



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

**Financial statements
December 31, 2009 and 2008**

(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)

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

Financial statements

December 31, 2009 and 2008

Contents

Independent auditors' report	3
Balance sheets	4
Statements of income	5
Statements of changes in shareholders' equity	6
Statements of cash flows	7
Notes to the financial statements	8 - 23



KPMG Auditores Independentes
R. Dr. Renato Paes de Barros, 33
04530-904 - São Paulo, SP - Brasil
Caixa Postal 2467
01060-970 - São Paulo, SP - Brasil

Central Tel 55 (11) 2183-3000
Fax Nacional 55 (11) 2183-3001
Internacional 55 (11) 2183-3034
Internet www.kpmg.com.br

Independent auditors' report

To
The Management and Shareholders
Link S.A. - Corretora de Câmbio, Títulos e Valores Mobiliários
São Paulo - SP

We have examined the balance sheets of Link S.A. Corretora de Câmbio, Títulos e Valores Mobiliários as of December 31, 2009 and 2008 and the related statements of income, changes in shareholders' equity and cash flows for the years then ended, which are the responsibility of its Management. Our responsibility is to express an opinion on these financial statements.

Our examinations were conducted in accordance with auditing standards applicable in Brazil and included: (a) planning of the audit work, considering the materiality of the balances, the volume of transactions, and accounting systems and internal accounting controls of the Company; (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 Management of the Company, as well as the presentation of the financial statements taken as a whole.

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 December 31, 2009 and 2008 and the results of its operations, changes in shareholders' equity and its cash flows, for the years then ended in accordance with accounting practices adopted in Brazil.

São Paulo, March 5, 2010

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

December 31, 2009 and 2008

(In thousands of Reais)

Assets	2009	2008	Liabilities	2009	2008
Current assets	<u>320,191</u>	<u>153,486</u>	Current liabilities	<u>297,892</u>	<u>130,706</u>
Cash and banks	226	265	Deposits	<u>2,353</u>	<u>1,725</u>
Interbank funds applied	<u>97,832</u>	<u>49,578</u>	Other deposits	2,353	1,725
Money market	97,832	49,578	Other liabilities	<u>295,539</u>	<u>128,981</u>
Securities and derivative financial instruments	<u>23,432</u>	<u>22,663</u>	Social and statutory	807	-
Own portfolio- Investment Fund and CDB - Note 4	9,549	10,607	Taxes payable	12,333	13,614
Subject to guarantees provided	13,883	12,056	Due in connection with securities clearing accounts	273,704	103,997
Other receivables	<u>197,150</u>	<u>80,535</u>	Other - Sundry	8,695	11,370
Income receivable	829	144	Non current liabilities	<u>4,944</u>	<u>5,851</u>
Securities clearing accounts	191,489	71,611	Long-term liabilities	<u>4,944</u>	<u>5,851</u>
Other	4,925	8,780	Other liabilities	<u>4,944</u>	<u>5,851</u>
(Allowance for doubtful receivable)	(93)	-	Taxes payable	733	1,983
Other assets	<u>1,551</u>	<u>445</u>	Other	4,211	3,868
Prepayments	1,551	445	Shareholders' equity	<u>39,858</u>	<u>39,969</u>
Non current assets	<u>22,503</u>	<u>23,040</u>	Capital:	<u>27,455</u>	<u>26,655</u>
Long-term assets	<u>6,042</u>	<u>6,885</u>	Domestic	27,455	26,655
Other receivables	<u>6,042</u>	<u>6,885</u>	Capital reserves	1,932	1,932
Securities clearing accounts	58	116	Revenue reserves	10,471	11,382
Other	5,984	6,769			
Permanent assets	<u>16,461</u>	<u>16,155</u>			
Investments	<u>49</u>	<u>49</u>			
Membership certificates	1	1			
Other investments	262	208			
(Provision for losses)	(214)	(160)			
Fixed assets for use	<u>6,380</u>	<u>7,166</u>			
Other fixed assets for use	9,436	8,820			
(Accumulated depreciation)	(3,056)	(1,654)			
Deferred charges	<u>6,199</u>	<u>7,823</u>			
Organization and expansion costs	9,824	9,824			
(Accumulated amortization)	(3,625)	(2,001)			
Intangible assets	<u>3,833</u>	<u>1,117</u>			
Intangible assets	4,486	1,148			
(Accumulated amortization)	(653)	(31)			
Total assets	<u><u>342,694</u></u>	<u><u>176,526</u></u>	Total liabilities and shareholders' equity	<u><u>342,694</u></u>	<u><u>176,526</u></u>

See the accompanying notes to the financial statements.

