Tarpon Investimentos S.A.

Interim individual and consolidated financial statements
Quarter ended June 30, 2010

KPMG

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Market context

Even after passing through the most severe period of the 2008 financial crisis, worldwide markets still appear to be far from stabile and there are still doubts with respect to the future impact of the policies adopted to address the crisis in a number of countries.

In Brazil, the continuity derived from the country's macroeconomic policy in recent years has proven to be an important factor for maintaining the equilibrium of the national economy. The Country has come out well after weathering the first storm of the crisis that originated in the United States, and is now doing equally well during this moment of crisis coming from Europe. However, Brazil is invariably exposed to these worldwide turbulences, and uncertainties are still causing fluctuations in the prices of national assets.

Challenges to be faced with respect to the equilibrium of the Brazilian economy over the next few months include the increase in the debt to GPD ratio, the government's increasing expenditures together with the stimuli for consumption - which have started to light up some inflationary signals - and changes in the Balance of Trade. In the current quarter, the Sao Paulo stock exchange index (Ibovespa) was down 13.4%, reversing the positive trend of the first three months of the year, and closing the first half of 2010 with an accumulated negative performance of 11.2%. When it comes to economic indicators, the estimate for the Amplified Consumer Price Index (IPCA) rose to 5.4% in the year according to the Central Bank (June 30th report), above the inflation target. The Brazilian currency presented a slight appreciation of 1% against the US dollar (R$ 1.82 as of March 2010 compared to R$1.80 as of June).

Asset management activity

Tarpon Investimentos S.A. ("Tarpon" or "the Company") is an independent asset management company dedicated to investments in public and private equity. Tarpon's goal is to provide, in the long run, above-market returns.

Tarpon' strategy is to search for non-obvious investment opportunities, usually overlooked by the market, with prices significantly below its assessment of fair market value and with significant potential of long-term appreciation.

For the services rendered in connection to the asset management activity of the funds and management accounts ("Tarpon Funds"), the Company is remunerated by management and performance fees charged from the Tarpon Funds LPs.

Revenues related to management fees: 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 related to the performance of the fund when a hurdle rate is exceeded. Performance fees are collected only when this rate is exceeded. It is payable on different dates for each of the funds or managed accounts.

Investment strategy

The Company conducts its investments based on three main strategies:

Long Only Equity:
The Long Only Equity strategy comprises the Tarpon Funds that invest exclusively in Brazilian publicly traded companies listed at BM&FBOVESPA.

Hybrid Equity:
The Hybrid Equity strategy comprises the Tarpon Funds that invest in both public and private equities.

Co-Investment Strategy:
The co-investment strategy serves as a sidecar/co-investment structure whose primary objective is to co-invest with the other Tarpon Funds in specific public and private equities.

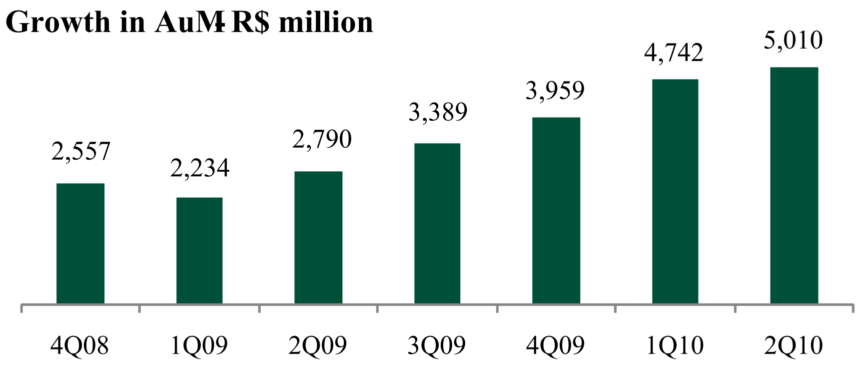
Investor base

Tarpon Funds' investor base is mostly comprised of foreign institutional investors with long-term investment approaches. This characteristic not only brings more stability to Tarpon's AuM, but also enables a strong alignment between the Company's philosophy and its investors.

Comments on operating performance

Assets under management

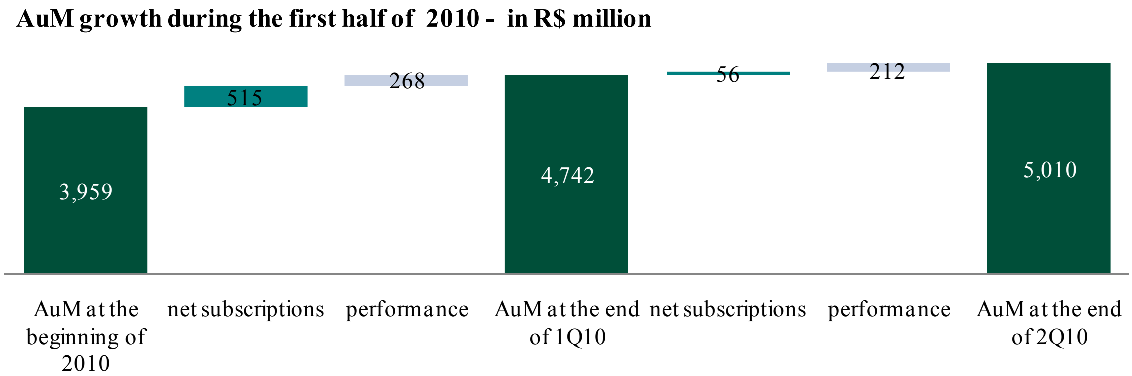
Assets under management ("AuM") amounted to R$5.0 billion as of June 30th 2010, an increase of 6% when compared to R$4.7 billion as of March 31st 2010. When compared to the second quarter of 2009, the AuM increased by 80%.



During the quarter, AuM growth was mainly driven by the strong performance of the Tarpon Funds. The chart bellow indicates the AuM growth breakdown by performance gains and net asset inflows during the first half of 2010.

✓ Performance: the net positive performance of the Tarpon Funds contributed to a R$212.0 million AuM increase in 2Q10. The total increase related to performance gains during the six months period amounted to R$480.0 million.

✓ New commitments: the Tarpon Funds received net commitments (new commitments net of redemptions) in the amount of R$56.0 million during the quarter, totaling R$571.0 million in the first half of 2010.



Performance of the Tarpon Funds

During the quarter, the Long-Only Equity strategy posted net returns of 6.9% in reais and 5.8% in dollars. In the six months period, the accumulated returns were 15.6% in reais and 11.6% in dollars.

The Hybrid-Equity strategy posted net returns of 7.6% (in dollars) during the quarter, accumulating net positive performance of 13.8% in the first half of 2010.

Tarpon does not follow any stock market index as a performance benchmark. However, for illustrative purposes, during the first half of 2010, the Ibovespa and IBX Indexes posted returns of -11.2% and -12.1%, respectively (both in reais).

