

**International Conference Call
BM&FBOVESPA
Announcement to the Market
March 28, 2012**

Operator: Good afternoon ladies and gentlemen and welcome to the announcement to the market 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. As a reminder, this conference is being recorded.

I would now like to turn the conference over to Mr. Eduardo Guardia. Please sir you may now begin.

Mr. Eduardo Refinetti Guardia: Thank you. Good morning everyone, thank you for participating in this call. I have with me today Henrique Vergara, the Head of our Legal Department and our Investor Relations Officer, Claudio Jacob.

The objective of this call is to discuss the notes as to the market released yesterday. As you know BM&FBOVESPA was jointly condemned with other defendants in two public civil actions and two class actions by the law of court. The lawsuits are related to the losses incurred by the Brazilian Government during the intervention by the central bank in the dollars futures market in 1999 in the wake of the real depreciation in January of that year.

First I want to emphasize that we keep our commitment with transparency and availability and therefore we are absolutely confident that we will revert this court decision. We decided to release this information to the market and ask for this conference call to answer your questions to be absolutely transparent.

Before I walk you through the facts I would like to reiterate our confidence with the winning possibility and emphasize that we will not make any provision in relation to these lawsuits. We are already working with our lawyers to appeal from the decision to the higher court.

The facts follow the circumstances of the financial exchange prices in Brazil back in 1999 when we had a strong depreciation of the Brazilian currency. Following the depreciation, as you might remember, the central bank acted to close the position of two banks (Marka e FonteCindam) in order to avoid a systemic crisis of the financial market.

It is very important to emphasize that at that time our only initiative was to communicate to the central bank our concerns regarding the potential systemic risk that could have happened in the Brazilian financial system. We also, at that time, expressed our concerns with the liquidity in the FX market.

BM&F did not have any participation in the decision to intervene in the FX market. The only reason - and this is very important - we were included as defendant was because we sent the letter to the central bank expressing our concerns with market conditions and therefore was probably believe that there is no reason at all for the imposition of such liabilities and sanctions against us once we did not participate in the decision making process. We did not play any role in the events leading to this litigation that could justify our inclusion as defendant.

The next step as I mentioned before is to appeal to the higher court. I know you will ask me how long it will take to reach a final decision. Unfortunately the timetable is impossible to predict; but based on our experience we can say that it will last several years. Let us remember that the decision in the lower court took 13 years.

The lawsuits in question amount to R\$ 7 billion. According to one of the decisions now issued this amount may be offset up to 5.4 billion against gains earned by the central bank by avoiding the use of US dollar reserves. These amounts have been stated at January 1999 and under the court order should be restated to include adjustments for inflation, interests and laws of suit expenses.

BM&FBOVESPA was also subject to sanctions established in the Brazilian legislation for administrative misconduct. Those sanctions consist of prohibition to enter into contracts with the government and to receive tax incentives and other benefits from the government for five years as well as the payment of civil fines amounting to 1.4 billion as of January 1999.

Therefore the total amount imposed on BM&FBOVESPA reaches R\$ 8.4 billion of which R\$ 5.4 billion can be offset against the gains obtained by the central bank as mentioned above. It is important to emphasize again that we are being considered jointly liable with other defendants for the payment of the R\$ 7 billion in relation to this alleged administrative misconduct.

We inform you that the lawsuits in question have been updated in subsection 4.3 of our reference form and are available on our website.

Finally we regret the fact that we were included in those actions but we reiterate our confidence in our success in appealing against the decision in question.

So these are my initial words and now I would like to open up the call for your questions. Thank you very much.

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 key on your touch-tone phone. If at any time you would like to remove yourself from the questioning queue press star two.

Our first question comes from Mr. Paulo Ribeiro from HSBC.

Mr. Paulo Ribeiro: Good morning everyone, thanks for having this call. Just quickly I know this lawsuit is a kind of running through a secret court order and cannot be fully disclosed, but can you give us some clarity of who are the people behind the lawsuit?

