Third Quarter Earnings Release

Conference Call Presentation

November 7, 2012

Please read carefully the disclaimer at the beginning of this presentation.

Disclaimer

This presentation has been prepared by Banco BTG Pactual S.A. ("Banco BTG Pactual") and BTG Pactual Participations Ltd. ("BTG Pactual", and together with their respective subsidiaries, the "BTG Pactual") for the exclusive use of the earnings call of the 3rd Quarter 2012. This presentation should not be considered a complete document and should be analyzed enclosed with the earnings release and the financial statements for the same period.

This presentation has been prepared solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. No person should construe the contents of this presentation as legal, tax, accounting or investment advice or a recommendation. This presentation does not purport to be all-inclusive or to contain all of the information that investors in BTG Pactual may require. No investment, divestment or other financial decisions or actions should be based solely on the information in this presentation.

Earnings Release – Third Quarter 2012

English Conference Call

November 7, 2012 (Wednesday)

10:00 am (New York) / 1:00 pm (Brasília)

Phone: +1 (412) 317-6776

Code: BTG Pactual

Replay: +1 (412) 317-0088

Code: 10019273

Portuguese Conference Call

November 7, 2012 (Wednesday)

8:00 am (New York) / 11:00 am (Brasília)

Phone: +55 (11) 2188-0155

Code: BTG Pactual

Replay: +55 (11) 2188-0155

Code: BTG Pactual

Webcast: The conference calls audio will be live broadcasted, through a webcast system available on our website www.btgpactual.com/ir
Participants are requested to connect 15 minutes prior to the time set for the conference calls.

Investor Relations
Email: ri@btgpactual.com
Phone: +55 (11) 3383-2000
Fax: +55 (11) 3383-2001

Performance Summary | 3Q 2012

1 **For the 3rd Quarter total revenues reached R$1.7 billion and net income R$793 million**

- ROAE of 24.9%
- Net income at R$0.90 per unit

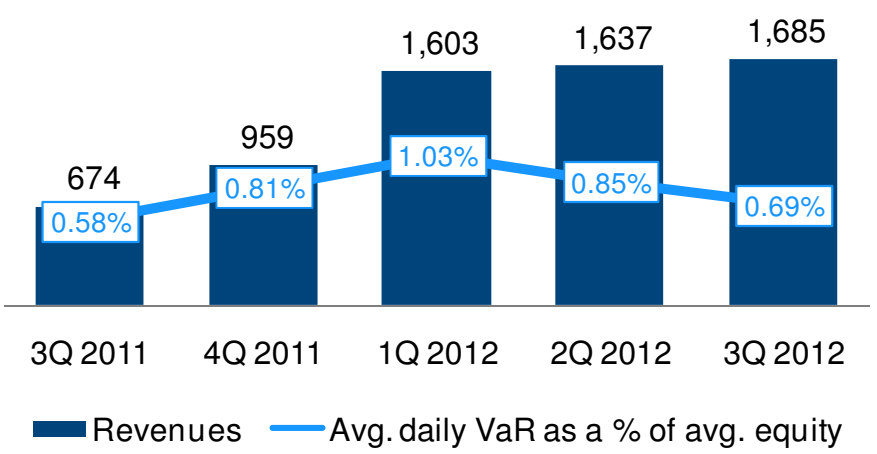
2 **Costs remained stable**

- Cost to income ratio at 37%
- Coverage ratio at 220%

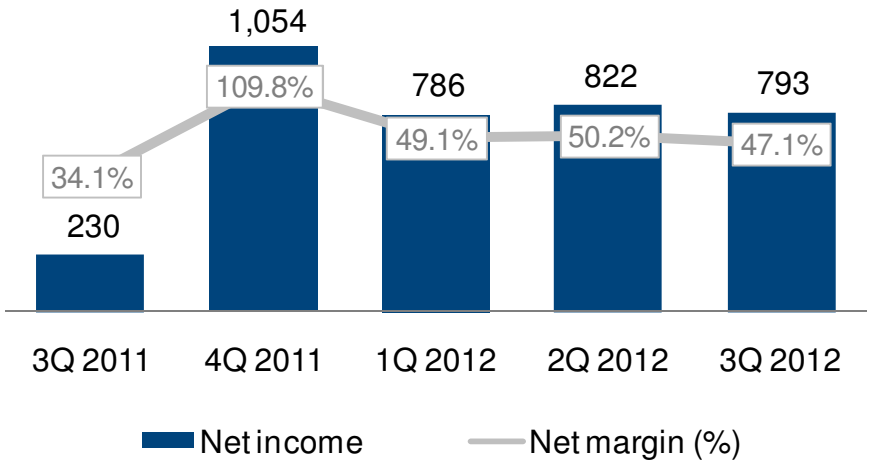
3 **Total assets reached R$161.3 billion, 18% up from the previous quarter, and the Basel ratio is at 17.2%**

- VaR in the quarter reduced significantly, to R$88 million or 0.69% of average shareholders equity

Revenues (R$ million)



Net Income (R$ million)



BTG Pactual

Performance Summary | 9 Months 2012

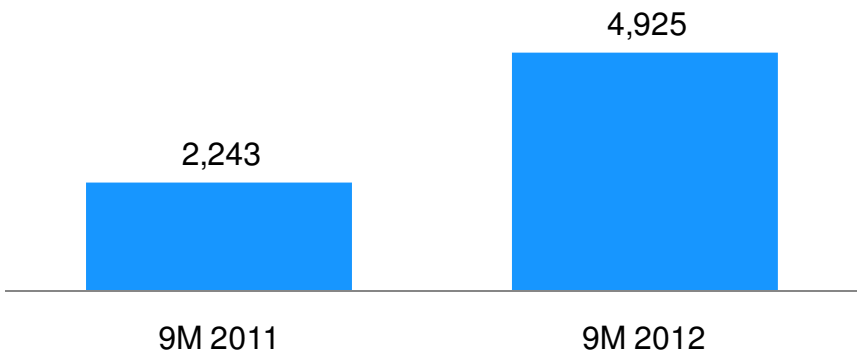
1 **Solid performance in the first three quarters, contributed to the strong performance year to date**

- Total revenues growth of 120%, reaching R$4.9 billion and net income of R$2.4 billion
- Maintenance of year to date annualized ROAE close to 30%

