

**International Conference Call
BM&FBovespa
Announcement to the Market
March 5th, 2013**

Operator: Good morning, ladies and gentlemen, and welcome to the audio conference call about the changes in the fee structure announced by BM&FBOVESPA.

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.

I would now like to turn the conference over to Mr. Eduardo Refinetti Guardia, CFO of BM&FBOVESPA.

Mr. Guardia: Thank you. Hello everyone, thank you for joining us today. The reason for this call is to discuss the changes in our fee structure that we have announced this morning.

I will try to be brief to leave more time for the Q&A.

You know we have been working to improve the efficiency of our fee structure. It is a continuous process and since 2010 we have announced important changes particularly the reduction of costs subsidy through fee rebalance of trading and post-trading.

The changes we are announcing today aim to rebalance cash equities trading fee and post-trading fees for institutional investors and daytraders to promote volume incentives by giving discounts to investors with a higher price elasticity and to introduce a fee policy based on cash equities trading volume.

As I told you in our Earnings call two weeks ago, the changes are exclusively related to our cash equities trading fee. We are announcing 3 changes: the first, which is described on slide 5, is a reduction in trading fees from 0.7 bps to 0.5 bps, although this will benefit all investors it is important to emphasize that from the perspective of our revenue this change will be neutral for all institutional investors.

As you know, institutional investor and daytraders pay a lower fee than all other investors considering trading and post-trading fees, institutional investors and daytraders pay 2.5 bps compared to 3.45 bps for all other investors.

As institutional investors and daytraders already have a lower fee, we do not want this reduction in the trading fees to reduce even more their total fee, therefore, we are simultaneously increasing the institutional investors post-trading fees by 0.2 bps from 1.8 to 2 bps. Though there will have been a change in the structure, they will continue paying 2.5 bps for trading and post-trading. For all the other investors (retail, foreigners and financial institutions) the new trading fee will result in a reduction in the total fee from 3.45 to 3.25 bps excluding daytraders` daytrade, which total fee will continue to be 2.5 bps.

The impact of this change on our total revenue is not significant. Just to give you an idea, if we had implemented this change on January 1st, 2012, the impact on our cash equities revenue in 2012 would have been approximately R\$ 20 million, but this change would also have another impact, which is the change in the composition of our trading and post-trading fees.

To make this clear, if we had implemented it on January 1st, 2012, the cash equities trading revenue would have represented 6.5% of our top line in 2012 instead of the observed 9%, and cash equities post-trading revenue would have raised its participation from 29.5% to 31% of our total revenue.

If we move to slide six, the second change is an important modification for the daytraders. We are expanding the volume-based fee structure to all daytraders. As you know, as of today, only the HFT have a fee discount based on volumes. Considering that all daytraders, be they HFT or not, are expected to have a higher price elasticity we believe this measure will have a positive impact on volumes.

One important aspect to emphasize is that we will evaluate the result of this measure and if the results are positive, we may think about additional incentives for this type of clients going forward. But the message is that we will move step-by-step monitoring results and we will only give additional incentives if we are confident that they will result in revenue increased.

Finally, we can see on slide seven, we are announcing a progressive discount policy based on cash equities market ADTV. It clearly shows our commitment to share economies of scale in the cash equities market with our clients. For ADTV up to R\$ 9 billion the trading fee will be 0.5 bps, from 9 to R\$ 11 billion the fee will be 0.4 bps and from 11 to R\$ 13 billion it will be 0.3 bps. For volumes above 13 billion the trading fee will be 0.2 bps.

It's important to emphasize that it is a progressive trading fee, in other words, the discount will apply to the volumes in each tier. To better illustrate the impact of this progressive fee policy we show you the average trading fee considering the top of the range in each interval.

For 11 billion ADTV the average fee would be 0.482 bps, for a 13 billion ADTV the average fee would be 0.454 bps (or 35 below the current level). Let's remember that we are not changing the post-trading fees. Suppose cash equities ADTVs go to R\$ 13 billion, in this scenario, cash equities total revenue would be close to R\$ 1.9 billion and the net discount around R\$ 60 million. In other words, the discount would be equivalent to 3% of the cash equities revenue.

One last comment about the measures is that the discounts will not apply to the opening and closing auctions and to the tender offers.

On slide 8 you can see the deadline for implementing these changes. The new trading fee will be implemented on April 1st, 2013, and the daytraders' fee modification and the creation of the progressive fee policy based on volume will be implemented on December 2nd, 2013.

As we have said before, changes will be promoted step-by-step and we'll evaluate very carefully the result of each change.

Next steps will be a review of equities derivatives, revision of the fee structure of future contracts and a discussion about incentives for volumes growth related to distribution channel and to improve the use of marketmakers.

We do not have a deadline, but we expect that up to the end of the year new measures should be announced.

Well, these were my initial comments and now Claudio and I would like to open up the call for your questions.

Q&A Session

Operator: Excuse me 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 touchtone phone. If at any time you would like to remove yourself from the questioning queue press star two.

Excuse me, as a reminder, if you would like to pose a question, please, press star one.

This concludes today's question-and-answer session. I would like to invite Mr. Eduardo Refinetti Guardia to proceed with his closing statements.

Mr. Guardia: Okay. Thank you very much for joining us this morning. If you have any doubts, please, do not hesitate to contact Claudio or myself. Thank you very much. Bye-bye.

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