

**International Conference Call  
BM&FBOVESPA  
Global Strategic Partnership with CME Group  
February 12, 2010**

**Operator:** Good morning ladies and gentlemen and welcome to the audio conference call of BM&FBOVESPA. Thank you for standing by. At this time all participants are in a listen-only mode.

Later we will conduct a question and answer session and instructions to participate will be given at that time. If you should require assistance during the call, please press the star key followed by zero (\*0). As a reminder, this conference is being recorded.

Now I would like to turn the conference over to Mr. Cícero Vieira. Sir, you may now begin.

**Mr. Cícero Vieira:** Good morning everybody. As you probably have seen, yesterday we released a material fact and also a press release explaining the term sheet we signed yesterday with CME Group and we have several points in this term sheet that I would like to explain to you according to the press release and material fact that were published.

First of all BVMF and CME Group decided to work as global preferred strategic partners, which essentially means that the two companies will work together trying to identify strategic investments and potential investments in other Exchanges across the world and also trying to identify commercial opportunities with such Exchanges to be developed or to be jointly developed by both BM&FBOVESPA and CME Group.

Such investments and commercial opportunities both Exchanges will try to make on a shared and equal basis, and of course this should be subject to legal and regulatory restrictions as well as to the history of each Exchange.

It is also important to note that while the two Exchanges are going to pursue those initiatives and investments as strategic partners they do not want to lose their flexibility. So if for any reason joint participation of CME Group and BM&FBOVESPA in those strategic investments is impracticable or make the investments more difficult to be accomplished, then the Exchange that is leading the process will continue the transaction alone.

Also very important is the fact that BM&FBOVESPA and CME agreed to develop, to jointly develop a new, multi-asset trading platform. This new trading system will be developed by CME and BVMF's IT teams and the infrastructure of the new trading system will be partially based on the infrastructure of CME Globex.

We are also going to have other modules in the system that will be jointly developed, that are new modules and will be jointly developed by the two companies over the next two years.

This new trading system is going to be deployed by BM&FBOVESPA in all its markets. This is extremely important for us, since this means that we will be able to use a single trading system for all the markets that we have in the Exchange. It will encompass cash, equities, derivatives based ... all types of derivatives, futures and options on equities, interest rates, exchange rates, commodities, spot foreign exchange currency, Government bonds as well as private bonds.

The first module of the new trading system is expected to be deployed in production environment by the end of 2010 and is expected that this module, the derivatives module, will substitute the GTS trading system by the beginning of 2011.

Until the end of 2011 the other modules of the new trading system will be ready and they will substitute the MegaBolsa (which is currently used for equity trading in Brazil) and we will also substitute the Sisbex system (which is used for Brazilian public bonds trading) and the BovespaFIX system (which is used for the trading of private bonds in Brazil).

So this means that BVMF, which currently has four different trading systems, will be able to substitute all those systems to a single one, which is going to be integrated and is going to cover all asset classes and it is going to be a technology that represents the state of the art.

This new trading system is expected to have a latency or an RTT roundtime trip of less than 1 millisecond and this is going to improve substantially the capacity and also the performance of BVMF's trading systems.

The two Exchanges will be co-owners of the new trading system through cross licenses that one Exchange is going to grant the other on a perpetual and irrevocable basis.

CME is also going to transfer to BVMF all the knowledge and all the rights so that BVMF will have full autonomy to make changes, adaptations and enhancements of the system, so that it is completely independent on a technology basis.

Both Exchanges will also be able to commercialize the system with other Exchanges across the world and subject to certain restrictions and this is also important for BVMF because as you know the BOVESPA system, the MegaBolsa system, is licensed from NYSE, so today we have the GTS system, which was developed internally by BVMF IT team, but the other system that is used for equities we license from a competitor.

With the new system not only will BVMF control its technology, but it will also be able to commercialize this technology with other Exchanges across the world.

In order to implement this project and also the global preferred strategic partnership we are also increasing our equity stake in CME Group. So as you know, today we hold roughly 1.8% of CME equities and we are going to increase our participation from 1.8% to 5%. This is roughly an investment worth US\$ 620 million and this is still subject to BVMF shareholders' approval, which is going to happen in the short term.