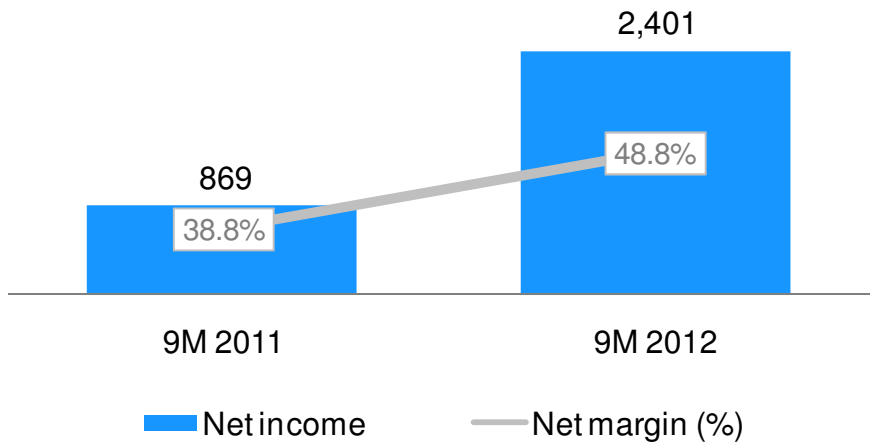
2 **Maintenance of strong KPIs**

- Cost to income ratio is 38% (33%, if adjusted by transaction expenses(1) and goodwill amortization expenses), down from 43% for the 1st 9 months 2011
- Coverage ratio at 196% (223%, if adjusted by transaction expenses(1)) versus 215% for the 1st 9 months 2011
- Net margin at 49%, up from 39% in 2011

Revenues (R$ million)



Net Income (R$ million)



Note:
(1) Transaction expenses: Apri 2012 IPO expenses and 3Q 2012 bond issuances

Section 1

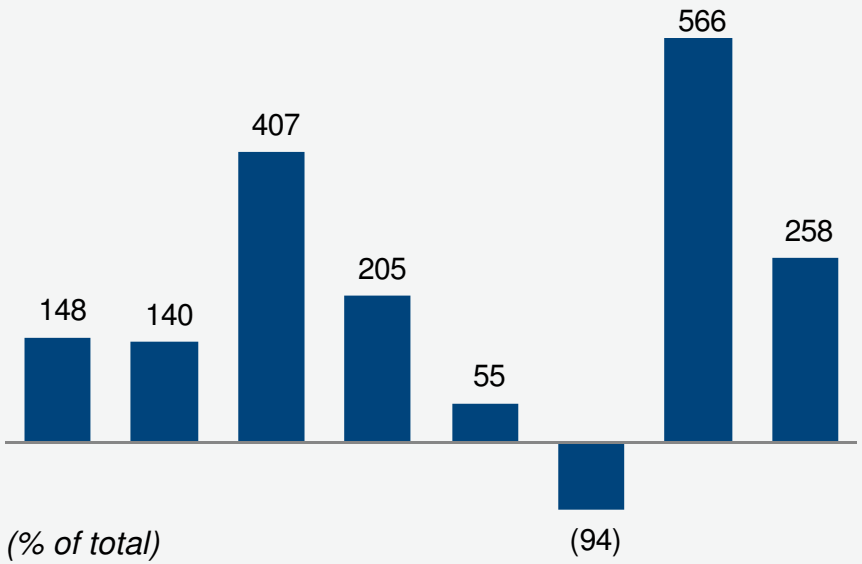
Business Areas

Total Revenues | Business Units Breakdown

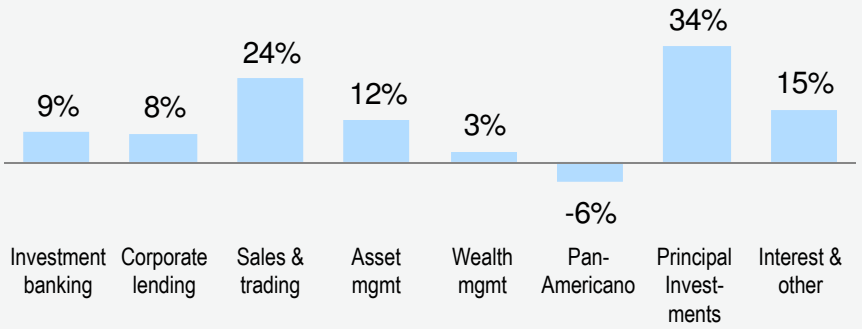
3rd Quarter 2012

Total Revenues = R$1.7 billion

(R$mm)



(% of total)

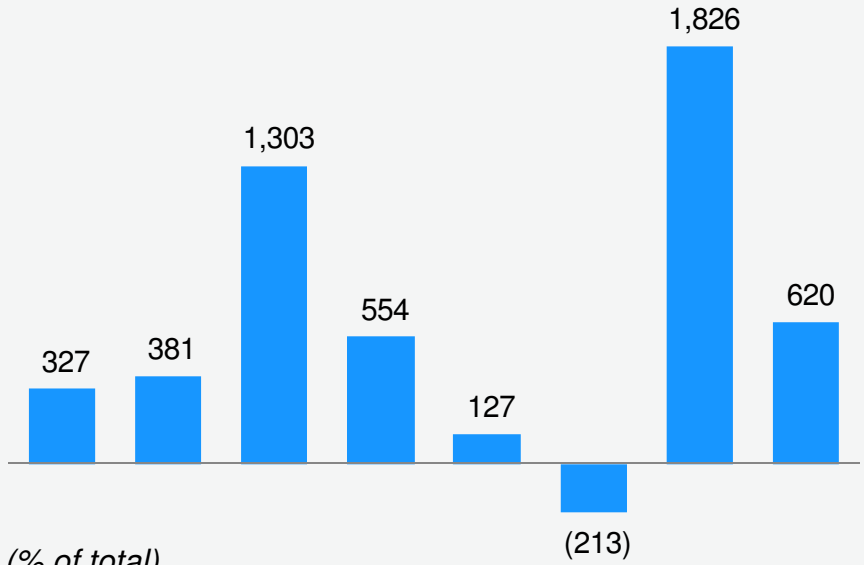


Investment banking | Corporate lending | Sales & trading | Asset mgmt | Wealth mgmt | Pan-Americano | Principal Invest-ments | Interest & other

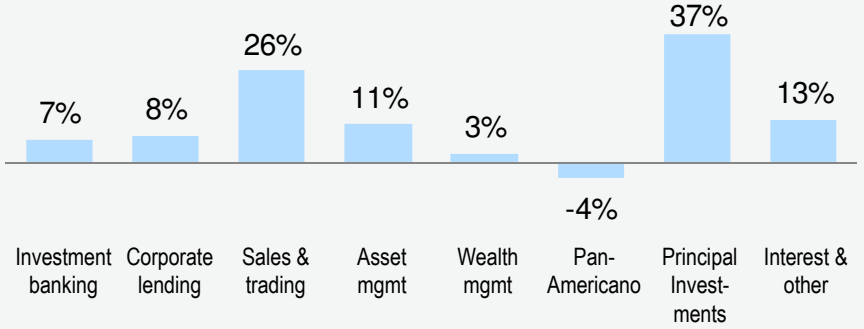
Year to date 2012

Total Revenues = R$4.9 billion

(R$mm)



(% of total)



