



**Link S.A. - Corretora de Câmbio, Títulos e
Valores Mobiliários**

**Financial statements
June 30, 2008 and 2007**

(With independent auditors' report thereon)
(A free translation of the original report in Portuguese as
published in Brazil containing financial statements prepared
in accordance with accounting practices adopted in Brazil
prior to the publication of Law 11638/07)



Link S.A. - Corretora de Câmbio, Títulos e Valores Mobiliários

Financial statements

June 30, 2008 and 2007

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Independent auditors' report

To

The Management and Shareholders

Link S.A. - Corretora de Câmbio, Títulos e Valores Mobiliários

São Paulo - SP

- 1** We have examined the balance sheets of Link S.A. Corretora de Câmbio, Títulos e Valores Mobiliários as of June 30, 2008 and 2007 and the related statements of income, changes in shareholders' equity and changes in financial position for the semesters then ended, which are the responsibility of its management. Our responsibility is to express an opinion on these financial statements.
- 2** Our examinations were conducted in accordance with auditing standards applicable in Brazil and included: (a) the planning of the audit work, considering the materiality of the balances, the volume of transactions, and the Company's accounting systems and internal accounting controls; (b) verification, on a test basis, of the evidence and records which support the amounts and accounting information disclosed; and (c) the evaluation of the most significant accounting policies and estimates adopted by Company management, as well as the presentation of the financial statements taken as a whole.
- 3** In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Link S.A. Corretora de Câmbio, Títulos e Valores Mobiliários as of June 30, 2008 and 2007, the results of its operations, changes in shareholders' equity and changes in financial position for the semesters then ended, in accordance with accounting practices adopted in Brazil prior to the publication of Law 11638/07.
- 4** As disclosed in Note 3j, on December 28, 2007, Law 11638/07 was published, coming into effect as from January 1, 2008. This law amended and revoked former provisions and introduced new provisions to Law 6404/64 (Corporation Law) and introduced changes in the accounting practices adopted in Brazil. Although the abovementioned law has already come into force, some changes introduced by it depend on regulation on the part of the Central Bank of Brazil for them to be fully applied by institutions authorized to function by the Central Bank. Accordingly, in this transition phase, the Central Bank of Brazil, through Communiqué 16669, of March 20, 2008, permitted the non-application of the provisions of Law 11638/07 in the preparation of the intermediary financial statements of 2008. Accordingly, these financial statements were prepared in accordance with specific instructions of the Central Bank of Brazil and do not include all the changes in the accounting practices introduced by law 11638/07.

- 5 As disclosed in note 15, the Extraordinary General Meeting approved the incorporation of 100% of Link Corretora de Mercadorias Ltda. based on its equity position at December 31, 2007. This incorporation is subject to homologation by the Central Bank of Brazil.

August 20, 2008

KPMG Auditores Independentes
CRC 2SP014428/O-6

Original report in Portuguese signed by
Zenko Nakassato
Accountant CRC 1SP160769/O-0

Link S.A. - Corretora de Câmbio, Títulos e Valores Mobiliários

Balance sheets

June 30, 2008 and 2007

(In thousands of Reais)

Assets	2008	2007	Liabilities	2008	2007
Current assets	<u>374,295</u>	<u>72,593</u>	Current liabilities	<u>345,758</u>	<u>71,376</u>
Cash and cash equivalents	<u>239</u>	<u>48</u>	Deposits	<u>900</u>	<u>891</u>
Interbank funds applied	<u>40,074</u>	<u>21,471</u>	Other deposits	900	891
Money market	40,074	21,471	Other liabilities	<u>344,858</u>	<u>70,485</u>
Securities and derivative financial instruments	<u>27,577</u>	<u>-</u>	Taxes payable	12,543	3,270
Fixed income securities and others (Mutual funds and CDB - Note 4)	24,660	-	Due in connection with securities dealings	306,672	53,775
Subject to guarantees provided	2,917	-	Other - Decrease in capital	14,500	9,000
Other receivable	<u>305,838</u>	<u>51,069</u>	Other - Sundry	11,143	4,440
Income receivable	208	884	Noncurrent liabilities	<u>5,740</u>	<u>1,169</u>
Securities clearing accounts	297,510	49,550	Other liabilities	<u>5,740</u>	<u>1,169</u>
Other	8,120	635	Taxes payable	2,093	-
Other assets	<u>567</u>	<u>5</u>	Other	3,647	1,169
Prepayments	567	5	Shareholders' equity	<u>50,810</u>	<u>14,722</u>
Non current assets	<u>4,228</u>	<u>1,085</u>	Capital:	<u>26,655</u>	<u>5,000</u>
Other receivable	<u>4,228</u>	<u>1,085</u>	Domestic	26,655	5,000
Due in connection with securities dealings	139	-	Capital reserves	1,932	686
Other	4,089	1,085	Revenue reserves	716	-
Permanent assets	<u>23,785</u>	<u>13,589</u>	Retained earnings	21,507	9,036
Investments	<u>12,188</u>	<u>13,536</u>			
Membership certificates	1	13,536			
Other investments	12,287	-			
(Provision for losses)	(100)	-			
Premises and equipment	<u>5,983</u>	<u>16</u>			
Other fixed assets	7,019	42			
(Accumulated depreciation)	(1,036)	(26)			
Deferred charges	<u>5,614</u>	<u>37</u>			
Deferred charges	6,856	116			
(Accumulated amortization)	(1,242)	(79)			
Total assets	<u><u>402,308</u></u>	<u><u>87,267</u></u>	Total liabilities and shareholders' equity	<u><u>402,308</u></u>	<u><u>87,267</u></u>