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

Statements of income

Years ended December 31, 2009 and 2008 and Semester ended December 31, 2009

(In thousands of Reais)

	<u>2nd Semester</u>	<u>Years</u>	
	2009	2009	2008
Financial operations income	<u>5,407</u>	<u>10,279</u>	<u>12,429</u>
Loans	1	1	-
Securities income	5,388	10,226	12,367
Derivative financial instruments	18	52	62
Financial operations expenses	<u>(93)</u>	<u>(93)</u>	<u>(237)</u>
Borrowings, assignments and onlending	-	-	(237)
Allowance for doubtful receivable	(93)	(93)	-
Gross income from financial operations	5,314	10,186	12,192
Other operational income/expenses	<u>7,249</u>	<u>14,204</u>	<u>21,258</u>
Service income	47,522	87,483	105,153
Personnel expenses	(14,372)	(26,700)	(34,467)
Other administrative expenses	(20,815)	(38,306)	(42,197)
Taxes expenses	(4,905)	(9,113)	(11,064)
Other operational income	719	2,434	5,234
Other operational expenses	(900)	(1,594)	(1,401)
Operational results	<u>12,563</u>	<u>24,390</u>	<u>33,450</u>
Non operational results	<u>(54)</u>	<u>(54)</u>	<u>6,014</u>
Income before taxation on profit and profit shares	<u>12,509</u>	<u>24,336</u>	<u>39,464</u>
Income tax and social contribution	<u>469</u>	<u>(4,757)</u>	<u>(6,830)</u>
Provision for income tax	333	(2,925)	(5,030)
Provision for social contribution	136	(1,832)	(1,800)
Profit sharing	<u>(16,353)</u>	<u>(16,353)</u>	<u>(20,794)</u>
Net profit (loss) for the period	<u>(3,375)</u>	<u>3,226</u>	<u>11,840</u>
Number of shares	<u>1,945,096</u>	<u>1,945,096</u>	<u>1,908,300</u>
Profit/(loss) per share R\$	<u>(1.74)</u>	<u>1.66</u>	<u>6.20</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

Years ended December 31, 2009 and 2008 and semester ended December 31, 2009

(In thousands of Reais)

