✓ The goodwill expense is not registered for corporate purposes
- ✓ Goodwill expense runs in the Tax Income Statement, and then goes to the corporate base
- ✓ Higher net profit, increasing dividend distribution

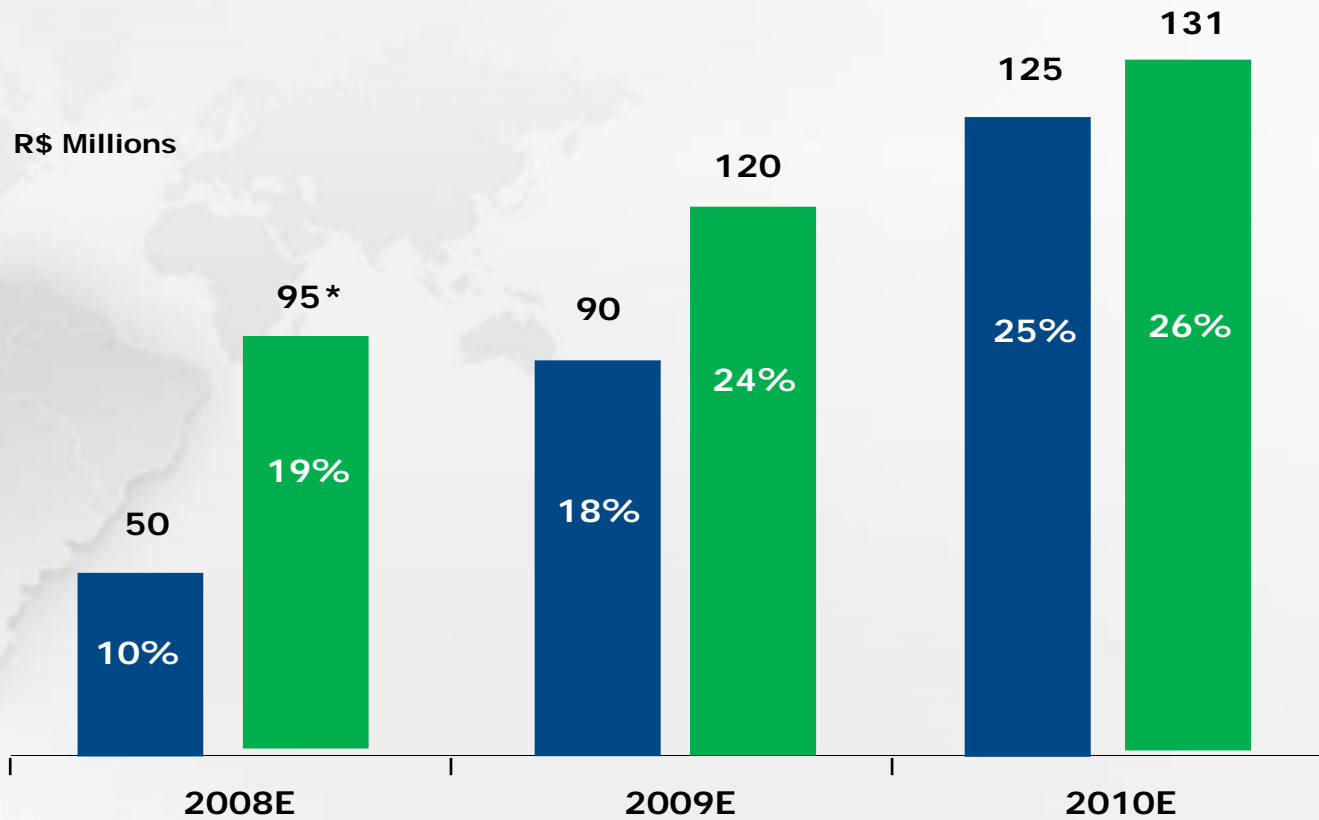


INTEGRATION

Synergy of Headcount

| | 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**

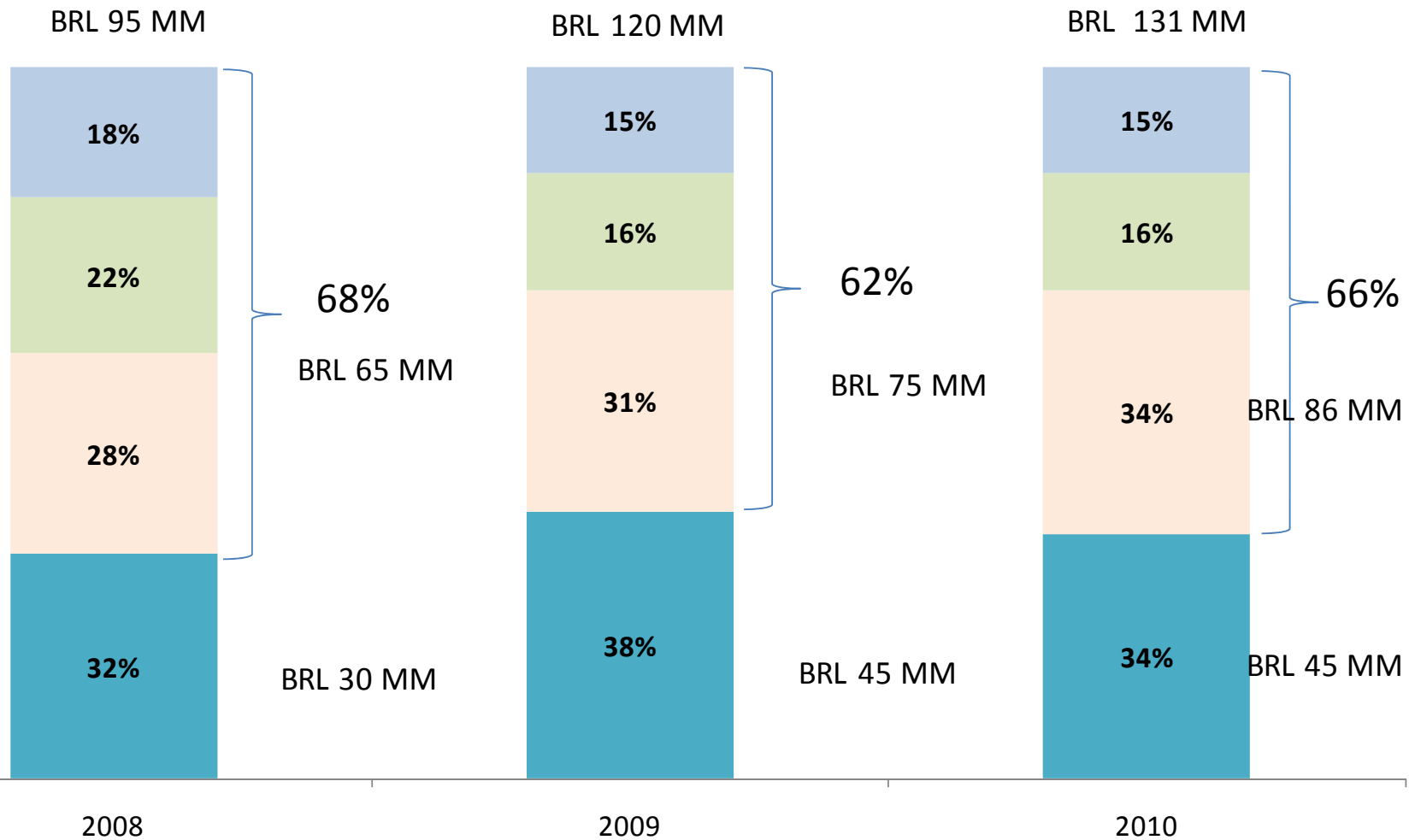


■ Preliminary Estimates (April/08)

■ Current Estimates (August/08)

* Annualized

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



▶ Software and hardware

- Reduction of the data centers from 4 to 2, and deactivation of the former technology used for their connection (substituted by newer and cheaper)
- Mainframe turn off
- Renegotiation of contracts and suppliers
- Cancellation of maintenance contracts for routers and servers
- Cancellation of the maintenance contract with Euronext platform

▶ Market communication and conferences sponsorships

- Marketing programs optimization
- Mandatory publications reduction from 2 to 1
- Integration and rationalization of the call centers
- Renegotiation of telephony contracts

▶ Finance / Corporate

- ERPs
- Auditing

- ▶ **Integration of trading platform – one front end system**
- ▶ **Integration of post-trading platform – requires the approval from Central Bank**
- ▶ **Premises**
- ▶ **Others (traveling expenses, third party expenses, third party/other than IT, telecom and advisory)**