On top of that, BVMF will also have her presentation in CME's Board of Directors in the same way that CME has a representation in BVMF's Board of Directors.

In our MOU we also established that the two Exchanges will try to explore the possibility of new commercial opportunities between them. One ... and this may include the cooperation regarding clearing services, collateral management, netting agreements and also the use of CME ClearPort technology and know-how for registration, settlement and risk management of OTC derivatives transactions in Brazil.

We are also contemplating the possibility to develop a multilateral order routing system and market data distribution system that will connect all Exchanges that are partners of either, CME Group or BM&FBOVESPA. As you know, today we already have a very successful order routing linkage between BM&FBOVESPA and CME Group. We are seeing very strong volume growth coming in the north to south direction, which means that primarily high-frequency traders connected to CME Globex are trading our futures through this connection in this volume has been increasing over time.

But this is a unilateral order routing system, since it connects only two Exchanges. So we also have plans to explore the possibility to connect other Exchanges that are current partners of CME and BVMF or that will become partners of the two Exchanges in the future.

Now Kawall is going to explain, to talk a little bit about the funding of this transaction and also the impact on our earnings.

**Mr. Carlos Kawall Leal Ferreira:** Well, Cicero clearly has given you the bulk of the transaction and my side is just to add a few, but one particularly important aspect of the transaction, which is the possibility of this transaction being registered under the equity treatment, which is very important in terms of earnings per share as I will go through.

First of all we will be analyzing, to fund the acquisition of the additional stake in the CME Group, raising some debt. We would not raise equity, exactly due to the fact that some debt would improve our capital structure as we have no debt so far. Remember that we will probably wait another one and a half ... 6 to 8 weeks

probably until we have this transaction going to our Board, therefore in this timeframe we will be analyzing the best options in terms of raising debt locally. Externally we will pursue a corporate Brady and later down the road we will be ... we will take the decision as to how to fund it that makes sense, from the standpoint of the capital structure, to fund partially the transaction through debt in spite of our comfortable cash position, a little under US\$ 1 billion today.

Well, regarding equity treatment very important, given that ... of course the financial cost involved in the transaction will reduce our earnings, but the possibility of having the new stake in CME Group, the whole 5% being treated under equity accounting would, in our preliminary estimates, leave little - if any - dilution in earnings. Possibly we would have no dilution and as a matter of fact we could get something out of the improving capital structure if we get ... if we fund this partially true debt.

Some comments we already saw in terms of earnings dilution are based on the fact that we would not have equity treatment. This is still not something that is clear-cut for us. It is something that we will discuss, we will be discussing with our auditors.

As you well know, Brazil is going through a transition in the accounting standards and for those of you who want to go into further details onto the matter, please refer to CPC 18, the norm that deals with that issue, which follows IASB and there are certain conditions for such a stake, which is below the 20% threshold, to be considered eligible for equity accounting. A Board member yes, but that is not considered enough; but the norm itself it discloses other aspects that in our case might be ... that could be taken into consideration given everything that is involved in this agreement, which is exactly what Cícero went through, so we think there is a fair chance that this could be under equity accounting and therefore, as I said, our preliminary estimates would show little, if any, dilution in terms of earnings per share.

With that I think we can conclude the initial segment of the conference call and operator, please, open for questions.

### **Q&A Session**

**Operator:** Thank you. Ladies and gentlemen, we will now begin the Question and Answer session. If you have a question, please press the star (\*) key, followed by the one (1) key on your touch-tone phone now. If at any time you would like to remove yourself from the questioning queue, press star (\*) two (2).

Our first question comes from Mr. Ken Worthington with J.P. Morgan. Excuse me. Our next question comes from Mr. Mike Vinciguerra with BMO Capital Market.

**Mr. Mike Vinciguerra:** Thank you. Can you hear me ok?

**Mr. Kawall:** Yes, go ahead.

**Mr. Vinciguerra:** Very good, thank you. I just want to understand the development process first of all. How are the costs going to be shared in the development? Are you starting with the base Globex system and then simply adding on new functionality, so that CME will be certainly contributing that technology? How will the cost in the development of the system actually work?

