BM&FBOVESPA

The New Exchange

BM&FBOVESPA
1Q09 Earnings Conference Call

May 13th ,2009

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.

1Q09 Highlights versus 1Q08 Pro Forma

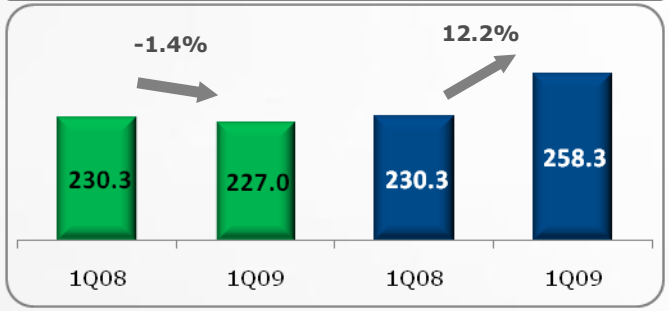
1Q09 EARNINGS

- **EPS**: BRL 0.11 compared with BRL 0.11 in 1Q08
- **Net Revenues**: decreased by 20.1% over the prior year
- **EBITDA margin**: 55.8% in 1Q09 (67.5% Adjusted EBITDA) vs. 68.5% in 1Q08
- **Expense reduction**: decreased by 17.4% between 1Q09 and 1Q08 (excluding depreciation, severance and Stock Option Plan costs)

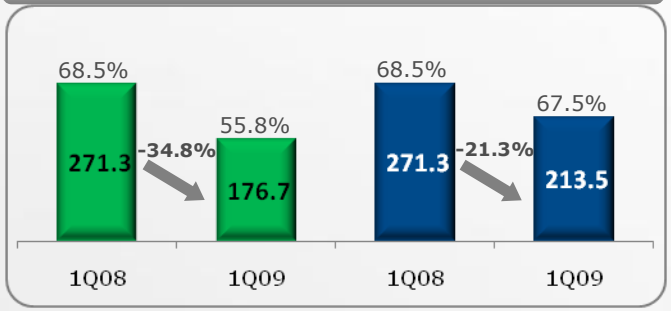
HIGHLIGHTS

- **DMA development in BM&F Segment**: in Apr'09, trades through DMA rose to 6.7% of the total traded volume
- **Globex and Algotraders**: initial flow starting in Mar'09 with an ADTV of 13.6 thousand contracts in Apr'09; in 1Q09, Algo represented 0.3% of Total ADTV and 0.6% of FX contracts
- **Foreign Investors:** positive flow in 1Q09 of R$ 1.3 billion and grew to R$ 5.7 billion in Apr'09, its highest level in one year
- **MegaBolsa**: new version (V900) launched on April 28 will reduce latency by 41%
- **Interest on Shareholders' Equity**: BRL 112 million to be paid in May'09

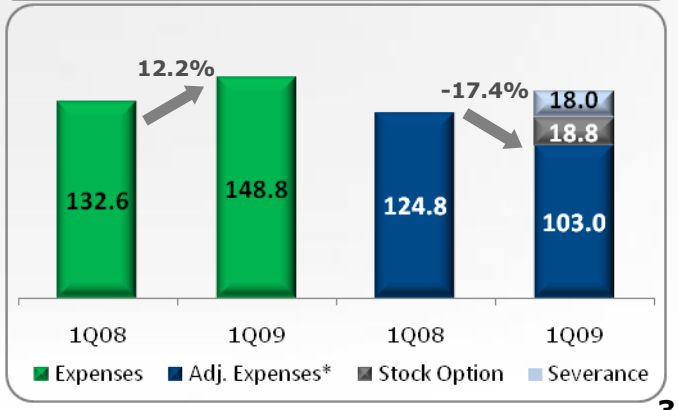
Net Income / Adjusted Net Income* (BRL Millions)



EBITDA / Adjusted EBITDA* (BRL Millions)



Total Expenses / Adjusted Expenses** (BRL Millions)



* Adjusted Net Income and Adjusted EBITDA exclude severance and stock option plan costs.

** Adjusted Expenses exclude depreciation, severance and stock option plan costs.

Summary of Income Statement

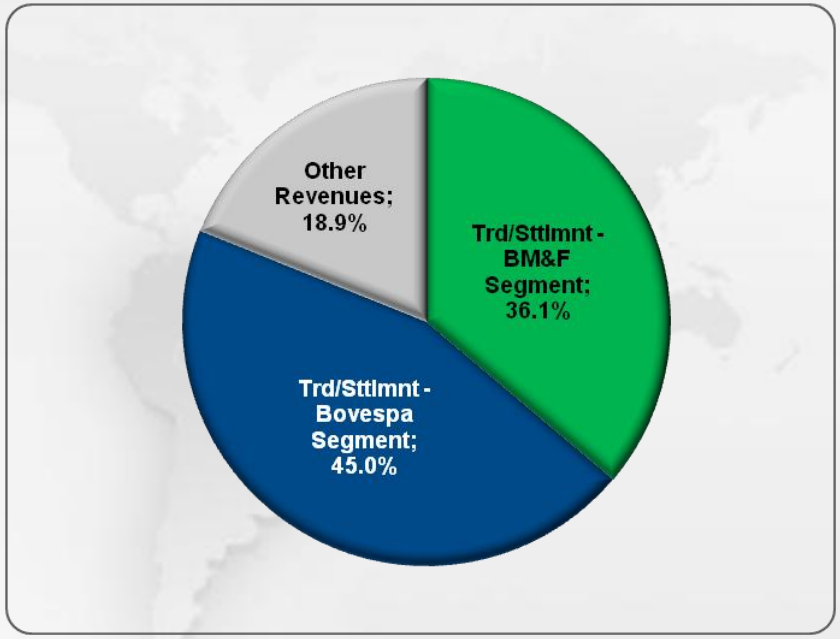
BRL Million

	1Q09	1Q08 (Pro Forma)	Variação 1T09/1T08
Gross Operational Revenues	**351,918**	**440,919**	**-20.2%**
Net Operational Revenues	**316,548**	**396,031**	**-20.1%**
Operational Expenses	**(148,760)**	**(132,550)**	**12.2%**
Operating Income	**167,788**	**263,481**	**-36.3%**
Oper. Margin (variation in p.p)	*53.0%*	*66.5%*	*-13,5 p.p.*
Net Income	**226,980**	**230,273**	**-1.4%**
Net Margin (variation in p.p)	*71.7%*	*58.1%*	*13,6 p.p.*
EBITDA	**176,739**	**271,258**	**-34.8%**
EBITDA Margin (variation in p.p)	*55.8%*	*68.5%*	*-12,7 p.p.*
Earnings per Share (EPS)	**0.113**	**0.115**	**-1.4%**
Adjusted Net Income	**258,340**	**230,273**	**12.2%**
Adjusted Net Margin (variation in p.p.)	**81.6%**	**58.1%**	**23.5 p.p.**
Adjusted EBITDA	**213,539**	**271,258**	**-21.3%**
Adjusted EBITDA Margin (variation in p.p.)	**67.5%**	**68.5%**	**-1.0 p.p.**

