



BANCO BTG PACTUAL S.A.

Publicly-Held Company  
Corporate Taxpayer ID  
(CNPJ/MF):  
30.306.294/0001-45

BTG PACTUAL  
PARTICIPATIONS, LTD.  
Publicly-held Company  
Corporate Taxpayer ID  
(CNPJ/MF):  
15.073.274/0001-88

#### MATERIAL FACT

BANCO BTG PACTUAL S.A. ("BTG Pactual") and BTG PACTUAL PARTICIPATIONS, LTD. ("BTG Participations" and, jointly with BTG Pactual, "Companies"), in accordance with the provisions of Article 157, Paragraph 4 of Law 6404/76 and pursuant to Instruction No. 358 of the Brazilian Securities and Exchange Commission ("CVM"), of January 3, 2002, as amended, and to CVM Instruction No. 567, of September 17, 2015 ("CVM Instruction 567"), hereby announce that, following the material facts released by the Companies on November 25, 2015, December 14, 2015, February 15, 2016 and July 14, 2016, and due to the stock dividend ("Stock Dividend") under the transaction of segregation of its activities of *commodities* negotiation (the activities developed by the Brazilian negotiating table of energy not included) ("Transaction") - which has changed the reference for the total number of theoretical Units and Units held by the Companies' *free float* - the Companies' Board of Directors approved (a) the cancellation of the Units and of BTG Pactual's Class C preferred shares held in treasury and (b) the continuation of the Buyback Program, as detailed below:

- (a) cancellation of (i) 13,257,400 Units that were repurchased in transactions under the Buyback Program, and of (ii) 11,074,800 Class C preferred shares, received as part of the Stock Dividend, and that would be converted into 3,132,019 Units after the conclusion of the Transaction;
- (b) concerning the Buyback Program, the acquisition of up to 17,500,000 Units - covering the acquisition of underlying assets of the Units, individually or jointly -, subject, in any case, to the limit of 10% of the outstanding shares for the maintenance of the shares held in treasury, as provided for in CVM Instruction 567 and the following conditions:
  - The goal is to efficiently allocate the cash available, and also demonstrate the Companies' trust in their capital structure;
  - The Companies do not hold, already considering the Cancellation, no Unit or share held in treasury;
  - The settlement of the operations authorized by the Board of Directors will be held until May 24, 2017;

- The acquisition transactions will be intermediated by BTG Pactual Corretora de Títulos e Valores Mobiliários S.A;
- The Units acquired will be, at first, held in treasury or cancelled. Nevertheless, BTG Pactual does not exclude other possible destinations for Units eventually acquired.

São Paulo, September 29, 2016.

BANCO BTG PACTUAL S.A.  
JOÃO MARCELLO DANTAS LEITE  
Investor Relations Officer

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