Tarpon Investimentos S.A.

Individual and consolidated financial statements December 31, 2009 and 2008

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December 31, 2009 and 2008

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Management report

Dear Shareholders,

We are delighted to present Tarpon Investimentos S.A. (the "Company" or "Tarpon") management report and financial statements for the year ended on December 31st , 2009.

Highlights

Tarpon's financial highlights during the fiscal year ended on December 31st, 2009 are:

- Tarpon's assets under management (AuM) as of December 31, 2009 amounted to R$ 4 billion, an increase of 55% compared to December 31, 2008 and of 17% compared to September 30, 2009.
    - The increase in AuM is primarily a result of the net positive performance of funds and managed accounts under Tarpon's management ("Tarpon Funds") during the year, combined with net subscriptions of R$166 million into the Tarpon Funds.

- The Tarpon Funds received R$478 million in new commitments during 2009.
    - By the end of FY2009, foreign investors accounted for 84% of Tarpon Funds overall AuM.

- The Tarpon Funds posted significant performance during the year:
    - Fundo Tarpon (*Long-Only Equity*): 76% (in R$)
    - Tarpon Fund (*Long-Only Equity*): 126% (in US$)
    - Tarpon All Equities Fund (*Hybrid Equity*): 128% (in US$)

- Total revenues, comprised of management and performance fees, amounted to R$43 million during the year.
    - Revenues related to management fees: R$30 million
    - Revenues related to performance fees: R$13 million

- Tarpon reported an adjusted net income of R$19 million during the FY2009 (the adjusted net income considered the reversion of the stock option plan expenses, which has no-cash impact).

1. Macroeconomic environment

The year of 2009 was invariably affected by the worsening of the international financial crisis that began in the second half of 2008. During the year, Brazil stood as an important global player since here the recession was less intense compared to other countries. The fact that the Brazil's domestic condition prior to the crisis was stable in terms of the credit and real estate markets, combined with a low level of external vulnerability in terms of capitals and export markets, contributed to this positive situation.

This relative stable condition has called the attention of international investors, putting Brazil as one of the main destinations for external capital inflows. This movement contributed for the Brazilian exchange rate appreciation, which went from R$ 2.31 in the end of 2008 to R$ 1.74 in the end of 2009.

2. The asset management activity

Founded in 2002, Tarpon is a Brazilian independent asset manager dedicated to value-oriented investments in public and private equity. On each of its portfolio companies, the Company seeks to share its expertise in capital allocation, strategic management and corporate governance, among others.

Focused in qualified institutional investors, the Company's goal is to generate absolute and uncorrelated above-market returns in the long term.

Tarpon's business model consists in rendering services related to the management of third party funds and segregated accounts. Tarpon conducts the asset management activity through its two main investment strategies:

<u>Long-Only Equity</u>
The Long-Only Equity strategy comprises the funds and segregated accounts that invest exclusively in Brazilian publicly traded companies listed on the BM&FBOVESPA. This strategy is pursued by the Fundo Tarpon, denominated in R$ and dedicated to qualified Brazilian investors, and by the Tarpon Fund, denominated in US$ and dedicated to foreign qualified investors.

<u>Hybrid-Equity</u>
The Hybrid Equity strategy is adopted by the Tarpon All Equities Fund (TAEF) and is dedicated to foreign qualified investors. This strategy has the flexibility to invest in publicly traded companies and private equity in Brazil or other South American countries.

By rendering services related to the management of third party funds and segregated accounts, Tarpon is remunerated based on the management and performance fees payable by the Tarpon Funds.

<u>Revenues related to management fees</u>: remuneration calculated based on Tarpon Funds' net asset value. Management fees are charged on a monthly or quarterly basis.

Revenues related to performance fees: remuneration calculated based on the performance of the fund when a hurdle rate is exceeded. Once the fund's performance exceeds the applicable hurdle, a performance fee is collected over the profits exceeding the hurdle. This remuneration is payable on distinct dates for each of the funds.

Investor base

The Tarpon Funds investor base is majorly comprised of foreign institutional investors with long term approach, which guarantees an important alignment between the Company's philosophy with its investors.

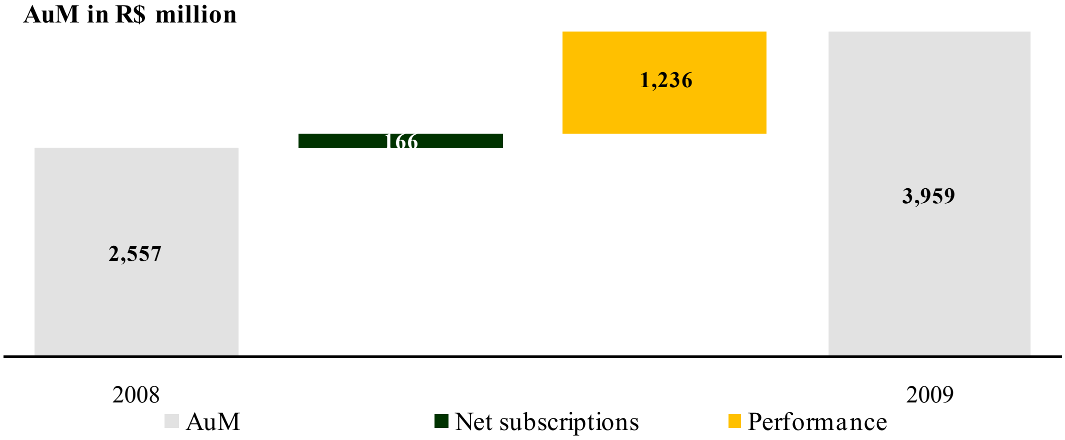
3. Comments on operational performance

Assets under management

Tarpon's assets under management as of December 31, 2009 amounted to approximately R$ 4 billion, a 55% increase compared to the R$ 2.6 billion as of December 31, 2008. Compared to the 3Q09, the AuM increased by 17%.