- **Revenues: 1Q09 versus 1Q08 comparison shows a 20.2% fall in Net Revenues, mainly due to lower volumes in both segments**
- **Adjusted Operating Expenses: reduction by 17.4% in 1Q09 versus 1Q08 due to cost savings from the integration process**
- **Adjusted Net Income: in 1Q09 the adjustments amounted to BRL 31.4 million due to stock option plan (BRL 18.8 million) and employee terminations (R$ 12.6 million, net of tax)**
- **Adjusted EBITDA: in 1Q09 the adjustments amounted to R$36.8 million due to stock option plan (BRL 18.8 million) and employee terminations (R$ 18 million)**

Revenues

Gross Revenues Composition – 1Q09



	1Q09	1Q08 (Pro Forma)	Variation 1Q09/1Q08
Gross Operational Revenues	**351,918**	**440,919**	**-20.2%**
BM&F Segment	**130,547**	**154,938**	**-15.7%**
Derivatives - trad. / settlement	121,434	148,664	-18.3%
Foreign Exchange - trad. / settlement	5,692	4,620	23.2%
Securities - trad. / settlement	44	107	-58.9%
Brazilian Commodities Exchange	1,406	932	50.9%
BM&F Bank	1,971	615	220.5%
Bovespa Segment	**200,503**	**270,527**	**-25.9%**
Trading fees	113,732	164,342	-30.8%
Clearing fees	44,464	66,044	-32.7%
Securities Lending	6,127	15,380	-60.2%
Listing	10,621	7,123	49.1%
Depositary and custody	16,084	14,319	12.3%
Trading access (Brokers)	9,475	3,319	185.5%
Other Operational Revenues	**20,868**	**15,454**	**35.0%**
Vendors	11,521	9,688	18.9%
Commodities classification fees	215	171	25.7%
Dividends	5,371	-	-
Others	3,761	5,595	-32.8%
Net Operational Revenues	**316,548**	**396,031**	**-20.1%**

- **The revenues from other services (not tied to trading) increased by 16.5% over the prior year to BRL 66.5 million (BRL 57.1 million in 1Q08), mainly from:**
  - **Depository: higher number of investors (mainly individuals): increased by 12.3%**
  - **Listing: new pricing policy: increased by 49.1%**
  - **Trading Access Services: implementation of a policy for brokerage house access in both segments: increased by 185.5%**
  - **Vendors: higher number of users: increased by 18.9%**
- **The share of non-trading sources increased to 18.9% of total revenues in 1Q09 versus 13% in 1Q08**

Revenue Margin

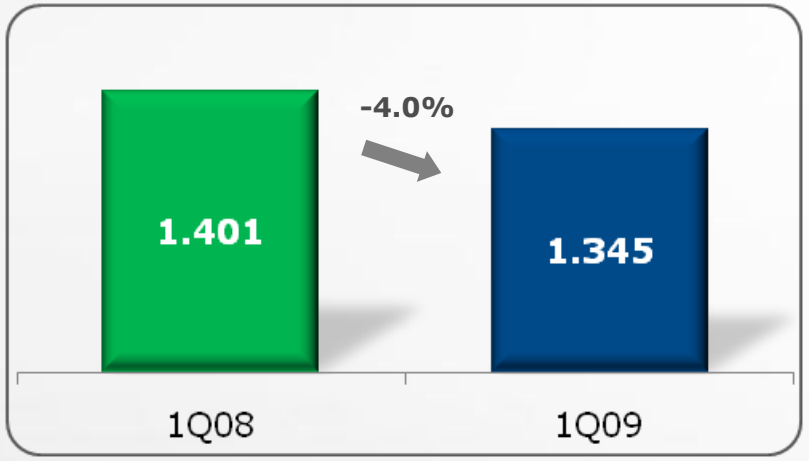
BM&F SEGMENT

The lower RPC in 1Q09 is due to the discount policy in effect until mid-February

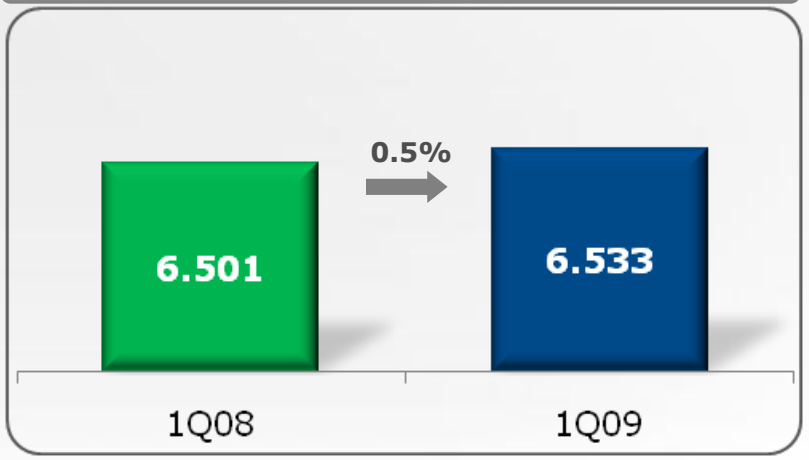
BOVESPA SEGMENT

The margin in equity markets was stable when comparing 1Q09 versus 1Q08

BM&F Segment - RPC (in BRL)

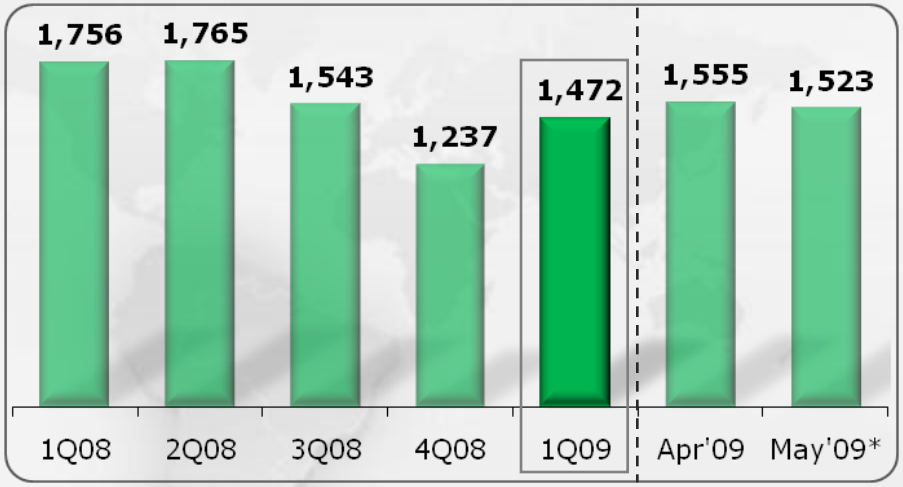


Bovespa Segment (in Basis Points)

