4Q12 Earnings Presentation

February 20th, 2013

BM&FBOVESPA
The New Exchange

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&FBOVESPA 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&FBOVESPA performance.

The factors that might affect performance include, but are not limited to: (i) market acceptance of BM&FBOVESPA services; (ii) volatility related to (a) the Brazilian economy and securities markets and (b) the highly-competitive industries in which BM&FBOVESPA operates; (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&FBOVESPA 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&FBOVESPA 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&FBOVESPA undertakes no obligation to update them in light of new information or future development.
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4Q12 vs. 4Q11 Highlights

Volumes growth and strict cost control

FINANCIAL HIGHLIGHTS

- **Gross Revenue: R$544.1 million**, +4.2%
  - BOVESPA Seg.: R$238.5 million, +6.6%
  - BM&F Seg.: R$205.3 million, +15.9%
- **Net Revenue: R$499.2 million**, +5.9%
- **Adjusted Expenses[1]: R$174.2 million**, +6.3%
  - **2012**: **R$563.5 million** (close to the low range of the announced guidance)
- **Operating Income: R$243.1 million**, +35.4%
- **Adj. Net Income[2]: R$379.4 million**, +7.6%
- **Adjusted EPS: R$0.196,** +7.4%
- **Payout:** recommendation of a distribution of **R$388.7 million** in 4Q12, totaling **R$1,074.3 million** in 2012 - R$0.56 per share (**100% GAAP net income)**

OPERATIONAL HIGHLIGHTS

- **BOVESPA Segment:**
  - ADTV: +9.4%
  - Margin: stable
- **BM&F Segment:**
  - ADV: +15.4%
  - RPC: +4.1%
- **High growth products**
  - ETFs: +61.9% in average daily value
  - *Tesouro Direto*: +38.6% of assets under custody
  - FIIs: strong growth of volumes (R$29.0 million in 4Q12) and number of investors (97.1 thousand)
  - LCA: consistent growth of assets under custody (R$36.5 billion)

2012/2013 MAIN PROJECTS

- **Clearinghouses' Integration[3]:** presentation of IPN to market
- **PUMA Trading System™:** progress in delivering the equities module
- **OTC Platform:** certification phase with market participant
- **Pricing Structure:** studies regarding pricing differentiation and incentive programs
- **New Data Center**: construction started

[1] Excludes stock options plan, depreciation, provisions, tax on dividends from CME Group and the guarantee fund transferred to BSM. [2] Excludes deferred liability recognized in correlation with temporary differences from amortization of goodwill for tax purposes, the impact of the stock options plan, the investment in associate (CME Group) accounted under the equity method of accounting, net of taxes related to dividends, taxes paid overseas to be compensated, the guarantee fund transferred to BSM in 4Q11 and provision related to health care insurance net of taxes in 4Q12. [3]IPN/CORE implementation requires the authorization of the regulators.

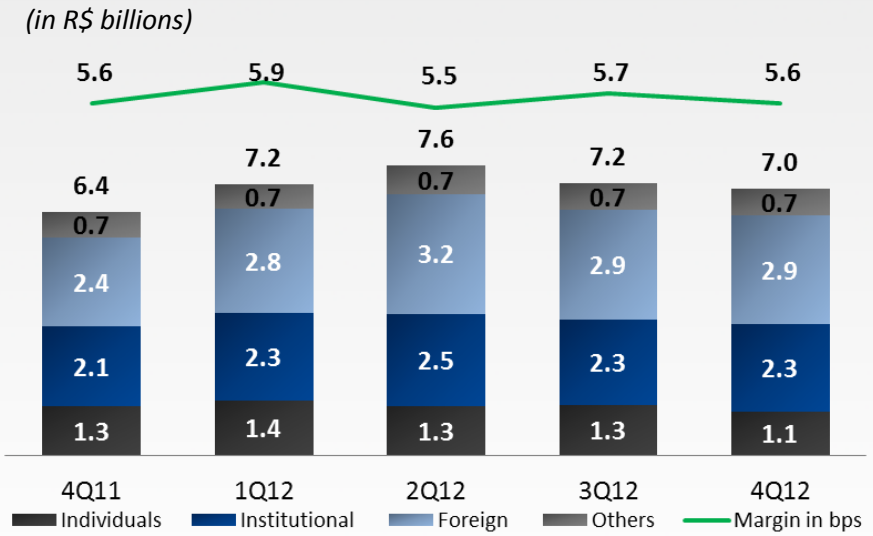
BOVESPA Segment Performance

Growth in volumes, turnover velocity and market capitalization

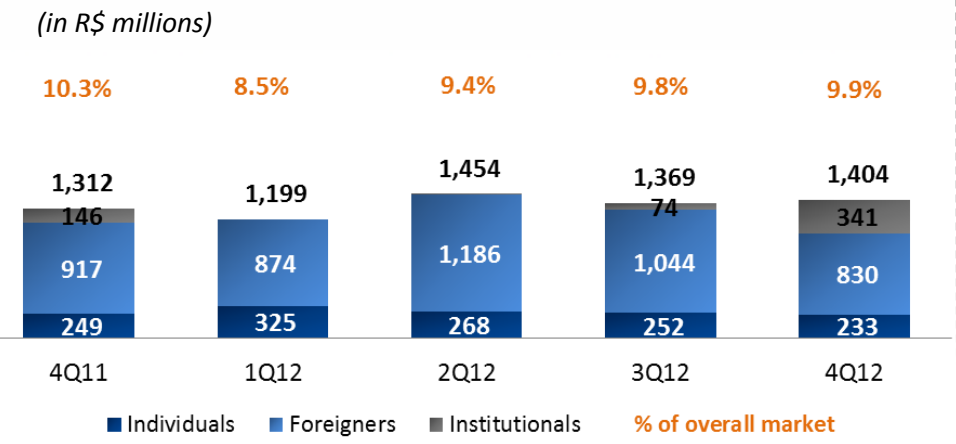
4Q12 vs. 4Q11:

- **ADTV**: +9.4%, due to an increase of:
  - Average Market Capitalization (+7.8%)
  - Turnover Velocity (+122 bps), mainly impacted by an increase in volatility and the removal of the 2% IOF tax in Dec'11
- **Margin**: stable