- Performance of the funds**:** the net positive performance posted by the Tarpon Funds contributed to a R$1.2 billion increase in the AuM base.
- New commitments**:** the net subscriptions to the Tarpon funds (balance between the amount raised in new commitments, offset by the redemptions of the period). amounted to R$166 million in 2009. During the year, the Tarpon Funds received R$478 million in new capital commitments.

AuM in R$ million



Tarpon Funds investment performance

During 2009, the Long-Only Equity investment strategy pursued by Fundo Tarpon and Tarpon Fund posted net returns of 76% (in R$) and 126% (in US$) respectively. The Hybrid Equity strategy pursued by the Tarpon All Equity Fund posted net returns of 128% (in US$).

In the same period, Ibovespa and IBX Indexes posted returns of 83% (145% in US$) and 72% (131% in US$) respectively.

			***Performance*[4]**				
	Inception date	**AUM[1][2][3] R$**	**4Q09**	**LTM**	**3 yrs**	**5 yrs**	**Annualized returns (since launch)**
Fundo Tarpon*	May 2002	522	13.1%	76.0%	68.2%	129.8%	35.8%
Tarpon Fund**	May 2002	1,143	12.3%	126.0%	98.8%	204.2%	37.2%
Tarpon All Equities Fund**	Oct. 2006	2,090	13.8%	127.8%	97.0%	-	30.3%

(1) As of December 31, 2009
(2) Includes committed but uncalled capital. Management and performance fees are not collected over the uncalled capital.
(3) Direct private equity investments (BrasilAgro) are not included
(4) The performance indicated is net of fees
** The strategy's performance is indicated in R$*
*** The strategy's performance is indicated in US$*

4. Comments on the financial performance

During 2009, revenues related to management and performance fees amounted to R$ 43 million.

Revenues related to management fees……………………………R$ 29,556 thousand
Revenues related performance fees……………………………...R$ 13,210 thousand

The operating expenses for the year amounted to R$ 25 million, of which 40% related to recurring expenses (payroll and administrative expenses), 48% related to variable compensation (bonus) and 12% corresponded to expenses related Company's stock option plan provision for its executives and employees. During the year, Tarpon registered a total of R$ 297 thousand as other operational income.

The adjusted net income for 2009, including the reversion of the non cash stock option plan provision of R$ 3 million, amounted to R$ 19 million. In 2009, the Company accounted R$ 3 million as financial results and R$ 4 million as equity in income of subsidiaries. The accumulated amount of performance fees to be (potentially) collected based on the net asset of the Tarpon Funds as of December 31, 2009, was R$ 81.5 million. As the net assets value of the Tarpon Funds are volatile, there can be no assurance that by the payment date such amounts will be effectively collected.

5. Corporate Governance

As part of Tarpon's commitment to the best corporate governance practices, the Company adhered to the "Novo Mercado" segment at the BM&FBOVESPA. Tarpon's shares are traded under the ticker TRPN3.

6. Investor relations - IR

Shareholders, investors and market analysts can have access to the Company's information on its IR webpage (www.tarponinvest.com/ir). For further information, direct contact can be established by e-mail (ir@tarponinvest.com.br) or by the telephone: +55 (11) 3074 -5830.

7. Independent auditors

The 2009 financial statements audit was performed by KPMG Auditores Independentes. The Company's policy for contracting services from independent auditors, which are not related to the external audit, seeks to ensure that there is no conflict of interests, or loss of independence or objectivity.

During 2009, the independent auditors did not provide services to Tarpon other than the audit of the financial statements.

The Company directors have reviewed discussed and they agree with the financial statements for the year ended December 31, 2009, and the respective independent auditors' report.

February 10, 2010

The Directors Board

Independent auditors’ report

To Management and the Shareholders
Tarpon Investimentos S.A.
São Paulo - SP

1. We have examined the balance sheets of Tarpon Investimentos S.A., and the individual and consolidated balance sheets of this Company and its subsidiaries, as of December 31, 2009 and 2008 and the related individual and consolidated statements of income, changes in shareholders’ equity and cash flows and added value for the years then ended, which are the responsibility of its management. Our responsibility is to express an opinion on these individual and consolidated financial statements.

2. Our examinations were conducted in accordance with auditing standards generally accepted 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 and its subsidiaries; (b) verification, on a test basis, of the evidence and records which support the amounts and accounting information disclosed; and (c) evaluation of the most significant accounting policies and estimates adopted by management from the Company and its subsidiaries, as well as presentation of the financial statements taken as a whole.

3. In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Tarpon Investimentos S.A. and the consolidated financial position of Tarpon Investimentos S.A. and its subsidiaries as of December 31, 2009 ad 2008 and the results of its operations, changes in its shareholders’ equity and changes in its cash flows and added values for the years then ended, in conformity with accounting principles generally accepted in Brazil.

São Paulo, February 10, 2010

KPMG Auditores Independentes
CRC 2SP014428/O-6
Original in Portuguese signed by
Cláudio Rogélio Sertório
Accountant CRC 1SP212059/O-0

Jubran Pereira Pinto Coelho
Accountant CRC 1MG077045/O-0 S-SP

Tarpon Investimentos S.A.