	Capital	Capital reserves	Revenue reserves	Market adjustment - Securities and derivatives	Accumulated profits losses	Total
Balances at July 1, 2009	27,455	1,932	9,227	-	6,601	45,215
Reserves reversal	-	-	(1,175)	-	1,175	-
Interim dividends	-	-	-	-	(1,175)	(1,175)
Net profit (loss) for the period	-	-	-	-	(3,375)	(3,375)
Allocations:	-	-	2,419	-	(3,226)	(807)
Dividends	-	-	-	-	(807)	(807)
Legal reserve	-	-	161	-	(161)	-
Special revenue reserve	-	-	2,258	-	(2,258)	-
Balances at December 31, 2009	<u>27,455</u>	<u>1,932</u>	<u>10,471</u>	<u>-</u>	<u>-</u>	<u>39,858</u>
Changes in the period	<u>-</u>	<u>-</u>	<u>1,244</u>	<u>-</u>	<u>(6,601)</u>	<u>(5,357)</u>
Balances at January 1, 2009	26,655	1,932	11,382	-	-	39,969
Reserves reversal	-	-	(3,330)	-	3,330	-
Interim dividends	-	-	-	-	(3,330)	(3,330)
Capital increase	800	-	-	-	-	800
Net profit (loss) for the period	-	-	-	-	3,226	3,226
Allocations:	-	-	2,419	-	(3,226)	(807)
Dividends	-	-	-	-	(807)	(807)
Legal reserve	-	-	161	-	(161)	-
Special revenue reserve	-	-	2,258	-	(2,258)	-
Balances at December 31, 2009	<u>27,455</u>	<u>1,932</u>	<u>10,471</u>	<u>-</u>	<u>-</u>	<u>39,858</u>
Changes in the period	<u>800</u>	<u>-</u>	<u>(911)</u>	<u>-</u>	<u>-</u>	<u>(111)</u>
Balances at January 1, 2008	7,500	1,816	716	(2)	9,638	19,668
Interim dividends	-	-	-	-	(10,812)	(10,812)
Market value adjustments - Securities and derivatives	-	-	-	2	-	2
Capital increase	19,155	-	-	-	-	19,155
Membership certificates reserve correction	-	116	-	-	-	116
Net profit (loss) for the period	-	-	-	-	11,840	11,840
Allocations:	-	-	10,666	-	(10,666)	-
Legal reserve	-	-	592	-	(592)	-
Special revenue reserve	-	-	10,074	-	(10,074)	-
Balances at December 31, 2008	<u>26,655</u>	<u>1,932</u>	<u>11,382</u>	<u>-</u>	<u>-</u>	<u>39,969</u>
Changes in the period	<u>19,155</u>	<u>116</u>	<u>10,666</u>	<u>2</u>	<u>(9,638)</u>	<u>20,301</u>

See the accompanying notes to the financial statements.

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

Statements of cash flows

Years ended December 31, 2009 and 2008 and Semester ended December 31, 2009

(In thousands of Reais)

	<u>2nd Semester</u>	<u>Years</u>	
	2009	2009	2008
Cash flows from operational activities			
Brokerage and commission received	47,014	86,798	105,450
Income from other receivable	1	1	-
Income from securities and financial instruments	5,405	10,278	12,429
Payments to employees and suppliers	(52,300)	(80,646)	(93,328)
Taxes and contributions paid	(2,265)	(8,840)	(7,757)
Income tax and social contribution paid	(2,132)	(3,618)	(9,889)
Other payments and receiving	(234)	786	3,773
Cash provided by (used in) operating activities	<u>(4,511)</u>	<u>4,759</u>	<u>10,678</u>
(Increase) decrease in operational assets			
Securities and derivatives financial instruments	1,788	1,993	(22,557)
Securities clearing accounts	(16,944)	(119,820)	48,129
Other receivables - other	(646)	785	8,892
Other assets	434	(1,106)	(435)
(Increase) decrease in operational liabilities			
Deposits	260	628	(596)
Borrowings, assignments and onlending	-	-	(237)
Due in connection with securities dealings	53,770	169,707	(22,285)
Other liabilities	1,681	515	(9,159)
Net cash provided by (used in) operating activities	<u>35,832</u>	<u>57,461</u>	<u>12,430</u>
Cash flows from investment activities			
Purchases of fixed assets	(99)	(616)	(10,902)
Investment in intangible	(1,122)	(3,338)	-
Investment in deferred charges (+/-)	-	-	(6,750)
Investments	-	-	(12,695)
Income from sale of fixed assets	-	-	6
Income from disposal of investments	-	-	19,176
Net cash provided by (used in) investment activities	<u>(1,221)</u>	<u>(3,954)</u>	<u>(11,165)</u>
Cash flows from financing activities			
Received from capital payment	-	800	19,155
Pagament of dividends and interest on capital	(1,175)	(3,330)	(10,812)
Net cash provided by (used in) financing activities	<u>(1,175)</u>	<u>(2,530)</u>	<u>8,343</u>
Net increase in cash and cash equivalents	<u>33,436</u>	<u>50,977</u>	<u>9,608</u>
Cash and cash equivalent at the start of the period (Note 12)	67,384	49,843	40,235
Cash and cash equivalent at the end of the period (Note 12)	100,820	100,820	49,843

See the accompanying notes to the financial statements.