TRADING SCREEN



Order registration

FRONT END SOLUTION
FIX Connectivity



Order routed
between the two
matching engines

MegaBolsa



GTS/WTR

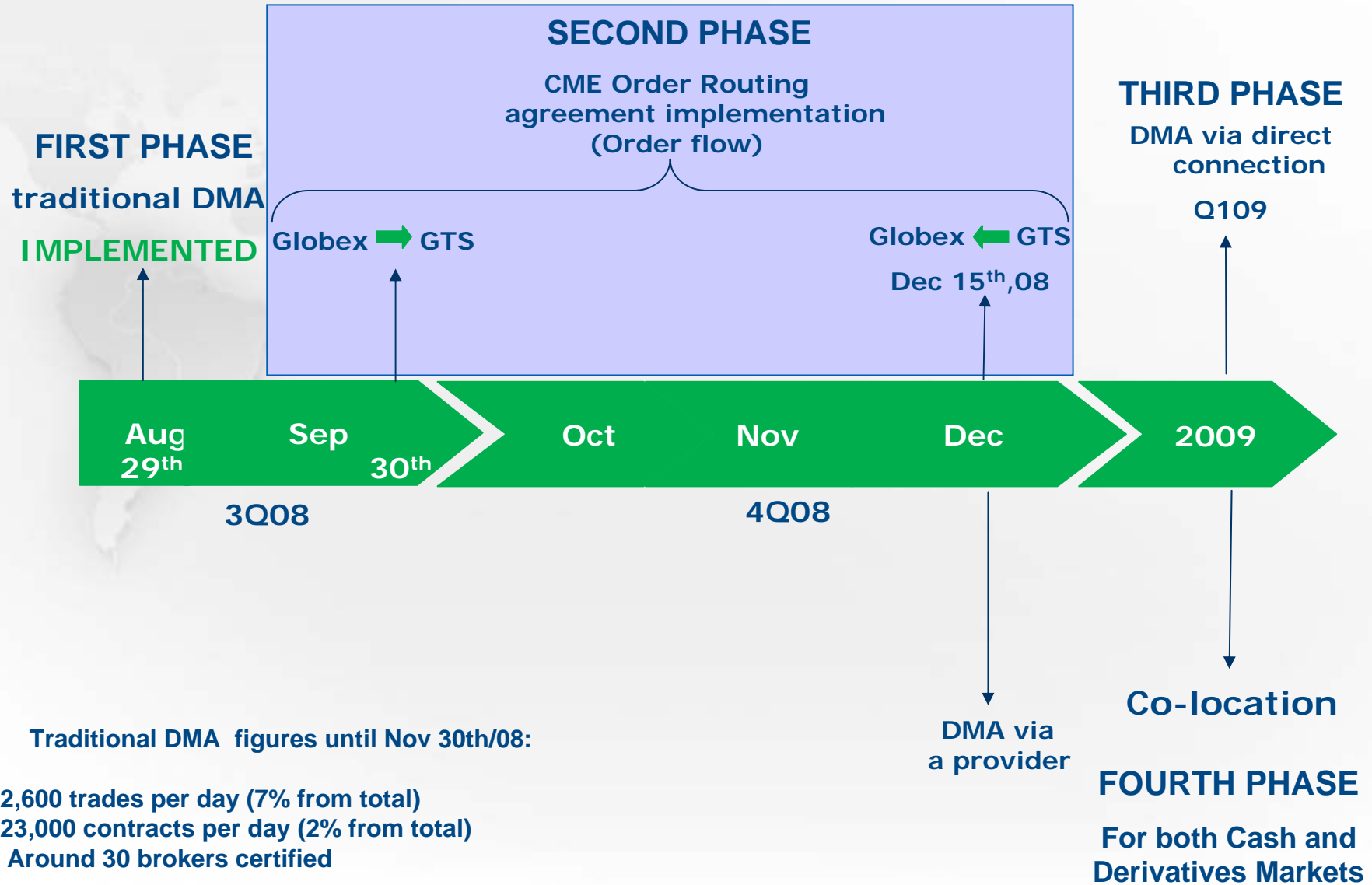


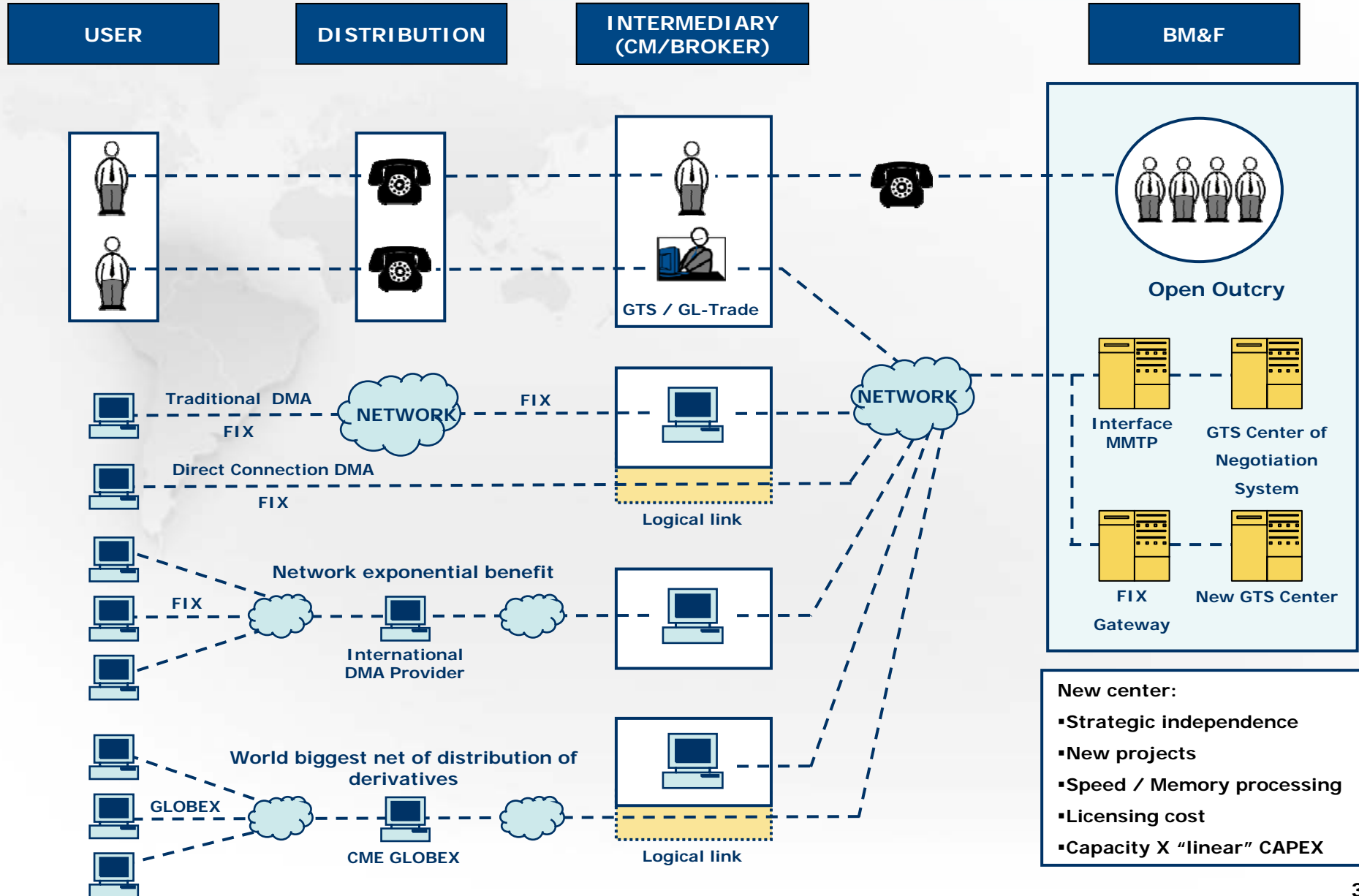
| | | | |
|---|--|--|--|
| <p>Derivatives Open outcry Electronic trading OTC registration</p> | <p>FX Cash Market Open outcry Electronic trading OTC registration</p> | <p>Stocks and Corporate Bonds Electronic Trading OTC Registration</p> | <p>Government Bonds Electronic trading OTC registration</p> |
| <p>Derivatives Clearinghouse</p> | <p>FX Clearinghouse</p> | <p>CBLC</p> | <p>Securities Clearinghouse</p> |



PRODUCT DEVELOPMENT

CME Order Routing Agreement and DMA Timeline





Bovespa Segment

- ▶ **ETF (Local Indexes)**
 - ▶ **Three ETFs started trading on Dec 2nd, 2008 (Ibovespa, Large and Mid Caps Index and Small Caps Index)**
- ▶ **BDR with corporate governance**

BM&F Segment

- ▶ **Market makers for derivatives (involving exemption of trading fees and rebates of exchange's revenues for the products traded)**
- ▶ **Implementation of Treasury Direct (Tesouro Direto)**

Government Bonds through DMA

- ▶ **Non-Standardized Derivatives platform (bilateral netting)**
- ▶ **BRL/EUR and BRL/JPY future contracts**

- **BM&F segment's former Pricing Policy terminated on Aug 25th 25% discount for trading and clearing fees applied to investors that held at least 10,000 BMEF3 stocks.**
- **The Company will have a Base Table where the discount percentages will fall upon, temporarily, according to its characteristics and access to the Trading System, as indicated below, starting Nov 17:**
 - ✓ **40% through Brokerage Houses;**
 - ✓ **50% through DMA; and**
 - ✓ **70% for clients registered as Algorithm Traders.**
- **This discount policy will result in neutral impact over the annualized income of the company.**
- **Starting on Feb. 16, 2009, the fixed discount policy will be replaced by a volume incentive methodology, considering ranges of traded contracts and/or utilization of services, willing to provide greater benefits to the biggest customers.**

- **The Central Depository will charge the following fees, on a monthly basis**
 - **Custody account maintenance**
 - ✓ **BRL 3.00 per inactive account**
 - ✓ **BRL 6.50 per active account**
 - **Per asset and value of the stocks**
 - ✓ **BRL 1.00 per asset (ISIN code)**
 - ✓ **Percentage of the average value registered at the account**
 - ✓ **Average values below BRL 100,000 during the month will be exempted from this fee**
 - **Custody transfer**

INFORMATION TECHNOLOGY

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**

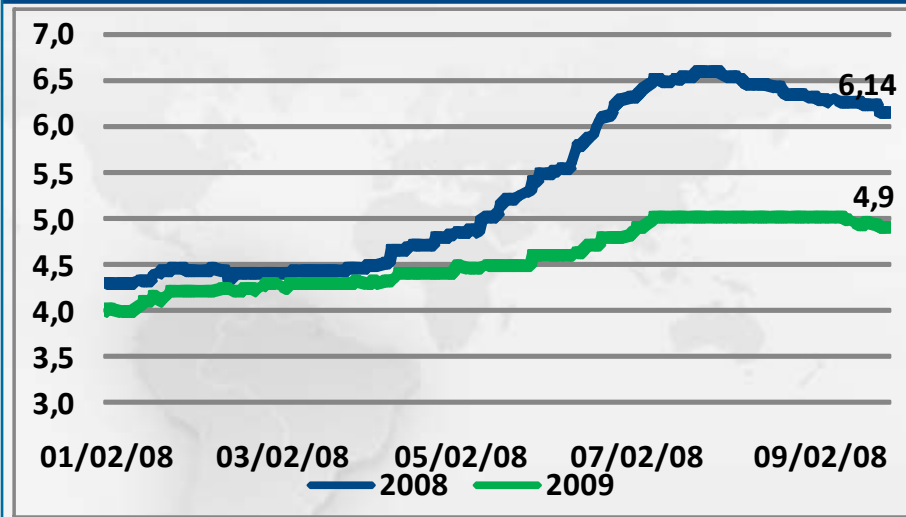
Expenditures: R\$ 10.7 million and **Main Project:** Megabolsa