Individual and consolidated balance sheets

December 31, 2009 and 2008

(In thousands of Reais)

		Consolidated		Individual	
Assets	**Notes**	**2009**	**2008**	**2009**	**2008**
Current assets					
Cash and cash equivalents	4	42	33	40	27
Financial assets measured at fair value through profit/loss	5	14,958	6,672	14,958	6,672
Receivable	6	9,984	628	9,984	628
Financial assets available for sale	5	106	70	106	70
Other assets	7	539	1,135	541	407
		25,629	8,538	25,629	7,804
Non current assets					
Investiments on subsidiaries and associated companies		255	78	127	37
Permanent assets	18a	256	232	256	232
		511	310	383	269
Total assets		26,140	8,848	26,012	8,073

		Consolidated		Individual	
Liabilities	**Notes**	**2009**	**2008**	**2009**	**2008**
Current liaibilities					
Accounts payable	18b	808	642	807	49
Tax liabilities	18c	2,469	210	2,469	210
Labor and social securty liabilities	18d	5,812	538	5,812	538
Dividends payable	8c	6,838	-	6,838	-
Anticipated dividends		-	730	-	730
		15,927	2,120	15,926	1,527
Minority interest in equity		127	182	-	-
Equity					
Share capital	8a	4,004	116	4,004	116
Capital reserve	8e	2,019	2,543	2,019	2,543
Statutory reserve	8d	30	3,918	30	3,918
Legal reserve	8b	801	-	801	-
Mark-to-market adjustments of financial assets available for sale		5	(31)	5	(31)
Stock option plan	12	3,227	-	3,227	-
		10,086	6,546	10,086	6,546
Total equity and liabilities		26,140	8,848	26,012	8,073

See the accompanying notes to the consolidated financial statements.

Tarpon Investimentos S.A.

Individual and consolidated statements of income

Years ended December 31, 2009 and 2008

(In thousands of Reais)

	Notes	Consolidated 2009	Consolidated 2008	Individual 2009	Individual 2008
Revenue					
Management and performance fees - Brazilian clients		6,659	6,433	6,659	6,433
Management and performance fees - Foreign clients		36,107	-	36,107	-
		42,766	6,433	42,766	6,433
Deductions					
Taxes on revenues		(2,215)	(396)	(2,215)	(396)
Net operational revenues	10	40,551	6,037	40,551	6,037
Operational income/(expenses)					
Personnel expenses	18e	(17,807)	(6,384)	(17,807)	(6,384)
Stock option plan	12	(3,227)	-	(3,227)	-
Administrative expenses	11	(3,895)	(4,067)	(3,895)	(4,067)
Income from financial assets measured at fair value through profit/loss	17	2,762	(3,014)	2,762	(3,014)
Equity in income of subsidiaries and associated companies	17	4,215	2,149	2,107	1,255
Other operating income /(expenses)	18f	297	(429)	297	(429)
		(17,655)	(11,745)	(19,763)	(12,639)
Net operational income/(loss)		22,896	(5,708)	20,788	(6,602)
Income tax and social contribution	13	(4,774)	(922)	(4,774)	(922)
Net income before minority interest		18,122	(6,630)	16,014	(7,524)
Minority interest		(2,108)	(894)	-	-
Net income/(loss) for the year		16,014	(7,524)	16,014	(7,524)
Number of shares in the end of the year		41,174	115	41,174	115
Net income/(loss) per share - R$ Earnings per share		0.39	(65.43)	0.39	(65.43)

See the accompanying notes to the consolidated financial statements.

Tarpon Investimentos S.A.

Individual statements of changes in shareholders' equity

Years ended December 31, 2009 and 2008

(In thousands of Reais)

	Share capital	Capital reserve	Statutory reserve	Legal reserve	Adjustment at market value of assets available for sale	Treasury Shares	Stock option plan	Retained earnings	Total
Balances at December 31, 2008	116	2,543	3,918	-	(31)	-	-	-	6,546
Increase in the share capital	3,888	-	(3,888)	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	(524)	-	-	(524)
Cancellation of shares	-	(524)	-	-	-	524	-	-	-
Adjustment of assets to market value	-	-	-	-	36	-	-	-	36
Stock option plan	-	-	-	-	-	-	3,227	-	3,227
Net income	-	-	-	-	-	-	-	16,014	16,014
Legal reserve	-	-	-	801	-	-	-	(801)	-
Dividends distribution	-	-	-	-	-	-	-	(15,213)	(15,213)
Balances at December 31, 2009	4,004	2,019	30	801	5	-	3,227	-	10,086
Balances at December 31, 2007	116	2,543	-	-	-	-	-	11,624	14,283
Treasury shares	-	-	-	-	-	-	-	-	-
Cancellation of shares	-	-	-	-	-	-	-	-	-
Stock option plan	-	-	-	-	-	-	-	-	-
Adjustment of assets to market value	-	-	-	-	(31)	-	-		(31)
Net income	-	-	-	-	-	-	-	(7,524)	(7,524)
Dividends distribution	-	-	-	-	-	-	-		-
Allocation to reserves	-	-	3,918	-	-	-	-	(4,100)	(182)
Balances at December 31, 2008	116	2,543	3,918	-	(31)	-	-	-	6,546

See the accompanying notes to the consolidated financial statements.

Tarpon Investimentos S.A.

Consolidated statements of changes in shareholder' equity

Years ended December 31, 2009 and 2008

(In thousands of Reais)

	Share capital	Capital reserve	Statutory reserve	Legal reserve	Mark-to-market adjustment for financial assets avaliable for sale	Treasury shares	Stock option plan	Retained earnings	Minority interest	Total
Balances at December 31, 2008	116	2,543	3,918	-	(31)	-	-	-	182	6,728
Increase in the share capital	3,888	-	(3,888)	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	(524)	-	-	-	(524)
Cancellation of shares	-	(524)	-	-	-	524	-	-	-	-
Adjustment of assets to market value	-	-	-	-	36	-	-	-	-	36
Stock option plan	-	-	-	-	-	-	3,227	-	-	3,227
Net income	-	-	-	-	-	-	-	16,014	2,108	18,122
Legal reserve	-	-	-	801	-	-	-	(801)	-	-
Dividends distribution	-	-	-	-	-	-	-	(15,213)	(2,163)	(17,376)
Balances at December 31, 2009	4,004	2,019	30	801	5	-	3,227	-	127	10,213
Balances at December 31, 2007	116	2,543	-	-	-	-	-	11,624	-	14,283
Treasury shares	-	-	-	-	-	-	-	-	-	-
Cancellation of shares	-	-	-	-	-	-	-	-	-	-
Stock option plan	-	-	-	-	-	-	-	-	-	-
Adjustment of assets to market value	-	-	-	-	(31)	-	-			(31)
Net income	-	-	-	-	-	-	-	(7,524)	-	(7,524)
Dividends distribution	-	-	-	-	-	-	-			-
Allocation to reserves	-	-	3,918	-	-	-	-	(4,100)	182	-
Balances at December 31, 2008	116	2,543	3,918	-	(31)	-	-	-	182	6,728

See the accompanying notes to the consolidated financial statements.