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

Notes to the financial statements

Years ended December, 31 and 2009 and 2008

(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 (BACEN) and the Brazilian Exchange Securities Commission (CVM)

2 Presentation of the financial statements

Company management is responsible for the financial statements, which were prepared based on accounting practices adopted in Brazil, which include Brazilian Corporation Law and rules and instructions from the Central Bank of Brazil (BACEN), together with the Accounting Chart for Institutions of the National Financial System (COSIF) and the Committee for Accounting Procedures (CPC), when applicable.

Law 11638/07 amended by Law 11,941/09, altered various rulings in Law 6404, (corporate legislation), which came into force as from January 01, 2008. The norms published by the Central Bank of Brazil to date, consider: (a) the treatment of the balance for capital reserves and the allocation of retained earnings; (b) the treatment of fixed assets and deferred charges; (c) recognition, measurement and disclosure of the impairment of fixed assets; and (d) presentation of a statement of cash flows, and (e) disclosure of related parties.

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

Notes to the financial statements

(In thousands of Reais)

3 Description of a significant accounting policies

a. Statement of income

Income and expenses are recognized on the accrual basis.

b. Accounting estimates

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.

c. Cash and cash equivalents

Cash and cash equivalents are represented by cash and cash equivalents in local currency, interbank deposits and interbank repasses, whose maturities of the operations on date of the effective investment are equal or shorter than 90 days and present an insignificant risk of change in the fair value, which are used by the Company in the management of its short-term commitments.

d. Interbank funds applied

Represented by committed operations, remunerated at pre-fixed rates, tied to public securities (LTNs). Stated at investment values, plus income incurred, calculated on a pro-rata daily basis.

e. Securities and derivatives financial instruments

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

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

Notes to the financial statements

(In thousands of Reais)

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 shareholders’ equity, less any tax effects, and when the securities are sold, these adjustments are transferred to the respective income accounts for the period.

f. Securities clearings account

Stated at the balance for operations involving the purchase and sale of shares and amounts receivable from BM&F Bovespa S.A., on behalf of clients, pending settlement within the regulatory terms or maturity of contracts.

g. Other current and noncurrent assets

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

h. Permanent assets

- **Investments** - Refers mainly to registration of brands and patents.
- **Premises and equipment** - Recorded at cost of acquisition and 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.

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

Notes to the financial statements

(In thousands of Reais)

- **Deferred charges** - Until December 03, 2008, when Circular Letter 3357, came into force, which restricted the recording of deferred charges, the expenses from logistics development and purchases and also the costs from improvements to leasehold property, required to adapt the premises to the company's needs, were recorded at acquisition or formation cost, less amortization, and were amortized at the rate of 20% p.a., and over the period of the contract, respectively.
- **Intangibles:** Refers to rights acquired, the object of which are intangible assets allocated for maintaining the Company's activities or used for this purpose. The balance refers to software, registered at acquisition cost and amortized on a straight line basis, based on the estimated useful life and according to parameters and rates established by tax legislation, at the rate of 20% p.a.

i. 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 up 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.

j. Provision for income tax and social contribution

The provision for income tax was recorded at the rate of 15% of taxable profit, plus a surtax of 10% on income in excess of R\$ 240 per annum. The provision for social contribution was recorded at the rate of 15% (9% from January to April 30, 2008) of taxable profit.

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

Notes to the financial statements

(In thousands of Reais)

k. 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.

4 Securities and derivative financial instruments

At December 31, 2009 and 2008, the securities were classified as available for sale and are presented as follows:

	2009		2008	
	Updated cost/curve value	Adjustments to market value	Mark to market	Mark to market
Own portfolio:				
Bank deposit certificates (*)	9,534	-	9,534	9,482
Investment funds (**)	-	-	-	1,110
Other	<u>15</u>	=	<u>15</u>	<u>15</u>
	<u>9,549</u>	=	<u>9,549</u>	<u>10,607</u>
Tied to guarantees provided :				
Financial Treasury Bill (***)	5,716	-	5,716	-
Bank deposit certificates (*)	<u>8,167</u>	=	<u>8,167</u>	<u>12,056</u>
	<u>13,883</u>	=	<u>13,883</u>	<u>12,056</u>

(*) The bank deposit certificates were corrected by the respective indices - i.e. the inter-bank deposit (DI) rate, have maturity in more than 365 days and due to a repurchase agreement they are redeemed regularly. This is the reason why they are considered as “available for sale” and are classified as short-term.