**Mr. Vieira:** Ok, so a substantial part of the infrastructure of the system is going to come from CME Globex and on top of that the two teams are going to work together and share the costs, the development costs of the new modules and peripherals that will be necessary to enhance the system and to complete the system so that it can treat not only futures and options in futures, but also equities and other asset classes.

So since BVMF is receiving ... will have the right to use that technology and will receive this technology and all the knowledge that is associated to that, we are making a payment to CME and then after that the development costs are going to be shared.

**Mr. Vinciguerra:** I understand, ok. And then as far as the development teams themselves, will they be working jointly together in Brazil, jointly together in the US? How are you actually going to coordinate the development using the talents from both sides?

**Mr. Vieira:** Ok. The teams are going to work both in Brazil and the US. So we may have some people go into the US, CME may also have some people come into Brazil and we will also have teams that will remain in each Exchange developing this system. We are also going to set up a governance structure to this project with the CIOs of the two companies so that it can work in a very efficient way.

**Mr. Vinciguerra:** Ok thank you and then just one big picture question: do you feel that you are going to be a more attractive global partner for other Exchanges approaching them jointly with CME than you could be on your own? That seems to be a key tenant of this agreement.

**Mr. Vieira:** Yes. There is a potential to pursue investment opportunities in emerging economies that have very ... that have substantially higher growth rates than other markets and we can think about minority investments in those fastly-growing economies which have Exchanges that are also growing together with the economy, and such type of investment can be leveraged by the joint developed technology and also by the distribution, that capacity that both CME and BM&FBOVESPA will have together. So that is the logic of the two Exchanges working together.

On top of that is our understanding that CME may want, together with BVMF, approach international Exchanges, emerging market economies, Asian economies,

such Exchanges being multi-asset class Exchanges, not only equities, not only derivatives. So that makes the case for a multi-asset class trading platform to be offered to those Exchanges, but not as an IT vendor; BVMF does not want to become an IT vendor, but we think that technology can leverage some specific investments in specific Exchanges around the world. So it is not simply ... it is not about entering the IT business as another platform vendor, but using the technology to leverage specific investments that may make sense for both companies on a very selective basis.

**Mr. Vinciguerra:** Very good, thank you very much.

**Operator:** Excuse me. Our next question comes from Mr. Marcelo Telles with Credit Suisse.

**Mr. Marcelo Telles:** Hello everyone. I have two questions: do you expect or I do not know if you can quantify any potential savings, cost savings arriving from the implementation of this new platform?

And the second question is regarding your strategy for the OTC derivatives market. You mentioned in the release that this agreement would also contemplate boosting the OTC derivatives platform. Do you expect to act as a central counterpart in the sense of guaranteeing that the credit risk between both parties ... because that would be something ... a differentiated point for you in terms of guaranteeing at least part of the credit risk. How they do you to act on that? Thank you.

**Mr. Vieira:** Ok. First you asked about potential savings. I could say that in the medium to long-term potential savings are substantial, although I am not going to present a number now, and the reason for that is that as you know today we have four different trading systems: we have the GTS for derivatives; MegaBolsa for cash; the Sisbex for public bonds and also BovespaFIX for private bonds.

And in a two-year period we will be able to substitute four different systems, which are based on different technologies, for only one system that is faster, has greater capacity and has a proven track record, being one of leading technologies in the world, since a substantial part of the system is going to be derived from CME Globex.

So that said what we have is a dramatic reduction in the IT risks of the Exchange; a dramatic reduction in the complexity of the IT environment; and also a dramatic increase in our capacity and also the latency. So overtime this will be synergetic for BVMF, although in the initial two years our Capex is going to expand because of the investments that will be necessary for that.

Coming to your question about OTC derivatives, here we do not have ... this is simply a discussion that we have been having with CME. We have an understanding about the new trading platform and we also have an understanding about the concept of preferred strategic partners. In the OTC ... regarding the OTC

this is only a discussion that we are going to have in the future and we want to explore together the possibility of BVMF licensing the ClearPort technology, which is, as I said - again - is still subject to further discussion by the two companies.