Tarpon Investimentos S.A.

Individual and consolidated statements of cash flow

Years ended December 31, 2009 and 2008

(In thousands of Reais)

	Consolidated		Individual	
	2009	**2008**	**2009**	**2008**
Operational activities				
Net income/(loss) for the year	18,122	(7,524)	16,014	(7,524)
Adjustments:				
Depreciation	110	126	110	126
Income from equity in income of subsidiaries and associated companies	(4,215)	(2,149)	(2,107)	(2,149)
Increase/(Decrease) in stock option plan	3,227	-	3,227	-
Adjusted net income/(loss)	17,244	(9,547)	17,244	(9,547)
Changes in assets and liabilities:				
(Increase)/Decrease in receivables	(9,356)	(135)	(9,356)	(135)
(Increase)/Decrease in other liabilities	596	(204)	(134)	(933)
Increase/(Decrease) in accounts payable	166	(25)	757	(25)
Increase/(Decrease) in tax liabilities	2,259	(53)	2,259	(53)
Increase/(Decrease) in labor and social security liabilities	5,274	(247)	5,274	(247)
Cash flows from operational activities	16,183	(10,211)	16,044	(10,940)
Investment activities				
Change in financial assets at fair value	(8,286)	8,128	(8,286)	8,128
Decrease/Increase in investments	(177)	(93)	92	-
Change in permanent assets	(24)	-	(24)	(93)
Treasury shares	-	-	-	-
Dividends received in advance	-	2,132	-	2,132
Cash flows from investment activities	(8,487)	10,167	(8,218)	10,167
Financial activities				
Payment of dividends	(10,538)	(729)	(8,375)	-
Appropriation of dividends to minority shareholders	730	749	-	-
Dividends received	2,121	-	562	747
Cash flows from financial activities	(7,687)	20	(7,813)	747
Total cash flows	9	(25)	13	(25)
Net Increase/(Decrease) of cash and cash equivalents	9	(25)	13	(25)
Cash and cash equivalents at January 1°	33	58	27	52
Cash and cash equivalents at December 31	42	33	40	27

See the accompanying notes to the consolidated financial statements.

Tarpon Investimentos S.A.

Individual and consolidated statements of added value

Years ended December 31, 2009 and 2008

(In thousands of Reais)

	Consolidated		Individual	
	2009	**2008**	**2009**	**2008**
Income	42,766	6,433	42,766	6,433
Performance and administration fees	42,766	6,433	42,766	6,433
Supplies acquired from third parties	(3,488)	(4,346)	(3,488)	(4,346)
Third party services	(3,488)	(4,346)	(3,488)	(4,346)
Gross added value	39,278	2,087	39,278	2,087
Retentions	(110)	(126)	(110)	(126)
Depreciation, amortization and exhaustion	(110)	(126)	(110)	(126)
Net added value produced	39,168	1,961	39,168	1,961
Added value received in transfer	6,992	(864)	4,884	(1,758)
Equity in income of subsidiaries	4,215	2,149	2,107	1,255
Financial income and expenses	2,777	(3,013)	2,777	(3,013)
Total added value to distribute	46,160	1,097	44,052	203
Distribution of added value	46,160	1,097	44,052	203
Personnel	19,960	5,668	19,960	5,668
Direct remuneration	19,960	5,668	19,960	5,668
Taxes and contributions	8,078	2,059	8,078	2,059
Federal	6,106	1,898	6,106	1,898
Municipal	1,972	161	1,972	161
Remuneration of own capital	18,122	(6,630)	16,014	(7,524)
Dividends	17,321	-	15,213	-
Retained income/loss for the year	801	(6,630)	801	(7,524)

See the accompanying notes to the consolidated financial statements.

Tarpon Investimentos S.A.

Notes to the consolidated financial statements

Years ended December 31, 2009 and 2008

(In thousands of Reais)

1 Operations

Tarpon Investimentos S.A. (the "Company" or "Tarpon") was incorporated in June 2002, initially as a limited liability company, with its head office in São Paulo. The Company's corporate activities consisted of administering securities portfolios and managing third party funds, through investment funds, managed portfolios and other investment vehicles, in Brazil and overseas. In December 2003, the Company was transformed into a corporate stock entity.

In March 2007, the corporate structure of the Company was reorganized and it became a subsidiary of TIG Holding Ltd., (formely known as Tarpon Investment Group Ltd., "TIG") through the contribution of ordinary shares, from its shareholders, to TIG's capital.

On March 10, 2009, all of the shareholders present at the TIG General Meeting approved the corporate restructuring, aimed at segregating the fund management activities, on one hand, from its proprietary investment activities, on the other. The corporate restructuring consisted, amongst other acts, in the capital reduction of TIG, through the proportional transfer by TIG to its shareholders of all of the ordinary shares issued by the Company that belonged to TIG. The shareholders of TIG continued to hold the same investment interest in TIG as they had held before the restructuring and in addition, received an equivalent investment interest in the Company. As a result of the restructuring: (i) TIG activities consisted exclusively of proprietary investment activities; and (ii) the Company started to provide management services for all of the funds and portfolios previously managed by TIG and the Company ("Tarpon Funds").