			Performance[4]					
Strategy	**Launch**	**AUM**[1][2][3]	**2Q10**	**YTD**	**12 months**	**2 years**	**5 years**	**Since launch (annualized)**
Long Only Equity (R$)	May 02	R$656 m	6.9%	15.6%	62.5%	37.5%	255.1%	35.6%
Long Only Equity (US$)	May 02	R$1,079 m	5.8%	11.6%	70.0%	34.2%	303.6%	36.4%
Managed account Long Only Equity (US$)	Dec. 06		11.3%	14.4%	66.1%	28.9%	122.3%	25.0%
Hybrid Equity (US$)	Oct. 06	R$2,570 m	7.6%	13.8%	74.6%	29.7%	-	30.2%
Market indexes			**2Q10**	**YTD**	**12 months**	**2 years**	**5 years**	**Since May 2002 (annualized)**
Ibovespa (R$)			-13.4%	-11.2%	18.4%	-6.3%	143.2%	18.6%
IBX (R$)			-13.7%	-12.1%	14.4%	-12.2%	145.4%	23.2%
Ibovespa (US$)			-14.1%	-14.4%	28.3%	-17.2%	217.4%	22.3%
IBX (US$)			-14.7%	-15.1%	23.9%	-22.4%	220.2%	28.4%

(1) Position as of June 30th, 2010.
(2) Includes committed but uncalled capital. Management and performance fees are not collected on uncalled capital.
(3) Co-investment structures were not considered.
(4) Performance net of fees.

Comments on financial performance

Financial highlights - R$ million	2Q 2010	1H 2010	2Q 2009	Δ 2Q10/2Q09
Gross revenues	**87.8**	**157.2**	**19.1**	**359%**
Management fees	12.8	25.6	7.5	71%
Performance fees	75.0	131.6	11.6	544%
Net revenues	**83.3**	**149.1**	**18.2**	**359%**
Operating expenses(*)	**(23.2)**	**(27.8)**	**(9.3)**	**150%**
Recurring: general administration, payroll & others	(4.0)	(6.7)	(2.3)	79%
Non recurring: variable compensation & stock option	(19.1)	(21.0)	(7.0)	173%
Results from operating activities	**60.1**	**121.4**	**8.9**	**576%**
Operating margin	*72%*	*81%*	*49%*	*47%*
Net Income	**51.2**	**105.3**	**8.8**	**481%**
Net margin	*61%*	*71%*	*48%*	*27%*
Dividends	**105.3**	**105.3**	**8.4**	**1,157%**
Earnings per share (R$/share)	1.24	2.55	0.21	481%
Dividends per share (R$/share)	2.55	2.55	0.20	1,156%
O/S	41,207	41,207	41,174	-

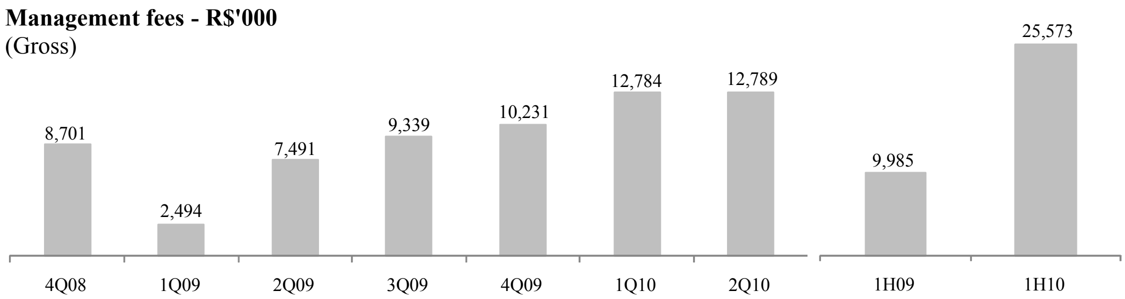
Note: Margins presented are calculated based on the net operating revenues.
(*)Profit from equity accounted investees and financial results are not included.

Operating income

✓ **Revenues related to management fees**

Revenues related to management fees, calculated based on the amount of assets under management during 2Q10, totaled R$12.8 million, equivalent to 15% of the quarter's total operating revenues.

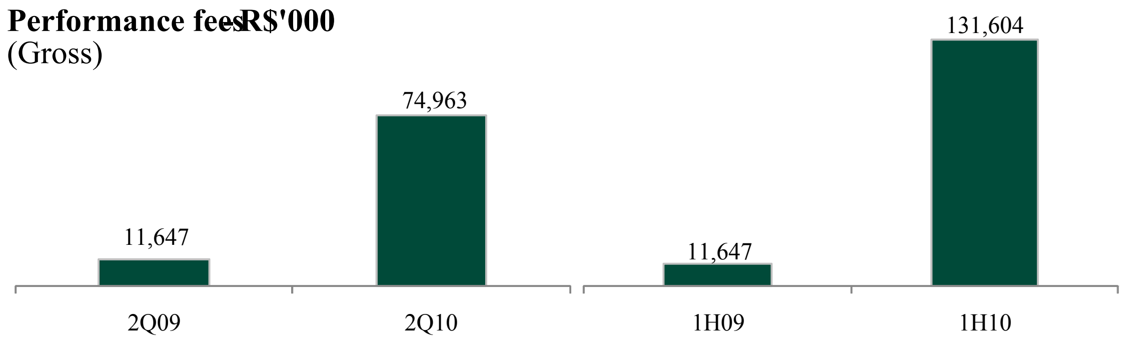
When considering the first half of 2010, revenues amounted to R$25.6 million, a 156% increase over the same period in 2009.



The increase in revenues of the first half of 2010 over the same period of 2009 is primarily due to (i) an increase of the Tarpon Funds' average fee paying AuM, and (ii) Tarpon's corporate restructuring in March 2009.

✓ **Revenues related to performance fees**

During 2Q10, revenues related to performance fees amounted to R$75.0 million, accounting for 85% of overall operating revenues in the period.

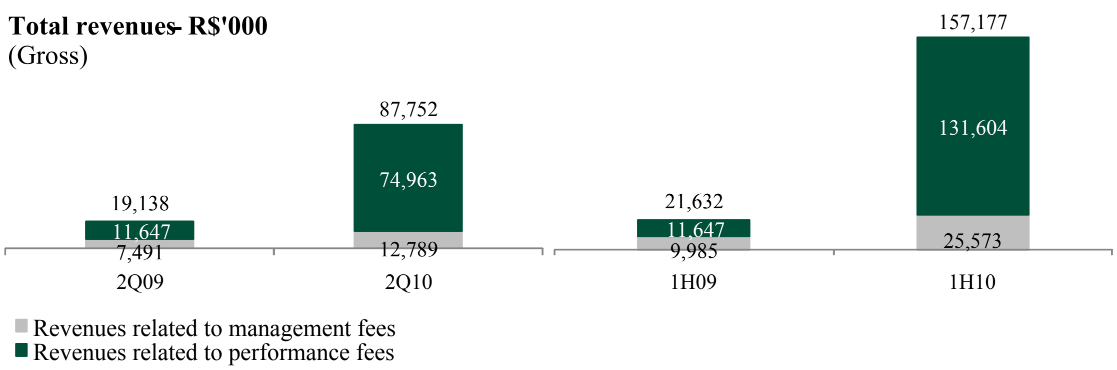


The revenues related to performance fees were calculated based on the net asset value of the funds and managed accounts that were above the water mark on the respective dates of performance fees collection.

In the first half of 2010, revenues totaled R$131.6 million, compared to R$11.6 million as of the same period of 2009. The increase is a result of the superior performance delivered by the Tarpon Funds.