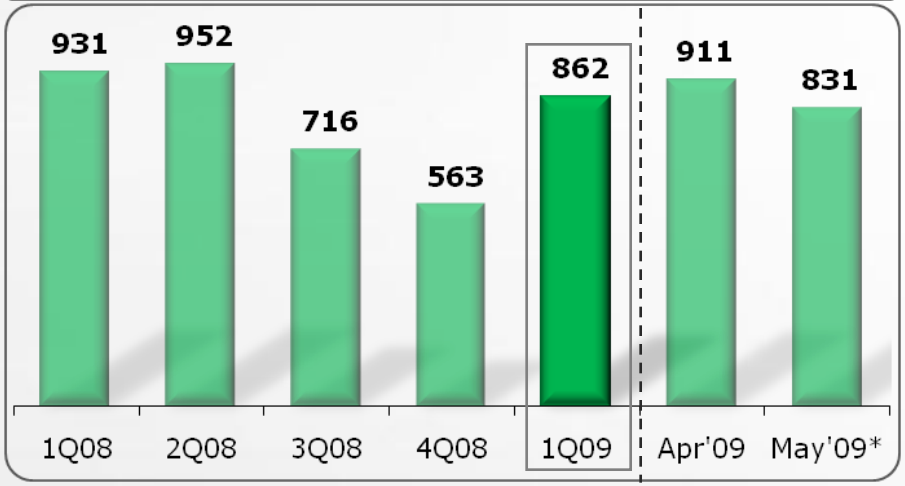


Operational Highlights
BM&F Segment

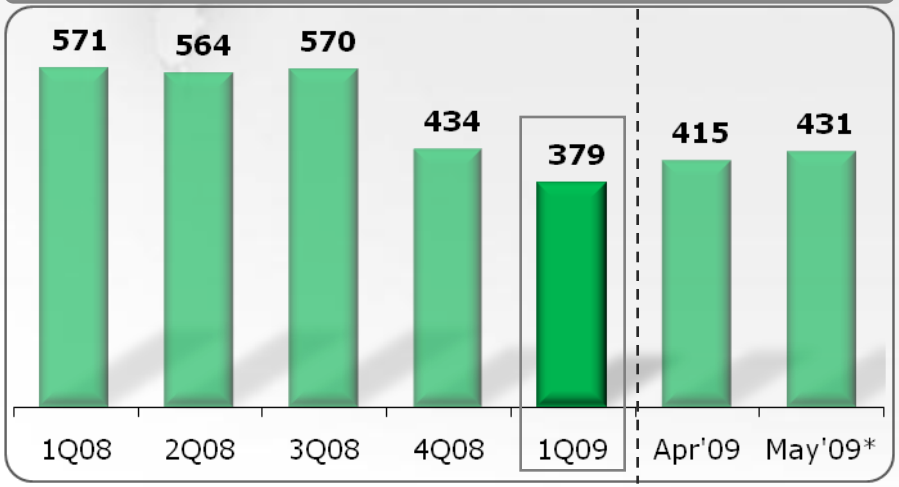
Overall ADTV (Thousands)



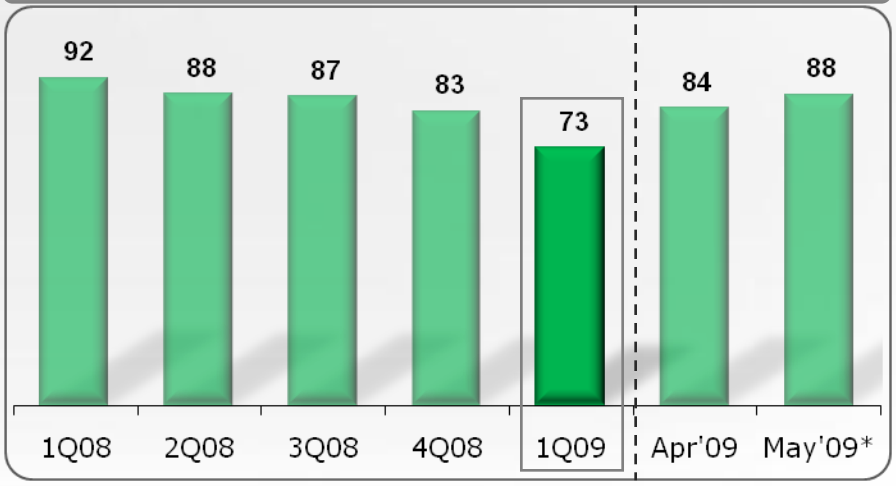
Interest Rates in BRL (Thousands)



FX Rates (Thousands)



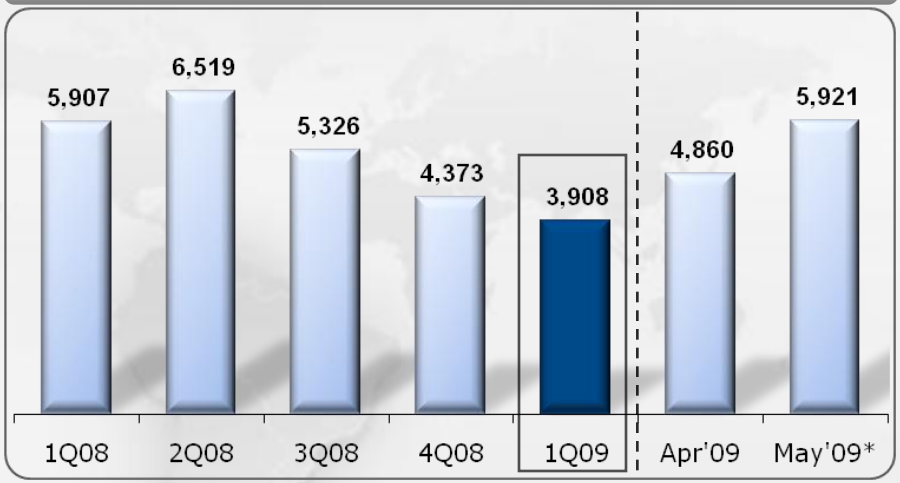
Indices (Thousands)