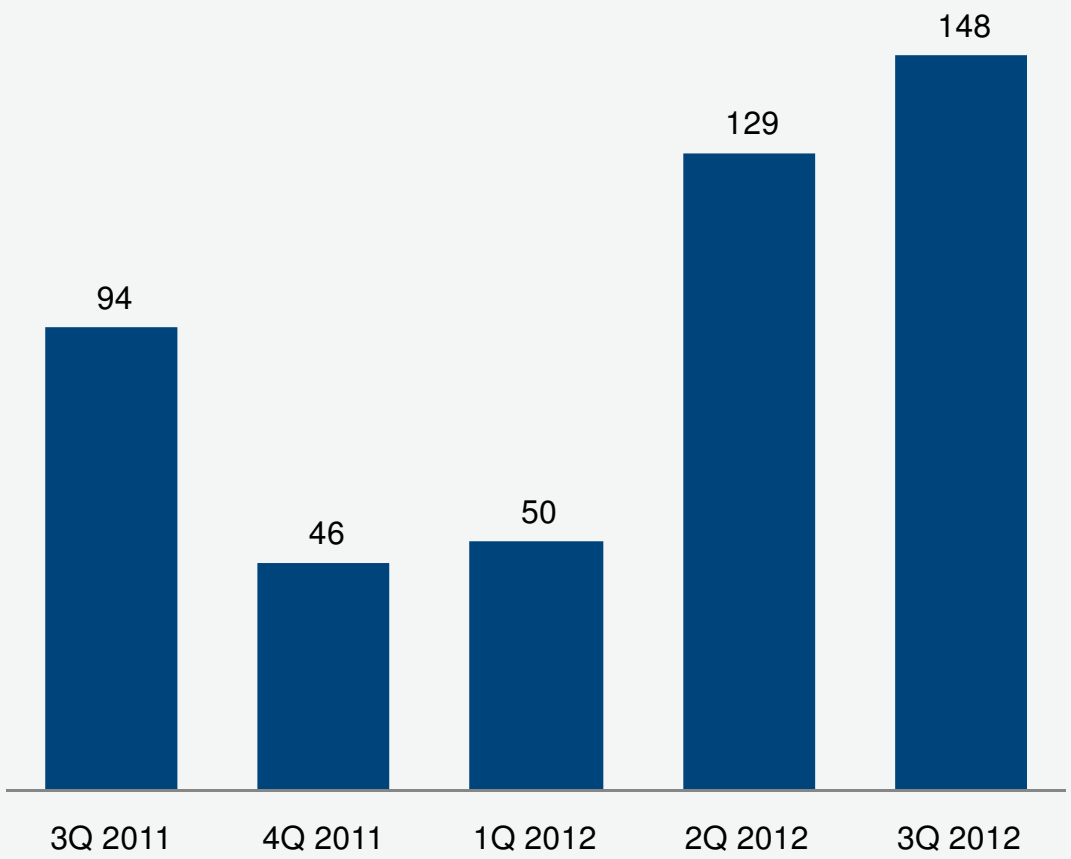
Investment banking | Corporate lending | Sales & trading | Asset mgmt | Wealth mgmt | Pan-Americano | Principal Invest-ments | Interest & other

BTG Pactual

Investment Banking

Better performance of investment banking in the 3Q 2012 drove year to date revenues to be relatively stable in comparison to last year (R$327 in 2012 million vs R$330 million in 2011)

Revenues (R$ million)



Overall market slowed down in the 3Q 2012

- M&A market announced volumes were approximately half of the 2Q 2012
- ECM market with only one follow-on offering concluded, in line with the soft trend for the year
- DCM market continued to post solid market volumes