✓ **Total operating revenues**

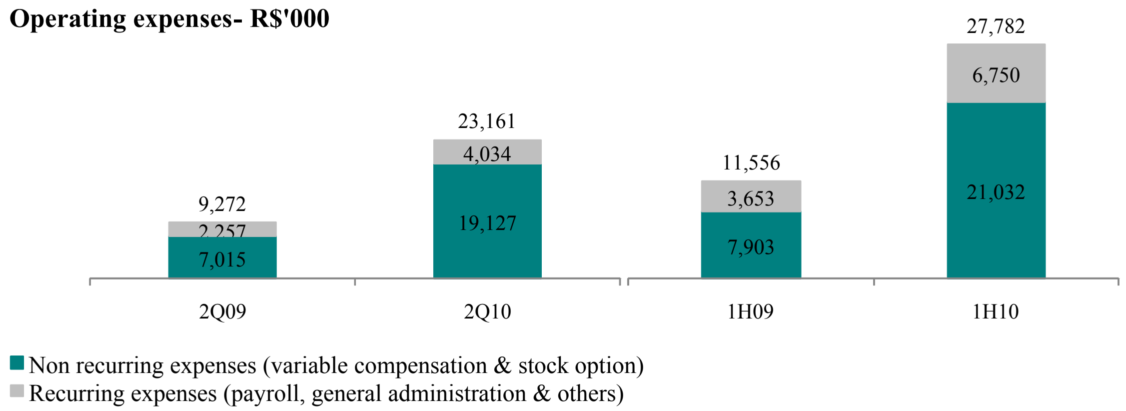
The amount of revenues related to management and performance fees totaled R$87.8 million in the quarter, a 359% increase over the amount recorded in the 2Q09. The total amount earned during the six month period ended June 30th 2010 totaled R$157.2 million.



Operating expenses

Operating expenses, which are comprised of recurring and non-recurring expenses, amounted to R$23.2 million during the second quarter of 2010 (72% of operating margin), compared to R$9.3 million reported in 2Q09 (49% of operating margin).

For the six months ended June 30th 2010, total operating expenses amounted to R$27.8 million.



✓ Recurring expenses

The recurring portion of operating expenses is comprised of general and administrative expenses, payroll expenses, and other income/expenses related to depreciation and business trip reimbursement. During the quarter, recurring expenses totaled R$4.0 million, equivalent to 17% of total operating expenses. In 2Q09, recurring expenses amounted to R$2.3 million, primarily due to year-over-year increase in headcount.

For the first half of 2010, total recurring expenses amounted to R$6.7 million, compared to R$3.7 million in the same period of 2009.

✓ Non-recurring expenses

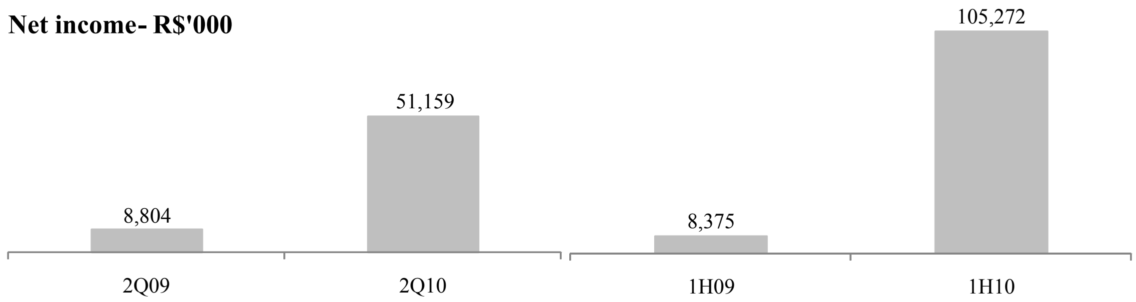
The non-recurring portion of operating expenses includes variable compensation, distributed on a semi-annual basis, and the provision of Tarpon's stock option plan.

For the first half of 2010, non-recurring operating expenses amounted to R$21.0 million, with variable compensation expenses accounting for R$17.2 million and stock option provision (with no cash impact) accounting for R$3.9 million.

Net income

Net income in 2Q10 amounted to R$51.2 million, representing a net margin of 61%. This amount represents an increase of 481% when compared to 2Q09.

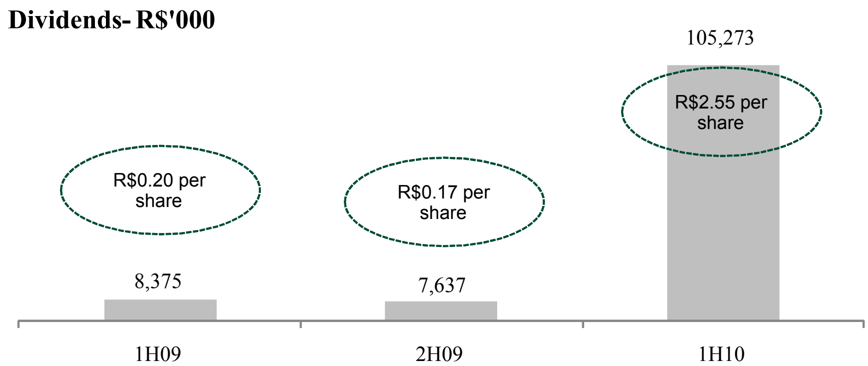
Net income for the first half of 2010 amounted to R$105.3 million, an increase of R$96.9 million over the same period of 2009. The increase reflected the higher operating revenues earned in 2010.



Dividends

On July 30th, The Board of Directors declared the distribution of R$105.3 million in dividends in connection to the first half of 2010 (R$2.55 per share). The amount represents a dividend payout of 100%.

In connection with 2009 fiscal year results, Tarpon distributed R$15.2 million in dividends, equivalent to R$0.37 per share. Dividend payout for the period was 95%.



Corporate Governance

As part of its commitment to the best corporate governance practices, Tarpon joined the Novo Mercado (New Market) segment of BM&FBOVESPA. Tarpon's shares are traded under the TRPN3 ticker.

Investor Relations - IR

Shareholders, investors and market analysts have at their disposal information available on the Company's IR website (www.tarponinvest.com.br). For further information, direct contact can be made with the IR department by e-mail (ri@tarponinvest.com.br) or by telephone: (11) 3074 5800.

Tarpon believes that transparent communication of its results is fundamental for the financial community to be able to correctly analyze its business.

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Independent auditors' report on the special review

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

1. We have reviewed the financial information included in the interim individual and consolidated financial statements of Tarpon Investimentos S.A. ("Company") for the interim ended June 30, 2010, comprising the balance sheet, statements of income, changes in shareholders' equity, cash flows and added value and the notes to these financial statements, which are the responsibility of its management.

2. Our review was conducted in accordance with the specific rules established by the Brazilian Institute of Independent Auditors (IBRACON) and the Federal Accounting Council (CFC), and consisted mainly of: (a) inquiries and discussions with management responsible for the accounting, financial and operating areas of the Company and its subsidiaries, with respect to the criteria adopted for preparing the quarterly financial information; and (b) a review of the post balance sheet information and events that have or could have significant impacts on the financial position and operations of the Company.

3. Based on our review, we are not aware of any significant modifications that should be made to the aforementioned financial information included in the interim individual and consolidated financial statements for it to be in accordance with accounting practices adopted in Brazil and the rules issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the interim financial information.