See the accompanying notes to the financial statements.

Link S.A. - Corretora de Câmbio, Títulos e Valores Mobiliários

Statements of income

Semesters ended June 30, 2008 and 2007

(In thousands of Reais)

	2008	2007
Financial operations income	<u>5,622</u>	<u>4,272</u>
Securities income	5,612	2,161
Derivative financial instruments	10	2,111
Financial operations expenses	<u>(100)</u>	<u>-</u>
Borrowings, assignments and repasses	(100)	-
Financial operations expenses	<u>5,522</u>	<u>4,272</u>
Other operating income/expenses	<u>23,508</u>	<u>3,717</u>
Service income	58,132	9,394
Personnel expenses	(11,167)	(2,172)
Other administrative expenses	(17,783)	(2,952)
Taxes	(5,998)	(1,210)
Other operating income	1,120	1,092
Other operating expenses	(796)	(435)
Operating income	<u>29,030</u>	<u>7,989</u>
Non operating income	<u>5,991</u>	<u>-</u>
Income before income tax and profit sharing	<u>35,021</u>	<u>7,989</u>
Income tax and social contribution	<u>(8,371)</u>	<u>(3,044)</u>
Provision for income tax	(5,998)	(2,235)
Provision for social contribution	(2,373)	(809)
Statutory profit sharing distributions	<u>(12,701)</u>	<u>-</u>
Net income for the semester	<u><u>13,949</u></u>	<u><u>4,945</u></u>
Number of shares	<u><u>1,908,300</u></u>	<u><u>1,625,946</u></u>
Net profit per share - R\$	<u><u>7.31</u></u>	<u><u>3.04</u></u>

See the accompanying notes to the financial statements.

Link S.A. - Corretora de Câmbio, Títulos e Valores Mobiliários

Statements of changes in shareholders' equity

Semesters ended June 30, 2008 and 2007

(In thousands of Reais)

	<u>Capital</u>						
	Capital	Capital increase/ decrease	Capital reserves	Revenue reserves	Market adjustment - Securities and derivatives	Retained earnings	Total
Balances at January 1, 2008	<u>14,000</u>	<u>(6,500)</u>	<u>1,816</u>	<u>716</u>	<u>(2)</u>	<u>9,638</u>	<u>19,668</u>
Interim dividend	-	-	-	-	-	(2,080)	(2,080)
Market adjustment - Securities and derivatives	-	-	-	-	2	-	2
Net assets incorporated - Link Corretora de Mercadorias Ltda. (Note 15)	19,155	-	-	-	-	-	19,155
Updating of membership certificates	-	-	116	-	-	-	116
Net income for the semester	-	-	-	-	-	13,949	13,949
Balances at June 30, 2008	<u>33,155</u>	<u>(6,500)</u>	<u>1,932</u>	<u>716</u>	<u>-</u>	<u>21,507</u>	<u>50,810</u>
Changes in the period	<u>19,155</u>	<u>-</u>	<u>116</u>	<u>-</u>	<u>2</u>	<u>11,869</u>	<u>31,142</u>
Balances at January 1, 2007	<u>10,469</u>	<u>-</u>	<u>2,251</u>	<u>232</u>	<u>-</u>	<u>4,303</u>	<u>17,255</u>
Interim dividend	-	-	-	-	-	(60)	(60)
Capital increase under approval by Bacen	-	3,531	(3,147)	(232)	-	(152)	-
Capital decrease under approval by Bacen	-	(9,000)	-	-	-	-	(9,000)
Updating of membership certificates	-	-	1,582	-	-	-	1,582
Net income for the semester	-	-	-	-	-	4,945	4,945
Balances at June 30, 2007	<u>10,469</u>	<u>(5,469)</u>	<u>686</u>	<u>-</u>	<u>-</u>	<u>9,036</u>	<u>14,722</u>
Changes in the period	<u>-</u>	<u>(5,469)</u>	<u>(1,565)</u>	<u>(232)</u>	<u>-</u>	<u>4,733</u>	<u>(2,533)</u>

See the accompanying notes to the financial statements.