| <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 |

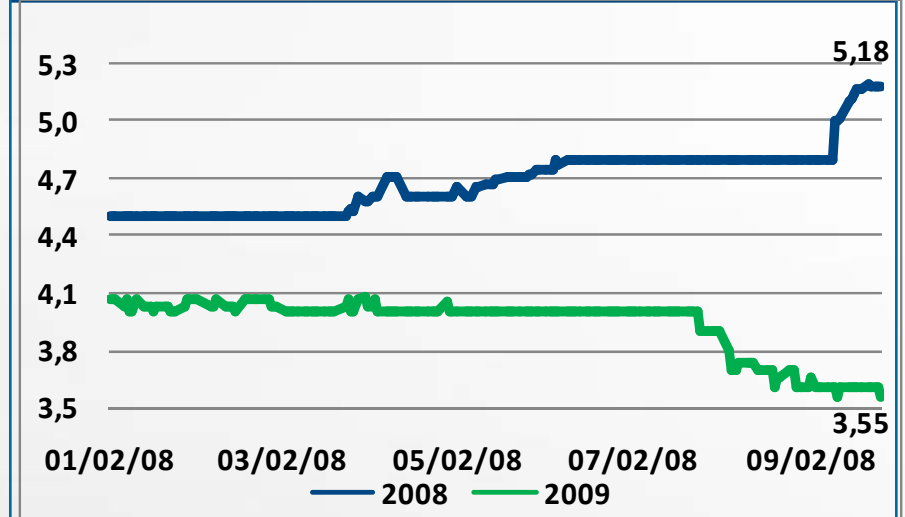


OPERATIONAL DATA

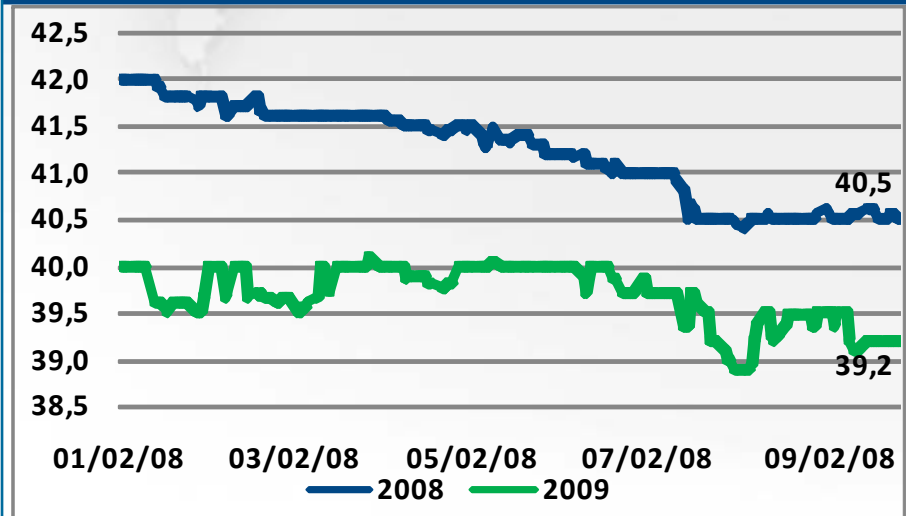
Brazilian CPI (%)



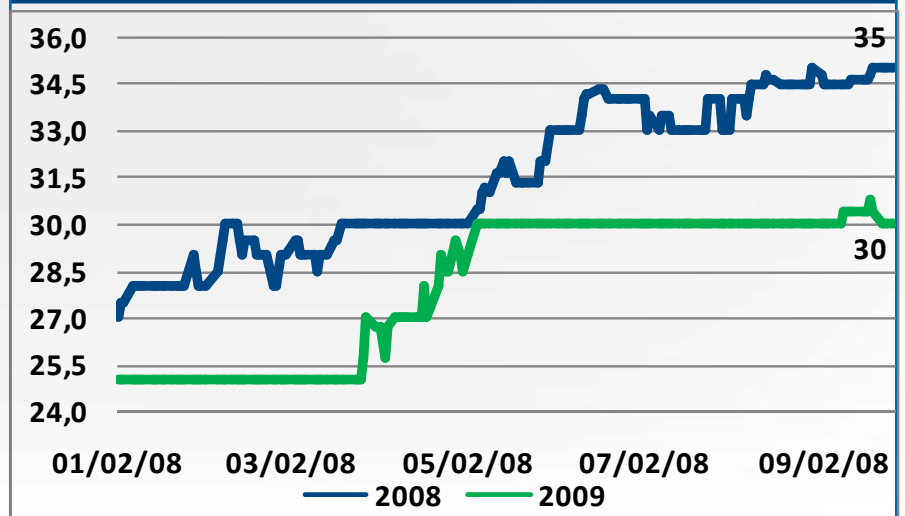
GDP Annual Growth (%)



Public Sector Net Debt to GDP Ratio (%)

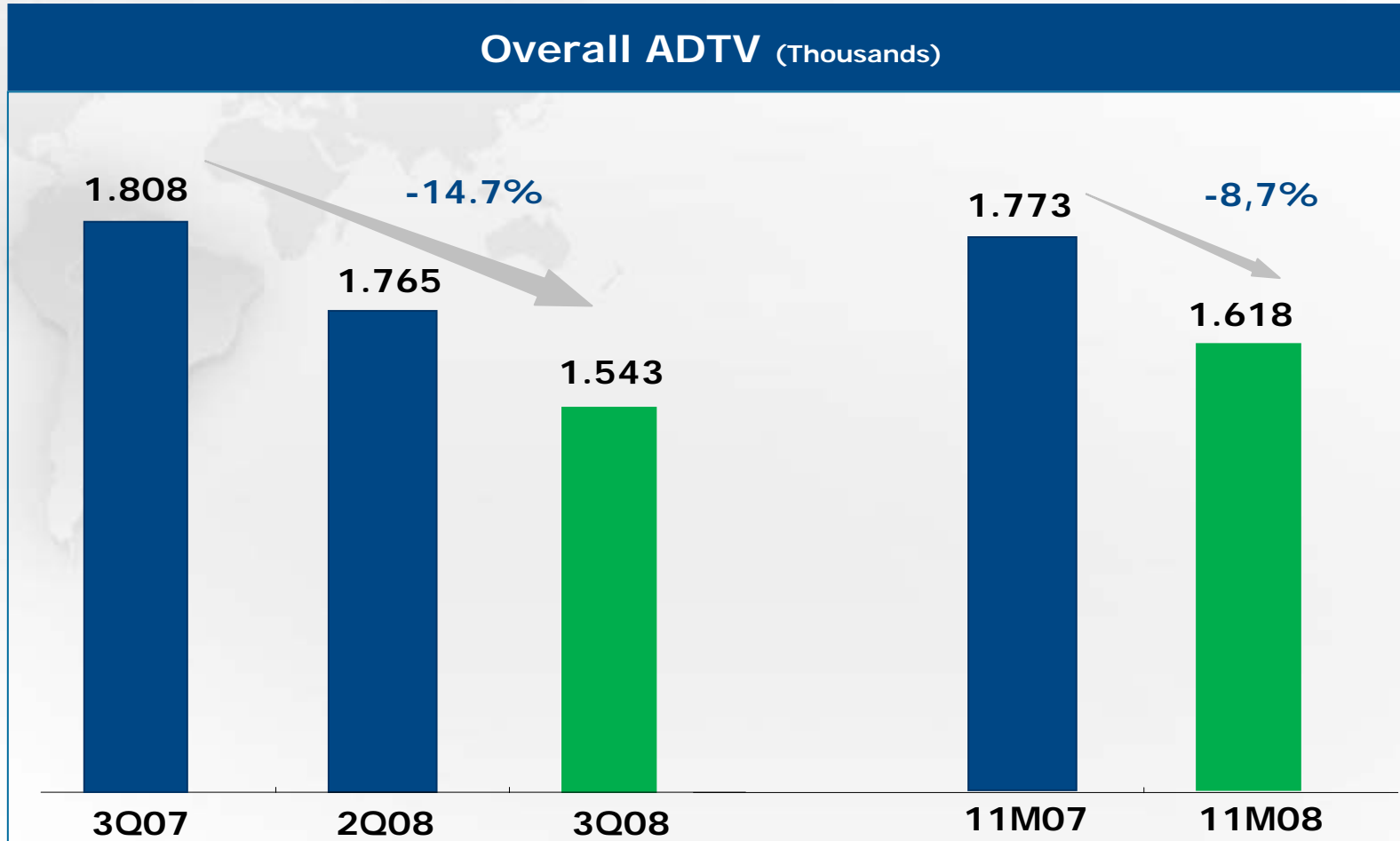


Net Foreign Direct Investments (USD Billions)