4. As reported in Note 2, during 2009, the CVM approved various Technical Statements, Interpretations and Guidelines, issued by the Accounting Pronouncements Committee (CPC), which are effective for 2010, and modify the accounting practices adopted in Brazil. These changes were adopted by the Company to prepare the interim financial statements information for the quarter ended June 30, 2010, and are disclosed in Note 2. The interim financial information for the previous period, presented for comparison purposes, was adjusted to include the changes in accounting practices adopted in Brazil, effective for 2010.

5. Our review report on the financial information presented in the interim individual and consolidated financial statements for the quarter ended June 30, 2009, and our report on the financial statements for the year ended December 31, 2009, presented for comparison purposes with the interim financial statements information presented in the interim financial statements, as referred in the first paragraph, do not include any qualifications, and were issued on August 14, 2009 and February 10, 2010, respectively.

São Paulo, July 30, 2010

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

Tarpon Investimentos S.A.

Individual and consolidated balance sheets

June 30, 2010 and December 31, 2009

(In thousands of Reais)

		Consolidated		Individual	
Assets	**Notes**	**06/30/2010**	**12/31/2009**	**06/30/2010**	**12/31/2009**
Current assets					
Cash and cash equivalents	4	29	42	29	40
Financial assets measured at fair values through profit or loss	5/6.c	69,441	14,958	69,441	14,958
Financial assets available for sale	6.b	4,719	106	4,719	106
Receivables	7	81,645	9,984	81,645	9,984
Other assets	16.b	923	539	923	541
		156,757	25,629	156,757	25,629
Non-current assets					
Investments in subsidiaries and associated comp	16.g	-	255	-	127
Property, plant and equipment	16.a	340	256	340	256
		340	511	340	383
Total assets		157,097	26,140	157,097	26,012

		Consolidated		Individual	
Liabilities	**Notes**	**06/30/2010**	**12/31/2009**	**06/30/2010**	**12/31/2009**
Current liaibilities					
Accounts payable	16.c	17,733	808	17,733	807
Tax liabilities	16.d	14,208	2,469	14,208	2,469
Labor liabilities	16.e	1,147	5,812	1,147	5,812
Dividends payable		-	6,838	-	6,838
		33,088	15,927	33,088	15,926
Shareholders' equity					
Share capital	8.a	4,180	4,004	4,180	4,004
Capital reserves	8.e	2,102	2,019	2,102	2,019
Statutory reserve	8.d	30	30	30	30
Legal reserve	8.b	801	801	801	801
Other comprehensive income		4,619	5	4,619	5
Stock option plan	12	7,004	3,227	7,004	3,227
Retained earnings		105,273	-	105,273	-
		124,009	10,086	124,009	10,086
Minority interest		-	127	-	-
Total shareholders´ equity and liabilities		157,097	26,140	157,097	26,012

The explanatory notes are an integral part of the interim individual and consolidated financial statements.

Tarpon Investimentos S.A.

Individual and consolidated statements of income

Quarters and semesters ended June 30, 2010 and 2009

(In thousands of Reais)

		Consolidated				Individual			
		Quarters ended June 30		Semesters ended June 30		Quarters ended June 30		Semesters ended June 30	
	Notes	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Revenues									
Management fees		12,789	7,491	25,573	9,985	12,789	7,491	25,573	9,985
Performance fees		74,963	11,647	131,604	11,647	74,963	11,647	131,604	11,647
		87,752	19,138	157,177	21,632	87,752	19,138	157,177	21,632
Deductions									
Taxes on service income		(4,456)	(974)	(8,031)	(1,110)	(4,456)	(974)	(8,031)	(1,110)
Net operating revenue	10	83,296	18,164	149,146	20,522	83,296	18,164	149,146	20,522
Operating income/(expenses)									
Personnel expenses	16.e	(18,933)	(8,084)	(20,779)	(9,122)	(18,933)	(8,084)	(20,779)	(9,122)
Stock option plan	12	(1,955)	(460)	(3,860)	(1,348)	(1,955)	(460)	(3,860)	(1,348)
Administrative expenses	11	(937)	(732)	(1,868)	(1,380)	(937)	(732)	(1,868)	(1,380)
Income from financial assets measured at fair value through profit or loss	5	1,247	1,553	1,916	1,199	1,247	1,553	1,916	1,199
Equity in income of subsidiaries and associated companies		(196)	871	(253)	1,474	(97)	440	(125)	561
Other operational income /(expenses)	16.f	(1,336)	4	(1,275)	294	(1,336)	4	(1,275)	294
		(22,110)	(6,848)	(26,119)	(8,883)	(22,011)	(7,279)	(25,991)	(9,796)
Net operating income		61,186	11,316	123,027	11,639	61,285	10,885	123,155	10,726
Income tax and social contribution	13	(10,126)	(2,081)	(17,882)	(2,351)	(10,126)	(2,081)	(17,882)	(2,351)
Net income before minority interests		51,060	9,235	105,145	9,288	51,159	8,804	105,273	8,375
Minority interest		99	(431)	128	(913)	-	-	-	-
Net income/(loss) for the period		51,159	8,804	105,273	8,375	51,159	8,804	105,273	8,375
Number of shares at the end of the period		41,207	41,207	41,207	41,207	41,207	41,207	41,207	41,207
Net income/(loss) per share -R$ - Earnings per share		1.24	0.21	2.55	0.20	1.24	0.21	2.55	0.20

The explanatory notes are an integral part of the interim individual and consolidated financial statements.

Tarpon Investimentos S.A.

Consolidated statements of changes in shareholders' equity

Quarter ended June 30, 2010 and semesters ended June 30, 2010 and 2009

(In thousands of Reais)

	Share Capital	Capital reserves	Statutory reserves	Legal reserve	Other comprehensive income	Stock Option plan	Retained earnings	Minority interests	Total
Balances at March 31, 2010	4,180	2,102	30	801	4,619	5,049	54,114	99	70,994
Stock option plan	-	-	-	-	-	1,955	-	-	1,955
Net income	-	-	-	-	-	-	51,159	(99)	51,060
Balances at June 30, 2010	4,180	2,102	30	801	4,619	7,004	105,273	-	124,009
Balances at December 31, 2009	4,004	2,019	30	801	5	3,227	-	127	10,213
									-
Capital increase	176	83	-	-	-	(83)	-	-	176
Adjustment of assets to market value	-	-	-	-	4,614	-	-	-	4,614
Stock option plan	-	-	-	-	-	3,860	-	-	3,860
Net income	-	-	-	-	-	-	105,273	(127)	105,146
Balances at June 30, 2010	4,180	2,102	30	801	4,619	7,004	105,273	-	124,009
Balances at December 31, 2008	116	2,542	4,100	-	(31)	-	-	-	6,727
									-
Capital increase	3,888	-	(3,888)	-	-	-	-	-	-
Cancellation of shares	-	(524)	-	-	-	-	-	-	(524)
Stock option plan	-	-	-	-	-	1,348	-	-	1,348
Dividend distribution	-	-	-	-	-	-	(9,146)	-	(9,146)
Net income	-	-	-	-	-	-	9,288	-	9,288
Balances at June 30, 2009	4,004	2,018	212	-	(31)	1,348	142	-	7,693

The explanatory notes are an integral part of the interim individual and consolidated financial statements.