So my understanding or my guess rather is that the government itself, the Ministério Público is the one bringing this lawsuit and that the government itself could be a defendant on this may be in the figure of the central bank. What clarity can you give us on this front? Thank you.

Mr. Guardia: Paulo thank you very much for this question, for the opportunity to talk about this. To be very clear with you we are not comfortable to disclose the other defendants and the reason is, as you said, this process is under secrecy. So what we are doing here is because we have our commitment with transparency for shareholders, with our investors. We decided that although we are confident that we will win this dispute, that the chance of losing is extremely remote, which decided to give disclosure. But we are not comfortable about the others defendants involved.

So we prefer to not disclose other names. It is public the decision but we do not want to talk about others. We will only talk about ourselves and to reiterate to you and our shareholders and to the investors that we understand that these actions have nothing to do with BM&FBOVESPA. We did not do anything that justifies the inclusion of our company as a defendant in this action. This is the main purpose of this call: to give you transparency. We know that the amounts we are talking about are significant (we are talking about R\$ 8.4 billion as of January 1999), so that is why we believe it is very important to give disclosure but unfortunately we will not talk about other defendants and I hope you understand our position.

Mr. Ribeiro: Sure. But could you just confirm if it is the Ministério Público that is behind this lawsuit?

Mr. Guardia: We have four lawsuits: two lawsuits are based on the demand of the public attorney (Ministério Público) and we had two civil actions (Ações Populares) that are motivated by complaints from individuals. So we have a public attorney office and individuals. The lawsuit... the public actions by the public attorney and the class actions the individuals.

Mr. Ribeiro: Ok so a quick follow-up then: I know you cannot tell the timetable; **but could you tell me if the next step is a higher** court and how it goes? I mean could be if you lose there you go to the Supreme Court? Just a sequence of what are potential steps and not the timeline, but potential steps.

Mr. Guardia: I will ask Vergara to answer this. Please Vergara.

Mr. Henrique Vergara: Good morning everyone. We have an appeal to the Court of Appeals and in the remote event that we do not revert this decision in the Court of Appeals we still have another appeal to a higher court which is the STJ (the Superior Court in Brazil).

So we still have two layers, two courts to appeal.

Mr. Ribeiro: Ok great thank you very much.

Mr. Guardia: Welcome Paulo.

Operator: Excuse me. Our next question comes from Mr. Alexandre Spada from Itaú BBA.

Mr. Alexandre Spada: Hi gentlemen good morning, thanks for taking my question. In the reference form (formulário de referência in Portuguese) is written that BM&F is alleged to have benefited from central bank actions because the Exchange did not have to use its own reserves funds over counterparty losses related to Marka and FonteCindam.

There is also the letter that the exchange sent to the central bank which you already mentioned. Which one is more important for the condemnation that just happened to you?

Mr. Guardia: We understand that is the letter because you can only be responsible for something you do and what we did was only to send the letter. If there is out off the decision benefits one other person this is another discussion; but from the legal point of view my understanding is that you can only be accused for what you do and what they did was only to send the letter and that is why we are emphasizing that we are only considered defendants in these actions because we sent the letter. So this is the only thing we did: sending a letter expressing our concern with market conditions at that very turbulent and difficult time.

Mr. Spada: Ok. So if you ever happen to be condemned in the last court (which is STJ) could you eventually use these funds that you have to cover counterparty losses to pay for that if you ever have to pay anything?

Mr. Guardia: Alexandre I am not even considering the possibility of losing this dispute. It does not make sense to include BM&FBOVESPA as defendant in this case. We are talking about R\$ 8.4 billion as of January 1999, so it is a lot of money if you adjust for inflation and interest till today. Honestly we do not even consider the possibility of losing this dispute. It does not make sense to include us as defendant.

Mr. Spada: Ok thank you and if you allow me last follow-up is there a risk of you having to make a judicial deposit even while this process is still running?

Mr. Guardia: No, but let me correct... Vergara our understanding is that no, we do not have to make it.