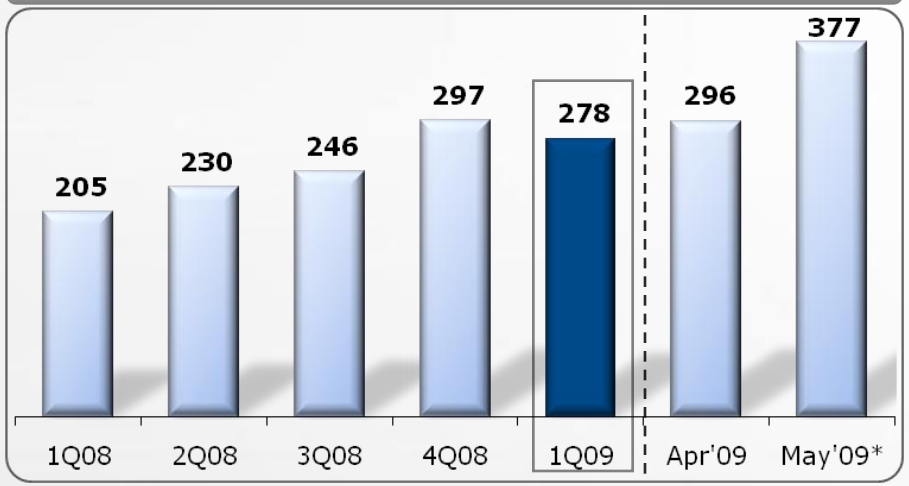
* Until May 8, 2009.

Operational Highlights
BOVESPA Segment

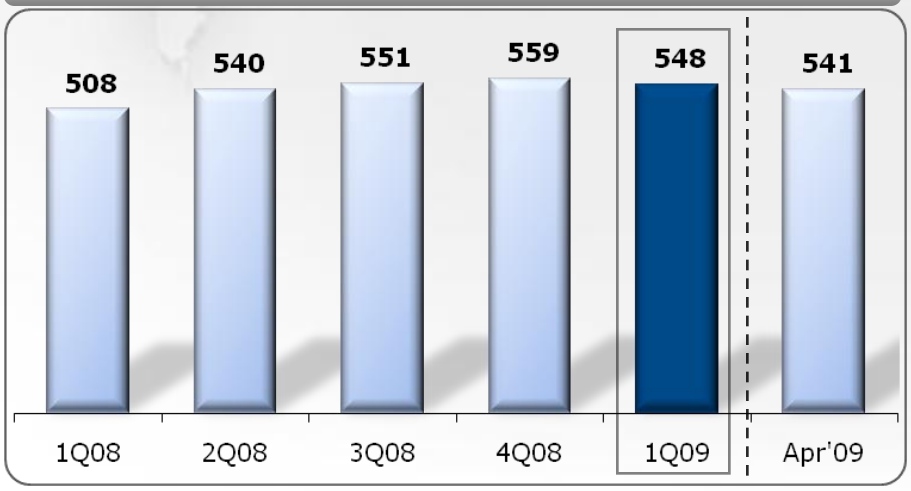
ADTV (BRL Millions)



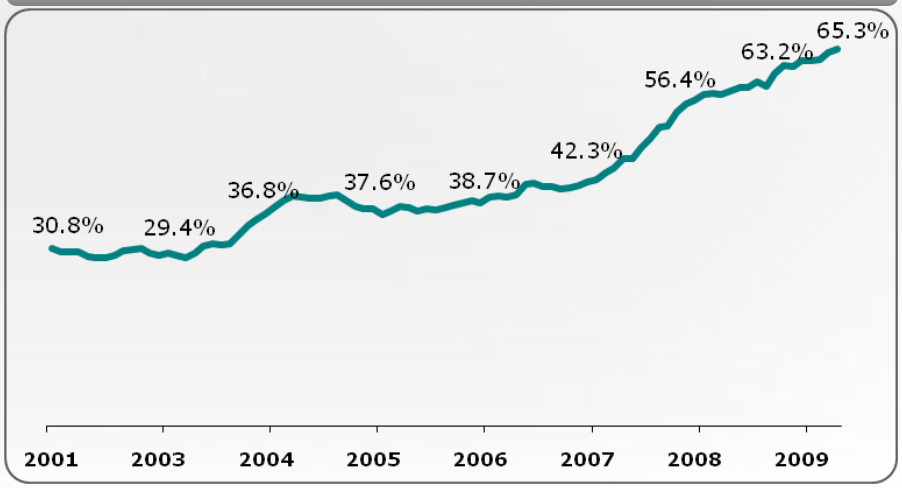
Average Number of Trades (Thousands)



Number of Investors (Thousands)



Turnover Velocity** (12 months)

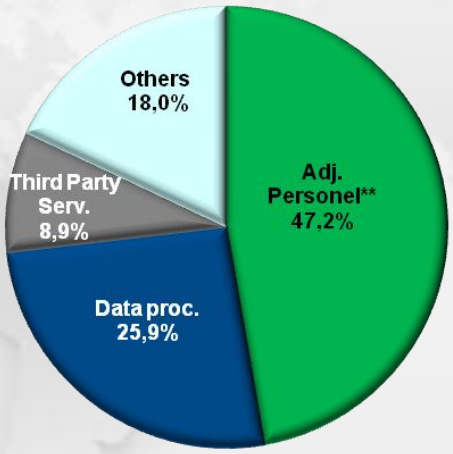


* Until May 11, 2009.

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

Expenses

Adjusted Operational Expenses* – 1Q09



	1Q09	1Q08 (Pro Forma)	Variation 1Q09/1Q08
Operational Expenses	**(148,760)**	**(132,550)**	**12.2%**
Personnel	(85,462)	(54,968)	55.5%
Data processing	(26,683)	(35,567)	-25.0%
Deprec. and Amortization	(8,951)	(7,777)	15.1%
Third Party Services	(9,119)	(9,228)	-1.2%
Maintenance	(2,826)	(3,243)	-12.9%
Communications	(4,991)	(4,224)	18.2%
Leases	(825)	(972)	-15.1%
Supplies	(477)	(516)	-7.6%
Marketing	(2,292)	(7,153)	-68.0%
Taxes	(495)	(1,513)	-67.3%
Board Compensation	(1,129)	(2,036)	-44.5%
Other	(5,510)	(5,353)	2.9%
Adjusted Operational Expenses*	**(103,009)**	**(124,773)**	**-17.4%**
Adjusted Personel**	(48,662)	(54,968)	-11.5%

- **The 1Q09 operating expenses (excluding depreciation, severance and stock option plan costs) decreased by 17.4% over the prior year to BRL 103.0 million. The decrease reflects the achievement of planned merger synergies. The principal drivers of the decline in expenses were in the following cost components:**
  - **Personnel (adjusted): decreased by 11.5% due to reduction in headcount**
  - **Data processing: decreased by 25.0%**
  - **Marketing: decreased by 68.0%**