Tarpon Investimentos S.A.

Individual and consolidated cash flows statements

Quarters and semesters ended June 30, 2010 and 2009

(In thousands of Reais)

	Consolidated				Individual			
	Quarters ended June 30		Semesters ended June 30		Quarters ended June 30		Semesters ended June 30	
	2010	2009	2010	2009	2010	2009	2010	2009
Operational activities								
Net income/(loss) for the period	51,159	9,235	105,273	9,288	51,159	8,804	105,273	8,375
Adjustments:								
Depreciation	14	12	27	24	14	12	26	24
Equity in income of subsidiaries	97	(871)	125	(1,474)	97	(440)	125	(561)
Increase/(Decrease) in stock option plan	1,955	-	3,860	-	1,955	-	3,860	-
Adjusted net income/(loss)	53,225	8,376	109,285	7,838	53,225	8,376	109,284	7,838
Changes in assets and liabilities								
(Increase)/Decrease in accounts receivable	(16,163)	(15,845)	(71,661)	(17,053)	(16,163)	(15,845)	(71,661)	(17,053)
(Increase)/Decrease in other assets	(209)	(198)	(384)	(216)	(209)	(197)	(384)	(219)
Increase/(Decrease) in accounts payable	17,099	37	16,925	-	17,099	(5)	16,925	547
Increase/(Decrease) in tax liabilities	2,852	2,640	11,739	2,640	2,852	2,640	11,739	2,640
Increase/(decrease) in other liabilities	-	-	-	170	-	-	-	170
Increase/(Decrease) in labor liabilities	429	6,776	(4,665)	6,774	429	6,774	(4,665)	6,774
Variation in financial assets measured at fair value through profit or loss	(57,125)	(2,124)	(54,483)	(2,124)	(57,125)	(2,124)	(54,483)	(2,124)
Cash flows from operational activities	108	(338)	6,756	(1,971)	108	(381)	6,755	(1,427)
Investment activities								
Increase in assets available for sale	-	(21)	-	(21)		(21)	-	(21)
(Reduction)/increase in investment	(191)	-	(191)	-	(187)	21	(187)	172
Adjustments to Shareholders' Equity	-	21	-	42	-	-	-	-
Dividends to be received	-	(882)	-	(882)	-	(414)	-	(414)
Treasury shares	-	-	-	524	-	-	-	524
Variation in financial assets	-	-	-	717	-	-	-	706
Acquisition/(disposition) of fixed asset	93	(42)	84	(69)	94	(42)	83	(67)
Cash flows from operational activities	(98)	(924)	(107)	311	(93)	(456)	(104)	900
Financial activities								
Dividend payments	(5)	438	(6,838)	831	(5)	-	(6,838)	(314)
Exercise of stock options	-	-	176	-	-	-	176	-
Acquisition of our own shares	-	-	-	-	-	524	-	524
Cancellation of shares	-	-	-	-	-	(524)	-	(524)
Acquisition of our own shares	-	862	-	862	-	876	-	876
Allocation of dividends to minority interest								
Cash flows from financing activities	(5)	1,300	(6,662)	1,693	(5)	876	(6,662)	562
Total cash flows	5	38	(13)	33	10	39	(11)	35
Net Increase/(Decrease) of cash and cash equivalents	5	38	(13)	33	10	39	(11)	35
Cash and cash equivalents at January 1 and April 1	24	28	42	33	19	23	40	27
Cash and cash equivalents on June 30, 2010	29	66	29	66	29	62	29	62

The explanatory notes are an integral part of the interim individual and consolidated financial statements.

Tarpon Investimentos S.A.

Individual and consolidated statements of added value

Quarters and semesters ended June 30, 2010 and 2009

(In thousands of Reais)

	Consolidated				Individual			
	Quarters ended June 30		Semesters ended June 30		Quarters ended June 30		Semesters ended June 30	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Income	87,752	19,138	157,177	21,632	87,752	19,138	157,177	21,632
Performance and management fees	87,752	19,138	157,177	21,632	87,752	19,138	157,177	21,632
Supplies acquired from third parties	(2,323)	(715)	(3,159)	(1,061)	(2,323)	(715)	(3,159)	(1,061)
Materials-Energy-Third Party Services-Others	(2,323)	(715)	(3,159)	(1,061)	(2,323)	(715)	(3,159)	(1,061)
Gross added value	85,429	18,423	154,018	20,571	85,429	18,423	154,018	20,571
Retentions	(14)	(12)	(26)	(24)	(14)	(12)	(26)	(24)
Depreciation	(14)	(12)	(26)	(24)	(14)	(12)	(26)	(24)
Net added value produced	85,415	18,411	153,992	20,547	85,415	18,411	153,992	20,547
Added value received in transfer	1,150	1,993	1,791	1,760	1,150	1,993	1,791	1,760
Equity in income of subsidiaries	(97)	440	(125)	561	(97)	440	(125)	561
Financial income and expenses	1,247	1,553	1,916	1,199	1,247	1,553	1,916	1,199
Total added value to distribute	86,565	20,404	155,783	22,307	86,565	20,404	155,783	22,307
Distribution of added value	86,565	20,404	155,783	22,307	86,565	20,404	155,783	22,307
Personnel	20,533	8,261	23,926	9,985	20,533	8,261	23,926	9,985
Direct remuneration	20,533	8,261	23,926	9,985	20,533	8,261	23,926	9,985
Taxes and contributions	14,873	3,339	26,584	3,947	14,873	3,339	26,584	3,947
Federal	10,633	2,421	19,099	2,929	10,633	2,421	19,099	2,929
Local	4,240	918	7,485	1,018	4,240	918	7,485	1,018
Remuneration of own capital	51,159	8,804	105,273	8,375	51,159	8,804	105,273	8,375
Retained earnings/loss for the period	51,159	8,804	105,273	8,375	51,159	8,804	105,273	8,375

The explanatory notes are an integral part of the interim individual and consolidated financial statements.

Tarpon Investimentos S.A.

Notes to the interim individual and consolidated financial statements

Quarter ended June 30, 2010

(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 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. (formerly 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 predominate shareholder of the Company, approved amongst others: (i) a capital increase in the Company through the capitalization of the reserve; (ii) the division of shares; (iii) the purchase of 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.

2 Presentation of the interim financial statements

2.1 Presentation of the interim individual and consolidated financial statements

The interim individual and consolidated financial statements were prepared based on accounting practices adopted in Brazil, which include corporate law, the pronouncements, guidance and interpretations issued by the Accounting Pronouncements Committee and the rules issued by the Brazilian Securities Commission (CVM).

As permitted by CVM Resolution 603, of November 10, 2009, complemented by CVM Resolution 626, of March 31, 2010, Company Management decided not to delay adopting all of the CPCs in force and approved by the CVM for the consolidated financial statements for the year ending December 31, 2010. Consequently, on June 30, 2010, all of the CPCs, including those effective as from January 1, 2010 and applicable to the Company, were adopted.

To ensure consistent presentation, the interim and consolidated financial statements as of June 30, 2010 and 2009 were prepared and are presented on the same aforementioned accounting basis. Adapting the accounting practices to the new accounting guidelines did not create significant impacts on the Company's consolidated financial statements.