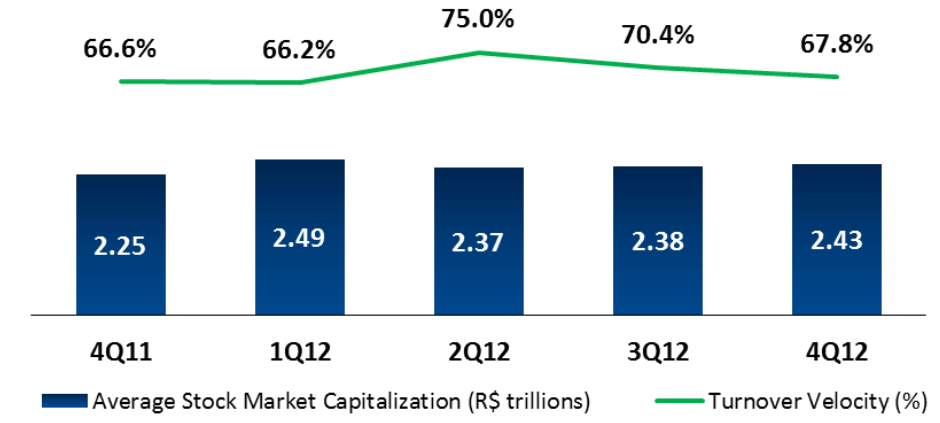
EVOLUTION OF INVESTOR´S PARTICIPATION IN ADTV AND MARGIN



HFTs PARTICIPATION



AVERAGE MARKET CAP. AND TURNOVER VELOCITY



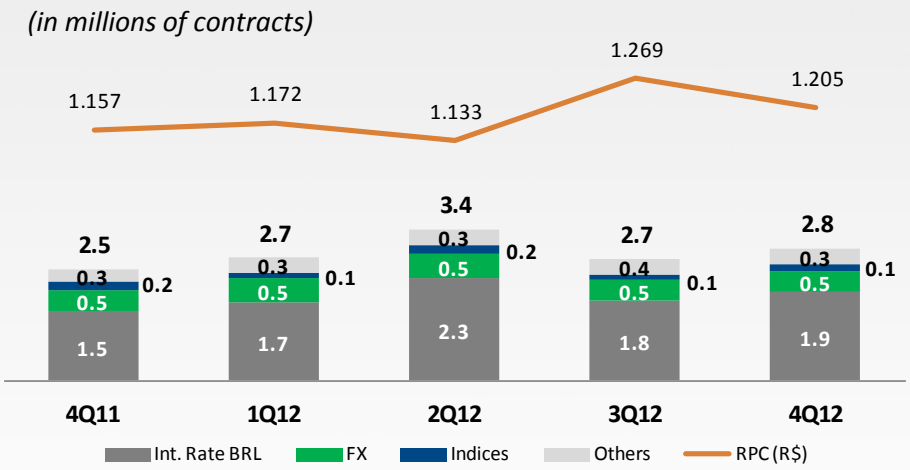
BM&F Segment Performance

High growth in Interest Rate Contracts in R$

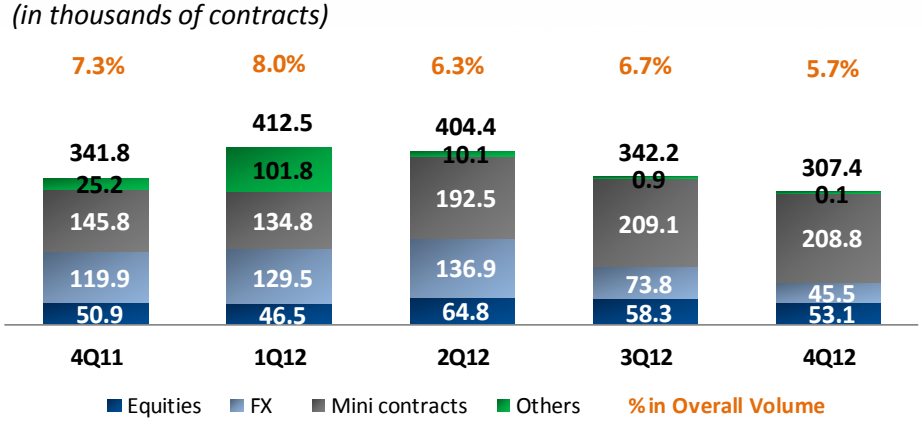
4Q12 vs. 4Q11:

- **ADV:** +15.4%, reflecting an increase of +27.2% in ADV of Interest Rates contracts in R$
- **RPC:** +4.1%, due to the:
  - Longer maturities in Interest Rate contracts in R$
  - FX depreciation (R$/US$) – FX and Interest Rate contracts in US$
  - Decrease of HFTs participation in the ADV

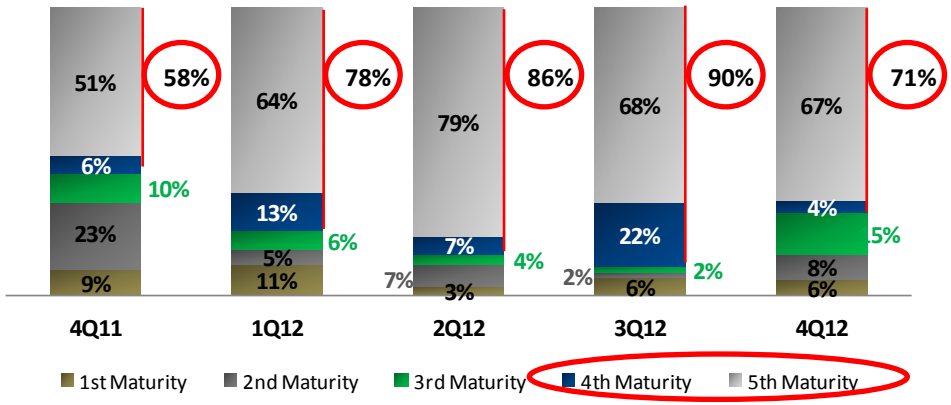
ADV AND RPC EVOLUTION



HFT: ADV AND MARKET PARTICIPATION



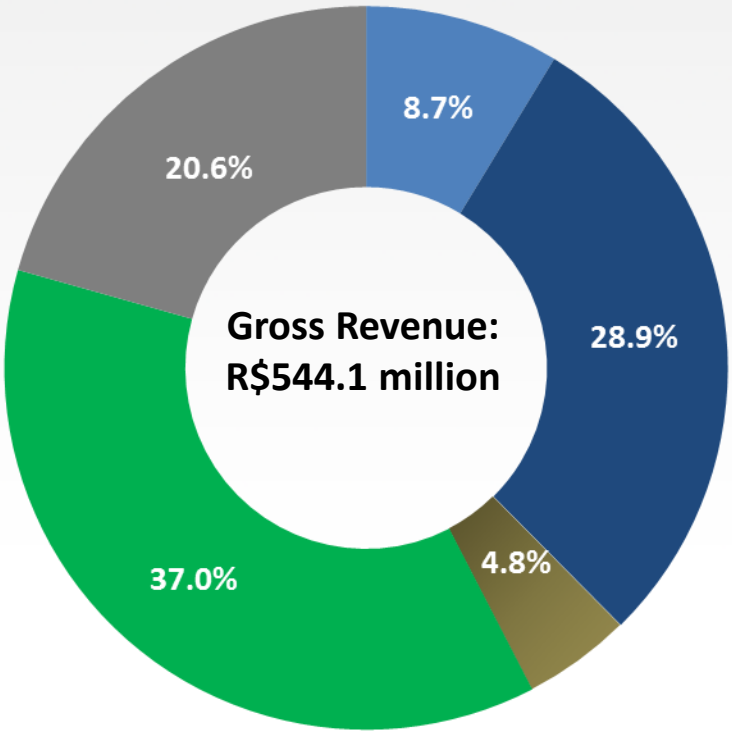
INTEREST RATES IN R$ - VOLUMES BY MATURITY (%)