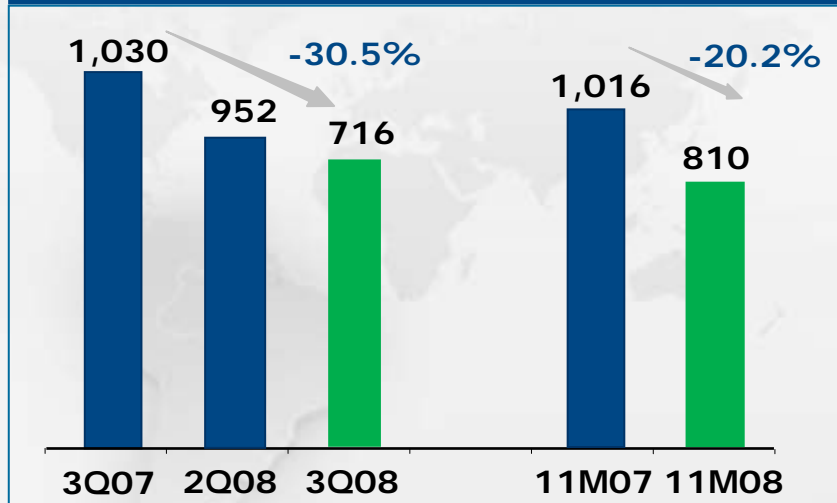


BM&F SEGMENT

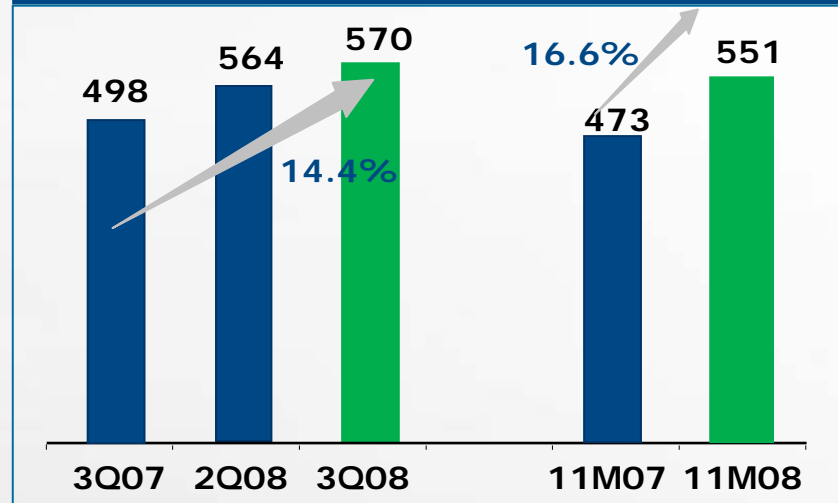


ADTV of Major Derivatives Contracts – BM&F segment

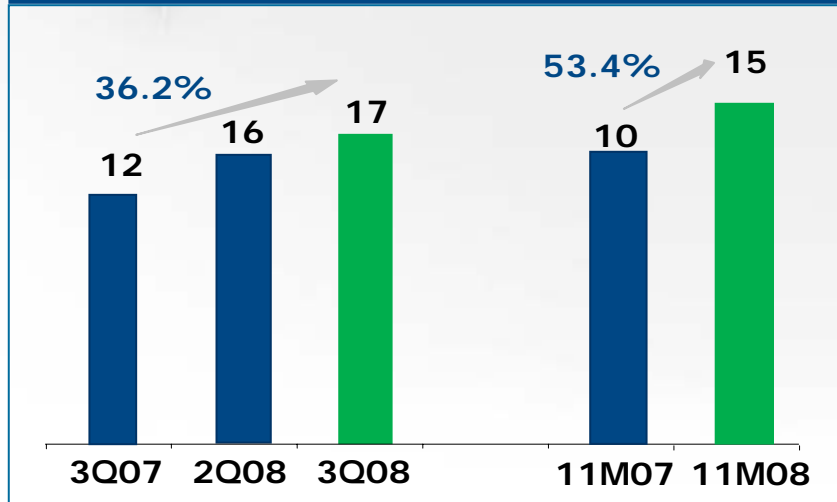
Interest Rates in BRL (Thousands)



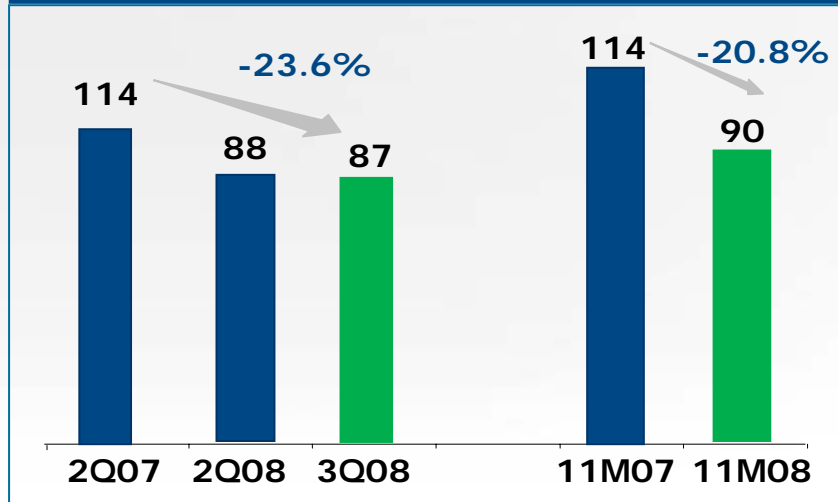
FX Rates (Thousands)



Agro (Thousands)



Indices (Thousands)

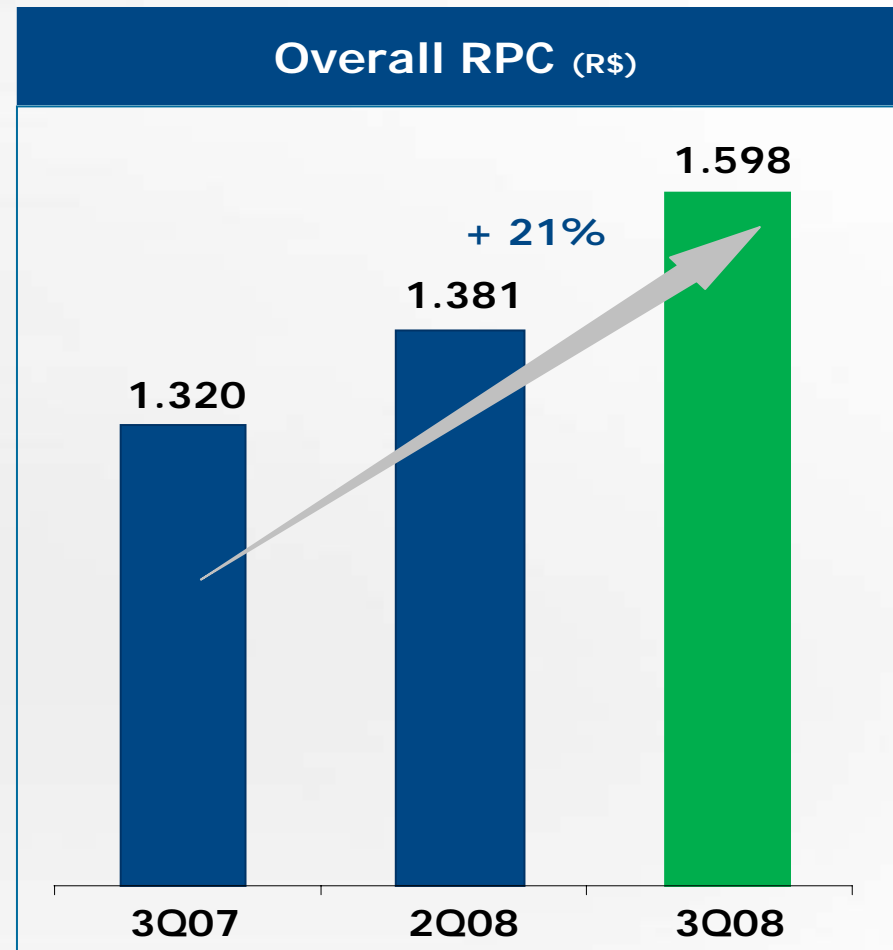
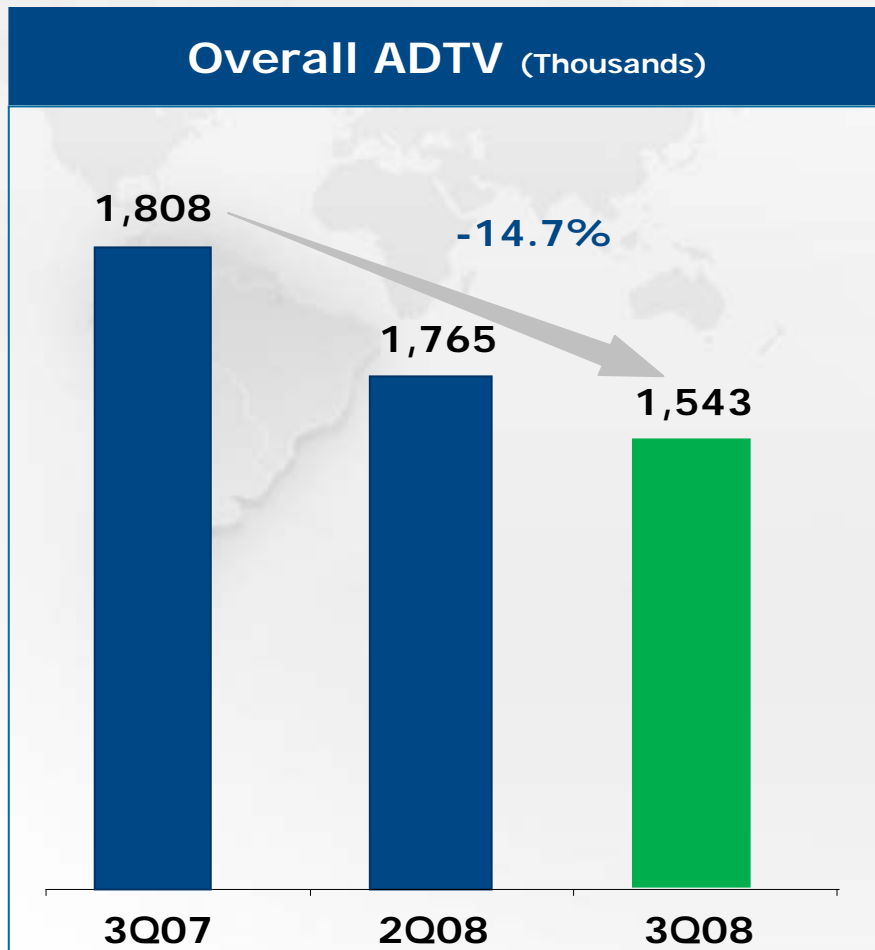


| R\$ | 3Q07 | 2Q08 | 3Q08 |
|------------------------------|--------------|--------------|--------------|
| Interest Rates in BRL | 1.049 | 1.064 | 1.268 |
| FX Rates | 1.937 | 1.785 | 2.057 |
| Indices | 1.668 | 2.460 | 2.157 |
| Commodities | 3.590 | 3.890 | 3.814 |
| OTC | 1.904 | 2.322 | 2.587 |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

* Includes trading fess, 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.