And this may be attractive to BVMF, because this would boost its OTC derivatives transactions and volumes. It would mean possibly an improvement in our system and also in our capacity to register, to settle and to guarantee the risk of OTC derivatives and that is also an important part of our business.

**Mr. Telles:** Excellent, thank you very much.

**Operator:** Excuse me. Our next question comes from Mr. Bernardo Mariano with ER Desk.

**Mr. Bernardo Mariano:** Good morning, congratulations. Have you thought of using the restricted cash that you have ... as I understood you could use it for acquisitions ...

**Mr. Kawall:** Yes, sure. That is exactly one of the alternatives which we could use and that is what I referred to earlier in terms of our comfortable cash position, therefore the ability of, of course, having that position was part of the equation of the decision of doing a cash transaction.

However, we think that also having some part of debt should have to be analyzed, given that it tends to improve the capital efficiency and also to reduce ... or to improve in terms of earnings dilution, which is the point I referred earlier. So definitely yes, but that would not rule out the possibility of raising some debt.

**Mr. Mariano:** Ok, because you could pay that full, if you wanted, the full transaction with cash. Is that correct?

**Mr. Kawall:** Yes.

**Mr. Mariano:** The second question. This precludes CME for doing other deals, similar deals with other Exchanges around the world?

**Mr. Vieira:** No, absolutely not. Perhaps it does not make ... it will not make sense for CME and BVMF to develop two trading systems with different Exchanges in the world. So it does not preclude similar deals, but probably it would not make sense to develop two trading platforms for all classes of assets at the same time.

**Mr. Mariano:** So they could do similar ... they could continue with discussions with Bolsa Mexicana, if they want also they could do a similar deal, let us say, with Toronto basically?

**Mr. Vieira:** Yes sure. This is about the joint development of a new trading system which is going to be co-owned by CME and BVMF through cross licenses that one Exchange is going to grant the other on a perpetual and irrevocable basis.

**Mr. Mariano:** Thank you.

**Operator:** Excuse me. Our next question comes from Mr. Ken Worthington with J.P. Morgan.

**Ms. XXX:** Good morning, this is XXX to support Ken, he lost connection the first time. In our previous discussions you mentioned that you did not want a technology relationship with CME, similar to what CME had with Nymex, because BM&F would be too dependent on CME. Can you define the major differences between Nymex and CME's relationship and what you envision here?

**Mr. Vieira:** Yes sure, that is a very good question and the two situations are completely different, because in the Nymex case Nymex was using CME's system and CME was the sole owner of the system. In our case we are, as I said earlier, BVMF and CME are going to be co-owners of the system through cross licenses that each Exchange will grant the other on perpetual and irrevocable basis.

So although in the next two years we are going to be together developing jointly the new trading system, CME will be able to use that trading system independently of BVMF and BVMF will be able to use that trading system independently of CME. This is completely different from the Nymex situation some years ago.

So if for any reason in the future there is ... any type of problem, BVMF will continue to use and also have the right to adapt, to change, to enhance, to modify and to commercialize the system and CME will also have the same right. But in the next two years we are going to join our efforts.

CME has a huge IT team with more than 1000 people; BVMF also had a huge IT team with more than 800 people and we are going to work together because this is going to be synergetic and we will both be able to have this world-class trading platform in a shorter period of time.

On top of that CME brings a great contribution in the technology for derivatives trading and BVMF also brings to the table a substantial contribution regarding the cash equity part of the new trading technology.

**Ms. XXX:** Thank you, that is helpful. Will BM&F need to write off the investments made in the GTS system over the past two years because of the new partnership?

**Mr. Vieira:** Sorry, can you repeat that?



**Ms. XXX:** Sure. Will you need to write off the investments that you made in the GTS system over the past two years because of this investment, this new partnership with CME?