Within the context of the corporate restructuring, on February 16, 2009, TIG, as the only shareholder of the Company, approved, amongst others: (i) a capital increase in the Company through the capitalization of capital reserve; (ii) the division of shares; (iii) the repurchase treasury shares; (iv) the registration of the Company as a public stock corporation with the CVM and listing of the Company's ordinary shares on the New Market segment of the BM&F BOVESPA; (v) alteration to the Company's statutes to adapt them to the New Market Listing Regulation; and (vi) adoption of the Company stock option plan.

These financial statements and the respective audit report were approved by the Management Board on February 10, 2010.

2 Basis for the presentation of the financial statements

2.1 Presentation of the consolidated financial statements

The financial statements were prepared based on the accounting practices issued by the Brazilian corporate law, including amendments introduced by Laws 11,638 of December 28, 2007 and 11,941 of May 27, 2009, and the guidelines and rules issued by the Brazilian Securities and Exchange Commission (CVM) and the technical pronouncements issued by the Brazilian Committee for Accounting Pronouncements (CPC).

In order to enable a consistent presentation, the consolidated financial statements as of December 31, 2009 and 2008 were prepared and are presented on the same aforementioned accounting basis. The adaptation of accounting practices to the new guidelines of Laws 11,638 and 11,941 did not produce any significant impact on the Company's financial statements.

2.2 Functional and presentation currency

These financial statements were prepared in Brazilian Reais (R$), which is the Company's functional and presentation currency.

2.3 Use of estimates and judgments

The preparation of the financial statements requires Management to make judgments, estimates and assumptions affecting the application of accounting policies and the amounts presented of assets, liabilities, income and expenses, including the determination of market values and stock option provision. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed quarterly. Income deriving from the reviews of the accounting estimates are recognized within the period in which the estimates are reviewed, as well as in future periods when affected.

Consolidation basis

The consolidated financial statements include Tarpon BR S.A., in which the Company holds a direct interest of 32.5% and an indirect interest of 50% in the voting capital and Tarpon BR Participações Ltda., in which the Company holds a direct interest of 50% in the capital. The investments in these subsidiaries and all of the balances between the companies were eliminate for purposes of preparing the consolidated financial statements, and the minority interest in the shareholders' equity and the results is presented separately.

3 Significant accounting policies

The accounting policies set out as follows have been applied consistently for Tarpon Investimentos S.A. and its subsidiaries in all periods presented in these consolidated financial statements.

a. *Income*

Revenue consists of services fees related to management and performance fees payable by the Tarpon Funds. The management fees are calculated in accordance with a fixed/variable percentage on the net asset value of the Tarpon funds and is recognized in proportion to the rendering of the respective services. The performance fees are generated once the funds reach the performance goals determined in the fund operating agreement and are recognized just when there is certainty that they will be received.

b. *Non derivative financial instruments*

Financial assets at fair value through profit/loss

The financial instruments at fair value through profit/loss are represented by investments in an investment fund and certificates of bank deposit (CDB) and are recognized at market value. Gains and losses were recognized in the statements of income. Market values of the aforementioned assets are determined based on the value of the quota informed by the Fund's Manager and by the bank which issued the CDB, at the end of each month.

Financial assets available for sale

The Company's investments in equity securities classified as financial assets available for sale are recognized based on the settlement date and the fluctuations, except reductions in their recoverable amounts, are directly recognized in the shareholders' equity. When an investment stops being recognized, the cumulative gain or loss accumulated in the shareholders' equity is transferred to income.

Cash and cash equivalents

Cash and cash equivalents refer to balances in cash applied in the normal course of the Company's working capital management.

c. *Impairment*

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any evidence of impairment exists then the recoverable value of the asset is estimated. The loss is recognized in the recovery amount if the carrying amount of the asset exceeds its recoverable amount.

d. *Investments in subsidiaries and associated companies*

The investments in subsidiaries and associated companies are stated at their nominal values under the equity method.

e. *Property, plant and equipment*

Items of property, plant and equipment are measured at cost, net of the respective accumulated depreciation, calculated through the straight line method at the rates as follows: furniture, fixtures, machinery and equipment - 10% per annum; data processing system - 20% per annum; communications and security systems - 20% per annum; and software licenses - 25% per annum

f. Short term benefits for employees

The short term benefits for employees include salaries and bonus. These are recorded as expenses as the services are rendered. A provision is recognized for the estimated value of the bonus to be paid in cash, if the Company has a legal or constituted obligation to pay this amount for services rendered by an employee, and if it is possible to estimate the liability with reasonable accuracy.

g. Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be reliably estimated, and which chances of loss are deemed as probable. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market conditions and the usual risks of the liabilities.

h. Share based remuneration plan

The effects of the share based remuneration plan are calculated based on the fair value and recognized in the balance sheets and statements of income, considering the fully met of the contractual terms.

i. Income tax, social contribution and other taxes expense

The Company opted for the presumed income regime, which is subordinated to the total revenue earned in a quarter. In order to determine the calculation basis of corporate income tax (IRPJ) and of the social contribution on net income (CSLL) a percentage of 32% is applied on the revenue, plus the amount related to financial revenues. The aforementioned taxes are calculated at the rate of 15%, plus a surcharge of 10% for IRPJ and the rate of 9% for CSLL, respectively, on this determined basis.

Contribution for Social Integration Program (PIS) and Tax for Social Security Financing (COFINS) rates are 0.65% and 3.00%, respectively, and are levied on the Brazilian funds' management and performance fees. Service Tax (ISS) is levied at the rate of 2.5% on revenues related to management of Brazilian funds and of 5.0% on revenues related to management of non-Brazilian fund. PIS, Cofins and ISS are recorded as tax expenses on revenue.