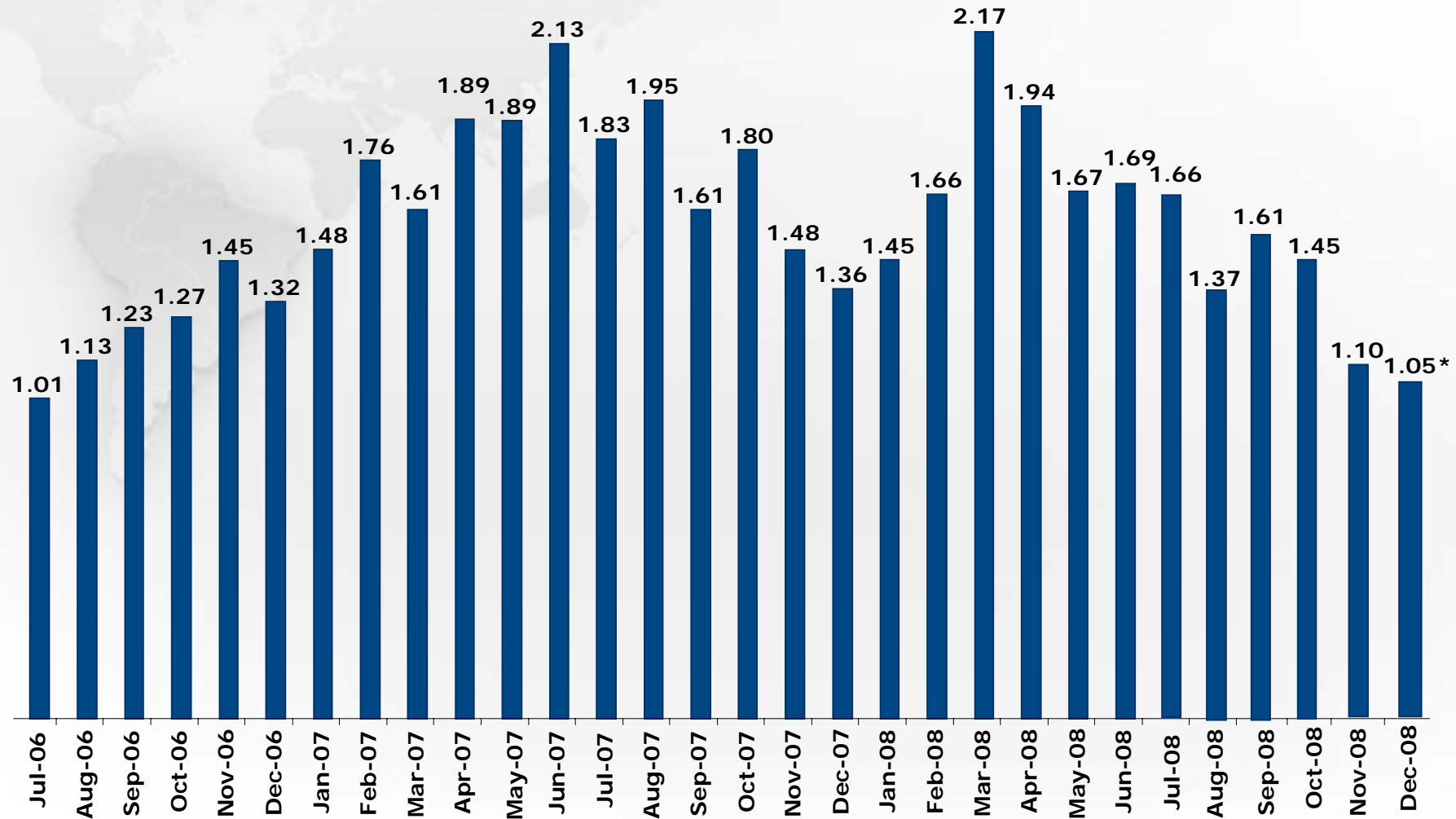
Volumes Slowdown was partially offset by the RPC Increase – BM&F segment