Link S.A. - Corretora de Câmbio, Títulos e Valores Mobiliários

Statements of changes in financial position

Semesters ended June 30, 2008 and 2007

(In thousands of Reais)

	2008	2007
Sources of funds	<u>215,873</u>	<u>37,307</u>
Adjusted net income for the semester	<u>14,726</u>	<u>4,956</u>
Net income for the semester	13,949	4,945
Amortization and depreciation	777	11
Market adjustment - Securities and derivatives	<u>2</u>	<u>-</u>
From shareholders	<u>19,155</u>	<u>-</u>
Net assets incorporated - Link Corretora de Mercadorias Ltda.	19,155	-
From third parties	<u>181,990</u>	<u>32,351</u>
Increase in liabilities	<u>181,022</u>	<u>32,351</u>
Deposits	-	154
Other liabilities	181,022	32,197
Disposal of assets and investments	<u>968</u>	<u>-</u>
Premises and equipment	6	-
Investments	962	-
Application of funds	<u>216,185</u>	<u>37,322</u>
Dividends distributed	<u>2,080</u>	<u>60</u>
Capital decrease	<u>-</u>	<u>9,000</u>
Investments in:	<u>16,509</u>	<u>-</u>
Premises and equipment	3,814	-
Investments	12,695	-
Deferred charges	<u>2,604</u>	<u>-</u>
Increase in current and noncurrent assets	<u>193,571</u>	<u>28,262</u>
Interbank funds applied	390	7,651
Securities and derivatives financial instruments	27,473	-
Other receivable	165,151	20,609
Other assets	557	2
Decrease in current and noncurrent liabilities	<u>1,421</u>	<u>-</u>
Deposits	1,421	-
Decrease in cash and cash equivalents	<u>(312)</u>	<u>(15)</u>
Changes in financial position		
Cash and cash equivalents		
At beginning of period	551	63
At end of period	<u>239</u>	<u>48</u>
Decrease in cash and cash equivalents	<u>(312)</u>	<u>(15)</u>

See the accompanying notes to the financial statements.

Link S.A. - Corretora de Câmbio, Títulos e Valores Mobiliários

Notes to the financial statements

Semesters ended June 30, 2008 and 2007

(In thousands of Reais)

1 Operations

Link S.A. Corretora de Câmbio, Títulos e Valores Mobiliários is a stock company, with its head office in São Paulo and its activities include operating in a closed area/precinct or through stock exchange systems, subscribing to securities individually or in a consortium with other authorized companies, issuing securities for resale, intermediating in the public offer and distribution of securities on the market, purchasing and selling securities on its own account or for third parties, assuming responsibility for managing portfolios and the custody of securities, introducing, organizing and managing investment funds and clubs, acting as an intermediary in operations on the foreign exchange market and exercising other activities expressly authorized by both the Central Bank of Brazil and the Brazilian Securities Commission.

On January 1, 2008, Link S.A. Corretora de Câmbio, Títulos e Valores Mobiliários fully incorporated Link Corretora de Mercadorias Ltda. (note 15) and as from that date began to carry out transactions on account of clients also on the Futures and Commodities Exchange (BMF S.A.).

2 Presentation of the financial statements

Company management is responsible for the financial statements, which were prepared based on accounting practices derived from the Brazilian Corporation Law and rules and instructions of the Central Bank of Brazil (BACEN), together with the Accounting Chart for Institutions of the National Financial System (COSIF) and Communiqué 16669 of March 20, 2008, which dispensed the application of the accounting provisions introduced by Law 11638/07 in the preparation of the intermediary financial statements for 2008.

As described in notes 1 and 15, Link S.A. Corretora de Câmbio, Títulos e Valores Mobiliários incorporated Link Corretora de Mercadorias Ltda. on January 1, 2008. Accordingly, for an adequate understanding of the comparative statements, it should be observed that the financial statements as of June 30, 2008 present the results of the operations of the two brokerages jointly, while the financial statements as of June 30, 2007 present the results of the operations carried out only by Link S.A. Corretora de Câmbio, Títulos e Valores Mobiliários.

Link S.A. - Corretora de Câmbio, Títulos e Valores Mobiliários

Notes to the financial statements

(In thousands of Reais)

Accounting estimates are adopted for purposes of preparing the financial statements, which are based on objective and subjective factors and take into consideration Management's judgment in determining the appropriate amounts to be recorded in the financial statements. Settlement of the transactions involving these estimates could result in different amounts given the subjectivity inherent to the process for determining them. The Company reviews the estimates and assumptions at least every six months.