Revenue Breakdown in 4Q12

Diversified revenue sources as a differential

REVENUE BREAKDOWN

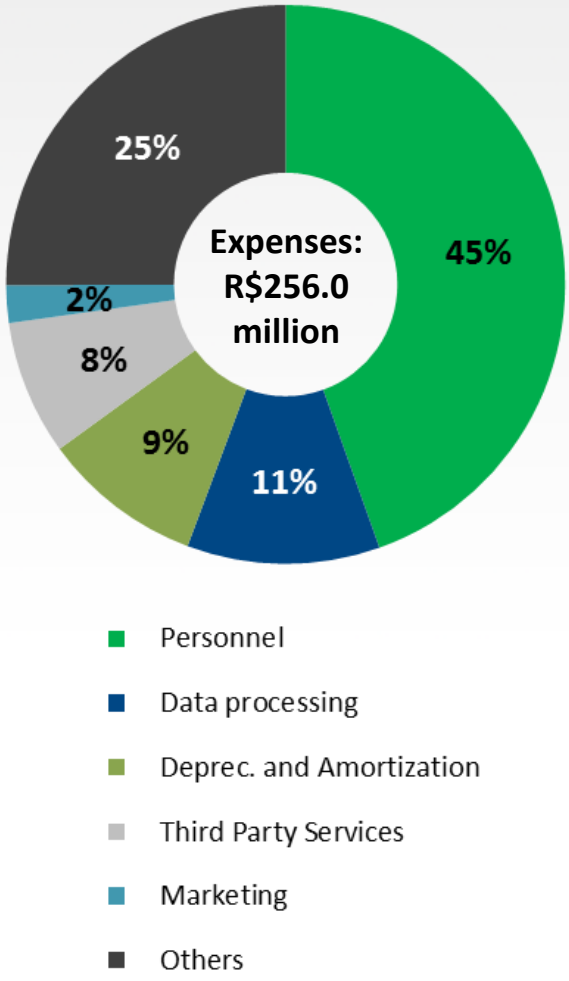


- **37.6%: Cash Equities**
  - 8.7%: Trading
  - 28.9%: Post-Trading
- **4.8%: Derivatives on Stocks and Indices**
- **37.0%: Financial/Commodity Derivatives**
- **20.6%: Other Revenues**
  - 5.1%: Depository, Custody and Back-Office
  - 3.4%: Securities Lending
  - 3.0%: Vendors
  - 2.5%: Trading Access (Brokers)
  - 2.0%: Listing
  - 4.6%: Others

4Q12 Expenses

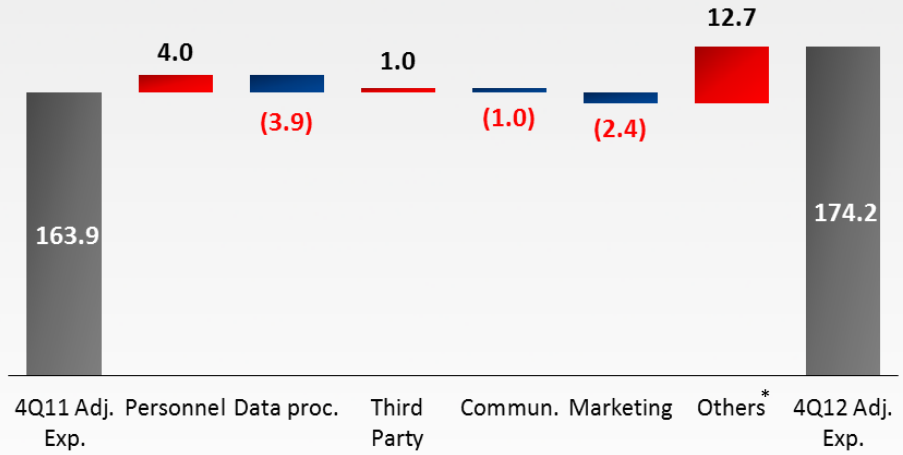
Focus on cost control and operational efficiency

TOTAL EXPENSES BREAKDOWN



ADJUSTED EXPENSES

(in R$ millions)



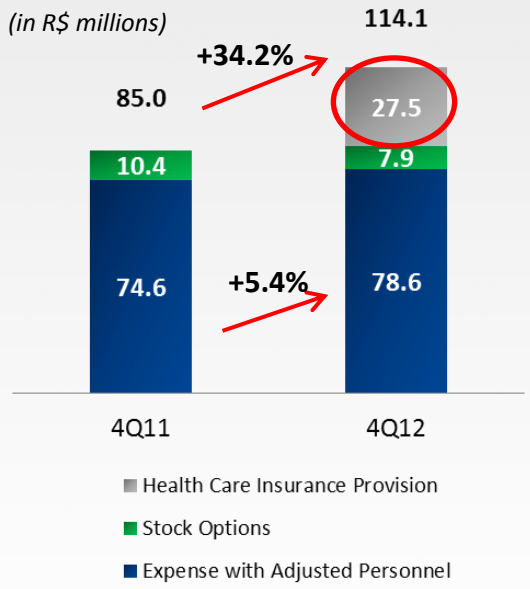
- **Adjusted Expenses**: +6.3% vs. 4Q11
  - **Adjusted Personnel**: +5.4% vs. 4Q11, basically due to the effects of annual union bargain in Aug'12
  - **Data Processing**: -12% vs. 4Q11, due to expenses reduction with IT outsourcing and lower maintenance costs with legacy platforms
  - **Marketing**: repriorization of Marketing actions
  - **Others**: reflects mainly the R$15 million transfer to BSM, announced in 3Q12

*Includes expenses with maintenance in general, taxes adjusted by the dividends from CME Group, board and committee members compensation and others.