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

Overall ADTV Evolution

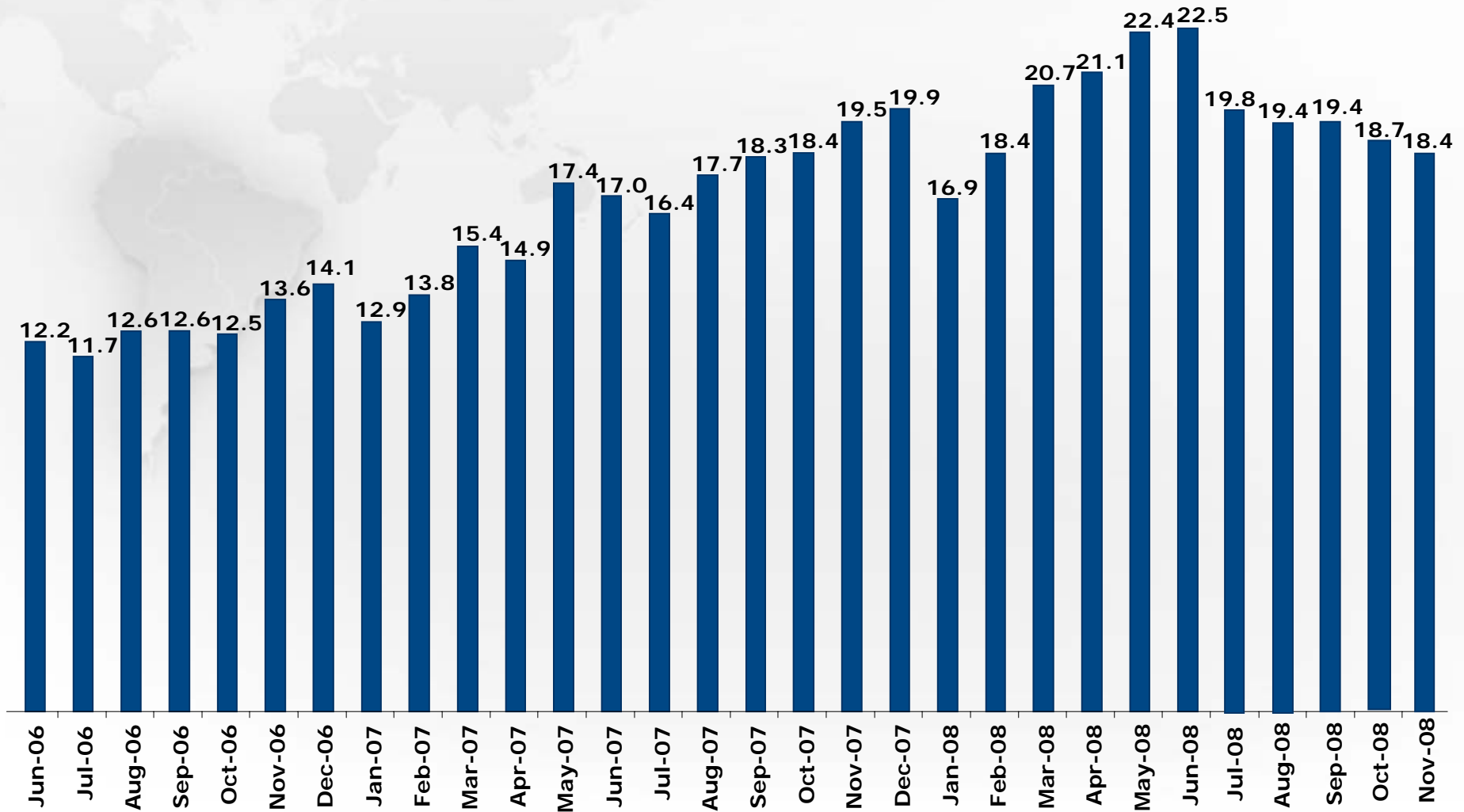
In Millions of Contracts



* ADTV until Dec 10th. 8 trading sessions

Overall Open Interest Evolution

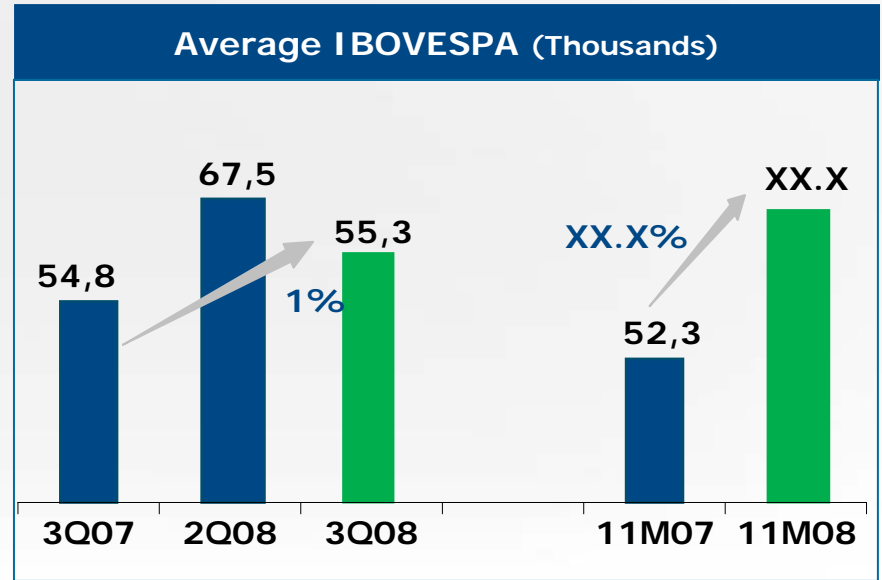
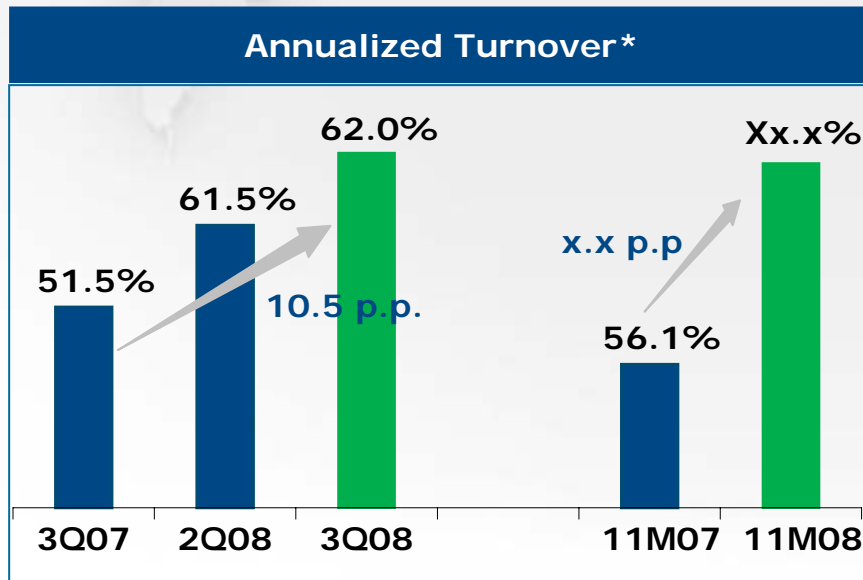
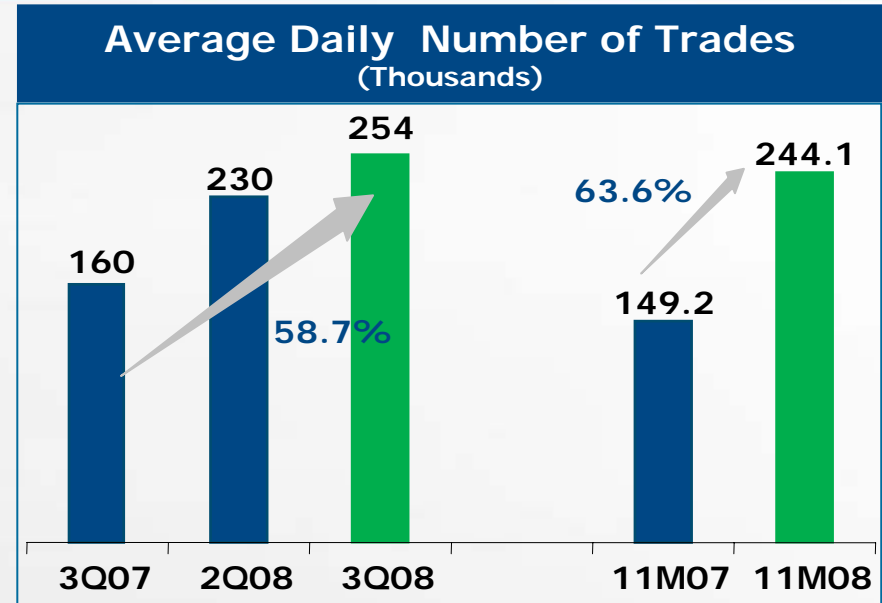
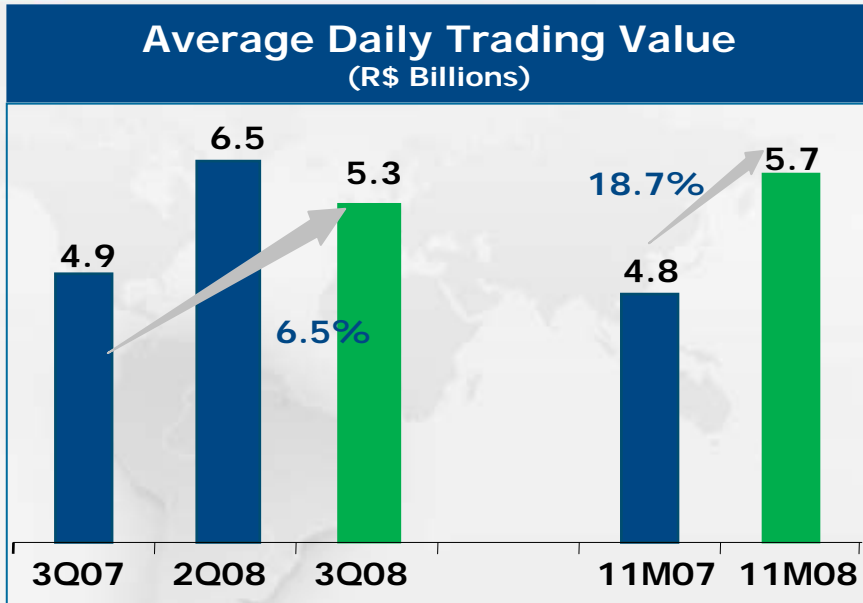
In millions of contracts





BOVESPA SEGMENT

Trading Activity – Bovespa segment

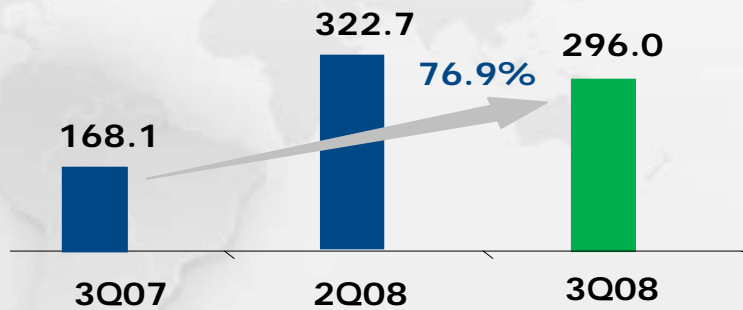


* Relation with the trading value of the cash market and the market cap of the exchange

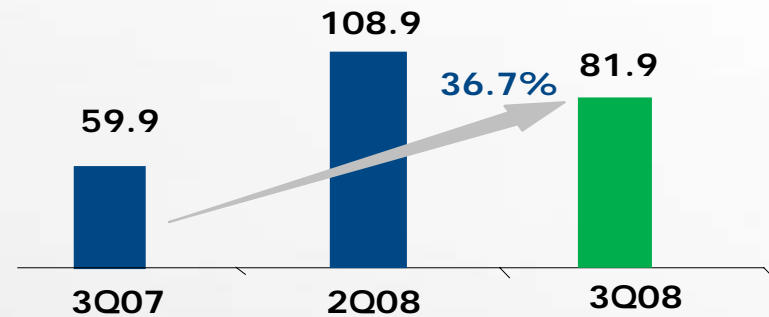
Market Data and Number of Investors Accounts – Bovespa segment

Market Data

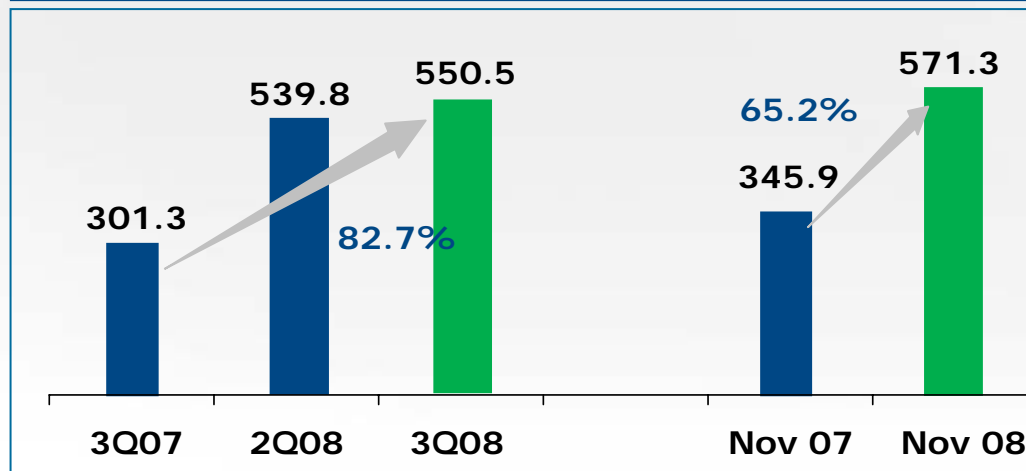
Home Broker – Number of Clients (thousands)



Vendors Number of Users (thousands)

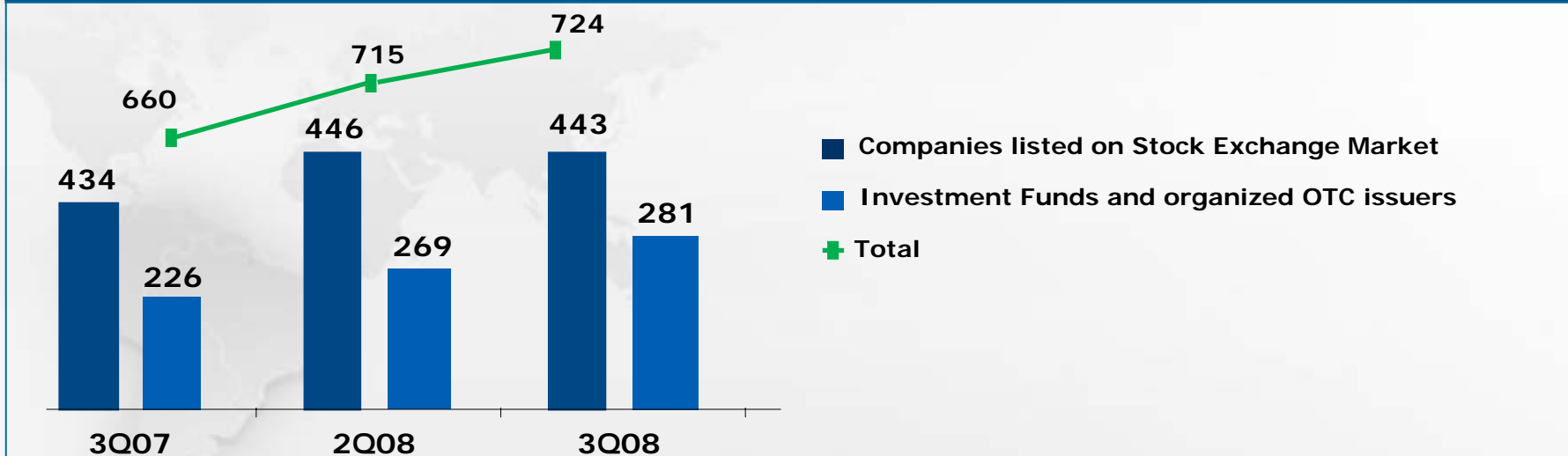


Number of Investors Accounts (thousands)