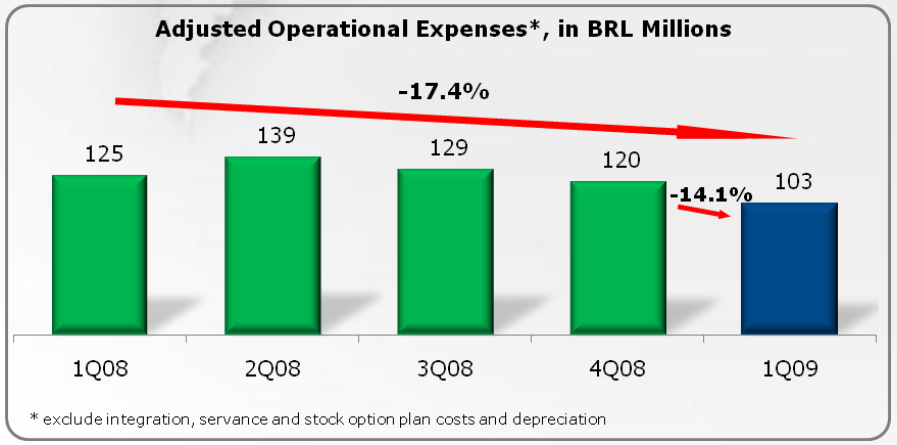
* Excluding depreciation, severance and stock option plan costs.

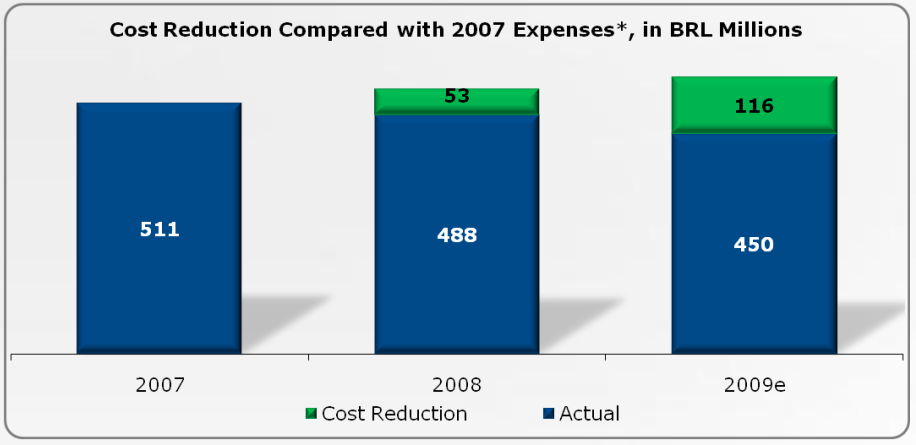
** Excluding severance and stock option plan costs.

Merger and Integration Process Evolution

MAIN INITIATIVES FOR COST REDUCTION IN 2009

- **Open Outcry: closing in Jun'09**
- **Infrastructure: reduction in the number of buildings in downtown São Paulo (from 5 to 2)**
- **Branches: realignment of the remaining branches**
- **Headcount: through Mar'09, a reduction of almost 30% was achieved in the combined total of employees and outsourced personnel**
- **Adjusted Operational Expenses (excluding depreciation) in 1Q09 was BRL 103.0 million**
- **Guidance of Operational Expenses of BRL 450 million in FY09 (excluding depreciation and stock option plan costs)**





* 2007 operating expenses adjusted by inflation.

Capital and Balance Sheet Highlights

- **Cash and Cash Equivalent: BRL 3.15 billion held at end of 1Q09 (short + long term)**
  - **Includes cash collateral of BRL 1.14 billion and restricted funds of BRL 610 million**
- **Goodwill Amortization: BRL 245.5 million in 1Q09 (net tax impact of BRL 79.6 million)**
  - **Effective tax rate of 3.6% in 1Q09**
- **Payout: BRL 112 million in interest on shareholders' equity, equivalent to R$0.0559 per share, which amounts to R$0.0475 net of withholding income tax**
  - **To be paid on May 29, 2009, based on the position as of May 15, 2009**
- **Buyback program: up to 71.3 million shares**
  - **Program earlier terminated (Board Meeting on May 12, 2009)**
  - **64.1% (45.7 million shares) bought at the average price of BRL 5.85 – Total of BRL 267.2 million**
- **Stock Option and Leasing Expenses: non-cash charge of BRL 19.0 million taken in 1Q09 to adjust our Financial Statements to the new accounting standards, moving towards IFRS**

New Developments
DMA and CME order routing evolution

DMA EVOLUTION

- Trades through DMA represented 6.7% of total BM&F Segment ADTV in Apr'09

ORDER ROUTING AGREEMENT WITH CME Group (GLOBEX)

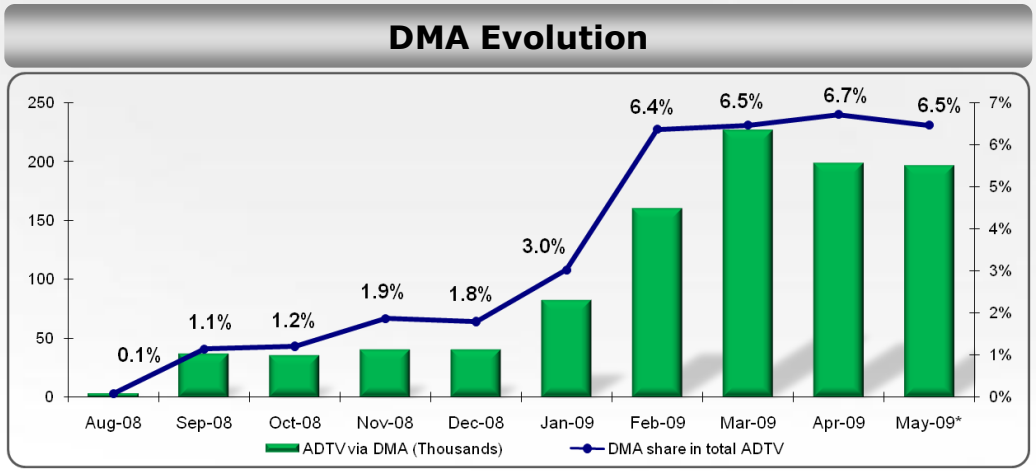
- Initial flow starting in Mar'09 with an ADTV of 13.6 thousand contracts in Apr'09

ALGOTRADERS IN BM&F SEGMENT

- First algotraders represented 0.3% of overall ADTV in 1Q09 and rose to 0.5% of overall ADTV and 1.8% of FX Contracts in Apr'09

NEW AGREEMENTS

- Bloomberg Tradebook for BM&F Segment: May'09
- Thomson Reuters for Bovespa Segment: Aug'09



* Until May 8, 2009.