**Mr. Vieira:** No, I do not think so.

**Ms. XXX:** Ok thank you, thank you for taking my questions.

**Operator:** Excuse me. Our next question comes from Mr. Carlos Macedo with Goldman Sachs.

**Mr. Carlos Macedo:** Good morning Cícero, good morning Kawall. A quick question on ... two questions actually, the first on Capex. You mentioned in your press release that you expect US\$ 175 million over the next 10 years to develop this system. Obviously it looks like a good portion of this will be frontloaded in order to develop the system and launch both, derivatives in the beginning of 2011 and equities in the beginning of ... end of 2011.

I was wondering if you could give us some more ... a little bit more clarity with respect to what you expect Capex over the next few years, both with respect to this partnership and in general?

And the second question refers to the NASDAQ association that you announced a few months ago. How will the partnership with CME affect that if it will at all?

**Mr. Vieira:** Ok. So I would say that it is fair to say that the US\$ 175 million is well distributed in the next 10 years. It is not right to say that the biggest part of it will be paid in 2010 and 2011.

In 2010 Capex associated to this project should be roughly something around US\$ 20 million and we are going to have other payments when the new modules of the system are deployed, so we are going to have another payment possibly in the beginning of 2011, when the derivatives module is deployed and substitutes the GTS system.

Then we are going to have another major payment in the end of 2011 or beginning of 2012 when the cash equities module is deployed and then we will continue to have payments over the next 10 years to complete that number that we presented, US\$ 175 million in notional terms or US\$ 100 million in present value.

And regarding your question about NASDAQ, this expanded relationship with CME does not change the plans that NASDAQ has to develop an order routing system connected US broker-dealers to Brazil. So those two projects are independent and I would say that they complement each other and the reason for that is according to NASDAQ's schedule, the new order routing system will be deployed by 3Q or beginning of 4Q10 and this may increase the order flow from the US to the Brazilian cash equity markets.

So it is very important that we have a new trading system in Brazil that is able to ... that has more capacity and that will be able to support the increase in the order flow.

**Mr. Kwall:** Let me just add that of course this US\$ 175 million is not additional Capex spending for the company. If we had not engaged this partnership we would still have to continue to develop our technology and this choice was taken comparing to other alternatives as well, ok? So it is not that we are going to now increase our Capex by 175, because we would have spent a similar amount anyway in the next 10 years to keep to the state of the art and expand our capacity of course.

**Mr. Vieira:** Yes and just one point coming back to your NASDAQ question: it is worth emphasizing that BVMF and CME will develop this world-class trading platform, but CME, since it is a derivatives Exchange, it does not have equity, I mean cash equities distribution in the US in the same way that NASDAQ does. So that is why one initiative complements the other, but they do not substitute each other.

**Mr. Macedo:** Thanks, thank you very much. Just a follow up question then: the US\$ 20 million you expect to spend in Capex in this project in 2010 is not your full Capex budget for the year?

**Mr. Vieira:** No, no. The full Capex for the year is substantially more than that.

**Mr. Macedo:** Ok thank you.

**Operator:** Excuse me. Our next question comes from Mr. Jorg Friedman with Merrill Lynch.

**Mr. Jorg Friedman:** Yes, thank you. So I would just like to have an update on the optimal level of final cash for BM&FBOVESPA, just understanding better that the capital structure should change in order to have some debt to pay for the investment on CME.

What would be, first, the ideal part of debt to be allocated in this investment and second, what would be the optimal level of capital ... of cash, of your cash position?

**Mr. Kwall:** That is exactly what we are running through right now. So without giving you more specific numbers, you know we have excess cash that we will be continuing to generate excess cash due to the amortization of goodwill, so running that down I think it is in the interest of the shareholder when opportunities come, such as this one.

However, our assumptions and our estimates suggest that for the sake of the shareholder raising some debt is better than funding it entirely on cash. So this is initially what we have been finding out, but difficult to say what is the optimal level; probably lower than our position today, but I do not have a specific number to talk about.

**Mr. Friedman:** And continuing doing a buyback could be a possibility then?

**Mr. Kawall:** Yes, we intend to disclose. This is the other alternative that we have besides inorganic growth transactions such as this one. We have done this in the past, that could well be in the future. Right now we are, of course, focusing on the use of cash in this transaction, but in the future we would rule that out.