3 Description of a significant accounting policies

a. Statement of income

Income and expenses are recognized on the accrual basis.

b. Interbank funds applied

Represented by committed operations, remunerated at pre-fixed rates, tied to public securities (LFTs) and maturing on July 1, 2008, stated at investment values, plus income incurred, calculated on a pro-rata daily basis.

c. Securities and derivatives financial instruments

Securities are classified as trading, available for sale or held to maturity depending on Management's intentions.

Securities that are classified as "trading securities" are included in current assets and valued at market value; those classified as "available for sale" are valued at market value and those classified as "held to maturity" are stated at cost, plus any contractual income.

The adjustments to market value of securities classified as "for trading" are recorded as a corresponding entry against income or expenses for the period.

The adjustments to market value of securities classified as "available for sale" are recorded as a corresponding entry to an account included in quotaholders' equity, less any tax effects, and when the securities are sold, these adjustments are transferred to the respective income accounts for the period.

Link S.A. - Corretora de Câmbio, Títulos e Valores Mobiliários

Notes to the financial statements

(In thousands of Reais)

d. Securities clearings account

Stated at the balance for operations involving the purchase and sale of securities undertaken on the Sao Paulo Stock Exchange (BOVESPA), and Futures and Commodities Exchange (BM&F S.A.), on behalf of clients, pending settlement within the regulatory periods or on maturity of the contracts.

e. Other current and noncurrent assets

Sated at realizable values, including, when applicable, monetary variations, and income earned to the balance sheet date.

f. Permanent assets

- **Investments** - Represented mainly by shares of Bovespa Holding S.A. and the Futures and Commodities Exchange (BM&F S.A.), arising from the conversion of membership certificates into shares at the time of the respective demutualization processes, in August 2007 (Bovespa) and November 2007 (BM&F).

Until the dates of the respective demutualization processes the membership certificates were updated by the equity amounts informed by the respective exchanges and the result of the updating was recorded as capital reserve.

- **Premises and equipment** - Recorded at cost of acquisition. Depreciation is calculated using the straight-line method, based on rates that take into account their estimated useful lives according to parameters and rates established by tax legislation - 20% p.a. for Data Processing Systems and 10% p.a. for the other assets.
- **Deferred charges** - Recorded at purchase and formation cost, less amortization. Represented by “Computer processing expenses” and “Leasehold improvements”, they are amortized at the rate of 20% p.a. and over the period of the contract.

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Notes to the financial statements

(In thousands of Reais)

g. Other current and noncurrent liabilities

Other current and noncurrent liabilities - Stated at known or calculated amounts, plus, when applicable, the related charges, and monetary and/or foreign exchange variations, incurred to the balance sheet date.

Provision - A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and the amounts involved can be measured with sufficient security. The provisions are recorded considering the best estimates of the risk specific to the liability.

h. Provision for income tax and social contribution

The provision for income tax was recorded at the rate of 15% of taxable income, plus a surtax of 10% on income in excess of R\$ 240 per annum. The provision for social contribution is calculated on the taxable income before income tax. Through Provisional Measure 413/2008, published in the Official Gazette of the Federal Executive on January 3, 2008, transformed into Law 11727 of June 23, 2008, article 17, the Federal Government increased the rate of Social Contribution on Net Income of financial institutions from 9% to 15%, producing effects on the results as from May 1, 2008. RFB Regulatory Instruction 810/08 defined the calculation base of the aforementioned increase, adopting the criteria of proportionality of the gross revenues earned as from May, in relation to the total accumulated income up to the date of the calculation.

i. Contingencies

Contingent liabilities are recognized when, based on the opinion of its legal counsel, the risk of loss of judicial or administrative proceedings is considered probable, generating a probable outflow of resources for the settlement of the obligation and when the amounts involved are measurable with sufficient security. Contingent assets are recognized when the management has total control of the situation or when there are secured guarantees or favorable legal decisions on which there can be no more appeals.

Link S.A. - Corretora de Câmbio, Títulos e Valores Mobiliários

Notes to the financial statements

(In thousands of Reais)

j. Changes in the Corporation Law

On December 28, 2007, Law 11638 was published, coming into effect as from January 1, 2008. This law amended and revoked old provisions and introduced new provisions to Law 6404/76 (Corporation Law) and will introduce changes in the accounting practices adopted in Brazil. Although the abovementioned law has already come into force, the main changes introduced by it depend on the regulation on the part of the regulatory agencies for them to be fully applied by the companies. Among the main changes introduced are: (i) mandatory presentation of the statements of cash flows and added value; (ii) a change in the criteria for valuation of certain assets and liabilities; and (iii) a change in the classification of tax incentives from capital reserve to results for the year.