BTG Pactual benefited from strong M&A revenues and continuing DCM activity

- Solid revenues from financial advisory driven by Tam/Lan transaction closing

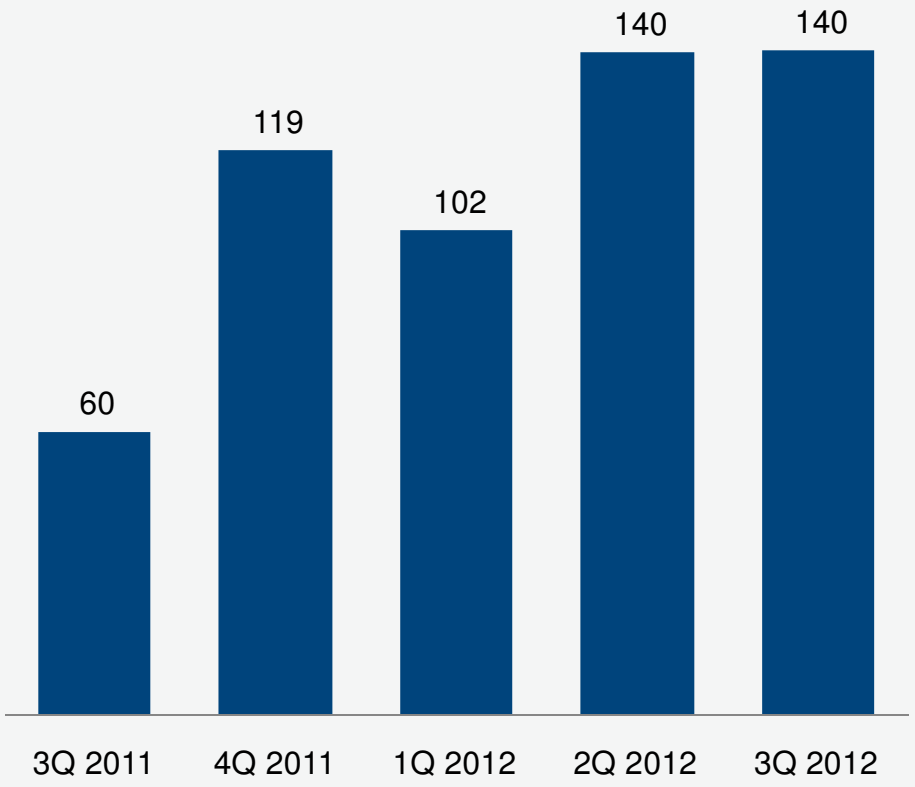
BTG Pactual

Corporate Lending

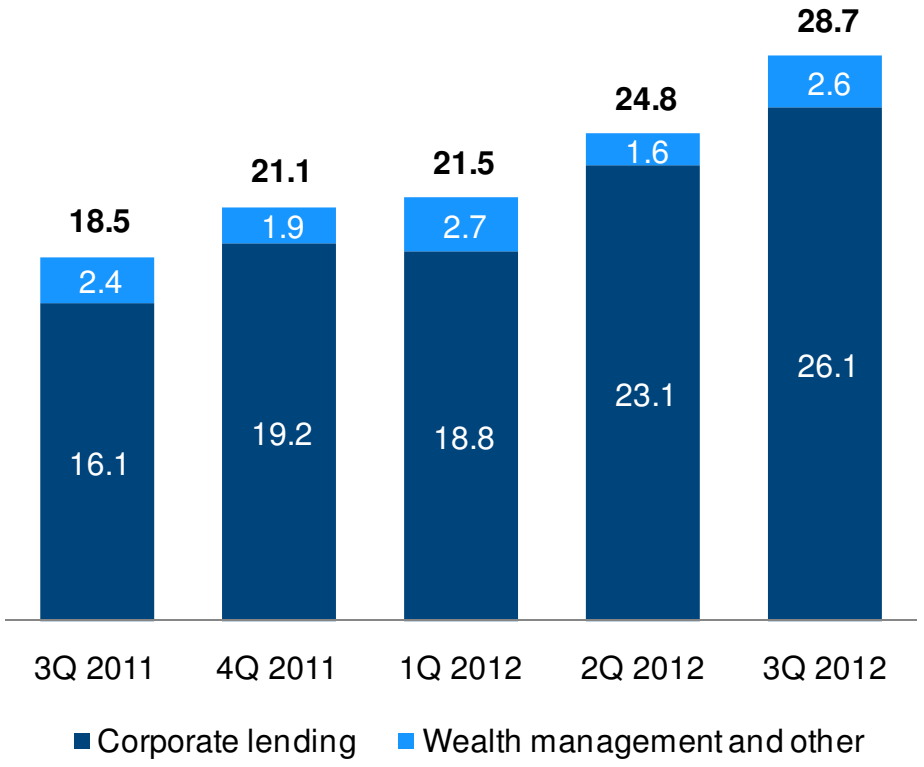
Corporate lending book with net disbursement of R$2.9 billion in the 3Q 2012

- Continuing good performance of corporate lending driven by the growth of our banking book
- Revenues were impacted by some small one-off increases in loan loss provision

Corporate Lending Revenues (R$ mm)



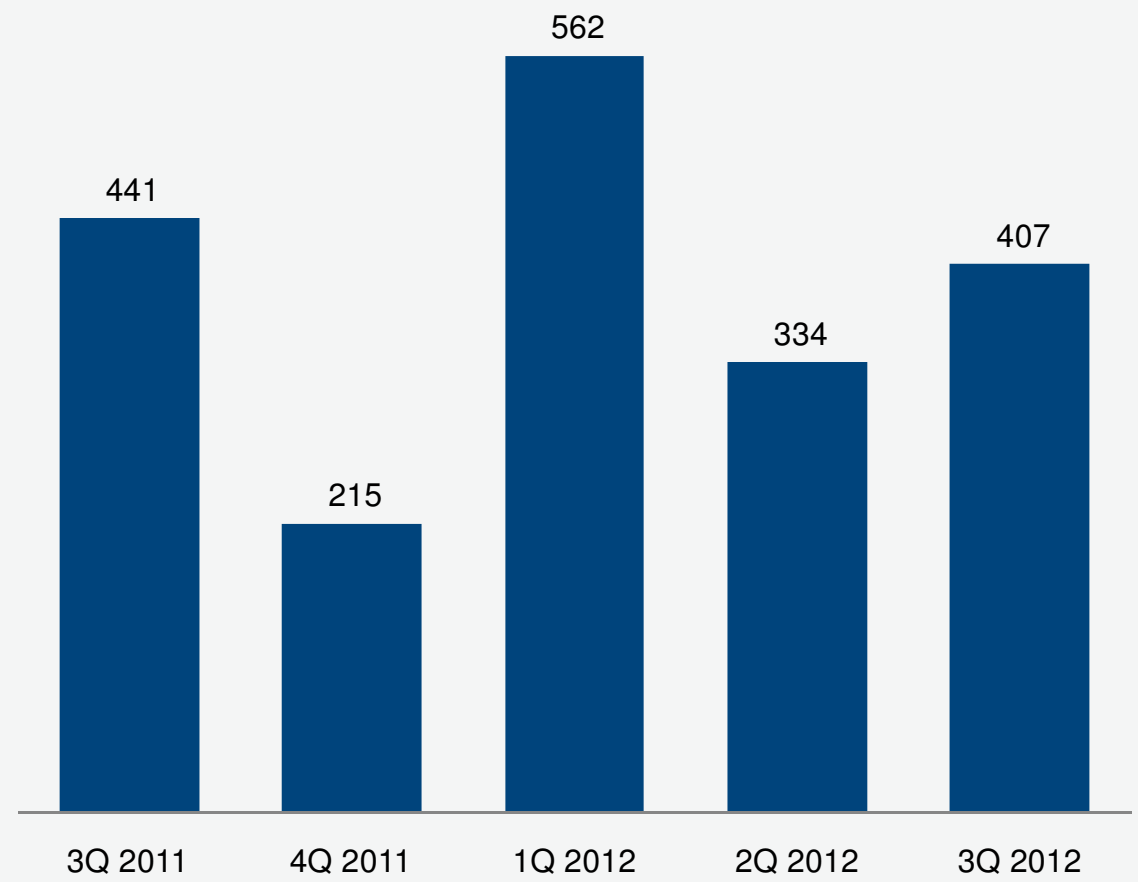
Broader Credit Portfolio Breakdown (R$ bn)



Sales and Trading

Sales and Trading revenues continued to present a good performance in the 3Q 2012

Revenues (R$ million)



Sales & trading revenues were driven by good performance of most desks

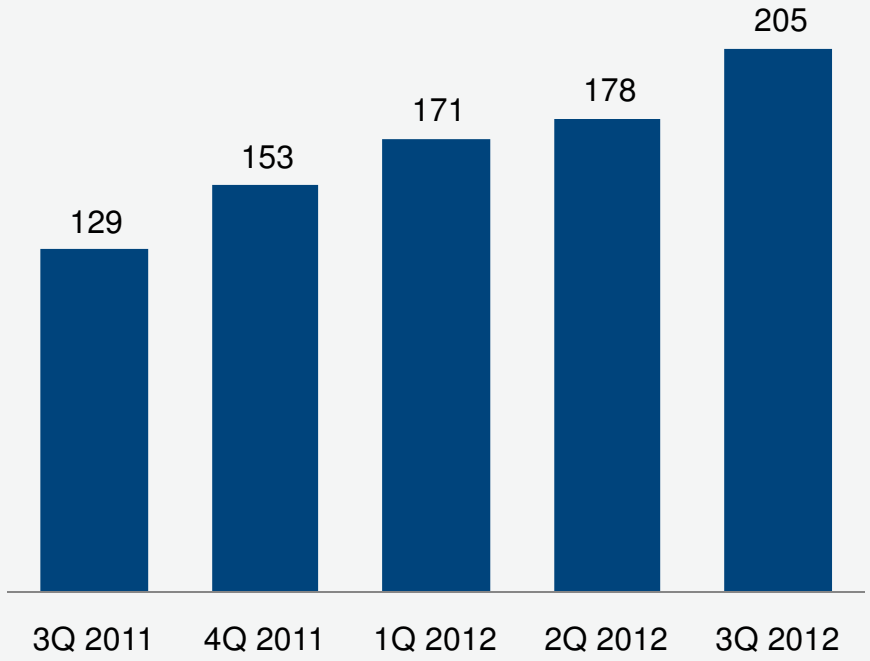
- When compared to 2Q 2012 there were (i) higher revenues from most equities desks and (ii) continuing good performance from FX
- Fixed income desks also presented good performance in the 3Q 2012