These interim financial statements and the respective audit report on the special review were approved by the Board of Directors on July 30, 2010.

2.2 Functional and presentation currency

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

2.3 Accounting estimates and judgments

The preparation of the interim financial statements requires Management to make judgments and estimates that affect the application of accounting principles, as well as the amounts presented for assets, liabilities, income and expenses, including determination of market values of the securities and stock option plan. The actual results may differ from the estimates. The assumptions and estimates are revised quarterly.

2.4 Consolidation basis

The consolidated interim 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. These interests are in the process of being finalized when they will be excluded from consolidation, as discussed in Note 16, Section (g).

The investments in these subsidiaries and all of the balances between the companies were eliminated for purposes of preparing the interim consolidated financial statements, and the minority interest in the shareholders' equity and in the results is presented separately.

3 Significant accounting practices

The accounting practices described below were applied consistently for Tarpon Investimentos S.A. and its subsidiaries for the quarters/semester presented in the financial statements.

a. Revenue

Revenue comprises management and performance fees payable by Tarpon Funds. The management fees are calculated based on a fixed and/or variable percentage of the Funds' net asset value, and recognized as the respective services are provided. The performance fees are earned when the funds reach a certain performance level, as defined in the funds regulations, and are recognized only when there is certainty as to the amount to be received and its recovery.

b. Non-derivative financial instruments

Financial assets measured at fair value through profit or loss

The financial assets measured at fair value through profit or loss are held for trading and are represented by the Company's investments in investment funds, repurchase agreements, securities issued by the Brazilian government, and certificates of deposit which are recognized at market values. The interest, gains and losses arising from adjustment to fair value were recognized in the income statement as "Income from financial assets at fair value through profit or loss". The fair value of these assets is determined based on the quota value established by the fund´s administrator, market quotation of the securities, based on data published by ANBIMA, and the value (adjusted by the interbank deposit fee) established by the CDB's issuing Bank and by the Bank issuing the repurchase agreement, respectively, at the end of each month.

Financial assets available for sale

The Company's investments in equity securities are classified as available for sale. Subsequent to the initial recognition, they are carried at fair value and any fluctuations, except reductions to recoverable values, are recognized directly in shareholders' equity. When an investment is no longer recognized, the accumulated gain or loss recorded in shareholders' equity is transferred to profit or loss.

Cash and cash equivalents

Cash and cash equivalents refer to cash balances used in the normal administration of the Company's working capital.

c. Impairment

The book values of the Company's assets are revised at each balance sheet date, to determine whether there is any evidence of loss of recoverable values (impairment). If such evidence exits, the asset's recoverable value is estimated. Impairment of the asset is recognized when the book value of the asset is greater than its recoverable value.

d. Investments in subsidiary and associated companies

Investments in associated and subsidiary companies are stated at their nominal values and adjusted using the equity method.

e. Fixed assets

Property, plant and equipment are measured at acquisition cost, net of accumulated depreciation, calculated using the straight line method, which takes into consideration the estimated economic useful life of the property and its residual value. The annual depreciation charges are: furniture, fixtures, machines and equipment (10%), facilities (10%), data processing systems (20%), communication and security systems (20%), and software licenses (25%). Third-party lease holdings are depreciated by the rental contract terms in force (five years), which is an annual charge of 20%.

f. Short-term benefits for employees and profit sharing plan

Employees are entitled to fixed remuneration and to participate in the company's biannual profit sharing plan. A provision is recognized for the estimated amount payable for the biannual profit share, in cash, when the Company meets the legal (conditions established in the plan) or constituted obligation to pay this amount to its employees and when it is possible to make a reliable estimate of the liability.

g. Provisions

A provision is recognized if, as the result of a past event, the Company has a legal or constituted obligation that enables a reliable estimate to be made and provided any loss is evaluated as being probable. Provisions are determined by discounting future estimated cash flows at a rate that reflects the market conditions in force and the risks characteristic of the liability.

h. Share-based option plan

The effects of the share-based option plan are calculated based on the fair value at the options grant date and recognized in the balance sheet and statement of income on a pro-rata basis, within the vesting period of each grant.

i. Income tax, social contribution and other taxes

The Company adopted the presumed income regime, which is subordinated to the total revenue in a quarter. The rate of 32% of revenue, plus financial revenues is used for purposes of determining the calculation basis of corporate income tax (IRPJ) and Social contribution (CSLL). 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%, respectively, and are due on management and performance fees, earned from the Brazilian funds. Service Tax (ISS) is charged at the rate of 2.5% due on revenues from management of the Brazilian funds and 5% on revenues related to non-Brazilian funds management. PIS, COFINS and ISS are registered as tax expenses on revenue.

j. Other assets and liabilities

Other assets are stated at realization values, including, when applicable, yields and monetary variations earned (on a daily *"pro-rata"* basis), and a provision for losses, when considered necessary. Other liabilities stated include known and determinable amounts, plus charges and monetary adjustments (on a base daily *"pro-rata"* basis) incurred.

k. Receivables

Receivables are measured at amortized cost based on the effective interest rate method, less any reductions to their recoverable values.

l. Financial disclosures per segment

A segment is a component of a company that is dedicated either in providing goods or rendering services (business segment), or providing goods or services in a particular economic environment (geographic segment), which is subject to risks and rewards that differ from the other segments.

In March 2009, the Company implemented a corporate restructuring, aimed at segregating its fund management activities from its proprietary investment activities. Consequently, the Company only undertakes one type of activity (rendering services related to portfolio management) and therefore, no segment information by business type is presented.

(In thousands of Reais)

m. Comprehensive income

Comprehensive income is composed of the changes in shareholders' equity during the period, and results from variation in the fair value of financial instruments classified as available for sale.

4 Cash and cash equivalents

Cash and cash equivalents are presented in consolidated and individual form in June 30, 2010 and 2009 by balances in cash and banks.

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

	Consolidated and Individual	
	June 2010	**December 2009**
Financial assets measured at fair values through profit or loss		
Investments fund (a)	265	2,609
Repurchase agreements (b)	56,097	-
Treasury bonds (c)	3,527	-
Certificates of deposit (d)	9,552	12,349
	69,441	14,958
Financial assets avaliable for sale		
Investments in shares - BrasilAgro	88	106
Subscription Bonus - BrasilAgro	4,631	-
	4,719	106

(a) Investment fund with a portfolio comprised of shares of public-traded Brazilian corporations.
(b) Debenture repurchase agreements, indexed to the Brazilian Interbank Deposit rate, with a maturity date of October 7, 2010 and May 17, 2011, and issued by top line Brazilian bank.
(c) Treasury bonds with a maturity date of December 7, 2010.
(d) Certificates indexed to the Brazilian Interbank Deposit rate with maturity in May and September of 2010 and issued by top line Brazilian bank.

6 Financial instruments

a. *Risk management*

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

Credit risk

Refers to the possibility of the company and its subsidiaries incurring losses from defaults by their counterparties or the financial institutions holding their funds or financial investments. The Company's policy is to minimize its exposure to credit risk. Management revises and approves all investment decisions in order to ensure that they are made only in highly liquid assets, issued by reputable institutions.