On March 20, 2008, the Central Bank published Communiqué 16669, informing the procedures for adjustments of the accounting standards. It was decided to determine the development of a specific action to be concluded by December 31, 2008, with the aim of encouraging the adaptation of the regulations applicable to financial institutions and the other institutions authorized to operate by the Central Bank of Brazil to the new accounting guidelines defined by Law 11.638.

During 2008, the Central Bank will publish regulations aimed at adopting procedures for the preparation and publication of financial statements in line with the new legislation. The financial statements for the base date December 31, 2008 must reflect the incorporation of the new criteria. However, at this moment and in these circumstances it is not practicable to measure with reasonable assurance the effects of the total adoption of the new law in terms of income and shareholders' equity.

Link S.A. - Corretora de Câmbio, Títulos e Valores Mobiliários

Notes to the financial statements

(In thousands of Reais)

4 Securities and derivative financial instruments

At June 30, 2008 and 2007, the securities were classified as available for sale and are presented as follows:

	2008		2007	
	Updated cost/curve value	Mark to market	Market value	Market value
Bank deposit certificates (*)	26,506	-	26,506	-
Investment funds (**)	1,056	-	1,056	-
Other	<u>15</u>	=	<u>15</u>	=
	<u>27,577</u>	=	<u>27,577</u>	-

(*) The bank deposit certificates were updated by the respective indexers, i.e. the interbank deposit index (DI) and have repurchase agreements and are frequently traded. Accordingly, they are considered as “available for sale” and classified as short-term. The bank deposit certificates have the following maturities: R\$ 9,318 in up to 365 days and R\$ 17,188 in more than 365 days.

(**) The investment fund quotas were updated by the respective value of the quota, published by the Administrator and do not have any maturity term.

There were no outstanding investments in derivative financial instruments on the balance sheet date.

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Notes to the financial statements

(In thousands of Reais)

5 Other receivable and other liabilities - Securities clearing accounts

	2008	2007
Current assets		
Other receivable:		
Securities clearing accounts	<u>297,510</u>	<u>49,550</u>
Amounts to be cleared	-	22,943
Debtors pending settlement	297,216	18,584
Market operations and financial assets to settle	-	8,023
Exchanges - Deposit in guarantee	243	-
Swaps	51	-
Current liabilities		
Other liabilities:		
Due in connection with securities dealing	<u>306,672</u>	<u>53,775</u>
Amounts to be cleared	61,722	-
Creditors pending settlement	233,493	45,755
Market operations and financial assets to settle	11,457	8,020

6 Other receivable - Other

	2008	2007
Current assets		
Taxes to compensate (*)	5,302	620
Deposits in court (Note 9)	1,886	-
Other	<u>932</u>	<u>15</u>
	<u>8,120</u>	<u>635</u>
Non current assets		
Deposits in court (Note 9)	<u>4,089</u>	<u>1,085</u>

(*)Refers mainly to prepayment of income tax and social contribution.

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Notes to the financial statements

(In thousands of Reais)

7 Permanent assets

a. Investment

At June 30, 2008 and 2007, the investments are presented as follows:

	2008	2007
	<u>12,188</u>	<u>13,536</u>
Quotas - Fundo Funcine	100	-
(-) Provision for losses in quotas of Fundo Funcine	(100)	-
Brazilian Mercantile & Futures Exchange - BM&F - Membership certificates	-	4,797
Sao Paulo Stock Exchange - Bovespa - Membership certificates	1	8,448
Custody and Financial Settlement of Securities - CETIP (2)	-	291
Shares and quotas - Bovespa Holding S.A. (1)	7,916	-
Shares and quotas - BM&F S.A. (1)	4,223	-
Trademarks and patents	48	-

- (1) On October 18, 2007, the company transferred 3,816,515 shares from Bovespa Holding S.A. and 4,223,228 shares from BM&F S.A. to “Other receivable - Other”, in the amount of R\$ 12,695. These assets will be used to reduce the Company’s capital and the process is being ratified by the Central bank of Brazil. At June 30, 2008, these assets, in compliance with what is required by BACEN, were reclassified from “Other receivable - Other” to “Permanent assets - Shares and quotas”.

In an Extraordinary General Meeting on May 8, 2008 of Nova Bolsa S.A., it was decided to incorporate the shares of Bovespa Holding S/A and BM&F S/A in the equity of BM&F BOVESPA S/A - Bolsa de Valores, Mercadorias e Futuros (Stock, Commodities and Futures Exchange). Each share of Bovespa Holding corresponded to 1.42485643 common shares (ON) (5,437,985) of the new company, plus 10% in preferred shares (PN) (381,651), which were redeemed on the date of the general meeting and liquidated on June 13, 2008 for R\$ 6,545, with a profit of R\$ 5,991, recorded in “Non-operating results”. The cost value of the 381,651 shares, in the amount of R\$ 554, was subtracted from the total shares of Bovespa Holding S.A, and a balance of R\$ 7,916 remains.