Asset Management

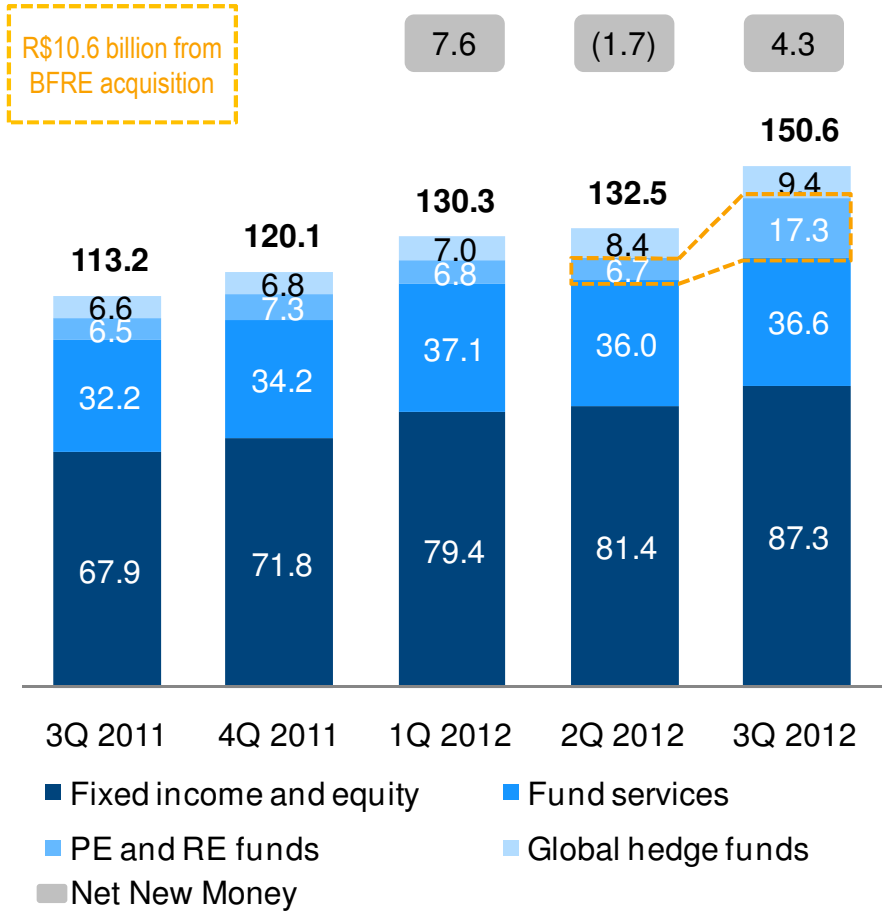
Strong revenue growth in the nine months of 2012 when compared to 2011, more than R$10 billion NNM and 25% AuM and AuA growth

- 3Q 2012 positively impacted by an increase in management fees
- Performance fees remained stable when compared to 2Q 2012

Revenues (R$ million)



AuM and AuA (R$ billion)



