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BANCO BTG PACTUAL S.A.
Publicly-Held Company
Corporate Taxpayer's ID: 30.306.294/0001-45

MATERIAL FACT

Banco BTG Pactual S.A. ("BTG Pactual"), pursuant to CVM Instruction 358, hereby informs its shareholders and the market that it has decided to implement the separation ("Separation") of its commodity trading activities, with the exception of those activities carried out by the Brazil energy trading desk ("Commodities Platform") from the operational structure of BTG Pactual and to rearrange the Commodities Platform under a new Luxembourg-based company named Engelhart Commodities Trading Partners ("Engelhart CTP").

The Commodities Platform will operate separately from BTG Pactual under the new brand name Engelhart Commodities Trading Partners, with limited administrative and operational services to be provided by BTG Pactual based on arm's length contracts in accordance with market practices, including cost sharing and infrastructure sharing agreements, until such services are fully assumed by Engelhart CTP. The new company will have approximately US\$ 1.6 billion in shareholders' equity and US\$ 5.7 billion in total assets (based on the reference date of February 29, 2016). It is anticipated that a portion of such equity will be held by senior employees of Engelhart CTP under an incentive program, the material terms of which have been agreed and which are now being set forth in definitive agreements.

Since its inception, the Commodities Platform has grown in size and scale of operations globally. The Separation is the outcome of this growth and maturity, representing a distinct business model apart from BTG Pactual's other core business areas. The Separation is expected to allow for the optimization of the Commodities Platform's capital structure and enable the business to operate independently in a manner that is compatible with those of its main competitors, including the ability to operate under a more suitable global credit risk profile.

BTG Pactual is currently considering a transaction ("Transaction") involving the delivery of approximately 65% of its equity stake in Engelhart CTP to BTG Pactual's shareholders and, upon completion of the Transaction, BTG Pactual should no longer be required to consolidate the assets and liabilities of Engelhart CTP for accounting and regulatory purposes and, accordingly, BTG Pactual will recognize the remaining stake it holds in Engelhart CTP after the Transaction as an investment in an associate entity based on the equity method. This deconsolidation is another step towards the simplification of BTG Pactual's balance sheet, and upon its conclusion, coupled with the completion of the previously announced sale of BSI S.A., should result in a 500 bps increase in the total Basel ratio of BTG Pactual.

The structure of the Transaction under consideration would provide BTG Pactual shareholders with the possibility of receiving, in the same proportion of their current indirect equity interests in Engelhart CTP, (i) a proportional direct equity interest in Engelhart CTP in accordance with the percentage of Engelhart CTP delivered and the procedures to be set forth for the Transaction, or (ii) as an alternative to the direct equity interest in Engelhart CTP, additional BBTG11 units, provided that, based on a reference date of March 31, 2016, the aggregate book value of the Engelhart CTP shares that would have otherwise been received would have the same aggregate book value of such additional BBTG11 units. As a result, based on a reference date of March 31, 2016, the aggregate book value of BBTG11 units held by each holder prior to the Transaction would be equal to the aggregate book value of BBTG11 units and Engelhart CTP shares (if applicable) held by each holder following completion of Transaction, irrespective of the alternative chosen.

BTG Pactual expects the Transaction to be concluded in the beginning of the third quarter of 2016 and will timely disclose additional information in connection therewith, including a description of the final structure of the Transaction and the required regulatory and corporate approvals. Nevertheless, BTG Pactual cannot assure that the Transaction will be completed in the timing or on the terms and conditions described above, on different timing or on a different terms and conditions or at all.

BTG Pactual will keep its shareholders and the market duly informed of any further developments regarding the Separation, the Transaction and related matters.

LEGAL NOTICE. This material fact 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 BTG Pactual’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 effect the distribution of Engelhart CTP shares or to 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 BTG Pactual to predict how forward-looking statements may be affected by such risks and uncertainties, and BTG Pactual 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, April 8, 2016.

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