New Developments
Technological developments

BM&F SEGMENT

- **May**
  - **Bloomberg Tradebook connected to the Exchange's Global Trading System (GTS) to provide customers an international order routing system**
- **June**
  - **GL Trade (GL Net) connected to the Exchange's GTS to provide customers an international order routing system**
  - **Offering of *co-location services* (connectivity to the GTS System)**
- **July**
  - **Shutdown of the trading floor**

BOVESPA SEGMENT

- **May**
  - **Starting in May we will have completed the implementation of the new version of the software on which the MegaBolsa electronic trading system runs, as developed by NYSE Euronext. The new version (V900) replaces the V837 version implemented in June 2008. It is estimated that the average internal processing time, known as RTT (round time trip), will decrease to 170 milliseconds, from the current 290 milliseconds. Subsequently, with the implementation of the new low latency multi-level communication interface (the new Multi Gateway), scheduled for July 2009, the RTT will drop to 15 milliseconds and it is estimated that it will fall to 8 milliseconds until December 2009**
  - **Reduction in fees charged for orders entered in the MegaBolsa trading system, and not matched, which drove growth in algorithmic trading.**

New Developments
Technological developments

BOVESPA SEGMENT

- **July**
  - **Authorization to DMA via provider implementation (DMA model 2) in the MegaBolsa trading system (to be approved by Brazilian Securities Exchange Commission - CVM)**
- **August**
  - **Completion of the project to increase the capacity of the equities clearinghouse (formerly, CBLC) to 1.5 million daily trades;**
  - **Offering of co-location services (connectivity to the MegaBolsa system)**
  - **Thomson Reuters connected to the Exchange's MegaBolsa system to provide customers with an international order routing system**

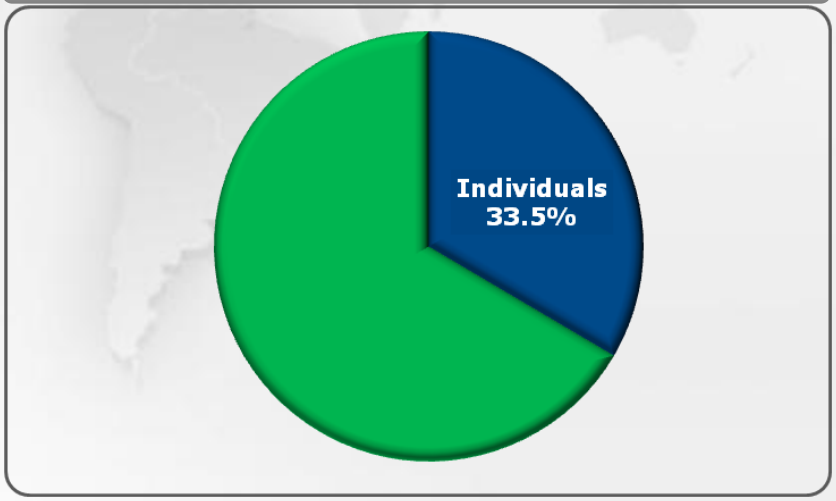
BOTH BM&F AND BOVESPA SEGMENTS

- **November**
  - **Implementation of the integrated external communication interface for both MegaBolsa and the GTS systems, which will permit market data transmission from either system via a single channel.**

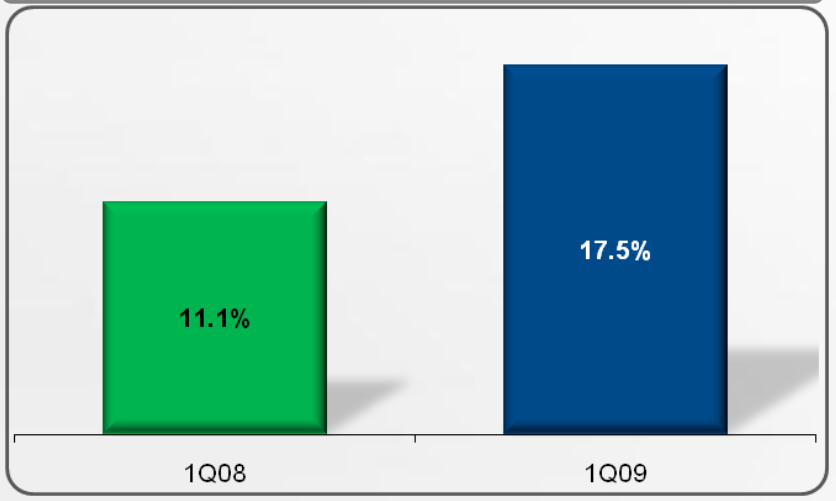
Bovespa Segment
Retail investors

- **Individuals increased their composition within BOVESPA's ADTV to 33.5% in the 1Q09 compared with 25.4% in the 1Q08**
- **Trades through Home Broker (DMA via internet for individuals) accounted for 17.5% of the total traded value in the 1Q09 vs. 11.1% in the 1Q08**

Individuals - % of Total Value Traded (1Q09)