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Notes to the financial statements

(In thousands of Reais)

(2) In the semester ended June 30, 2008, the Company sold its membership certificate of CETIP (Clearing House for the Custody and Financial Settlement of Securities) at book value in the amount of R\$ 407 to the related party Link Partners S.A.

b. Premises and equipment and deferred charges

	2008		2007	
	Cost	Accumulated amortization/ depreciation	Net balance	Net balance
Facilities	330	(34)	296	-
Fixtures and equipment in use	2,122	(365)	1,757	2
Equipment for communication systems	586	(116)	470	3
Data processing system	3,874	(504)	3,370	8
Security system	<u>107</u>	<u>(17)</u>	<u>90</u>	<u>3</u>
Total	<u>7,019</u>	<u>(1,036)</u>	<u>5,983</u>	<u>16</u>
Leasehold improvements	2,892	(799)	2,093	-
Software purchases and development	<u>3,964</u>	<u>(443)</u>	<u>3,521</u>	<u>37</u>
Total	<u>6,856</u>	<u>(1,242)</u>	<u>5,614</u>	<u>37</u>

8 Other liabilities

	2008	2007
Current liabilities		
Taxes payable	<u>12,543</u>	<u>3,270</u>
Income and social contribution on income taxes (Note 10)	8,164	3,044
Taxes and contributions payable	1,767	226
Taxes and contingent contributions (Note 9)	2,612	-

Link S.A. - Corretora de Câmbio, Títulos e Valores Mobiliários

Notes to the financial statements

(In thousands of Reais)

	2008	2007
Other	<u>25,643</u>	<u>13,440</u>
Liabilities from purchase of assets and rights	10	-
Provision for payments to be made	7,977	2,700
Provision for contingent liabilities (Note 9)	3,156	1,740
Capital decrease (*)	14,500	9,000
Long-term liabilities		
Taxes payable	<u>2,093</u>	-
Taxes and contingent contributions (Note 9)	2,093	-
Other	<u>3,647</u>	<u>1,169</u>
Provision for contingent liabilities (Note 9))	3,647	1,169

(*) Refers to the capital decrease decided on in the Extraordinary General Meetings held on June 1 and July 3, 2007. The payment to the shareholder will be made after the approval of the capital decrease by the Central Bank of Brazil.

9 Contingent assets and liabilities and legal obligations

The Company is party to judicial and administrative proceedings in various courts, arising from the normal course of operations, involving tax and other issues.

Legal obligations - The Company has been challenging the legality of certain taxes and contributions, which are fully provisioned for and presented under “Other liabilities - taxes payable”, and when required by the court, deposits are made in court, presented under “Other receivable - Other”. The Company, based on the opinion of its legal advisors, does not expect losses on the outcome of these proceedings, beyond those already provided for.

Contingent liabilities - Related to the provision recorded which, in the opinion of the legal advisors, represents a probability of loss.

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The balance of the provisions recorded and the changes in the period are as follows:

	Opening balance December 31, 2007	Addition to the provision	Closing balance June 30, 2008	Deposit in court (assets)
Taxes::				
COFINS (1)	3,469	393	3,862	1,886
PIS (2)	375	261	636	-
IRPJ e CSLL (3)	4,199	2,604	6,803	3,650
CSLL 9% - 15% (4)	<u>-</u>	<u>207</u>	<u>207</u>	<u>439</u>
	<u>8,043</u>	<u>3,465</u>	<u>11,508</u>	<u>5,975</u>

- (1) **COFINS** - Refers to the provision recorded due to the litigation as a result of the expansion of the calculation basis of the Contribution for Social Security Financing (COFINS). An injunction was granted to suspend the demand for payment according to Law 9718/98 and permitting payment according to Complementary Law 70/91. Deposits were made in court until December 2007 for the part of the taxes due in accordance with Complimentary Law 70/91.
- (3) **PIS** - Refers to the provision recorded due to the litigation as a result of the expansion of the calculation basis of the contribution to the Social Integration Program (PIS). An injunction was granted suspending the demandability of the tax in the form of Law 9701/98 and permitting payment based on the revenues earned on billing in the form of Complementary Law 07/70.
- (4) **IRPJ and CSLL** - Refers to the provision recorded for income tax and social contribution from correction of the membership certificates of Bovespa and BM&F, plus interest and a fine. Although Administrative Ruling 785/77 and the precedent represented by Decision 13/97 reached the conclusion that the tax in question is not due, given the uncertainties concerning the tax authorities' understanding of this issue, management, unanimously, based on the opinion of its legal advisors, decided to record a book provision for the amount equivalent to cover possible taxes due.