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

Notes to the financial statements

(In thousands of Reais)

(**) The investment funds quotas were updated by means of the respective quota prices disclosed by the Manager.

(***) Financial Treasury Bill with maturities in not over 90 days total R\$ 2,761.

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

5 Other receivable and other liabilities - Securities clearing accounts

	2009	2008
Current assets		
Other receivable:		
Securities clearing accounts	<u>191,489</u>	<u>71,611</u>
Debtors pending settlement	191,312	71,547
Credit transactions by trading and intermediating securities	93	-
Swap intermediating transactions	84	64
Current liabilities		
Other liabilities:		
Due in connection with securities clearing accounts	<u>273,704</u>	<u>103,997</u>
Till cash and liquidation	145,484	5,439
Creditors pending settlement	127,940	69,522
Market operations and financial assets to settle	280	29,036

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

Notes to the financial statements

(In thousands of Reais)

6 Other receivable - Other

	2009	2008
Current assets		
Taxes to compensate (i)	4,771	8,715
Other	<u>154</u>	<u>65</u>
	<u>4,925</u>	<u>8,780</u>
Noncurrent assets		
Deposits in court (Note 9)	<u>5,984</u>	<u>6,769</u>

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

7 Permanent assets

a. Investment

At December 31, 2009 and 2008, the investments are presented as follows:

	2009	2008
	49	49
Investment certificates	84	30
Quotas - Fundo Funcine	130	130
(-) Provision for losses in investment certificates and quotas of Fundo Funcine	(214)	(160)
São Paulo Stock exchange - Bovespa - Membership certificates	1	1
Trademarks and patents	48	48

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

Notes to the financial statements

(In thousands of Reais)

b. Fixed assets, deferred charges and intangible assets

	2009		2008	
	Cost	Accumulated amortization/ depreciation	Net balance	Net balance
Fixed assets for use				
Facilities	391	(90)	301	337
Fixtures and equipment in use	2,323	(706)	1,617	1,818
Equipment for communication systems	1,009	(259)	750	832
Data processing system	5,606	(1,967)	3,639	4,095
Security system	<u>107</u>	<u>(34)</u>	<u>73</u>	<u>84</u>
Total	<u>9,436</u>	<u>(3,056)</u>	<u>6,380</u>	<u>7,166</u>
Deferred charges				
Leasehold improvements	3,182	(1,271)	1,911	2,226
Software purchases and development	<u>6,642</u>	<u>(2,354)</u>	<u>4,288</u>	<u>5,597</u>
Total	<u>9,824</u>	<u>(3,625)</u>	<u>6,199</u>	<u>7,823</u>
Intangible assets				
Software	<u>4,486</u>	<u>(653)</u>	<u>3,833</u>	<u>1,117</u>
Total	<u>4,486</u>	<u>(653)</u>	<u>3,833</u>	<u>1,117</u>

8 Other liabilities

	2009	2008
Current liabilities		
Taxes payable	12,333	13,614
Income and social contribution on income taxes (Note 10)	4,025	6,830
Taxes and contributions payable	4,003	3,354
Taxes and contingent contributions (Note 9)	4,305	3,430
Other	<u>8,695</u>	<u>11,370</u>
Provision for payments to be made	2,850	5,697

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

Notes to the financial statements

(In thousands of Reais)

	2009	2008
Taxes and contingent contributions (Note 9)	4,984	3,312
Sundry creditors – Domestic	861	-
Capital decrease (*)	-	2,361
Long-term liabilities		
Taxes payable	<u>733</u>	<u>1,983</u>
Taxes and contingent contributions (Note 9)	733	1,983
Other	<u>4,211</u>	<u>3,868</u>
Taxes and contingent contributions (Nota 9)	4,211	3,868

(*) Refers to the capital reduction decided in the extraordinary general meeting, held on June 01 and July 03, 2007, and authorized by the Central Bank of Brazil, on November 18, 2008.