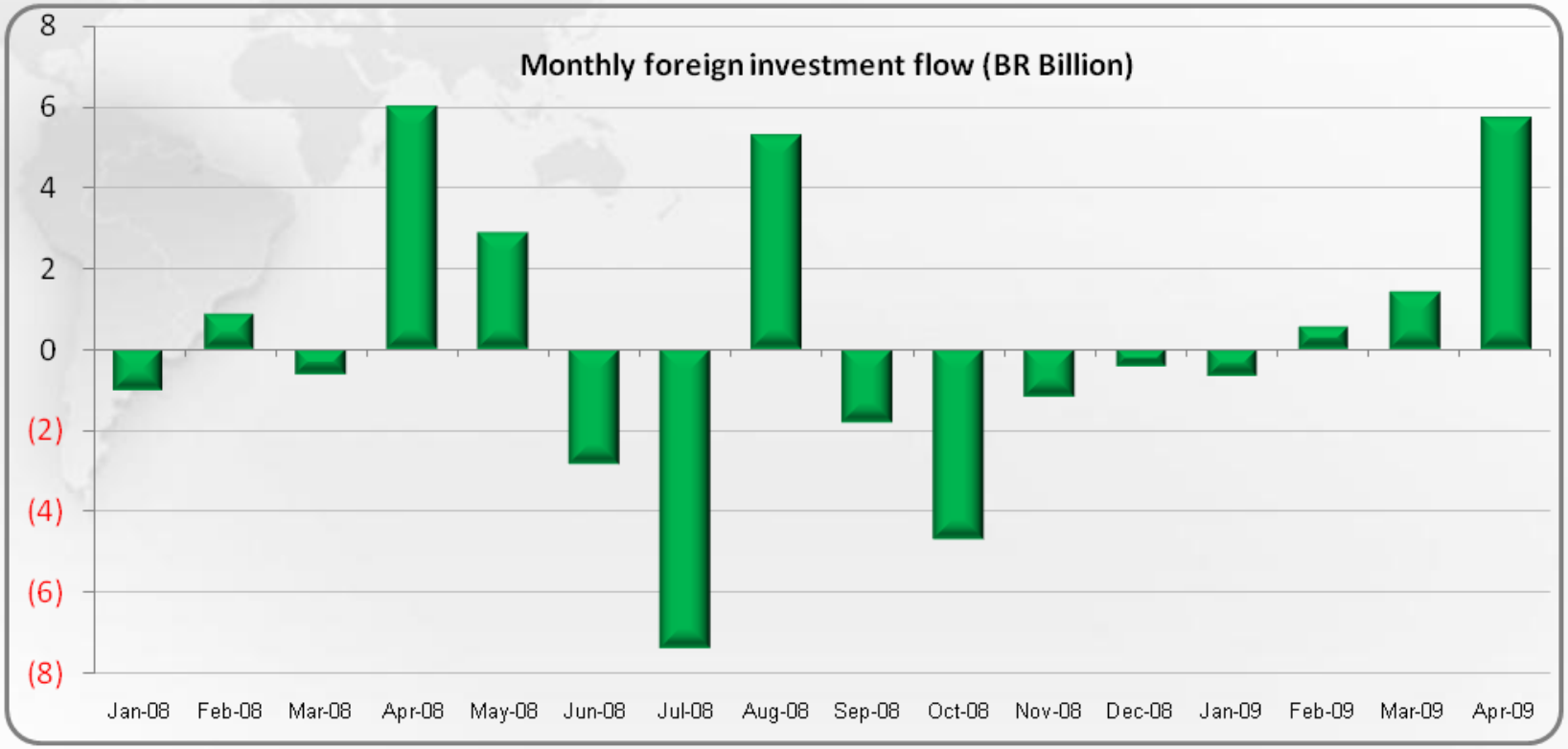


Home Broker - % of Total Value Traded



Bovespa Segment
Foreign investment flow

- **The 1Q09 net foreign investment flow was BRL 1.3 Billion, the best since the Brazil's Investment Grade (May'08)**
- **In Apr'09 the net foreign investment flow was BRL 5.7 Billion, the best month since Apr'08**



New Pricing Policy

- **BM&F Trading: implementation of a new price grid for BM&F segment based on volumes aiming at neutrality when compared with Aug'08 framework: February 16th, 2009**
- **BOVESPA Trading and Depository Service**
  - **Trading: progressive reduction of clearing fees charged to retail investors and private and public companies in the cash market: beginning on May 4th, 2009**
    - **Progressive reduction: 0.0005% until Oct'09; 0.0010% until Jan'10; 0.0015% from Feb'10 onwards**
  - **Depository: progressive adoption of a percentage charge system based on value under custody with the depository: beginning on May 4th, 2009**
    - **Progressive discounts: 67% until Oct'09; 33% until Jan'10; full new depository fee from Feb'10 onwards**
  - **Securities Lending: rebate (5 bps) to the lenders, except for non residents: beginning on May 4th, 2009**
- **Market Data: since Apr'09 - closer to international prices**

Summary and Perspectives

- Achievement of planned merger synergies: reductions in headcount and infrastructure; realigning branches and closing the open outcry floor
- Low effective tax rate in conjunction with the goodwill amortization
- Growing diversity of revenue sources: increasing non-trading sources
- Initial results of the new products and developments implemented in recent months promising, such as DMA/Globex, algorithmic traders in BM&F Segment and ETFs
- Positive net foreign investment flow in Bovespa Segment
- Ibovespa climbed 35.8% (YTD thru May 11th) as a sign of the stock market price level recovery
- Higher volumes in Apr'09 and beginning of May'09 for both segments

APPENDIX

Income Statement 1Q09 vs 1Q08 (Pro Forma)

BRL Thousands

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Financial Income	**67,859**	**77,792**	**-12.8%**
Income before Taxes	**235,647**	**341,273**	**-31.0%**
Income Tax and Social Contribution	**(8,372)**	**(111,363)**	**-92.5%**
Minority Interest	**(295)**	363	-181.3%
Net Income	**226,980**	**230,273**	**-1.4%**
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Adjusted EBITDA Margin (variation in p.p.)	67.5%	68.5%	-1.0 p.p.

Balance Sheet as of 03/31/2009

BRL Thousands

ASSETS		LIABILITIES AND SHAREHOLDERS' EQUITY	
Current assets	**2,814,573**	**Current liabilities**	**1,677,230**
Cash and cash equivalents	2,592,074	Collateral for transactions	1,135,943
Other credits	222,499	Others	541,287
Long-term receivables	**730,230**	**Non-current**	**47,538**
Financial investments	553,643		
Other credits	176,587	**Minority interest in subsidiaries**	**15,632**
Investments	**1,318,279**		
Property and equipment	**246,680**	**SHAREHOLDERS' EQUITY**	**19,463,879**
Intangible assets	**16,094,517**		
TOTAL ASSETS	**21,204,279**	**TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY**	**21,204,279**

Adjusted Income Reconciliation

ADJUSTED INCOME RECONCILIATION

R$ million	Q109
EBITDA (Corporate)	**176.7**
(+) Adjustments	
Severance expenses	(18.0)
Stock option expenses[2]	(18.8)
EBITDA (Adjusted)	**213.5**
Net Income (Corporate)	**227.0**
(+) Adjustments	
Severance expenses[1]	(12.6)
Stock option expenses[2]	(18.8)
Net Income (Adjusted)	**258.3**