(In thousands of Reais)

j. Other assets and liabilities

Other assets were stated at realization value, including, when applicable, the yields and monetary variation earned (on a daily pro rata basis) and provisions for losses, when deemed necessary. Other liabilities stated include known and determinable amounts, plus charges and monetary adjustments (on a daily pro rata basis) incurred.

k. Financial disclosures by segment

A segment is a component of the Company that is engaged either in providing goods or rendering services (business segment), or in providing goods or rendering services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company's primary, and only, format for financial disclosure by segment is based on geographical segments and is presented in the note 17.

4 Cash and cash equivalents

	Consolidated		Individual	
	2009	**2008**	**2009**	**2008**
Cash and bank account	42	33	40	27

5 Financial assets measured at fair values through profit or loss and financial assets available for sale

	Individual and Consolidated	
	2009	**2008**
Financial assets measure at fair values through profit or loss		
Investment fund **(a)**	2,609	6,672
Certificate of bank deposit **(b)**	12,349	-
	14,958	6,672
Financial assets available for sale		
Investments in Brasilagro shares	106	70

(In thousands of Reais)

(a) Investment fund which has a portfolio comprised of shares of Brazilian corporations.

(b) Certificates indexed to Interbank Deposit Rate which have maturity in May 2010 and been issued by top line Brazilian bank.

6 Receivables

The administration fees due by the funds are calculated monthly and paid at the end of each month and/or quarter. The performance fees are calculated twice yearly and/or annually, depending on each fund's contract terms, and paid on January 31, March 31, April 30, June 30, July 31, September 30, and December 31, of each year.

	Individual and Consolidated	
	2009	**2008**
Brazilian funds	1,279	628
Non- Brazilian funds	8,705	-
	9,984	628

7 Other assets

	Consolidated		Individual	
	2009	**2008**	**2009**	**2008**
Recoverable taxes	342	273	342	273
Prepaid expenses	191	-	191	-
Prepaid dividends	-	728	-	-
Salary advances	-	125	-	125
Other receivables	6	9	8	9
	539	1,135	541	407

(In thousands of Reais)

8 Shareholders' equity

a. Share capital

Share capital at December 31, 2009 was divided into 41,174 thousand ordinary nominative shares, amounting R$ 4.004. On May 25, 2009, a total of 3,580 thousand shares which were held as "Treasury shares" amounting R$ 524, were cancelled.

Share capital at December 31, 2008 was divided into 114,567 ordinary shares, all nominative, amounting R$ 116.

b. Legal reserve

The reserve is established at the rate of 5% of the yearly net income, in accordance with the terms of art. 193 of law 6.404/76, up to the limit of 20% of the share capital.

c. Dividends

The Company's by-laws sets forth the distribution of minimum mandatory dividend of 25% of the net income, adjusted as by-law's requirements.

	Individual	
	Percentage distributed during the year	
Net income of the year		16,014
Legal reserve	5%	801
Dividends payable **(*)**	43%	6,838
(-) Proposed dividends	52%	(8,375)
Retained earnings		-

(*) On February 10, 2010 Company management presented a proposal to pay additional dividends from 2009, for the amount of R$ 6,838.

(In thousands of Reais)

d. *Statutory reserve*

On March 10, 2009, the Company capitalized its profits reserves, in the amount of R$ 3,888, with the issuance of new shares, and at December 31, 2009, the remaining balance was R$ 30.

The by-laws establish that up to 10% of the net income adjusted pursuant to the by-laws, after deduction of the minimum mandatory dividend may be destined to the investment reserve and applied in the redemption, repurchase or acquisition of the company's shares, or in the development of the Company's activities.

e. *Capital reserve*

On May 25, 2009 the Company used part of the balance from the capital reserve to cancel 3,580 thousand ordinary shares in the total amount of R$ 524, at December 31, 2009, the remaining balance was R$ 2,019.

9 Earnings per share

a. *Basic earnings per share*

The calculation of the basic earnings per share was based on the income of the Company attributable to shareholders of common shares and the weighted average of common shares, as shown below.

	Consolidated and Individual	
	2009	**2008**
Net income/(loss) attributable to shareholders	16,014	(7,524)

(In thousands of Reais)

Weighted average number of ordinary shares

	2009	**2008**
Shares at January 1	115	115
Shares issued during the year	44,639	-
Shares acquired during the year	(3,580)	-
Weighted average number of shares	34,261	115
Basic earnings per share	0.47	(65.43)

b. *Diluted earnings per share*

Considering the dilution of the stock option plan, approved by the Management Board on March 10, 2009, by the total number of options included in the plan (13.724 thousand) and granted options (10.045 thousand) the net income from attributed to the shareholders would be, respectively, R$ 0.35 and R$ 0.39 per share for the year ended December 31, 2009.

10 Revenue from services

	Consolidated and Individual	
	2009	**2008**
Revenues related to management fees	29,556	5,963
Revenues related to performance fees	13,210	470
Taxes on revenue	(2,215)	(396)
	40,551	6,037

Revenues related to management fees correspond to a fixed/variable percentage applied on the Tarpon Fund's net asset value, calculated on a monthly basis and recognized in proportion to the rendering of the respective services.

(In thousands of Reais)

Performance fee revenues are calculated on a six month and/or annually basis and paid on January 31, March 31, April 30, June 30, July 31, September 30, and December 31, of each year. Consequently, if the market value of the investments in the Tarpon Funds is reduced on these dates, even if only temporarily, the performance fee income will also decrease.

In addition, all of the funds have ‘‘high water marks’’ for which performance fees are not due for a specified period, even if the fund reported a positive return during this period, if the fund had reported higher losses in previous periods. Thus, if a fund reports losses in one period, it is not required to make the performance fee payment until it exceeds the previous “high water mark”. At December 31, 2009, the majority of managed assets were above the “high water mark” applicable.