9 Contingent assets and liabilities and legal obligations

The Company is party to judicial and administrative proceedings in some 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 court and labor lawsuits, which based on information by legal counsel and on examination of these claims, provisions were created in amounts deemed to be sufficient to cover any likely losses.

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

Notes to the financial statements

(In thousands of Reais)

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

	Opening balance 12/31/08	Addition to the provision	Write-off	Closing balance 12/31/09	(Assets) Deposit in court
Taxes:					
COFINS (1)	4,450	694	(1,984)	3,160	-
PIS (2)	963	182	-	1,145	-
INSS	-	8	-	8	-
IRPJ e CSLL (3)	7,180	587	-	7,767	4,216
CSLL 9% - 15% (4)	-	733	-	733	1,768
	<u>12,593</u>	<u>2,204</u>	<u>(1,984)</u>	<u>12,813</u>	<u>5,984</u>
Labor	<u>-</u>	<u>1,420</u>	<u>-</u>	<u>1,420</u>	<u>-</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.
- (2) **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 liability 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.
- (3) **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. The judicial deposit was voluntarily performed by the Management.

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

Notes to the financial statements

(In thousands of Reais)

- (4) **CSLL** - Refers to the provision recorded with respect to the legal dispute questioning the increase in the rate from 9% to 15% as from May 2008 – an injunction was granted to suspend the liability under the terms of law 11727/08, and which permitted payment under the terms of legislation applicable to other companies. Legal deposits have been made for the tax being questioned.

Contingent assets and liabilities – Contingent assets were not considered in the accounting records. Management has no knowledge of contingent liabilities of a civil nature involving risks of possible or probable losses.

10 Income and social contribution taxes

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

	<u>2009</u>		<u>2008</u>	
	IR	CS	IR	CS
Calculation of income tax (IR) and social contribution (CS)				
Results before tax on income	24,336	24,336	39,464	39,464
Profit share	<u>(16,353)</u>	<u>(16,353)</u>	<u>(20,794)</u>	<u>(20,794)</u>
Calculation base	<u>7,983</u>	<u>7,983</u>	<u>18,670</u>	<u>18,670</u>
Additions/(exclusions):				
Non deductible expenses	1,091	1,091	1,945	1,945
PIS and COFINS contingency provisions	1,034	1,034	1,163	1,163
Dividends	(15)	(15)	(1,001)	(1,001)
Correction of contingent liabilities	999	999	1,527	965
CETIP reserve correction	-	-	399	399
Correction of deposits in court	(463)	(463)	(605)	(605)
Conversion of deposits in court	-	-	(1,567)	(1,538)
Labor contingencies	1,420	1,420	-	-
Audio-visual certificate	-	54	-	-
Donations and sponsorships – audio-visual	18	18	-	-
Allowance for doubtful receivable	<u>93</u>	<u>93</u>	<u>-</u>	<u>-</u>
Taxable profit	<u>12,160</u>	<u>12,214</u>	<u>20,531</u>	<u>19,998</u>

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

Notes to the financial statements

(In thousands of Reais)

	2009		2008	
	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	1,824	1,832	3,080	1,800
Surtax of 10% for IR	1,192	-	2,029	-
(-) P.A.T. Incentive	(19)	-	(19)	-
(-) Tax incentives	(72)	-	(60)	-
Total	<u>(2,925)</u>	<u>(1,832)</u>	<u>5,030</u>	<u>1,800</u>

b. Tax credits

The Brokerage firm has tax credits of income tax (IR) and social contribution (CS) non recorded, deriving from temporary differences on legal claims in the amount of R\$ 1,511 (R\$ 1,513 in 2008).

11 Capital

Capital is represented by 1,945,096 (1,908,300 in 2008) common shares, which 972,548 common shares (954,150 in 2008) and 972,548 preferred shares (954,150 in 2008) subscribed by a shareholder domiciled in Brazil.