Other Expenses

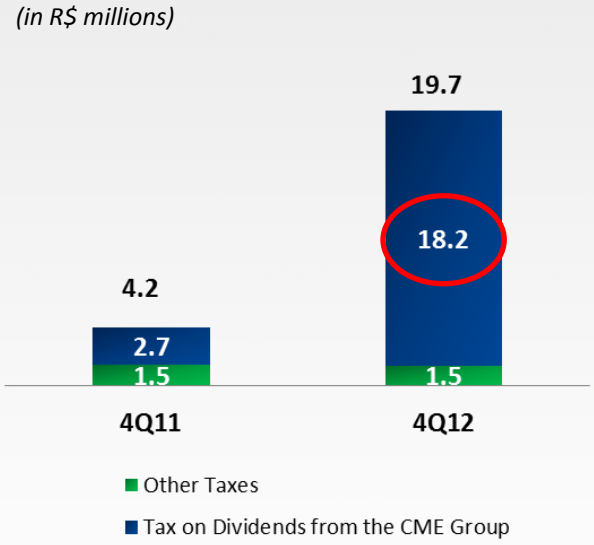
Extraordinary expenses in 4Q12

PROVISION FOR PERSONNEL



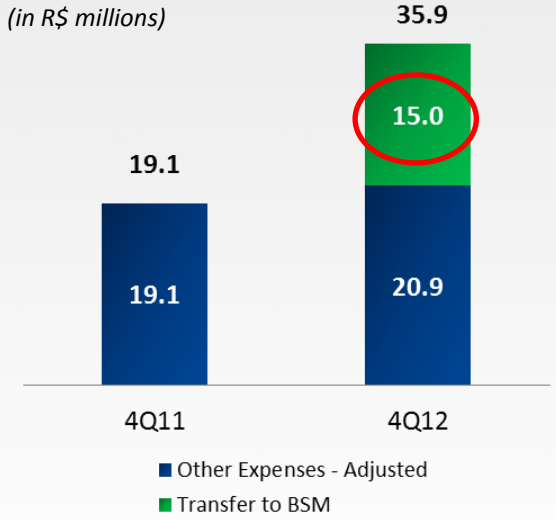
- **Non-cash provision of R$27.5 million** related to the Company´s health plan;
- The provision is related to the potential liabilities generated by indirect subsidies (difference between the average cost of the plan negotiated by the Company and the estimated average cost to individuals);
- Employees who contributed to the plan between 2002-2009 have the right to maintain their status as beneficiary in the event of severance or retirement, as long as they bear the insurance costs;
- The amount provisioned follows the CPC33 / IAS 19 – Employee Benefits.

TAXES AND CONTRIBUTIONS



- **Increase of Tax on Dividends from the CME Group**: dividends received from the CME Group reached R$60.7 million in 4Q12, versus R$8.9 million in 4Q11.

OTHERS: TRANSFER TO BSM

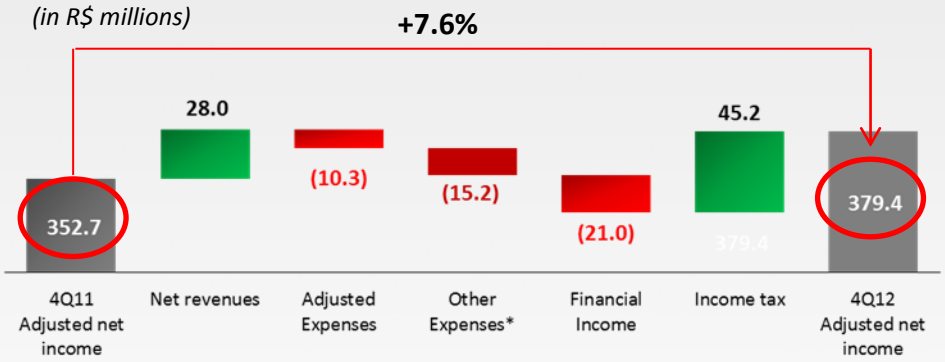


- **Focus on strengthening market integrity;**
- BSM (BM&FBOVESPA Market Supervision) acts in market surveillance and self-regulation of all markets managed by BVMF, pursuant to CVM rule 461/07;
- **Transfer of R$15 million** to BSM previously announced with the earnings results of 3Q12 and within the adjusted budget for 2012;
- **Goal**: Funding of BSM´s activities over 2013.

Financial Highlights

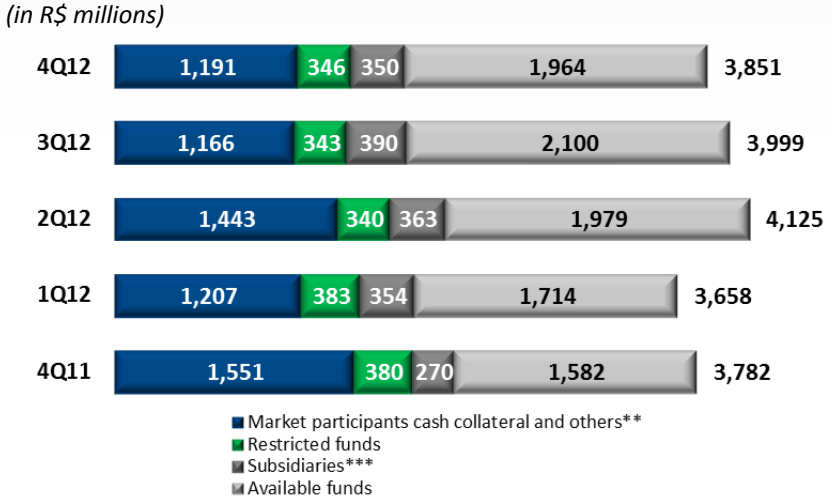
Strong cash position and high payout

ADJUSTED NET INCOME (4Q12)



- Credits from interest on shareholder´s equity of R$90 million deliberated in Nov'12 decreased tax charges.

CASH AND FINANCIAL INVESTMENTS



FINANCIAL INCOME

- **Financial Results of R$43.1 million**, fall of 32.7% over 4Q11
  - Financial Income decreased 23.8% , reflecting lower interest rates
  - Financial Expenses had a slightly increase of 1.8%

INVESTMENTS

- Investments of R$134.2 million in 4Q12
- In 2012, investments totaled R$258.4 million, within the budget range previously announced (R$230 – 260 million)
- Investment Budgets:
  - 2013: between R$260 – 290 million
  - 2014: between R$170 – 200 million

PAYOUT

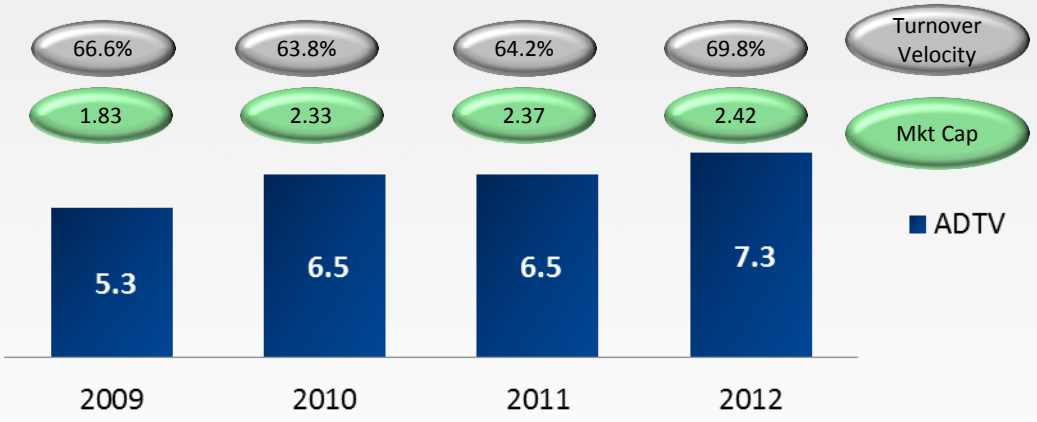
- On Feb. 19, 2013, the Board proposed a distribution of R$388.7 million in dividends to be paid in Apr. 30, 2013.
- The payout in 2012 totaled R$1,074.3 million, the equivalent to R$0.5565 per share and **100% of GAAP net income**.