As a result, the amount of performance fees payable by the funds may experience significant variations from year to year due to fluctuations in the net asset values of their portfolios, the performance of the portfolios in comparison with the hurdle rates for each fund (benchmark), and the realization of private equity investments (since performance fees relating to these investments are only charged upon the realization of the investment).

The table below summarizes the track record of the net returns, which reflect monthly returns to the investor, net of (i) management fee, (ii) performance fee and (iii) all fees and expenses generated by the fund. The calculation of net returns of the strategies adopted is based on gross returns at the closing of the month and the aforementioned items may make the actual net returns to each investor slightly different from the percentage shown as follows.

Track record – Net returns

Strategy	Vehicle	Jan-Dec 2009	Jan-Dec 2008	Hurdle Rate
Long-Only Equity	Tarpon FIA (Brazilian vehicle)	76%	(28,2%)	IGPM + 6%
	Tarpon Fund (Foreign vehicle)	126%	(41,1%)	Libor
Hybrid Strategy	Tarpon All Equities Fund	128%	(42,9%)	6%

(In thousands of Reais)

11 Administrative expenses

	Consolidated and Individual	
	2009	**2008**
Third party services	1,367	773
Taxes	694	206
Travel expenses	568	640
Computer system	494	220
Office maintenance	466	681
Other expenses	231	349
Expenses from prospecting for new business	75	1,198
	3,895	4,067

In 2008, the expenses from prospecting for new business were not recurrent and referred to an initiative for the co-investment between the Company and Tarpon All Equities Fund in a specific Private Equity project, which occurred during the first quarter of 2008.

12 Share based remuneration plan

The shareholders of the Company approved a stock option plan, based on which options will be issued that will grant to their holders the right to purchase shares representing up to 25% of shares issued by the Company (equivalent to 13,724 thousand common shares at the granting date), on a fully diluted basis.

On March 10, 2009 ("First Grant Date"), the board of directors granted 7,662 thousand options representing 55.8% of the total options subject to the stock option plan, of which 110 thousand were returned as a result of the holders leaving the company.

On November 30, 2009, the Company's Management Board granted 2,493 thousand options, which, together with the first granting of options, amounted to 10,045 thousand options, which represent 73.19% of total options under the plan.

At any date, until July 01, 2017, the Company can grant 591 thousand options. In addition, as from July 01, 2010, 2011 and 2012, the Company can grant additional amounts, equivalent to 7.5% of the total options from the plan.

The beneficiaries of the options are the Company's Directors (except independent board members), vice presidents and employees, pursuant to the allocation that the Company's board of directors may determine.

The exercise of the options subject to the plan will be vested in the proportions shown as follows (noted as the "Vesting Date"):

a. The first part of the options granted on March 10, 2009, equivalent to 50.2% of the total shares of the plan, could be exercised at the proportion of 20% on March 10, 2009, 20% on July 1, 2009 and 20% on each of the 3 anniversaries subsequent to July 01, 2009;

b. The second part of the options granted on March 10, 2009, equivalent to 6.0% of the total shares of the plan, could be exercised at the proportion of 20% on July 1, 2009 and 20% on each of the 4 anniversaries subsequent to July 01, 2009; and

c. The options granted as from July 01, 2009 can be exercised in the proportion of 20% on July 1 of each of the 5 financial years subsequent to the year of them being granted.

Notwithstanding the foregoing, in the event that the Company's majority shareholders own alltogether less than 30% of the total shares of the Company at any time, all the options granted under the plan will vest immediately.

Each portion of the options granted under the plan will expire on the fifth anniversary from the respective Vesting Date (including options vested on the First Grant Date).

The options from the plan can only be exercised after certain requirements, by the beneficiary, on the respective date of exercising the option, which includes the requirement that the relationship between the beneficiary and the Company be maintained. In the event the relationship between the beneficiary and the Company ended voluntarily, or ends with no just cause by the Company, the beneficiary can only exercise that part of the options exercisable for which he is the holder, within a period of 30 days from ending the relationship. The options that are not exercised or that cannot be exercised will again be available to be granted within the ambit of the stock option plan.

(In thousands of Reais)

In the event the relationship with the Company is ended by the Company, for just cause, the beneficiary will not have the right to exercise any of the options received. In this case, all of the options not exercised or not exercisable will again be available for granting within the ambit of the stock option plan.

The evaluation of the Stock Option Plan was prepared using the binominal model, which was applied based on the following: (a) average of annual volatility rate of 34%; (b) current share price of R$ 6.87; (c) exercise price of options from the plan of R$ 5.40 per share, reduced for any dividends and other distributions made by the Company; and (d) the risk free interest rate of 8.75%.

During the year ended December 31, 2009, the recorded amount in the statements of income for the adjustment to market value of the stock option plan was R$ 3,227.

13 Reconciliation of income and social contribution taxes

	Consolidated and Individual	
	2009	**2008**
Revenue	42,766	6,433
Presumed income (32%)	13,685	2,059
Financial revenues	424	693
Calculation basis of corporate income Tax(IR) and social contribution (CS)	14,109	2,752
IR (15%)	(2,117)	(413)
IR surcharge (10%)	(1,387)	(259)
CS (9%)	(1,270)	(250)
Total	(4,774)	(922)

14 Financial instruments

a. Risk management

The Company is exposed to risks from the use of financial instruments, which include:

Credit risk

Is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally on the investments held. The Company's policy is to mitigate its exposure to credit risk. The Board of Directors reviews and approves all investment decisions to ensure that investments are only made in highly liquid assets issued by reputable institutions.