Event	Date of event	Date of ratification	Amount	Number of shares			Capital amount
				Common	Preferred	Total	
Balances at January 1, 2009				954	954,150	1,908,300	26,655
Capital increase	03/19/2009	4/9/2009	800	18	18,398	36,796	27,455
Balances at December 1, 2009				<u>972</u>	<u>972,548</u>	<u>1,945,096</u>	

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 what is permitted by Article 202, Paragraph 3 of the Corporate Law, paid dividends in the amount of R\$ 4,137 (R\$ 10,812 in 2008).

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

Notes to the financial statements

(In thousands of Reais)

12 Statement of cash flows

Reconciliation of net increase in cash and cash equivalents with net profit:

	2nd semester	2009	2008
Adjusted net profit	<u>(4.664)</u>	<u>(1.217)</u>	<u>(8.710)</u>
Net profit (loss for the period)	(3,375)	3,226	11,840
Dividends and interest on own capital payments	(1,982)	(4,137)	(10,812)
(Purchase)/disposal of permanent assets	(99)	(616)	(5,171)
(Expenses) disposal of deferred charges and intangible	(1,122)	(3,338)	(6,750)
Depreciation and amortization	1,914	3,648	2,183
Provision for loss on investments	-	-	-
Variation in operational assets and liabilities	<u>38,100</u>	<u>51,394</u>	<u>(837)</u>
Increase/decrease in current assets	<u>37,218</u>	<u>52,301</u>	<u>(3,711)</u>
(except cash and cash equivalents)	(17,383)	(115,728)	38,503
Increase/decrease in non current assets	(656)	843	(4,000)
Increase/decrease in current liabilities	<u>55,257</u>	<u>167,186</u>	<u>(38,214)</u>
Increase/decrease in non current liabilities	<u>882</u>	<u>(907)</u>	<u>2,874</u>
Funds from shareholders	-	800	19,155
Net increase in cash and cash equivalents	<u>33,436</u>	<u>50,977</u>	<u>9,608</u>
		2009	2008
Cash			
Cash		2	-
Cash and banks		224	265
Interbank funds applied			
Financial Treasury Bill		97,832	49,578
Securities			
Financial Treasury Bill		<u>2,762</u>	-
Total cash and cash equivalents		<u>100,820</u>	<u>49,843</u>

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

Notes to the financial statements

(In thousands of Reais)

13 Related parties

Transactions between related parties were undertaken at usual market values, terms, and average rates in force on the respective dates and under commutative conditions:

- a. Balances of credit and debit transactions, of revenue and expenses involving related parties are as follows:

		2009	2008
Liabilities			
Other liabilities – Due in connection with securities clearing accounts	(3)	561	887
Other liabilities – Sundry creditors	(2)	861	2,361
Expenses			
Other administrative expenses - Specialized technical services	(1)	394	190

- (1) Other parent companies
(2) Indirect subsidiary
(3) Key Management's personnel

- b. Compensation of Management's key personnel

In the year ended on December 31, 2009 the Brokerage firm spent the sum of R\$ 1,064 for Management's key personnel.

14 Other information

- a. Other administrative expenses

	2009	2008
Communication	7,029	6,151
Data processing	8,292	7,208
Financial system services	5,939	9,722

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

Notes to the financial statements

(In thousands of Reais)

	2009	2008
Travel and meals	1,891	2,119
Advertising, publicity and publications	1,512	2,451
Specialized technical services	3,118	3,823
Events, promotions and public relations	1,301	1,059
Expense from monetary correction of liabilities	888	965
Rent	1,672	1,561
Maintenance and preservation	1,034	1,611
Transport	510	544
Depreciation and amortization	3,648	2,184
Other expenses	<u>1,472</u>	<u>2,799</u>
Total	<u>38,306</u>	<u>42,197</u>

- b. The volume of third party funds managed, privately and through investment clubs, at at December 31, 2009 was R\$ 301.218 (R\$ 184.986 - 2008).
- c. Non-operating income on December 31, 2008 refers substantially to the sale of Bovespa Holding S.A. shares.

15 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.

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

Notes to the financial statements

(In thousands of Reais)

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.

16 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