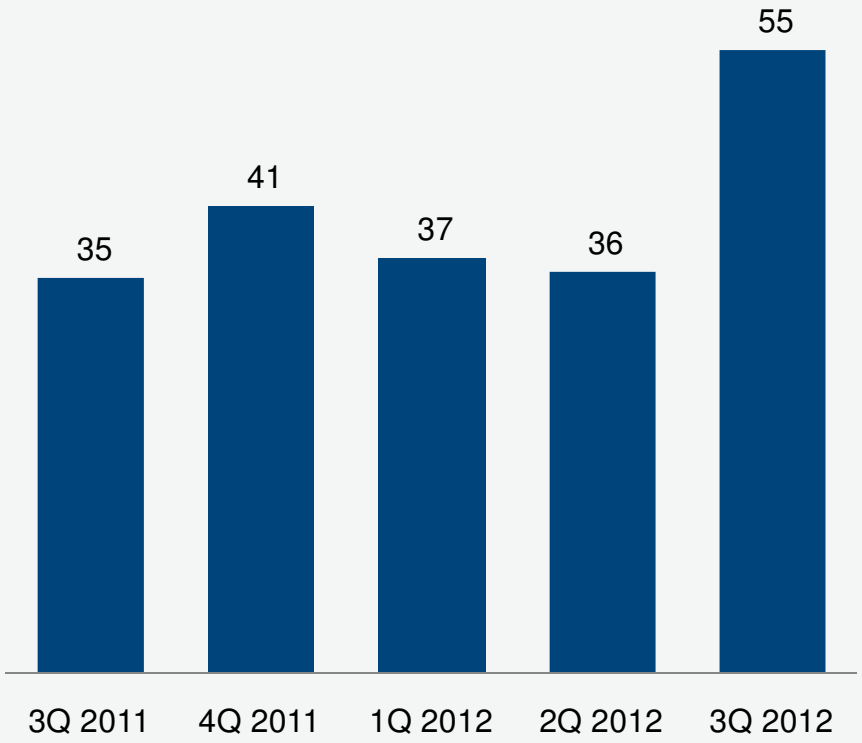
BTG Pactual

Wealth Management

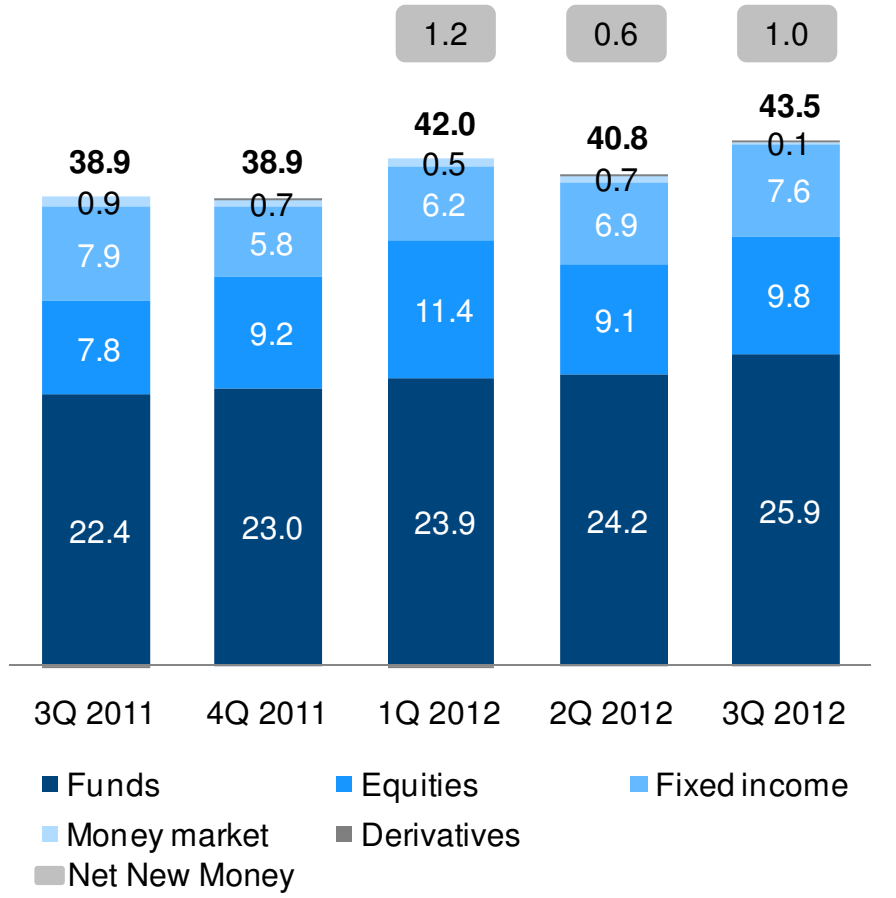
Continuing WuM growth, 12% year to date, and strong revenues for the 3Q 2012

- Revenues in the 3Q 2012 were impacted by a R$6 million loan loss provision reversal, compared to an expense of R$10 million in 2Q 2012

Revenues (R$ million)



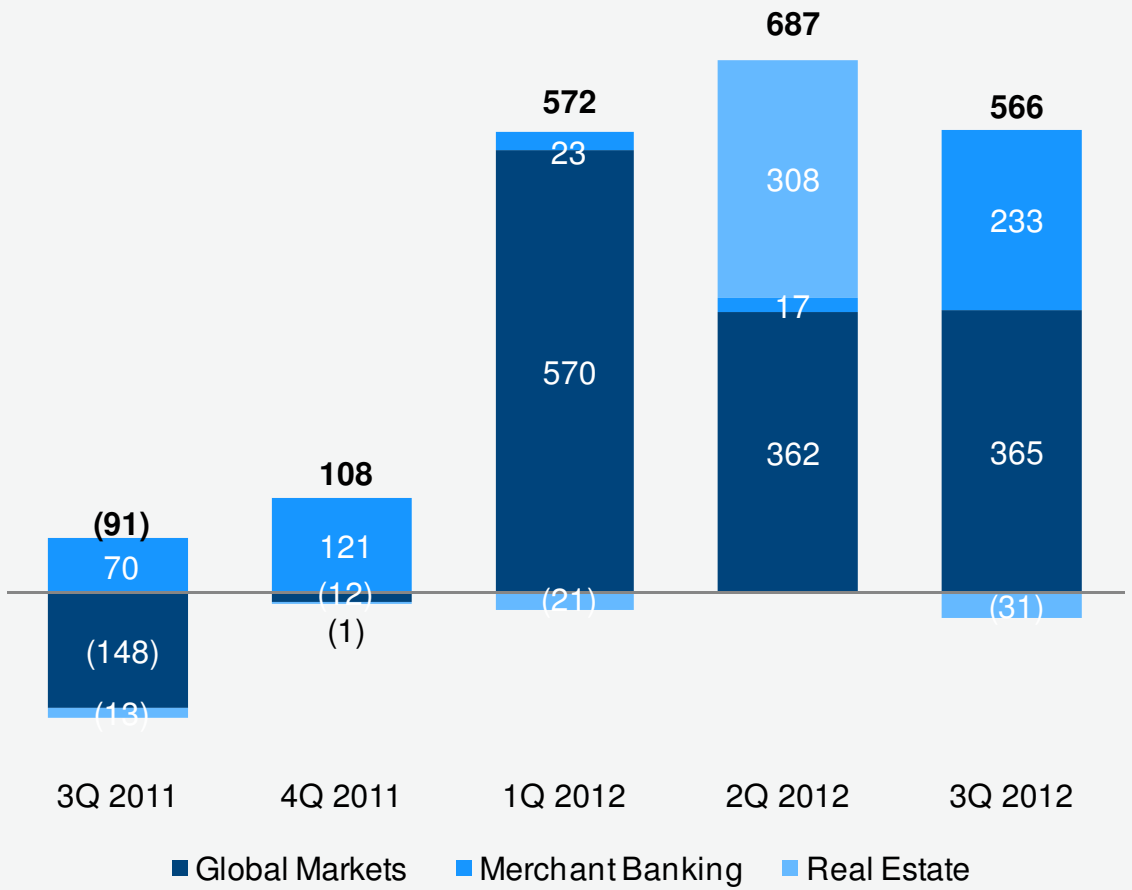
WuM (R$ billion)



Principal Investments

Strong revenue growth for the 9 months of 2012 driven by continuing good performance in Global Markets and some revenues from Merchant Banking and Real Estate

Revenues (R$ million)



3Q 2012 with good performance from most of our Global Markets strategies, particularly:

- US mortgages
- EM credit

Merchant banking revenues in the 3Q 2012 impacted by the sale of STR Participações in the quarter