Market risk

Risk that changes in market prices, such as interest rates and equity prices, may affect the Company´s income or the value of its financial instruments. The Company's policy is to minimize exposure to market risk, seeking to diversify its investments portfolio in terms of pre- or post-fixed rates and/or equity indices.

b. *Financial assets available for sale*

	2010	2009	
	Valuation method	**Valuation method**	**Exposure to market value or interest rate risk?**
Investments in BrasilAgro shares	Market value	Market value	Yes
BrasilAgro subscription bonus	Value based on the trade	-	Yes

c. *Financial assets measured at fair value through profit or loss*

	2010	2009	
	Valuation method	**Valuation method**	**Exposure to market value or interest rate risk?**
Investment funds	Quote value established by the Fund´s manager	Quote value established by the Fund´s manager	Yes
Certificates of deposit	Valued by index rate - DI	Valued by index rate - DI	Yes
Repurchase agreements	Valued by índex rate - DI	-	Yes
Treasury bonds	Valued by índex rate - Selic	-	Yes

d. Subscription bonus

The Company was granted, at no cost, two series of subscription bonuses, each of which provides the right to subscribe 2% of the capital of BrasilAgro - Companhia Brasileira de Propriedades Agricolas on a fully diluted basis.

The Company isolated these subscription bonuses as of April 28, 2010 with a value of R$ 4,758 to be paid 180 days from the effective date of transfer of the shares and subscription bonus. The bonuses were evaluated by their attributed value in that transaction, being that it was the only existing market parameter at the date of publication of the financial statements.

e. Derivative financial instruments

At June 30, 2010, and during the quarter, the Company did not have any balances recorded as derivative financial instruments.

f. Sensitivity analysis - Effect on variation of fair value

In compliance with the ruling in 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 are comprised of a holding in an investment fund (0.5%), Treasury Bonds (5%), repurchase agreements (81%) and certificates of deposit indexed to the Brazilian Interbank Deposit Rate (13.5%). 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 fair value of these financial instruments.

g. Cash and cash equivalents

The funds are not allocated to any type of financial investment, and therefore no interest rate is applicable.

(In thousands of Reais)

h. Other financial assets and liabilities

The fair value of other financial assets and liabilities are practically the same as the book values reported in the balance sheets, and measured at fair value or short term maturity.

7 Receivables

The management fees due from the funds are calculated monthly and paid at the beginning of the following month, or quarterly. The performance fees are calculated every six months period and/or annually, depending on each fund´s terms, and paid on January 31, March 31, April 30, June 30, July 31, September 30, and December 31 of each year.

	Consolidated and Individual	
	June 2010	**December 2009**
Management fee (*)	10,275	9,032
Performance fee (*)	71,370	952
	81,645	9,984

(*) At the time of approval of these financial statements, 97% of the receivables had been settled.

8 Shareholders' equity

a. Share capital

Share capital at June 30, 2010, was divided into 41,207 thousand ordinary nominative shares, amounting to R$ 4,180.

On March 10, 2010, a total of 33 thousand shares were issued, for the amount of R$ 176, as a result of the stock option conversion process related to options granted under the share-based option plan (see note 12).

Share capital at December 31, 2009 was divided into 41,174 thousand ordinary nominative shares, amounting to R$ 4,004. On May 25, 2009, a total of 3,580 thousand shares were cancelled which had been held in Treasury, for the amount of R$ 524.

b. *Legal reserve*

This is calculated at the rate of 5% of yearly net income, in accordance with the terms of article 193 of law 6,404/76, up to a limit of 20% of the share capital.

c. *Dividends*

The Company's by-laws set forth the distribution of a minimum mandatory dividend of 25% of yearly net income, adjusted in accordance with the by-laws.

d. *Statutory reserve*

On March 10, 2009, the Company capitalized its profit reserves in the amount of R$ 3,888 with the issuance of new shares, and at June 30, 2010, the remaining balance was R$ 30.

The by-laws establish that up to 10% of the adjusted yearly net income (after deducting the minimum mandatory dividend) can be allocated to the investment reserve, for the purpose of redemption, repurchase or acquisition of the Company's shares, or to develop the Company's activities.

e. *Capital reserve*

On March 10, 2010, the Company recorded the amount of R$ 83 as a capital reserve (see item a. and Note 12).

On May 25, 2009, the Company partially used this capital reserve to cancel 3,580 thousands ordinary shares at a cost of R$ 524. On December 31, 2009, the remaining balance was R$ 2,019.

(In thousands of Reais)

9 Earnings per share

a. Basic earnings per share

The basic earnings per share calculation was made using the Company's net income attributed to shareholders and the weighted average number of common shares, as shown below.

	Consolidated and Individual	
	1st quarter	**2nd quarter**
Net income of the quarter attributable to shareholders	54,114	51,159
Weighted average number of ordinary shares		
Ordinary shares at January 1		41,174
Shares issued during the semester (see note 8.a)		33
Shares cancelled during the semester		-
Total shareson June 30, 2010		41,207
Weighted average number of ordinary shares		41,194
Earnings per share for the semester		2.55

b. Diluted earnings per share

When the dilutive effect of the Company's stock option plan (approved by shareholders March 10, 2009) which includes 13,724 authorized options and 10,607 granted options is considered, the net income attributed to the shareholders for the semester would be R$ 1.92 and R$ 2.03 per share, respectively.

(In thousands of Reais)

10 Revenue from services

	Consolidated and Individual			
	2nd quarter 2010	2nd quarter 2009	1st semester 2010	1st semester 2009
Management fee revenue	12,789	7,491	25,573	9,985
Performance fee revenue	74,963	11,647	131,604	11,647
Taxes on revenue	(4,456)	(974)	(8,031)	(1,110)
	83,296	18,164	149,146	20,522

Management fees are recognized as the services are rendered and are calculated monthly based on a fixed and/or variable percentage applied to the funds' net asset value/administered portfolios.

Performance fees are calculated every six months and/or annually and paid on January 31, March 31, April 30, June 30, July 31, September 30, and December 31 of each year. Consequently, if the fair 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 June 30, 2010, the majority of the assets under management (99%) were above the respective "high water mark".

Consequently, the income from performance fees may be subject to significant variations from year to year, depending on: fluctuations in the fund´s portfolio net assets values, the performance of the portfolios compared to the hurdle rates (benchmark) for each fund and the realization of private equity investments (since the performance fees related to these investments are charged only upon the realization of the investment).

(In thousands of Reais)

Presented below is a summary of the track record of the net returns, which reflects the monthly return to the investor, net of (i) management fee; (ii) performance fee; and (iii) all fees and expenses generated by the fund. The calculation of the net return for the strategies is based on gross return at the closing of the month and the aforementioned items may make the actual net returns for each investor different from those presented below.

History of net return				
Strategy	**Vehicle**	**Jan-June 2010**	**Jan-June 2009**	**Minimum attractive rate**
Long-Only Equity	Tarpon FIA (Brazilian vehicle)	15.60%	25.19%	IGPM + 6%
	TF Fund (Non-Brazilian vehicle)	11.64%	48.42%	Libor
	Management portfolio (Non-Brazilian Vehicle)	17.14%	26.08%	IPCA + 6%
Hybrid Strategy	TAEF Fund	13.80%	48.44%	6%

11 Administrative expenses

	Consolidated and Individual			
	2nd quarter 2010	**2nd quarter 2009**	**1st semester 2010**	**1st semester 2009**
Third party services	318	274	765	633
Travel expenses	113	178	260	275
Computer system	212	124	283	197
Office maintenance	263	87	498	174
Other expenses	31	69	62	101
	937	732	1,868	1,380

12 Share based option plan

The Company's shareholders approved a share based option plan as the basis for issuing options that will grant the titleholders the right to purchase shares representing up to 25% of the 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 Company's Board of Directors granted 7,662 thousand options representing 55.8% of the total options under the plan, of which 77 thousand were returned as a result of the titleholders leaving the Company.