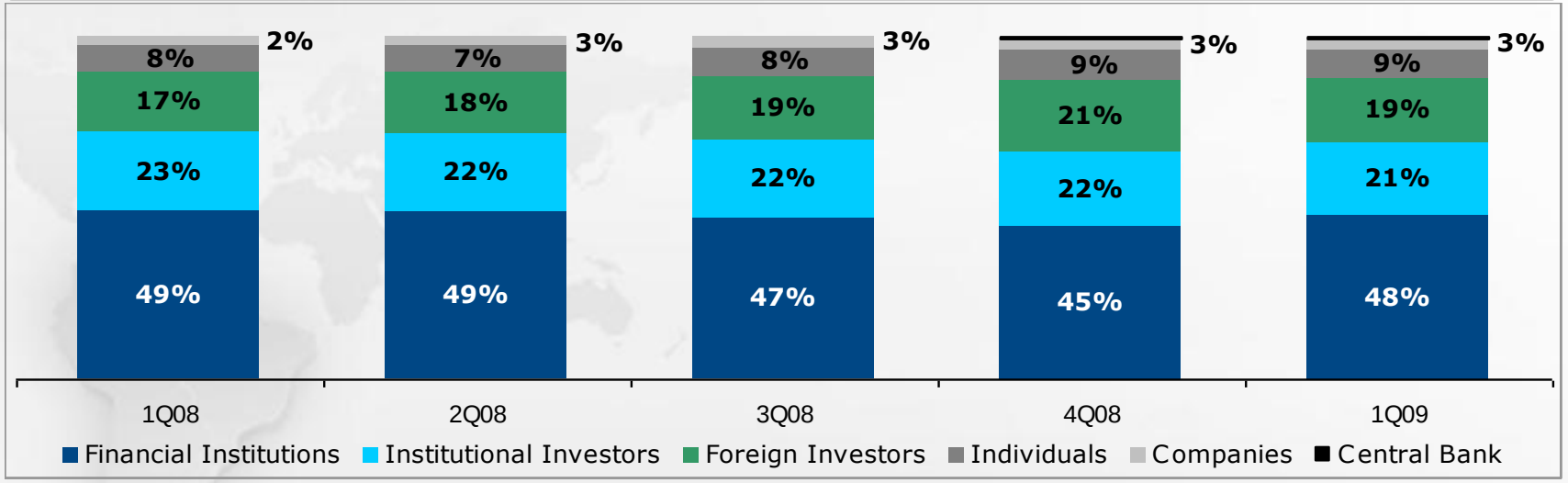
[1] This expense generated a tax effect of R$ 16MM in Q109, while the remaining R$ 2MM were recognized in April. Thus, for adjusted net income calculation purposes, the tax adjusted Q109's share is excluded plus the full portion of the subsequent period, according to the following:

Amount recognized until March 31 th	(16.0)
- Tax effect (34% discount)	(10.6)
Amount recognized after March 31 th	(2.0)
FULL ADJUSTMENT	**(12.6)**

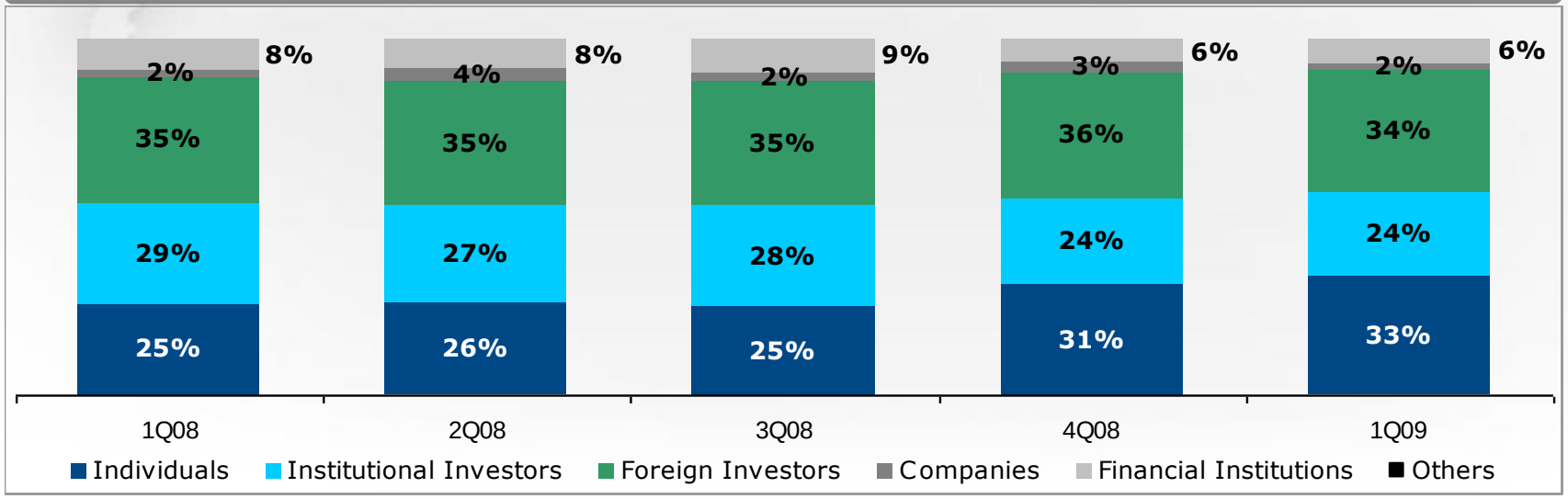
[2] The stock option expense is considered as non-deductible for tax purposes. For this reason, the adjusted net income is calculated by adding back the full expense.

Operational Highlights

BM&F Segment (Investor's Participation in Total Volume)



Bovespa Segment (Investor's Participation in Total Value)



BM&F Segment
RPC evolution

BRL

Product	1Q08	2Q08	3Q08	4Q08	1Q09	Apr'09	May'09*
Interest Rates in BRL	1.102	1.064	1.268	1.164	0.886	0.921	0.963
Interest Rates in USD	1.078	1.057	0.960	1.777	1.554	1.859	2.050
FX Rates	1.850	1.785	2.057	2.700	2.422	2.543	2.114
Indices	2.132	2.460	2.157	1.806	1.572	1.901	1.527
Commodities	3.283	3.892	3.814	3.126	2.077	2.411	2.043
OTC Contracts	2.057	2.322	2.587	2.444	2.192	1.588	0.781
Web Trading	0.155	0.160	0.160	0.173	0.185	0.206	0.192
Total	**1.401**	**1.381**	**1.598**	**1.789**	**1.345**	**1.440**	**1.373**

* Until April 8, 2009.

Board Members (2009 – 2010)

BOARD MEMBERS

- Armínio Fraga (Chairman)* - Gavea Investimentos
- Claudio Haddad* - Ibmec
- Fabio de Oliveira Barbosa* - Vale (CFO)
- José Roberto Mendonça de Barros* - Economist and Consultant
- Marcelo Fernandes Trindade* - Lawyer
- Rene Marc Kern* - General Atlantic
- Renato Diniz Junqueira – Intercap
- Candido Botelho Bracher – Itau BBA
- Luis Stulhberger – Credit Suisse Hedging-Griffo
- Craig Donohue – CME Group
- Julio Siqueira de Araújo – Bradesco (Vice President)

* Independents



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