*Includes expenses with depreciation and provisions.**Includes collaterals pledged by participants in the form of cash, receivables and rights in securities under custody, as well as payouts still undisbursed.
***Includes third party collaterals and restricted funds at BM&F Settlement Bank (Banco BM&F).

History of Growth

EQUITIES

(ADTV in R$ billions, mkt cap in R$ trillions and turnover velocity in %)



ADTV

The **2009-12 CAGR of 11.1%** reflects growth in market capitalization and turnover velocity

Market Capitalization

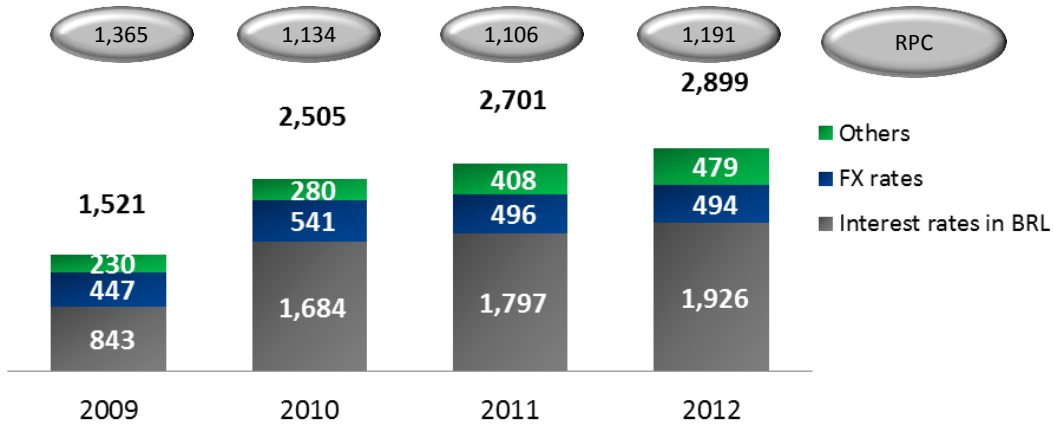
The 27.8% growth between 2009-10 was followed by a **roughly flat period** (distinguished performance among sectors and reduced number of public offerings)

Turnover Velocity

Foreign and local institutional investors, HFT and products development (ETFs, options and securities lending) drove turnover velocity growth

DERIVATIVES

(ADV in thousands of contracts, RPC in R$)



ADV

The **2009-12 CAGR of 24.0%** was driven by the growth of trading in interest rate contracts in BRL, reflecting structural changes and volatility

RPC

The recent recovery in RPC is explained by a combination of trading in longer maturity interest rate contracts in BRL and the Brazilian Real's depreciation

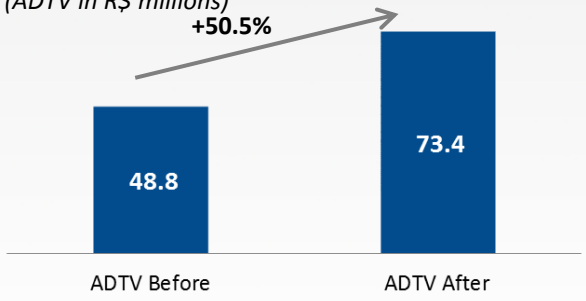
High Growth Products

Growing sophistication of market participants

- Initiatives to develop and incentivize volume growth in some products;
- Performance shows that the initiatives are being well received by the market.

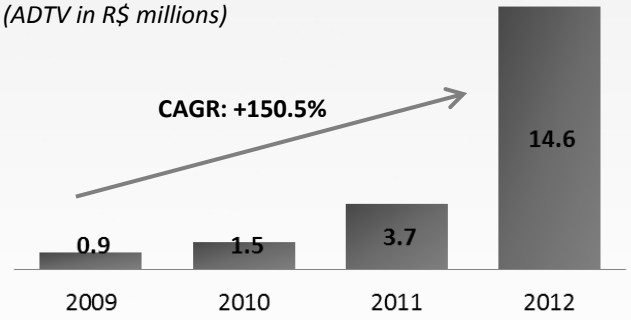
Options Market

(ADTV in R$ millions)



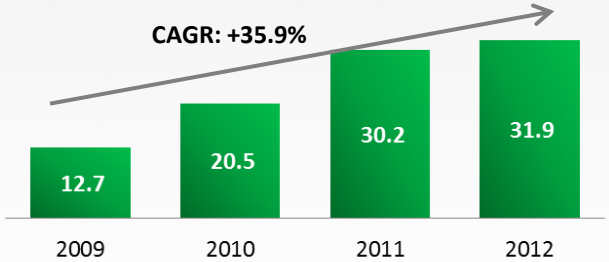
Real Estate Funds (FIIs)

(ADTV in R$ millions)



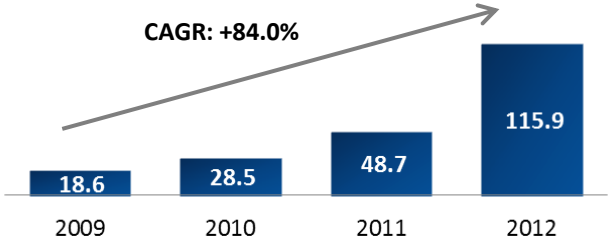
Securities Lending

(Open Interest in R$ billions)



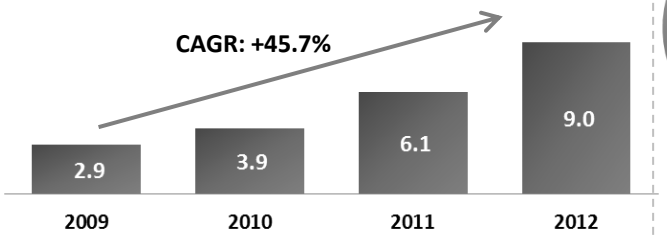
ETFs

(ADTV in R$ millions)