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- (5) **CSLL** - Refers to the provision recorded related to the litigation on the increase of the rate from 9% to 15% as from May 2008. An injunction was granted to suspend the demandability in accordance with Law 11727/08, and to permit payment according to the legislation applicable to other companies. Deposits are being made in court with respect to the portion of the tax under litigation.

Contingent assets and liabilities - In the period no contingent assets were recognized. The company has filed litigation aimed at the restitution of amounts improperly paid as a result of the broadening of the calculation base for PIS in the period from November 1998 to December 1999 and for COFINS in the period from February 1999 to January 2000, which are monetarily restated. In the opinion of the legal advisors, the chance of success is possible.

Management is unaware of contingent liabilities of a civil or labor nature.

10 Income and social contribution taxes

- a. The reconciliation of the income and social contribution taxes is presented below:

	<u>2008</u>		<u>2007</u>	
Calculation of income tax (IR) and social contribution (CS)	IR	CS	IR	CS
Results before tax on income	35,021	35,021	7,989	7,989
Profit share	(12,701)	(12,701)	-	-
Calculation base	<u>22,320</u>	<u>22,320</u>	<u>7,989</u>	<u>7,989</u>
Additions/(exclusions):				
Non deductible expenses	1,196	1,196	-	-
PIS and COFINS contingency provisions	485	485	-	-
Dividends	(325)	(325)	-	-
Other	<u>399</u>	<u>399</u>	<u>1,004</u>	<u>1,004</u>
Taxable profit	<u>24,075</u>	<u>24,075</u>	<u>8,993</u>	<u>8,993</u>

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	2008		2007	
	IR	CS	IR	CS
Calculation of income tax (IR) and social contribution (CS)				
Charges at the rate of 15% and 9%/15% for IR and CS, respectively	3,611	2,373	1,349	809
Surtax of 10% for IR	2,395	-	888	-
(-) PAT (Workers' Meal Program) incentive.	(8)	-	(2)	-
Income tax and social contribution	<u>5,998</u>	<u>2,373</u>	<u>2,235</u>	<u>809</u>

- b. As of June 30, 2008 tax credits related to temporary differences on legal litigations were not recorded in the amount R\$ 1,601.

11 Capital social

Capital is represented by 1.908.300 shares (1,625,946 in 2007) of which 954,150 are common shares (812,973 in 2007) and 954,150 are preferential shares (812.973 in 2007). These shares were fully subscribed and paid up at the balance sheet date by shareholders domiciled in Brazil.

In the semester ended June 30, 2008, part of the accumulated profits from prior years totaling R\$ 2,080 (R\$ 60 in 2007) were distributed.

In an Extraordinary General Meeting held on January 1, 2008, the full incorporation of Link Corretora de Mercadorias Ltda by Link S.A. Corretora de Câmbio, Títulos e Valores Mobiliários, based on the equity position of December 31, 2007, was approved. As a consequence of the incorporation, the capital increase from R\$ 7,500 to R\$ 26,655, through the issuing of 941,168 new registered shares in the amount of R\$ 19,155, was approved. The process is subject to the ratification of the Central Bank of Brazil.

In an Extraordinary General Meeting held on May 30, 2007, a capital increase from R\$ 10,469 to R\$ 14,000, without issuing new shares, through the incorporation of capital reserves of R\$ 3,147, profit reserves of R\$ 232 and part of the retained earnings of R\$ 152, was approved. The capital increase was ratified by the Central Bank of Brazil on July 31, 2007.

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In an Extraordinary General Meeting held on June 1, 2007, the decrease in capital from R\$ 14,000 to R\$ 5,000, represented by 1,180,500 registered shares, through the reimbursement to its sole shareholder of 1,180,500 registered shares, of which 590,250 were common shares and 590,250 preferred shares, at the unit price of R\$ 7.623888183 which totals R\$ 9,000, was approved. This is in the process of being ratified by the Central Bank of Brazil.

The Extraordinary General meeting held on July 2, 2007 approved a capital increase from R\$ 5,000, divided into 1,625,946 nominative shares, being 812,973 ordinary shares and 812,973 preference shares with no par value, to R\$ 13,000, without the issue of new shares, through the incorporation of part of the retained earnings balance of R\$ 8,000. This process is currently being homologated by the Central Bank of Brazil.

The Extraordinary General meeting held on July 3, 2007 approved a capital decrease from R\$ 13,000 to R\$ 7,500, represented by 967,132 nominative shares, through the reimbursement to its only shareholder of 658,814 nominative shares, being 329,407 ordinary shares and 329,407 preference shares, at the unit price of R\$ 8.348335038, which amount to R\$ 5,500. This process is currently being homologated by the Central Bank of Brazil.