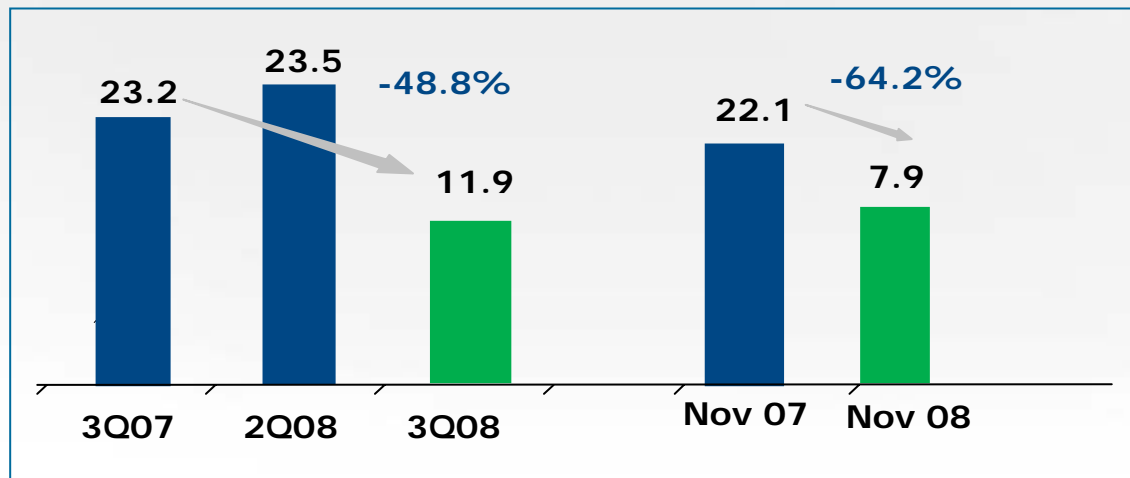


Listing and Securities Lending – Bovespa segment

Number of Issuers

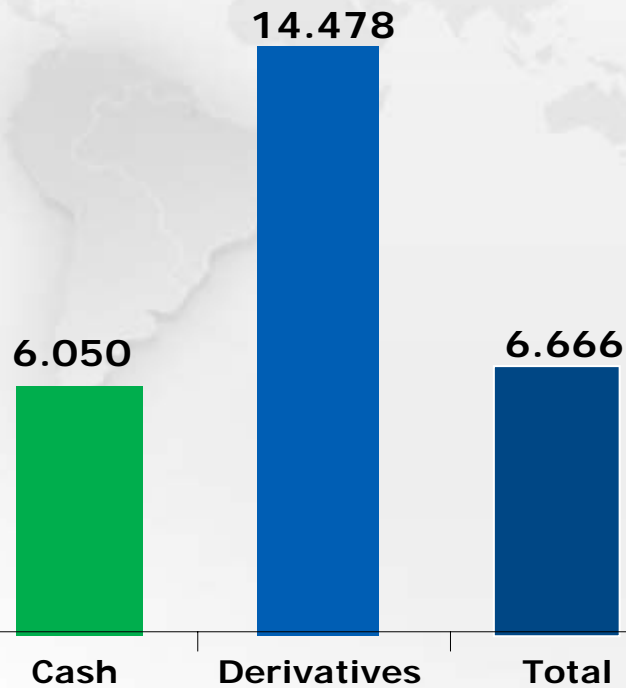


Securities Lending – Open Interest - (R\$ billions)