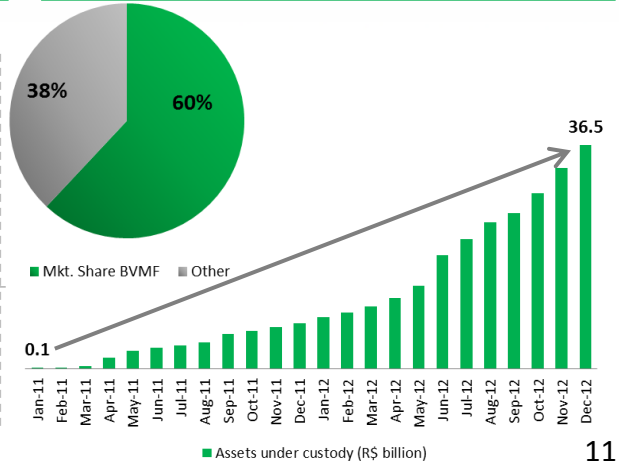


Tesouro Direto

(Custody – in R$ billions)



Agrobusiness Credit Bill

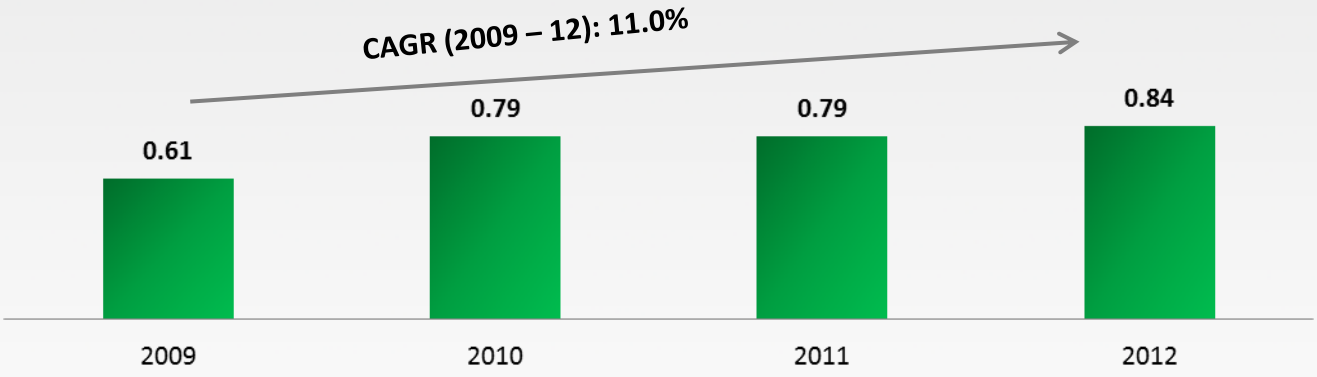


History of Growth

Business growth in results

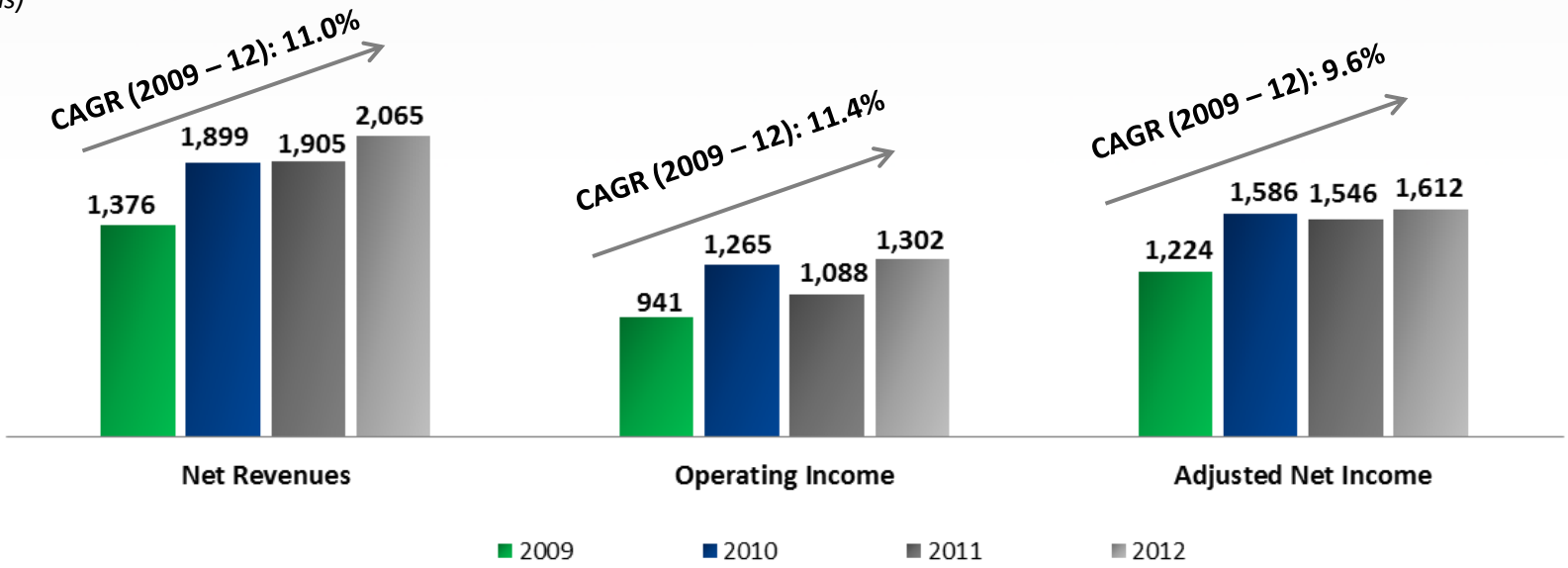
INCREASE OF RETURN TO SHAREHOLDERS – ADJUSTED EARNINGS PER SHARE

(in R$)



REVENUES AND RESULTS GROWTH

(in R$ millions)



Cash flow: return to shareholders

CASH FLOW/ USE OF CASH FLOW

Individual Company Statements

(in R$ millions)	2011	2012	Var. 2012/2011
Net income	1,048	1,074	
Adjustments – non-cash items	469	570	
Working capital [1] variation	7	60	
Operating cash flow	**1,524**	**1,704**	***11.8%***
Investments (net of asset sales)	(210)	(257)	
Received dividends	33	124	
Post-investment cash flow	1,347	1,572	***16.7%***
Share buyback program (net of sales)	**590**	**(8)**	
Dividends and interest on own capital	**889**	**1,148**	
Interest / change in debt	**69**	**76**	
Cash / financial investments variation	**(200)**	**356**	
Destination of cash flow	**1,347**	**1,572**	

[1] Does not consider variation in financial investments and collaterals.