Real estate revenues with no significant event in the period

Section 2

Expenses

Expenses and Main Ratios

Expenses continue to be under control

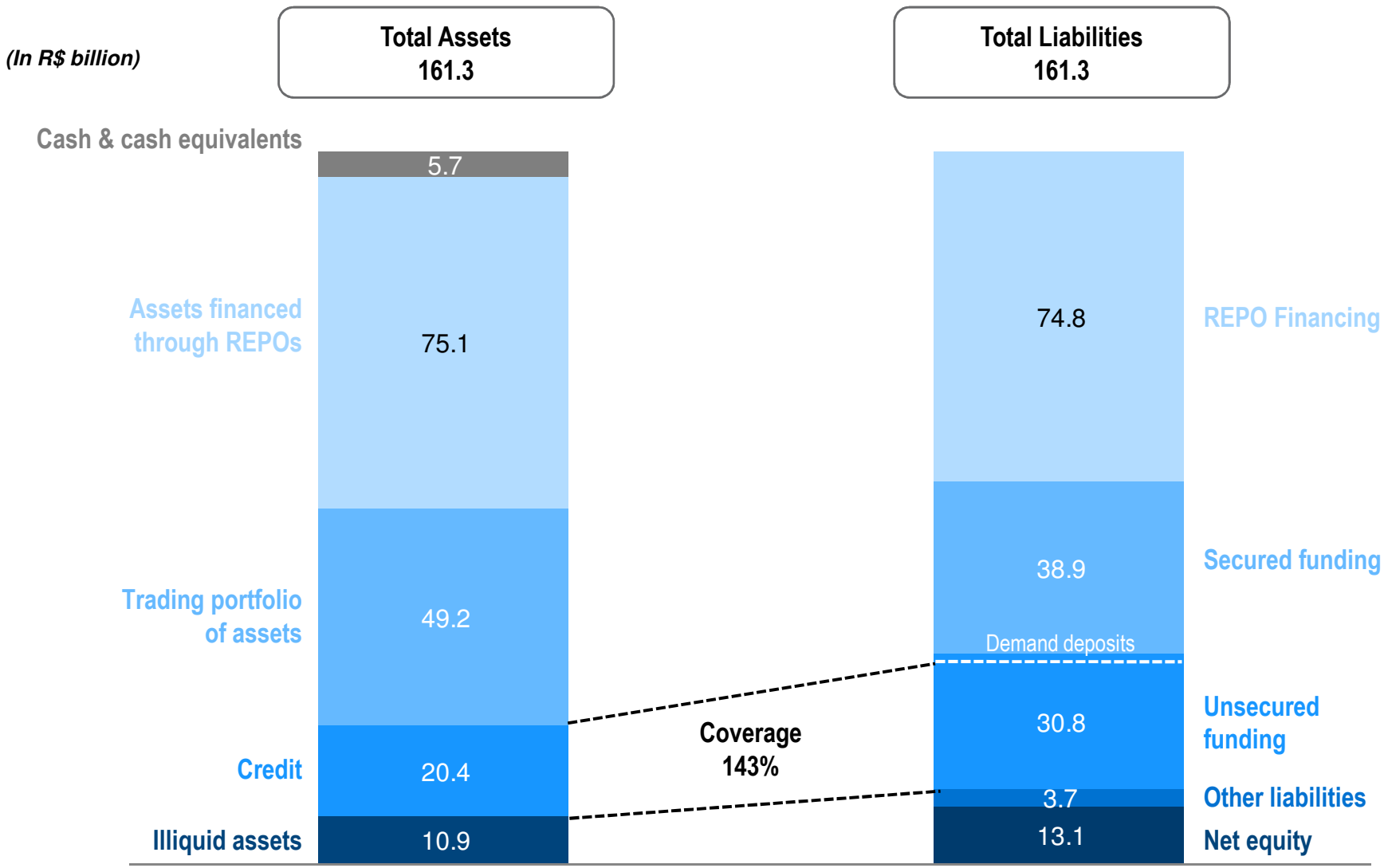
(in R$ mm, unless stated)	Quarter			3Q 2012 % change to		Year to Date		9M 2012 % change to
	3Q 2011	2Q 2012	3Q 2012	3Q 2011	2Q 2012	9M 2011	9M 2012	9M 2011
Bonus	(87)	(280)	(335)	286%	20%	(349)	(947)	172%
Retention expenses	(19)	-	-	-100%	n.a.	(52)	(6)	-89%
Salaries and benefits	(59)	(74)	(78)	32%	5%	(168)	(223)	32%
Administrative and other	(81)	(150)	(128)	57%	-15%	(234)	(346)	47%
Goodwill amortization	(6)	(170)	(14)	152%	-92%	(22)	(190)	748%
Tax charges, other than income tax	(44)	(58)	(63)	43%	8%	(131)	(171)	31%
Total operating expenses	**(296)**	**(732)**	**(617)**	**109%**	**-16%**	**(956)**	**(1,882)**	**97%**
Cost to income ratio	44%	45%	37%			43%	38%	
Compensation ratio	22%	22%	24%			23%	24%	
Coverage ratio	**201%**	**167%**	**220%**			**215%**	**196%**	
Coverage ratio (adj. for extraordinary expenses)	201%	215%	239%			215%	223%	
Income tax and social contribution	**148**	**83**	**275**	**86%**	**230%**	**417**	**643**	**54%**
Effective income tax rate (%)	39%	9%	26%			32%	21%	

Note:
(1) Adjusted for goodwill amortization expenses
(2) Adjusted for transaction expenses (April 2012 IPO and 3Q 2012 bonds issuance)