Market risk

Is the risk that changes in market prices, such as interest rate and equity prices, may affect the Company's income or the value of its financial instruments. The Company's policy is to mitigate its exposure to market risk by diversiting its investiments portifolio.

b. Cash and cash equivalents

Cash and cash equivalents are not invested in any type of financial instruments; therefore no interest rate applies to them.

c. Financial assets available for sale

	2009 Valuation method	2008 Valuation method	Exposure to market value or interest rate risk?
Investments in BrasilAgro shares	Market value	Market value	Yes

d. Financial assets at fair value through profit or loss

	2009 Valuation method	2008 Valuation method	Exposure to market Value or interest rate risk?
Investment funds	Quota value informed by the Fund's Manager	Quota value informed by the Fund's Manager	Yes
Certificates of bank deposits	Value informed by issuing bank	-	Yes

e. Subscription bonus

The Company was granted, at no cost, subscription bonus which, when exercised, will give TISA 2,903,890 shares of BrasilAgro - Companhia Brasileira de Propriedades Agrícola.

The exercise price of these bonus was established at R$ 10 (post split) on the issue date, on March 15, 2006, and will be adjusted in the case of new issues of shares by the offer price of these shares. The exercise price of these bonus is also subject to annual adjustments, based on the variation in the consumer price index (IPC-A). The bonus can be exercised at any time. The bonus are valid for 15 years as from the issue date.

According to the Management's opinion, these subscription bonus are not traded on a active market, so a market value for such subscription bonus cannot be attributed. Consequently, the subscription bonus are recognized at cost zero.

f. Other financial assets and liabilities

The other market values of the assets and liabilities are practically the same as the book values presented in the balance sheets, which were measured at market value or at the short-term maturity value.

g. *Derivative financial instruments*

At December 31, 2009 and 2008, the Company did not have any balances recorded as derivative financial instrument.

h. *Sensitivity analysis - Effect of the changes in the fair value*

In compliance with the CVM Instruction 475 of December 17, 2008 the Company confirms that it is not exposed to relevant market and/or interest rate risks.

The existing financial instruments are used only for temporary cash management, and comprise a investment in investment fund (20%) and a certificate of bank deposit indexed to Interbank Deposit Rate (80%). Although the risk is considered low, management continually monitors the fluctuations in the stock and interest rate markets, which could have a direct or indirect impact on the market value of these financial instruments.

15 Contingencies

The Company has no contingent liabilities and legal obligations - taxes and social security - that have not been recorded, and there are no legal proceedings that may represent possible or probable losses.

16 Related parties

The main asset and liability balances at December 31, 2009 and 2008, and the transactions that affected the results for the year, from operations with related parties, refer to transactions between the Company and its subsidiaries, associated companies, joint ventures and key management staff.

The Company reported transactions with related parties that are inherent to fund management (See Notes 6 and 10) and transactions with its investment interests and the respective payments of dividends and remuneration of key management (See Note 18.e). In addition, the Company has accounts payable to its previous owner (See Note 18.b).

(In thousands of Reais)

These transactions were performed under market conditions in force on the dates of the operations.

17 Net income by segment

The information by segment is presented in respect of geographical segments, based on the Company's internal financial and management structure. The Company conducts only one type of business (services related to portfolio management) and, therefore, no secondary segmental split by business type is provided. There is no inter-segment trading.

In 2009, the revenues in connection to the investment management activity were generated from two principal geographical areas: Brazil (Brazilian funds) and outside Brazil (foreign funds). In presenting information on the basis of geographical segments, the revenue for the segment is based on the geographical location of the customers.

The revenue from services is shown in accordance with the following items:

	Individual				**Individual**	
	Brazilian funds		**Non-Brazilian Funds**		**Total**	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
Total revenues	6.659	6.433	36.107	-	42.766	6.433
Total revenues by segment						
Segment's Income						
Unallocated revenues/(expenses)					(26.847)	(11.276)
Results from operating activities					15.919	(4.843)
Net financial result					2.762	(3.014)
Investees' recorded results from equity in income of subsidiaries and associated companies					2.107	1.255
Income tax expenses					(4.774)	(922)
Net income for the year					16.014	(7.524)
Segment's assets	1.279	628	8.705	-	9.984	628
Unallocated assets					16.156	8.220
Total assets					26.140	8.848

18 Other information

a. *Fixed assets*

Fixed assets comprise furniture and fixtures, machinery and equipment, facilities, data processing system, telecommunications system and software security and licenses.

b. *Accounts payable*

Comprised of due to supplies in the amount of R$ 259 and accounts payable to TIG Holding Ltd. that refer to the repurchase of shares issued by the Company in the amount of R$ 549, adjusted by an annual composite rate of Libor plus 3%, amounting to R$ 808.

c. *Tax liabilities*

The amounts due at December 31, 2009 refer to R$ 18 for third party taxes, R$ 56 for PIS and COFINS, R$ 362 ISS and R$ 1,428 IRPJ and CSSL and R$ 605 for the ISS incentive installment payment program (base year: 2004) amounting to R$ 2,469.

d. *Labor and social security liabilities*

The balance comprises social security charges and the provision for vacation, thirteenth salary and bonus to employees, amounting to a total of R$ 5,812.

e. *Personnel expenses*

At December 31, 2009, these expenses referred to R$ 10,996 for bonus, R$ 4,074 for salaries, R$ 1,314 for social security charges and R$ 138 employee benefits, R$ 1,285 for remuneration paid to the Company's Directors, resulting in total personnel expenses of R$ 17,807.

f. *Other operating income and expense*

The amount of R$ 297 refers to refund of expenses related to business trips and marketing fundraising.

g. *Investments in related companies and subsidiaries*

The Company has a 50% investment in equity in a joint venture, Paraná Consultoria S.A. (“Paraná”), which is an advisory consulting company organized in Brazil. As the Company does not have voting power on Paraná’s operating and financial resolutions, it is treated as an investment recorded through the equity method.

* * *

Management Representatives

Chief Executive Officer
José Carlos Reis de Magalhães Neto

Chief Financial Officer
Eduardo Silveira Mufarej

Accountant
Bruno Vergasta de Oliveira
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