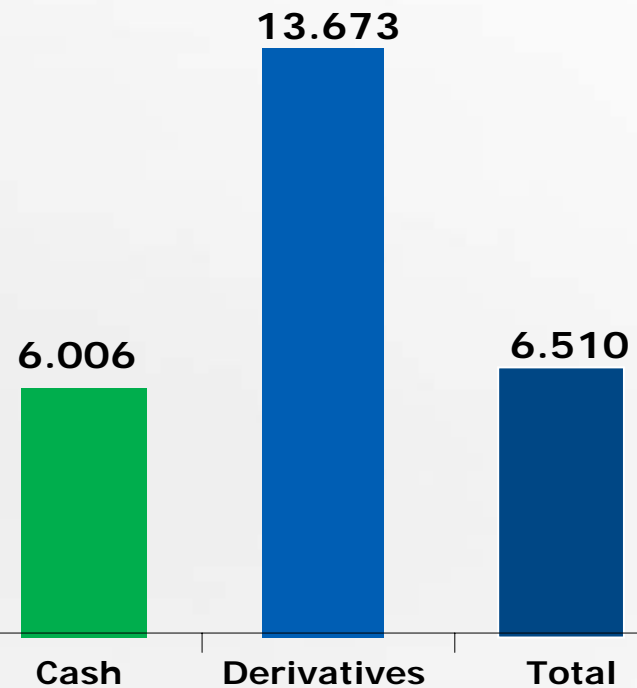
2Q08 Margin

Basis Points



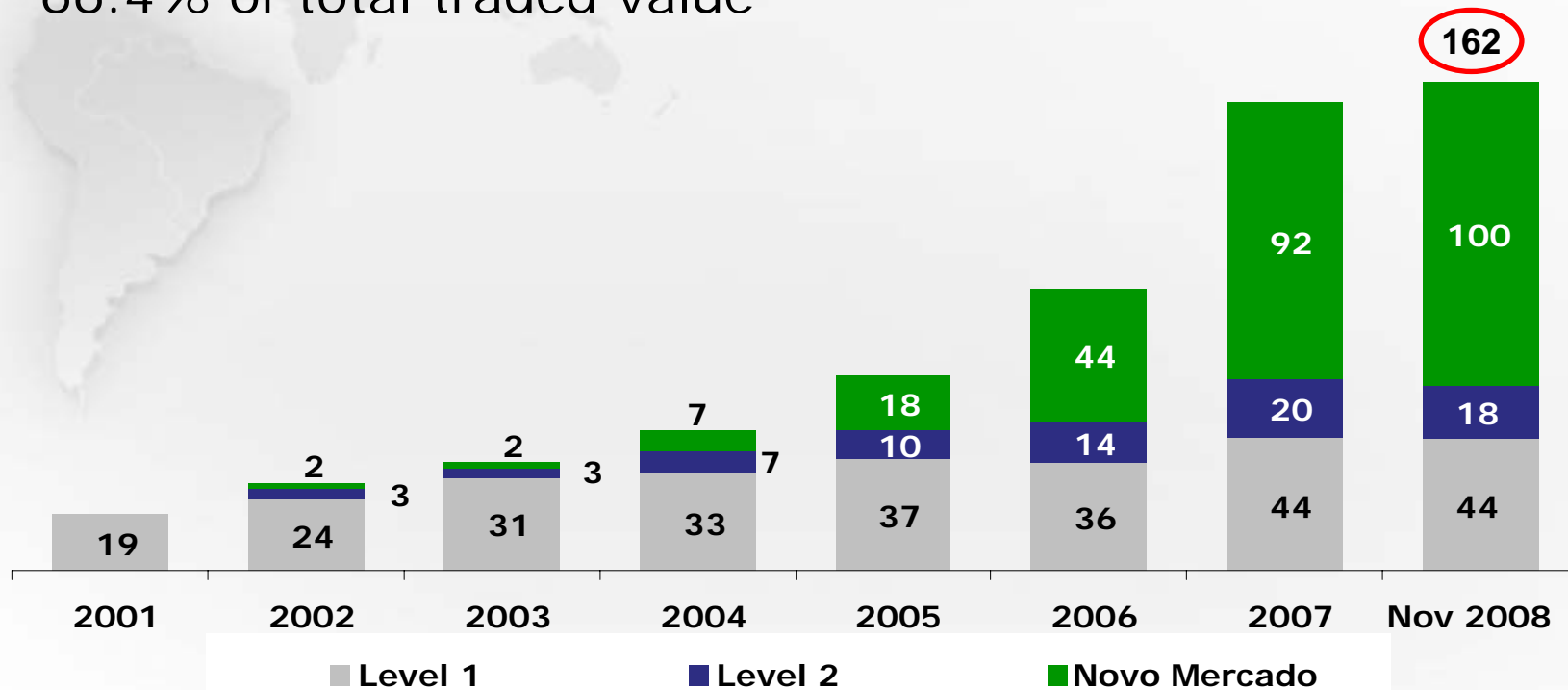
3Q08 Margin

Basis Points

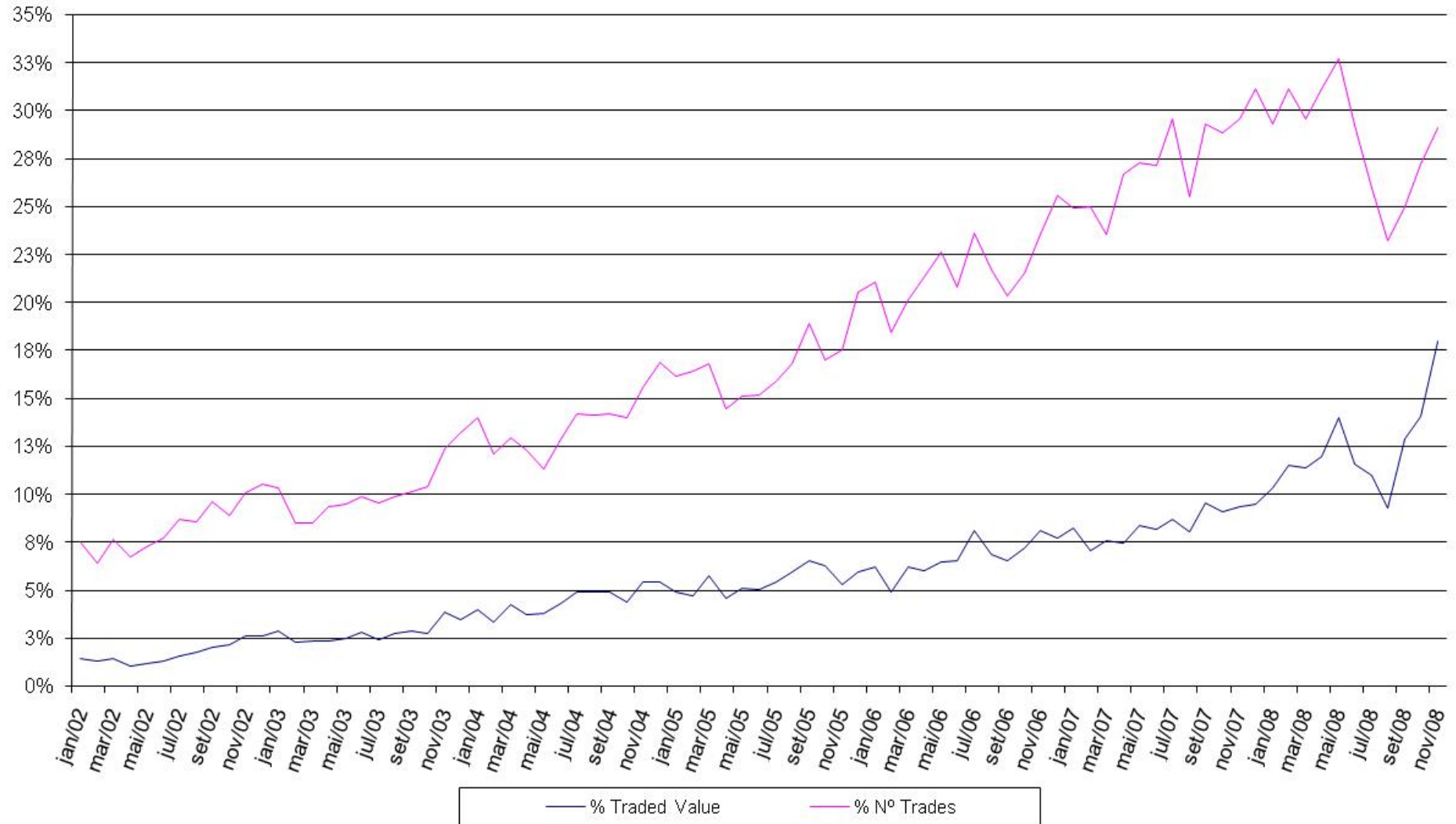


* Trading, clearing and settlement fees divide by traded value

- ✓ 36.6% of total listed companies
- ✓ 57.8% of total market capitalization
- ✓ 66.4% of total traded value



Home Broker Evolution

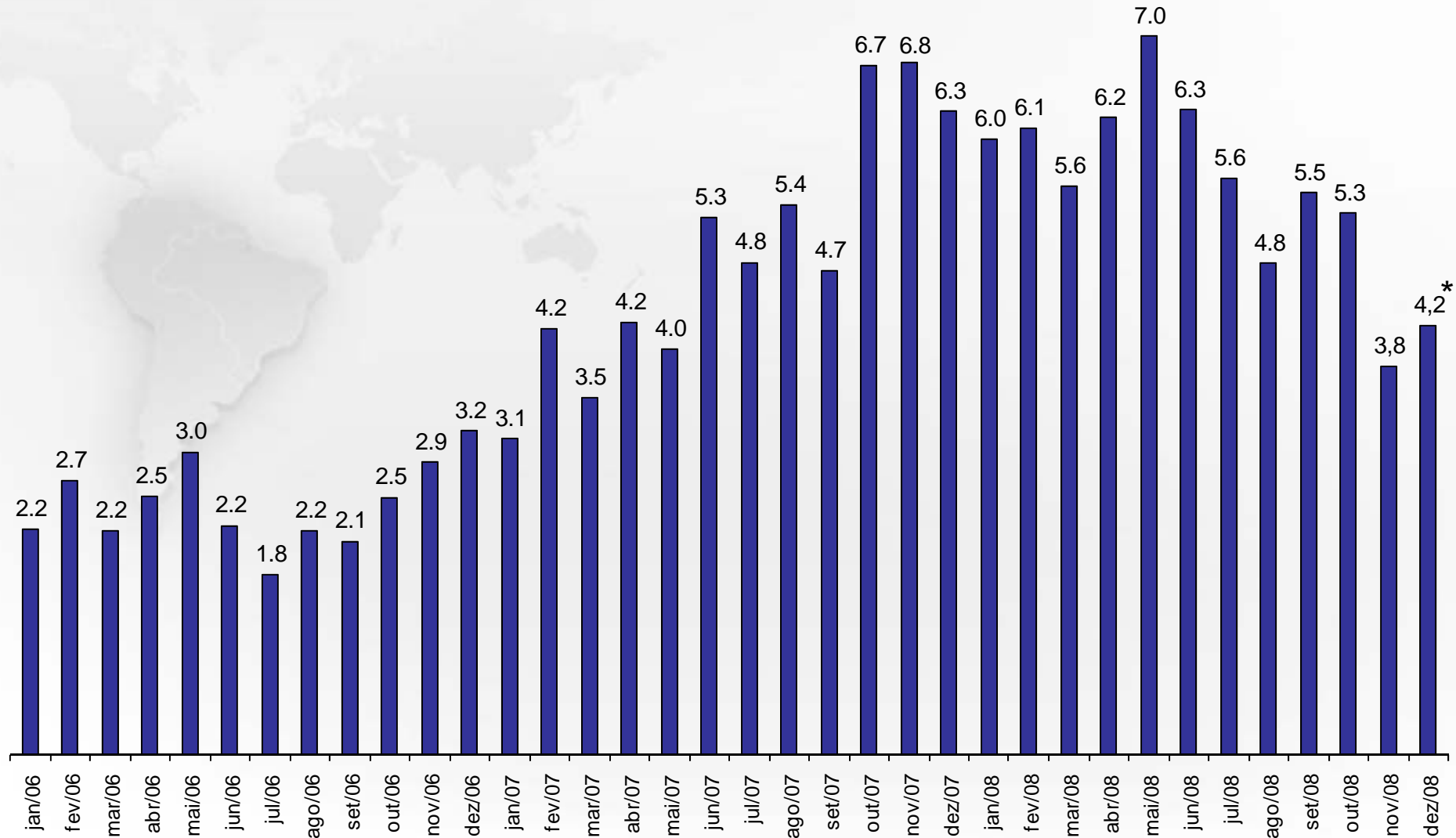


New Listings Turnover

| IPOs | ADTV of Sep 08 R\$ millions | Annualized Turnover (Avg. Market Cap) |
|-----------|--------------------------------|---|
| 2004 | 142.6 | 96% |
| 2005 | 85.7 | 124% |
| 2006 | 91.6 | 113% |
| 2007 | 411.7 | 128% |
| 2008 | 34.8 | 70% |
| 2004-2008 | 782 | 115% |

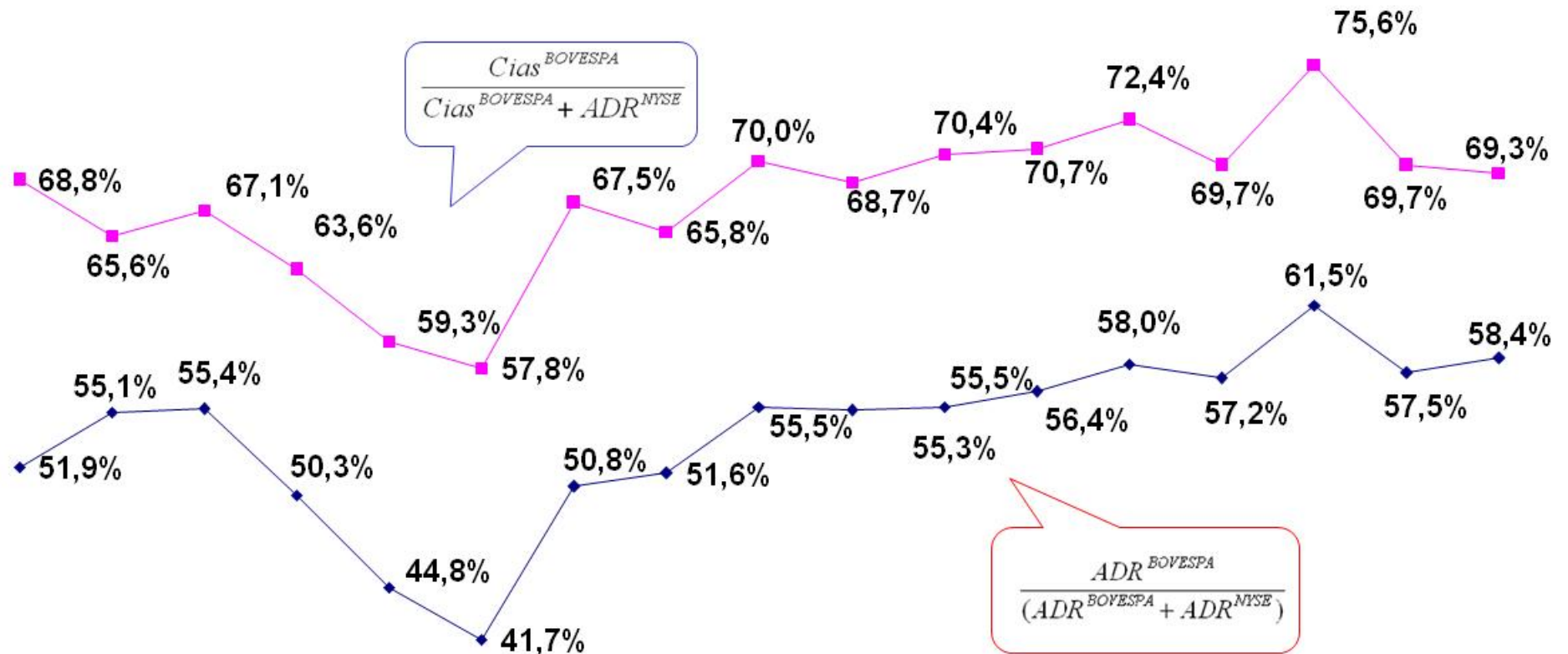
Total

ADTV Evolution – R\$ billions



* ADTV until Dec 10th. 8 trading sessions

Bovespa's Market Share



2001 2002 2003 2004 2005 2006 2007 jan-08 fev-08 mar-08 abr-08 mai-08 jun-08 jul-08 ago-08 set-08 out-08

—◆— (BVSP vs NYSE) Only Companies with ADRs listed on NYSE —■— (BVSP vs NYSE) All BVSP listed Companies

Buy Back Program

- ▶ **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.**



BM&F BOVESPA

The New Exchange



BM&F Bovespa Investor Relations

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