On November 30, 2009, the Company's Board of Directors granted a further 2,493 thousand options, and on February 19, 2010, it granted 530 thousand options, which, together with the first options grant (including returned options), amounted to 10,608 thousand options, which represent 77.30% of total options under the plan.

On March 10, 2010, the Company's Board of Directors approved the issuance of 33 thousand shares, in accordance with the partial exercise of the options granted to an employee on March 31, 2009.

At any date until July 1, 2017, the Company may grant an additional 29 thousand options. Further, from July 1 of 2010, 2011 and 2012, the Company may grant additional amounts, equivalent to 7.5% of the total options under the plan.

The beneficiaries of the options are the Company´s Directors (except for the independent members), vice-presidents and employees (including those related to the Tarpon Funds` investment entities), in accordance with the allocation that is determined by the Company´s Board of Directors.

The options under the plan were (will be) vested in the proportions and on each of the dates listed below ("Vesting Dates"):

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

c. The options granted after July 1, 2009 can be exercised in the proportion of 20% on July 1 of each of the five financial years subsequent to the year such options were granted.

Notwithstanding the foregoing, in certain events, including if the controlling shareholders cease to jointly hold at least 30% of the total shares at any moment, all of 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 have been fulfilled 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 which is vested at such time, 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 under the share based option plan.

The evaluation of the share based option plan was prepared using the binominal model, which was applied at the time of each option being granted, considering market parameters. The following assumptions were adopted for the most recent options granted: (a) average of annual volatility rate; (b) current share price; (c) exercise price of options from the plan in its terms; and (d) the risk free interest rate.

During the quarter ended June 30, 2010 the amount recorded in the income statement for the adjustment to fair value of the share based option plan was R$ 1,955 (R$ 1,905 in the first semester of 2010).

(In thousands of Reais)

13 Demonstration of the calculation of income tax and social contribution

	Consolidated and Individual			
	2nd quarter 2010	**2nd quarter 2009**	**1st semester 2010**	**1st semester 2009**
Revenue	87,752	19,138	157,177	21,632
Presumed income (32%)	28,081	6,124	50,297	6,922
Financial revenues	1,718	14	2,333	29
Calculation basis of corporate income tax (IR) and social contribution (CS)	29,799	6,138	52,630	6,951
IR (15%)	(4,470)	(921)	(7,894)	(1,043)
IR surcharge (10%)	(2,974)	(608)	(5,251)	(683)
CS (9%)	(2,682)	(552)	(4,737)	(626)
Total	(10,126)	(2,081)	(17,882)	(2,351)

14 Contingencies

There are no contingent liabilities or legal obligations - taxes and social security - that have not been recorded and no legal proceedings that could represent possible or probable losses.

15 Related parties

The main asset and liability balances at June 30 and March 31, 2010, and the transactions with related parties that affected the results for the period refer to transactions between the Company and its subsidiaries, associated companies, joint ventures and key management staff.

(In thousands of Reais)

The Company reported transactions with related parties that are inherent to fund management (See Notes 7 and 10), transactions with its shareholders and the respective payments of dividends, bonus from the Company's profit, and remuneration of key management. In addition, the Company has accounts payable to its previous owner (See Note 16.c).

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

	Consolidated and individual			
	Asset/(Liability)		Income/(expense))	
	June	March	2nd quarter	1st quarter March
Receivables	81,645	65,482	87,752	69,425
Accounts payable	(17,730)	(553)	(17,184)	(7)
Dividends	-	(5)	-	-
Directors' remuneration (*)	(697)	-	(877)	(180)
Total	63,218	64,924	69,691	69,238

(*) Annually, in the General Meeting the global maximum amount of the remuneration to the Company's Management is fixed. For 2010, this amount is R$12,000.

16 Other information

a. Fixed assets

The depreciation expenses of property, plant and equipment totaled R$ 14 in the second quarter of 2010 (R$ 13 in the first quarter of 2010).

b. Other assets

Other assets in June 30, 2010 in the consolidated and individual interim financial statements are composed substantially of recoverable taxes in the amount of R$ 599 (R$ 621 in March 2010) and prepaid expenses in the amount of R$ 306 (R$ 51 in March 2010).

c. *Accounts payable*

This refers to amounts due to suppliers in the amount of R$ 3, a bonus program based on the Company's profit in the amount of R$ 17,172, and accounts payable to TIG Holding Ltd. that refer to the repurchase of shares issued by the Company, in the amount of R$ 558, adjusted by an annual composite rate of Libor plus 3% per year.

d. *Tax liabilities*

The amounts due at June 30, 2010 refer to R$ 14 for third party taxes, R$ 61 for PIS and COFINS, R$ 4,000 for ISS and R$ 10,133 for IRPJ and CSLL.

e. *Personnel and Labor liabilities*

This balance comprises social security charges, the provision for vacation, and "thirteenth-month" salaries, amounting to a total of R$ 1,147.

f. *Other operational income and expenses*

The amount of R$ 1,336 refers mainly to a Tax Government Program related to services tax - ISS (base year: 2005), in the amount of R$ 1,091, besides the depreciation of the period, reimbursement of travel expenses, marketing and fundraising expenses, financial expenses, and monetary adjustments of taxes.

g. *Investments in subsidiaries and associated companies*

The Company indirectly held up until May 6, 2010 an interest of 25% of the investments in a joint venture, Paraná Consultoria de Investimentos S.A. ("Paraná"), an advisory consulting company. Since the Company does not have any voting power over the operational and financial decisions of Paraná, it is treated as an investment and recorded using the equity method. This interest was sold, resulting in a loss of R$ 100.

h. *First time adoption of International Accounting Standards*

Considering the importance and requirement that Brazilian accounting practices be consistent with international accounting practices and seeking greater transparency and reliability in its financial information, as well as adopting the prerogatives from the resolutions issued by the Brazilian Securities Commission, regarding this topic, Management does not predict any significant accounting effects arising from fully adopting international accounting standards according to the pronouncements issued by the International Accounting Standards Board - IASB, for its consolidated financial statements for the year ended December 31, 2010.

If adopted, a transition from Brazilian accounting practices to international practices will not significantly affect the disclosures and/or presentation of the financial statements and accounting of the Company, or the equity or net income of the semester so much as to the point that it would be necessary to prepare a restatement.

17 Subsequent event

On July 30, 2010 the proposal for a dividend distribution in the amount of R$ 105, 273 related to the net income recognized in the first semester of 2010 was approved by the Management Council.

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Management Representatives

Chief Executive Officer
José Carlos Reis de Magalhães Neto

Chief Financial Officer
Eduardo Silveira Mufarej

Accountant
Bruno Vergasta de Oliveira
CRC 1RJ-093416/O-0 T-SP