

THIS NOTICE TO THE MARKET MAY NOT BE DISCLOSED, DISTRIBUTED OR REPRODUCED IN THE UNITED STATES.

THIS NOTICE TO THE MARKET IS EXCLUSIVELY FOR INFORMATIONAL PURPOSES AND IS NOT PART OF ANY OFFER TO SELL OR SOLICITATION OF AN OFFER TO BUY SECURITIES ISSUED BY BANCO BTG PACTUAL S.A., ENGELHART CTP GROUP S.A. AND/OR ANY OF THEIR AFFILIATED ENTITIES (COLLECTIVELY, THE "SECURITIES") IN THE UNITED STATES OR IN ANY OTHER JURISDICTION. THE SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT")) EXCEPT PURSUANT TO REGISTRATION UNDER THE SECURITIES ACT OR AN EXEMPTION THEREFROM. NO PUBLIC OFFERING OF SECURITIES WAS OR WILL BE CARRIED OUT IN THE UNITED STATES OR IN ANY OTHER JURISDICTION AND, ACCORDINGLY, THE SECURITIES WERE NOT REGISTERED AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND/OR ANY OTHER APPLICABLE LEGISLATION.

BANCO BTG PACTUAL S.A.

Publicly Held Company
Corporate Taxpayer ID 30.306.294/0001-45
Praia de Botafogo No. 501, 6th floor
Rio de Janeiro, RJ, Brazil

NOTICE TO THE MARKET

Banco BTG Pactual S.A. ("Banco") hereby informs its shareholders and the market in general, further to the Material Fact dated June 29, 2016 and the Notices to the Shareholders dated July 18, September 6 and September 27, 2016 that (i) on the date hereof, [596,209,676] Class A shares of Engelhart CTP Group S.A. ("Engelhart CTP") were delivered to the shareholders that elected to receive equity interest in Engelhart CTP against delivery to Banco of [596,209,676] Class C Preferred Shares ("PNCs") that were allocated to such alternative (with no Proration, as defined in the above-mentioned Material Fact, having applied), and (ii) on [October 14, 2016], [59,457,673] additional BBTG11 units (such amount already reflecting the cancellation that was announced in the Material Fact dated September 29, 2016) will be added to the book-entry position of those shareholders that did not elect to receive equity interests in Engelhart CTP.

Additionally, the transactions referenced above resulted in fractions of BBTG11 units that will be grouped together in whole numbers ("Remainder") and sold at an auction at BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros ("BM&FBOVESPA") to occur on a date and time to be disclosed to the market in due course, with the resulting net proceeds to be made available to each respective holder of such fractions. The exact amount of the Remainder will be disclosed

to the market in due course following receipt and consolidation of the information by the BM&FBOVESPA and by the depository. Even so, we expect that the amount of such BBTG11 units to be sold at auction will represent an immaterial amount when compared to the total amount of BBTG11 units and even to the total amount of BBTG11 units issued in connection with the transactions referenced above.

LEGAL NOTICE. This notice to the market contains forward-looking statements that are identified by terms and phrases such as “anticipate,” “believe,” “intend,” “estimate,” “expect,” “continue,” “should,” “could,” “may,” “plan,” “project,” “predict,” “will” and similar expressions and are mainly based on Banco’s current expectations and estimates of future events and trends that affect or may affect its business, financial condition, results of operations, cash flow, liquidity, prospects, the trading price of its securities (including BBTG11 units) and its ability to deleverage, improve its Basel ratio, effect the distribution of Engelhart CTP shares or issue and distribute additional BBTG11 units to its unit holders as described above and on reasonable terms or at all. These forward-looking statements are subject to several risks and uncertainties, which may change from time to time. It’s impossible for Banco to predict how forward-looking statements may be affected by such risks and uncertainties, and Banco does not have any duty to, and does not intend to, update or revise the forward-looking statements in this announcement, except as may be required by law.

São Paulo, October 13, 2016.

BANCO BTG PACTUAL S.A.

João Marcello Dantas Leite

Investor Relations Officer