Strong commitment to returning capital to shareholders

Disciplined cost management

ADJUSTED EXPENSES

R$ millions	2010	2011	2012	2013e
Adjusted expenses	**543.9**	**584.5**	**563.5**	**570.0***
Depreciation and amortization	54.8	75.2	93.7	-
Stock option cost	30.9	53.6	32.3	-
Others	3.9	103.3	73.6	-
Tax on dividends from the CME Group	4.0	9.9	37.4	-
Provisions	(0.1)	1.1	36.2	-
Contribution to MRP	-	92.3	-	-
GAAP expenses	**633.5**	**816.7**	**763.1**	**-**

* Mid-point of the budget range for 2013

2010 – 2013e: GAGR of 1.6%[1]

Cash expenses are decreasing in real terms as a result of a strict cost control program through which the Company is leveraging its operational efficiency

[1] CAGR(2010-13) of the inflation is 5.8% a.a.
Source: BCB Focus Bulletin (November 30, 2012) estimated IPCA

Financial Statements

Strong operating performance

SUMMARY OF INCOME STATEMENT (CONSOLIDATED)

(in R$ millions)	2012	2011	Var. 2012/2011
Net Revenue	2,064.8	1,904.7	*8.4%*
Total Expenses	(763.1)	(816.7)	*-6.6%*
Operating Income	1,301.7	1,088.0	*19.6%*
Financial Income	208.9	280.7	*-25.6%*
EBT	1,659.8	1,588.2	*4.5%*
Net income*	1,074.3	1,048.0	*2.5%*
Adjusted net income	1,612.1	1,545.6	*4.3%*
Adjusted earnings per share (in R$)	0.835	0.793	*5.3%*
Adjusted Expenses	(563.5)	(584.5)	*-3.6%*

Operating performance partially offset by a decrease in financial income

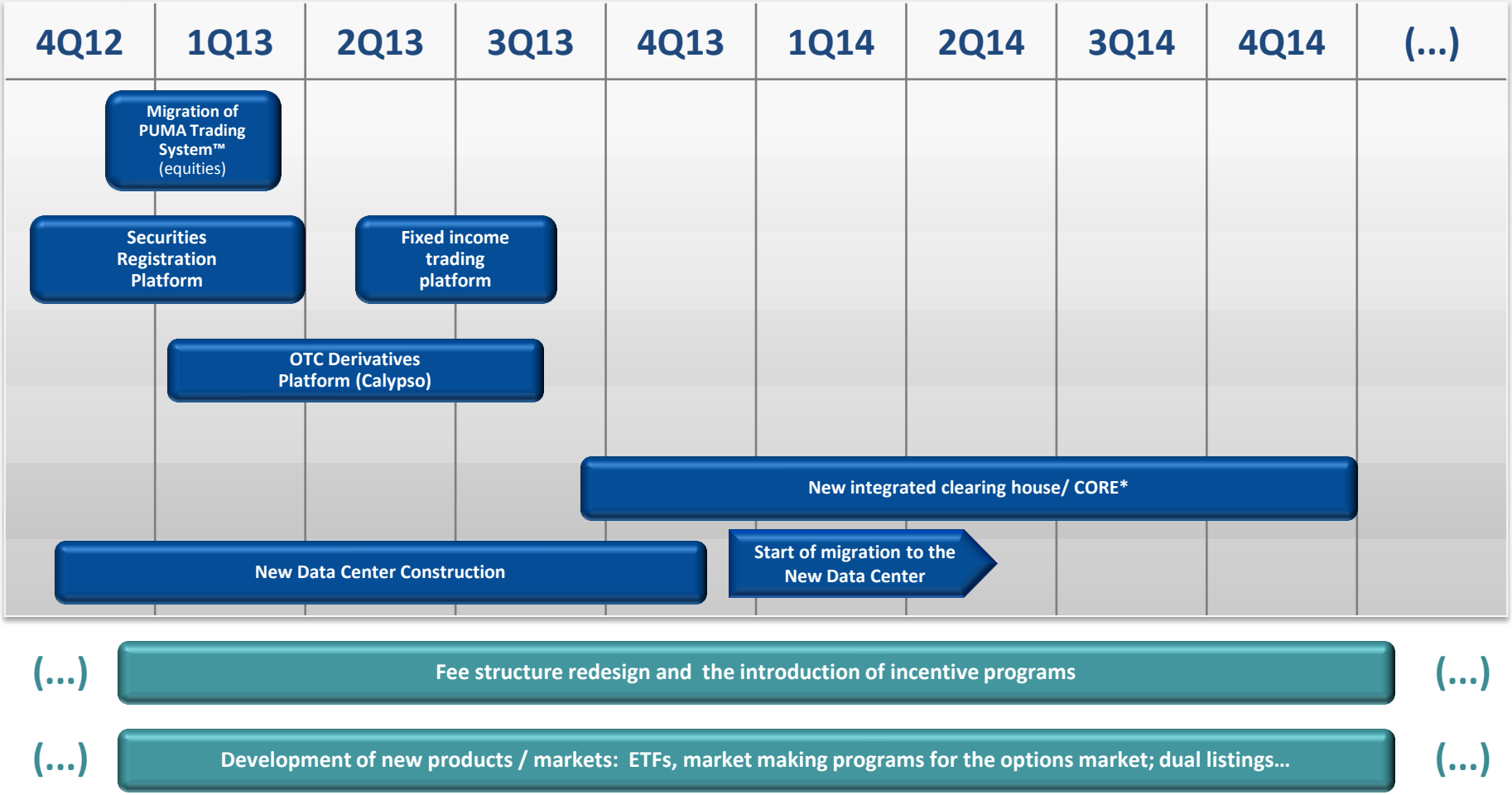
* Attributable to BM&FBOVESPA shareholders.