Section 3

Balance Sheet

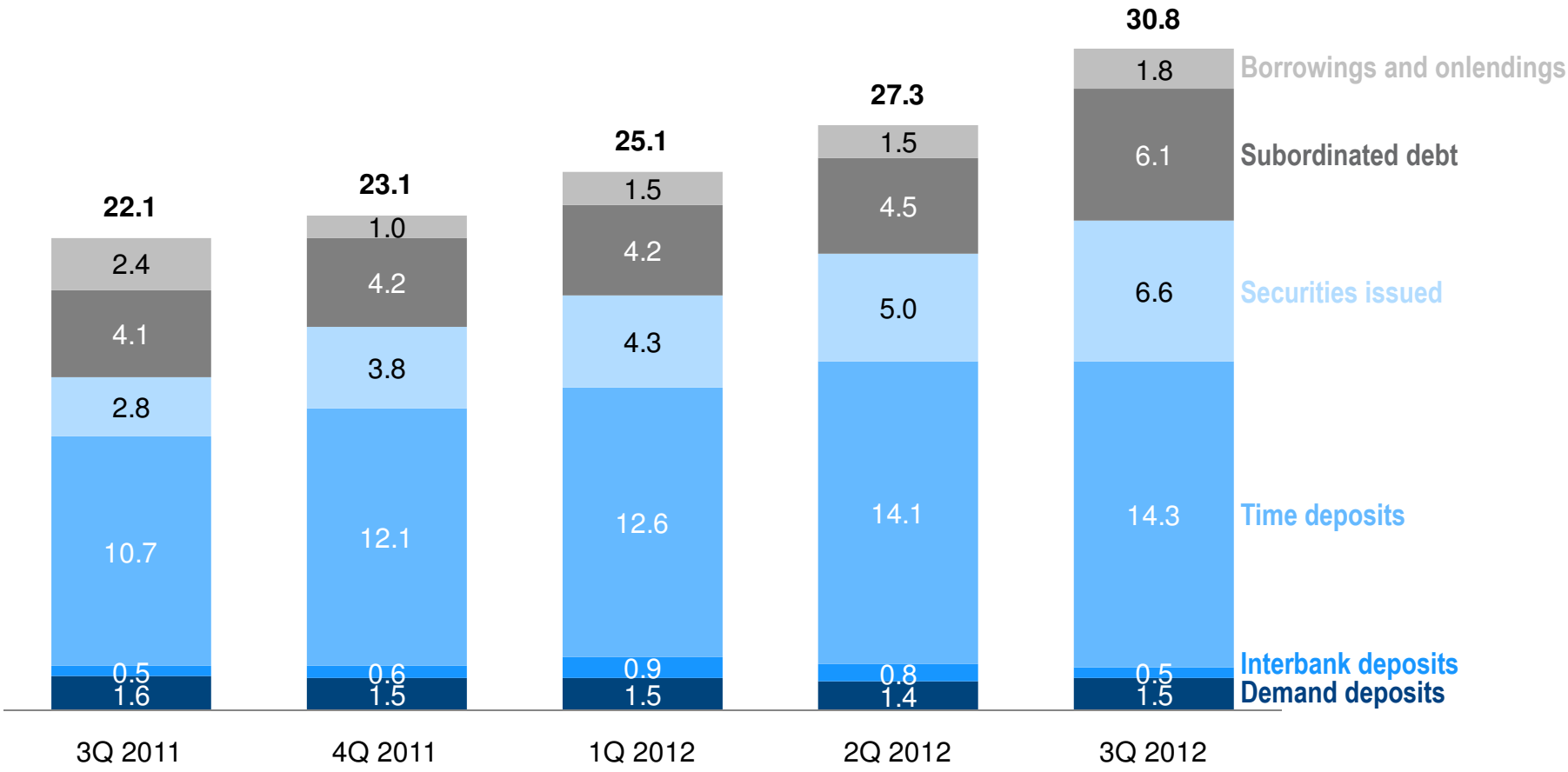
Balance Sheet Analysis



Unsecured Funding Base

In the 3Q 2012 we were able to increase our liquidity profile, with most of the unsecured funding growth of R$3.5 billion concentrated in securities issued and subordinated debt

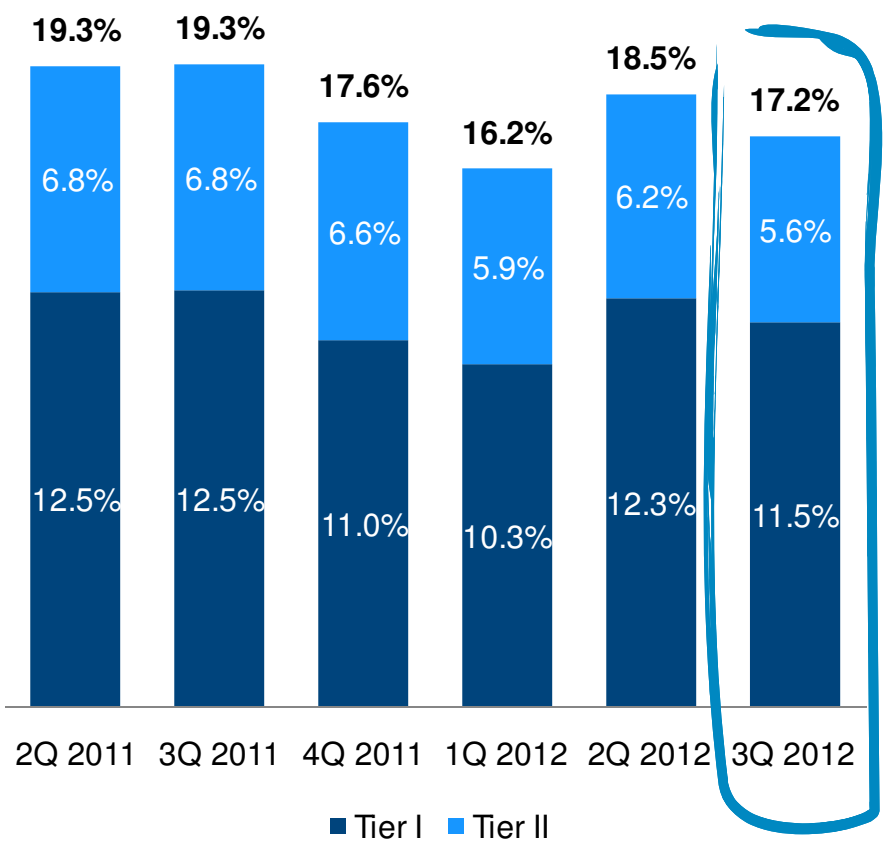
(In R$ billion)



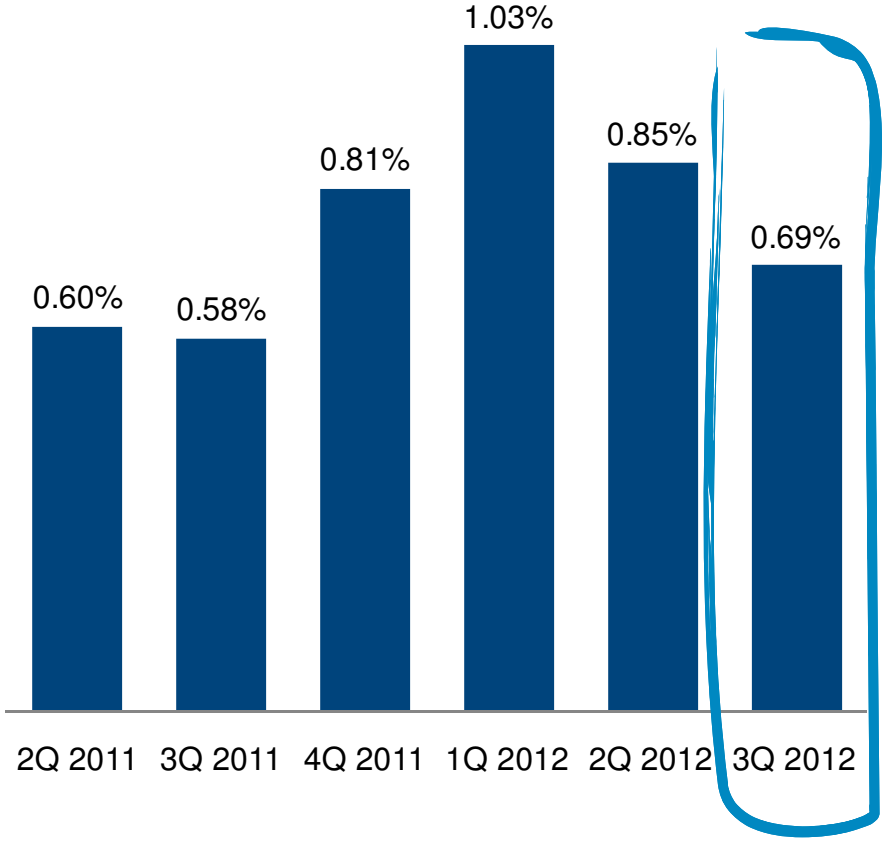
Basel Ratio and VaR

At the end of the quarter Banco BTG Pactual's Basel Ratio was at 17.2%

Basel Ratio (%)



Daily Average VaR (% of average equity)



BTG Pactual