Mr. Vergara: No, we do not have that risk in our horizon.

Mr. Spada: Ok thank you very much.

Mr. Guardia: Thank you Alexandre.

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

Excuse me. Our next question comes from Mr. Paulo Ribeiro from HSBC.

Mr. Paulo Ribeiro: Ok another follow-up here: you said you were not going to tell about the courts or the defendants; and you consider you are not going to lose it; but hypothetically speaking how the mechanics works if you were to lose and you are jointly liable? Who pays what? How do you split at the end? Just a general idea so we can understand it better..

Mr. Guardia: Good question Paulo, I should have mentioned this before. I will explain and Vergara, please, if you want you can complete. When you are jointly liable the judge... first of course if we lose the action, so in case we lose then the judge can decide who will be liable for the payment. So suppose we have these several defendants the judge can choose one, can choose several. It is the court's decision will be actually responsible for the payment and ones who are responsible and you make the payment then you can claim this money to the other defendants.

So it is not clear to us. First as I said we are not considering the possibility that we will be liable. As a joint responsibility it is up to the judge or to the court to decide who will pay. Do you have anything to add here Vergara?

Mr. Vergara: I think this is very precise. The bill can be sent to us. There is the possibility that if this decision is upheld at the end of these lawsuits we could be charged for the amounts entirely and we would reimburse ourselves against other defendants.

Mr. Ribeiro: Great thank you and just a quick thing: other than making provisions or something is there other mechanism to protect yourself? Anything like an insurance against this kind of lawsuit or something that if you were to lose you could fall back on?

Mr. Guardia: No Paulo. Just overconfidence that we will win the appeal in the higher court because it does not make sense to include us as a defendant. So there is no other action.

Mr. Ribeiro: Ok great thank you.

Mr. Guardia: Welcome.

Operator: Excuse me. Our next question comes from Mr. Alexandre Spada from Itaú BBA.

Mr. Alexandre Spada: Hi thanks for taking another question. Apart from the money among these other sanctions is there anything that could affect Bovespa such as fiscal benefits or relationships with government that could be damaging for you?

Mr. Guardia: Alexandre as I said we have the R\$ 7 billion in which we are liable with other defendants and then BM&FBOVESPA is also subject to sanctions established in the Brazilian legislation for administrative misconduct. So in our case the sanctions consist in prohibitions to enter into contracts with the government and to receive tax incentives.

Yes, so this is another sanction that was imposed on us and also as I said the payment of civil fines amounting to R\$ 1.4 billion. So this fine is specifically for BM&FBOVESPA. So there are other sanctions as I said. The total amount is 8.4 billion: 7 billion or sanctions where we are jointly liable and 1.4 billion plus this prohibition to enter into contracts with the government is specifically for BM&FBOVESPA.

Mr. Spada: Ok but do you currently have any type of contracts with the government that could be affected by these sanctions or any type of tax benefits?

Mr. Guardia: No we do not have Alexandre. We do not have tax incentives, we do not have specific contracts with governments in any level. Maybe this could affect public options that we have here; but of course this is not our core business. So on a material way, no, nothing that could affect us.

Mr. Spada: Ok so this even if you end up losing this many years from now these other sanctions are not relevant for you guys.

Mr. Guardia: With the exception of the R\$ 1.4 billion in fines.

Mr. Spada: Ok thank you once again.

Mr. Guardia: Welcome.

Operator: Excuse me. Ladies and gentlemen, this concludes today's question and answer session. I would like to invite Mr. Eduardo Refinetti Guardia to proceed with his closing statements. Please sir go ahead.

Mr. Guardia: Ok. I just want to thank you again for joining us in this call. We reiterate that we are very confident in our success in appealing against the

decision in question and we really regret the fact that we were included in those actions. Any time you can call me, can call Claudio. We will be always available and glad to keep in touch with you and any other or further doubts that you may have about this issue. Thank you very much.

Operator: Thank you. That does conclude the audio conference call of BM&FBOVESPA. Thank you very much for your participation and have a good afternoon.