**Mr. Friedman:** Ok thank you.

**Operator:** Excuse me. Our next question comes from Mr. Henrique Caldeira with Banco Barclays.

**Mr. Henrique Caldeira:** Good morning. My question maybe I should address to Kawall, just to understand Kawall, what really are you buying here? The amount of money that needs to be invested is therefore half of the rights that you have on CME transferring all the technology, the expertise, or could ... an agreement like this could be made with your prior ownership or this is just the necessary step that you need to further this partnership?

**Mr. Kawall:** Henrique, let me see if I understood; there is two separate parts of it once we talk about the financial aspects: one is the acquisition, the additional 3.2% roughly involving US\$ 620 million, so that is for increasing our stake to 5% and separately there is this licensing which Cícero just went over, the US\$ 175 million. Is that what you asked?

**Mr. Caldeira:** Yes, that is exactly my point, because well, until yesterday you were partner with CME and they are maintaining their current ownership, while at the same time you are establishing a new agreement where you are deciding to invest an additional 3%. So I am just trying to understand why you need to take this step further, an increase from 2 to 5. I am assuming this implies some value for this technology which CME will be transferring to BM&F. Is that right?

**Mr. Vieira:** Let me explain a little bit. We have this restricted cash position and we could have some issues to use this cash position, as a special dividend payment, because of reasons that you probably know and this restricted cash position of course it generates interest income, but it does not generate synergies and new operational efficiencies for the company, neither does it contribute to the company's long-term growth prospects in a direct way.

So that said it is also worth noting that the joint development of a new trading platform and also the concept of preferred strategic partnership are very complex projects.

So we understood that it would be very important to strengthen the alignment of both companies and so we understood that both companies should have equal participation in the equity of the other. So now CME has 5% of BVMF and we are going to have 5% of CME and we are also going to have a representative in CME's Board.

So in a nutshell the projects have a medium to long-term nature and we decided that it should be important to better align and strengthen the relationship of the two companies.

**Mr. Kwall:** Also we all know the effort the Brazilian companies have taken to become the so-called national champions, to expand internationally, to have a global reach. This is exactly what we are trying to do. In our world, which is highly regulated, you do not have mergers, right? Or at least it is not the case in this transaction and so we are very proud to be able to engage in such a strategy and so this 5% stake is very important from that angle as well.

**Mr. Macedo:** Thanks, that is very, very helpful and you also included on the new platform a trading system for large block of shares, for block trading, but we still need to see some ... can you just clarify; do we still need to see some changes in the resolution from CVM public consultation from last year? Are you anticipating any change on that front? Where would ... already like to be ... position yourself?

**Mr. Vieira:** Ok, a very good question. So essentially the block trading system is a dark pool system. We are not anticipating any changes in the regulation, but we want to have the technology ready. If regulation for any reason, at any time, changes in Brazil, BVMF is going to be the first to have a dark pool system in Brazil. So this is part of the joint ... part of the scope of the joint development simply because we want to be ready.

**Mr. Macedo:** Ok thank you, thanks for taking the question.

**Operator:** Excuse me. Our next question comes from Mr. Chris Donat with Sandler O'Neill.

**Mr. Chris Donat:** Thanks, good morning gentlemen. One question on the first module of your new trading platform: is that something you have already started to work on? Because it seems to me, from what I have seen from other Exchanges and other platforms, that ruling something out in a year seems like a pretty aggressive time horizon.

**Mr. Vieira:** Yes, good question. That is very aggressive and the reason that this is so aggressive is first yes, the two IT teams already started analyzing the gaps that

exist, so that the Globex technology can be deployed in BVMF with some adaptations the stations; then second, we are going to have two very big IT teams working together, so it is not about one Exchange, but to Exchanges that have big, substantial IT resources working together for this; three, we already know a lot about CME's technology and CME already knows a lot about BVMF's technology because of the order routing linkage that we have between the two systems.