The corporate bylaws determine the distribution of minimum dividends of 25% of the net income, after deducting the legal reserve. Management, considering the General Meeting and based on that permitted by article 202, paragraph 3 of the Corporation Law, may decide to maintain the balance for the period in Retained earnings.

12 Interest on own capital

In the semesters ended June 30, 2008 and 2007 interest was not paid on own capital, as permitted by article 9 of Law 9249/95.

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13 Related parties

On January 1, 2008, Link S.A. Corretora de Câmbio, Títulos e Valores Mobiliários fully incorporated Link Corretora de Mercadorias Ltda (note 1 and 15) and since then it is also carrying out transactions on account of clients on the futures and commodities exchange - Bolsa de Mercadorias & de Futuros (BMF) S.A.

Previously, Link S.A. Corretora de Câmbio, Títulos e Valores Mobiliários was a clearing agent on BM&F for the transactions carried out in Link Corretora de Mercadorias Ltda. The balance receivable from BM&F is recorded under “Other receivable - Securities clearing accounts” and the balance payable to Link Corretora de Mercadorias is recorded under “Other liabilities - Due in connection with securities dealing”. At June 30, 2007, the balance to clear in BM&F and to pass on to Link Corretora de Mercadorias Ltda. is R\$ 8,020.

14 Other information

a. Other administrative expenses

	2008	2007
Communication	2,419	458
Data processing	2,917	499
Financial system services	3,614	760
Travel and meals	589	382
Advertising, publicity and publications	1,669	-
Specialized technical services	1,559	254
Events, promotions and public relations	629	-
Monetary correction of liabilities	437	-
Rent	732	123
Maintenance and preservation	686	84
Transport	261	33
Depreciation and amortization	777	11
Other expenses	<u>1,494</u>	<u>348</u>
Total	<u>17,783</u>	<u>2,952</u>

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- b.* The volume of third party funds managed, privately and through investment clubs, at June 30, 2008 was R\$ 208,880 (R\$ 102,568 in 2007).

15 Incorporation data

Incorporation of Link Corretora de Mercadorias Ltda.

According to the minutes of the partners meeting held on January 1, 2008, the total incorporation of Link Corretora de Mercadorias Ltda. by Link S.A. Corretora de Títulos e Valores Mobiliários was approved, based on its equity position at December 31, 2007, and the latter will be the successor for all of its rights and obligations. The incorporation was undertaken for corporate restructuring purposes, and will result in improved efficiency and administrative rationalization, and also a significant decrease in financial costs. As a result of the incorporation, capital was increased by R\$ 19,156 through the issue of 941,168 new shares to the only shareholder Ephemeral Holding Financeira S.A., and the process is subject to homologation by the Central Bank of Brazil.

The equity position of Link Corretora de Mercadorias, object of the incorporation on January 1, 2008, was as follows:

Assets	<u>47,510</u>
Current assets	1,679
Securities	19,530
Other receivable	26,301
Total assets	<u>47,510</u>
Liabilities	<u>28,355</u>
Deposits	310
Other liabilities	28,045

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Quotaholders' equity	<u>19,155</u>
Capital	2,492
Capital reserves	633
Retained earnings	16,030
Total liabilities	<u>47,510</u>

16 Risk management

Operating risk management - Actions were carried out aiming at implementing an operating risk management structure in conformity with CMN 3380, which affect the risk model, the concept, the operating risk categories and policies, the documentation and information storage procedures, the operating risk management reports and the disclosure process.

Market risk management - Market risk management is carried out in a centralized manner by an administrative department that is independent from the operations desk. The Company is in a position to comply within the established timeframes with the requirements of CMN Resolution 3464/07, which addresses the market risk management structure.

Liquidity risk management - Liquidity risk management is carried out by a system that permits permanent monitoring of the positions assumed by the clients in all the transactions in the markets in which it operates, so as to evidence the liquidity risk arising from the activities carried out by the Company, as required by CMN Resolution 2804/00.

Credit risk management - The credit risk run by the Company is immaterial, given that almost all the transactions are carried out within the environment of clearing houses - CBLC and BM&F - where the Company operates exclusively as an intermediary.

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17 Ombudsman

The organizational component of the ombudsman is in operation and its structure complies with the provisions established by CMN Resolution 3477, of July 26, 2007.

The Company's ombudsman is available at telephone 0800 9400266 and e-mail ouvidoria@linkinvestimentos.com.br, disclosed on the site www.linkinvestimentos.com.br.

* * *

Daniel Cardoso Mendonça de Barros
Director

Reinaldo Dantas
Accountant CRC 1SP 110330/O-6