Main Projects

Deliveries made and programmed

BM&FBOVESPA The New Exchange

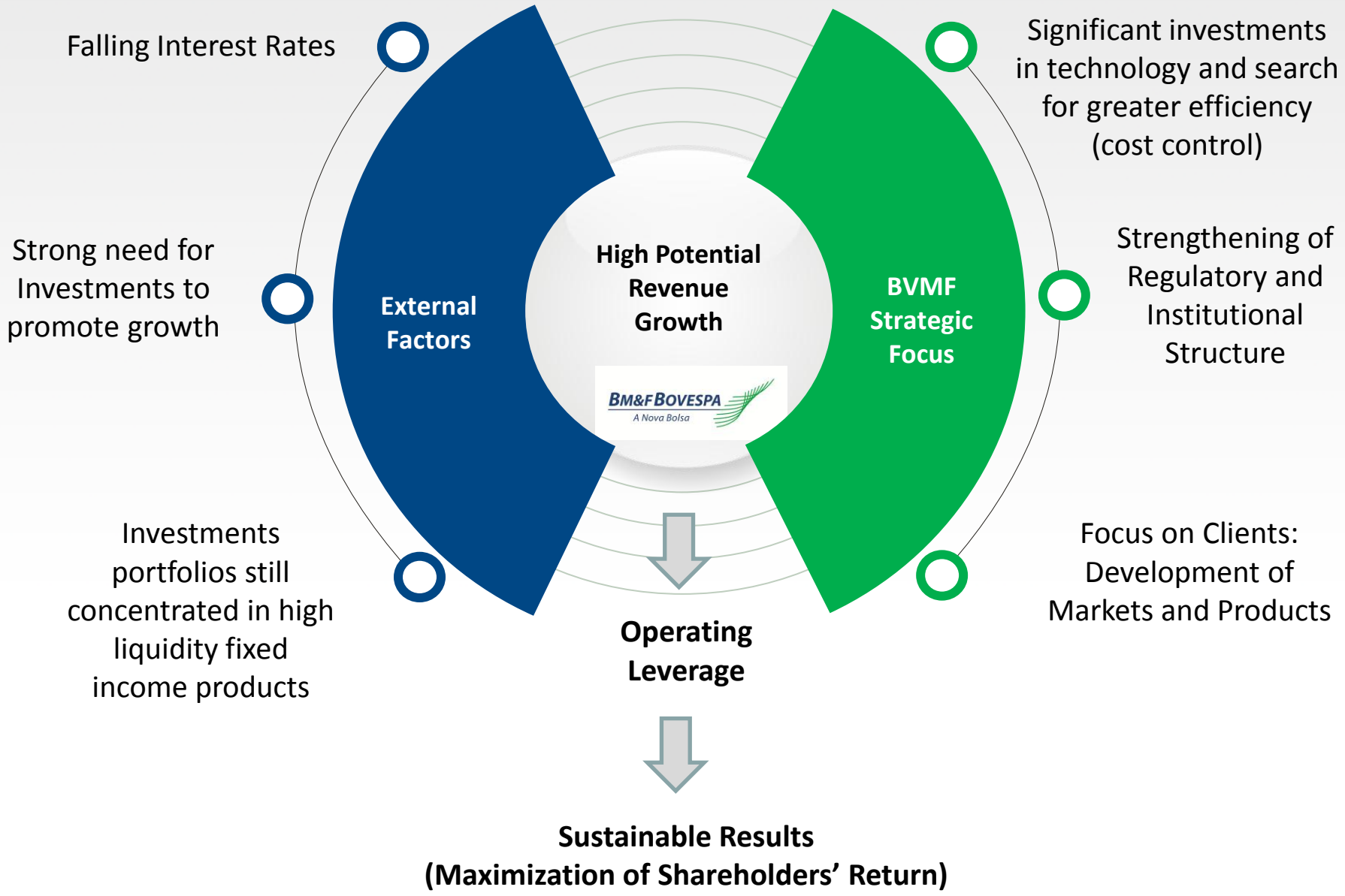
INTENSE DELIVERY PHASE



*IPN/CORE implementation requires the authorization of the regulators.

BM&FBOVESPA

Well positioned to capture and generate growth



APPENDIX

Income Tax and Social Contribution

In R$ millions

	2012	
Total Current Tax	**(67.3)**	
Recognition of Taxes (CME Group´s participation)	(60.2)	
Other Taxes to be rebated	(3.4)	
Current Tax (BM&FBOVESPA Settlement Bank)	(3.7)	**Cash impact**
Total Deferred Tax	**(518.2)**	
Differed Liability (fiscal benefit from goodwill)	(539.1)	
Reversion of fiscal credits*	20.9	
(=) Income Tax and Social Contribution	**(585.5)**	

***Includes the tax benefit from interest on capital of R$90 million declared in November 2012.**

Financial Statements

Summary of Balance Sheet Summary (Consolidated)

ASSETS

(in R$ millions)	12/31/2012	12/31/2011
Current assets	**3,536.3**	**2,401.1**
Cash and cash equivalents	43.6	64.6
Financial investments	3,233.3	2,128.7
Others	259.3	207.8
Non-current assets	**20,610.8**	**21,188.8**
Long-term receivables	808.9	1,767.4
Financial investments	573.6	1,589.1
Others	235.3	178.3
Investments	2,928.8	2,710.1
Property and equipment	361.0	357.2
Intangible assets	16,512.2	16,354.1
Goodwill	16,064.3	16,064.3
Total Assets	**24,147.1**	**23,589.9**

LIABILITIES AND SH. EQUITY

(in R$ millions)	12/31/2012	12/31/2011
Current liabilities	**1,660.6**	**1,929.9**
Collateral for transactions	1,134.2	1,501.0
Others	526.4	428.9
Non-current liabilities	**3,072.6**	**2,402.5**
Foreign debt issues	1,242.2	1,138.7
Deferred Inc. Tax and Social Contrib.	1,739.6	1,204.6
Others	90.8	59.2
Net equity	**19,413.8**	**19,257.5**
Capital stock	2,540.2	2,540.2
Capital reserve	16,037.4	16,033.9
Others	820.3	666.9
Minority shareholdings	16.0	16.5
Liabilities and Net Equity	**24,147.1**	**23,589.9**

Financial Statements

Profits and adjusted expenses reconciliation

ADJUSTED NET INCOME RECONCILIATION

(in R$ millions)	4Q12	4Q11	Change 4Q12/4Q11	2012	2011	Change 2012/2011
Net Income*	**217.3**	**191.1**	***13.7%***	***1,074.3***	***1,048.0***	***2.5%***
Stock options plan	7.9	10.4	*-23.9%*	32.3	53.6	*-39.8%*
Deferred Liabilities	134.8	124.7	*8.1%*	539.1	498.3	*8.2%*
Equity method investment (net of taxes)	(14.0)	(128.9)	*-89.2%*	(111.9)	(209.6)	*-46.6%*
Recoverable taxes paid overseas	15.2	63.0	*-75.9%*	60.2	63.0	*-4.4%*
Contribution to MRP	-	92.3	-	-	92.3	-
Provisions - Health Plan (net of taxes)	18.2	-	-	18.2	-	-
Adjusted net income	**379.4**	**352.7**	***7.6%***	***1,612.1***	***1,545.6***	***4.3%***

* Attributable to BM&FBOVESPA shareholders.

ADJUSTED EXPENSES RECONCILIATION

(in R$ millions)	4Q12	4Q11	Change 4Q12/4Q11	2012	2011	Change 2012/2011
Total Expenses	**(256.0)**	**(291.6)**	***-12.2%***	**(763.1)**	**(816.7)**	***-6.6%***
Depreciation	23.8	22.1	*7.4%*	93.7	75.2	*24.6%*
Stock options plan	7.9	10.4	*-23.9%*	32.3	53.6	*-39.8%*
Tax on dividends from the CME Group	18.2	2.7	*580.4%*	37.4	9.9	*278.3%*
Provisions	31.9	0.2	-	36.2	1.1	-
Contribution to MRP	-	92.3	-	-	92.3	-
Adjusted Expenses	**(174.2)**	**(163.9)**	***6.3%***	**(563.5)**	**(584.5)**	***-3.6%***



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