More than two years ago the two IT teams started working together and the messaging protocols of GTS and Globex are substantially similar, so if you take into account all those factors together we truly believe that targeting the end of 2010, beginning of 2011 is absolutely realistic.

**Mr. Donat:** Ok thanks so much and then in terms of as you replace the MegaBolsa, when we think about the costs you are going to be eliminating, is that something like an annual licensing fee, is that a fixed cost, does it vary with volumes or with any other sort of metrics?

**Mr. Vieira:** The cost we are going to eliminate varies, but not too much with volume. So it has a fixed component and also a variable component, but it does not vary too much. I mean, the fixed component is more important than the variable one.

**Mr. Donat:** Ok thanks very much.

**Operator:** Excuse me. Our next question comes from Mr. Eduardo Nishio with Banco BTG Pactual.

**Mr. Eduardo Nishio:** Hi, thank you for the opportunity and congrats for the deal. My first question relates to the agreements with Latam and China. I think you are free to explore commercial agreements with Latam and China in particular. I would like some color, more color on the reasons for that, the rationale behind and if we can expect any sort of results in the short term of that sort of agreement.

And my second question is related to the term of the agreement of 15 years. What happens if after 15 years you decide to end off the agreement on the system side? I do not know if you continue to have all the systems and if you can ... if you would be able to commercialize those systems after that? Thank you.

**Mr. Vieira:** Ok, so first the initial question about Latam and China. Normally we have the following view: there are, in countries like Chile, Peru, Colombia, some pension funds, family offices, mutual funds that buy international stocks and normally they do it via US broker dealers and buy stocks in the US.

So although those countries are very close to Brazil, not only on a geographical but also cultural level, when they trade stocks they almost do not act in the Brazilian market, but the New York stock market.

We think that we could bring at least a substantial part of this volume to Brazil and that is why we are approaching Exchanges in the region and that is why we have plans to install communication hubs in the main cities of South America, so that the regional brokers are able to receive BVMF's market data and are also able to execute the trades.

Regarding China, we have an office in China since 2004. We have different MOUs with Chinese Exchanges and this is a work that we will continue to develop over time with the Chinese.

Go into your final question, after 15 years, when the preferred strategic partnership ends, both CME and BVMF will maintain the right to use the system and to continue to commercialize the system. So as I said before, one Exchange is giving the other a cross license. It is a perpetual and irrevocable license to use, modify and commercialize and enhance the system in a completely independent way for both Exchanges.

**Mr. Nishio:** Ok thank you very much.

**Operator:** Excuse me. Our next question comes from Mr. Mauro Rodrigues da Cunha with Mauá Investimentos. Mr. Mauro, your line is open.

Excuse me. Our next question comes from Mr. Henrique Navarro with Santander.

**Mr. Henrique Navarro:** Hi good morning gentlemen. Under this recent industry consolidation, how would you rate BM&FBOVESPA's interest in other stock and derivatives Exchanges in Latin America and also in SETIF?

**Mr. Kwall:** Well, I think we repeatedly said that our strategy towards Latin America does not involve acquisitions and ... but rather approaching them in terms of partnerships, as we just have recently signed an MOU with Chile. We are continuing to work in other countries in the region involving the possibility of order routing agreements, double listings and whatever they think is appropriate, given that our approach is not to go there and acquire anything, but to be a partner.

And regarding SETIF, as our Chairman ... sorry, as our CEO just said this morning in the press conference, there is currently no transaction, no discussions regarding BVMF and SETIF.

**Mr. Navarro:** Thank you.

**Operator:** Excuse me. Ladies and gentlemen as a reminder, to pose a question please press star on (\*1).

**Mr. Kwall:** Well, as we see there are no questions here. We thank you all for participating in the call. Our IR team will be here to help you if there are further inquiries - as probably there will be, given all the details involved. Please let us

know how we can help you on that, if not for those in Brazil have a nice Carnival holiday and for all of you and in the rest of the world a nice weekend. Thank you very much.

**Operator:** That does conclude the BM&FBOVESPA audio conference for today. Thank you very much for your participation and have a good day. Thank you.

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