Tarpon Investimentos S.A.

Individual and consolidated interim financial statements Quarter ended June 30, 2011

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Tarpon Investimentos S.A.

Individual and consolidated interim financial statements

Quarter ended June 30, 2011

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Management Report

Market context

Tarpon's investment funds invest in public companies as well as in private equity investments.

Ibovespa, the share price average performance index of the major companies listed on the Brazilian stock exchange closed the first semester of 2011 with a decrease of 9.96%, mainly reflecting investors' concerns over Brazil's inflation and the possible increase of interest rates, as well as the uncertainties in Europe. In the same period, the US indexes S&P 500, Dow Jones and Nasdaq had increases of 5.01%, 7.23% and 4.55% respectively, and the London FTSE index increased 0.78%.

In the case of the public companies included in the portfolio of funds managed by Tarpon, we observed in June 2011 significant decreases in BRF prices due to uncertainty about the decision to merge Sadia and Perdigão and over companies in the retail sector, mainly impacted by the expectation of an increase in interest rates and a possible increase in consumer default.

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 funds when their performance exceeds certain hurdle rates. The majority of the Tarpon Funds' hurdles vary from 6% per year to an inflation index plus 6% per year.

The Tarpon Funds include the concept of a high water mark. Performance fees are charged only if the net asset value (NAV) of the fund's shares exceeds the NAV of the previous date of performance fee collection, adjusted for the hurdle rate.

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 have flexibility to invest in either public equities or privately held companies in Brazil or other Latin American countries.

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.

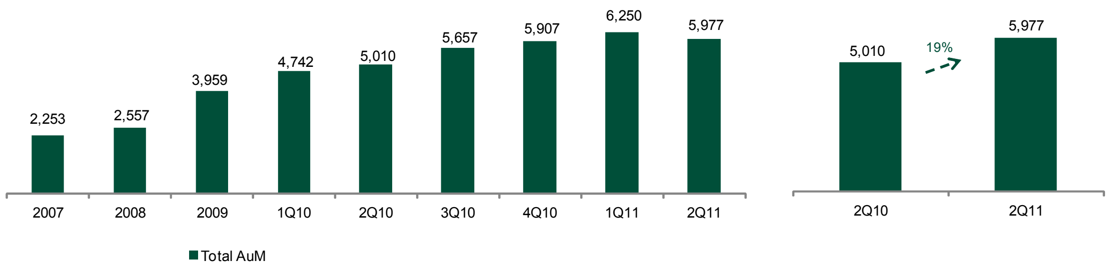
Investor base

We aim to attract and retain a sophisticated investor base that is aligned with our investment philosophy and with a long-term investment profile.

Assets under management

Our assets under management ("AuM") amounted to R$5.9 billion as of June 30th 2011, an increase of 19% when compared to R$5.0 billion AuM as of June 30th 2010 and a decrease of 4,3% when compared to the first quarter of 2011.

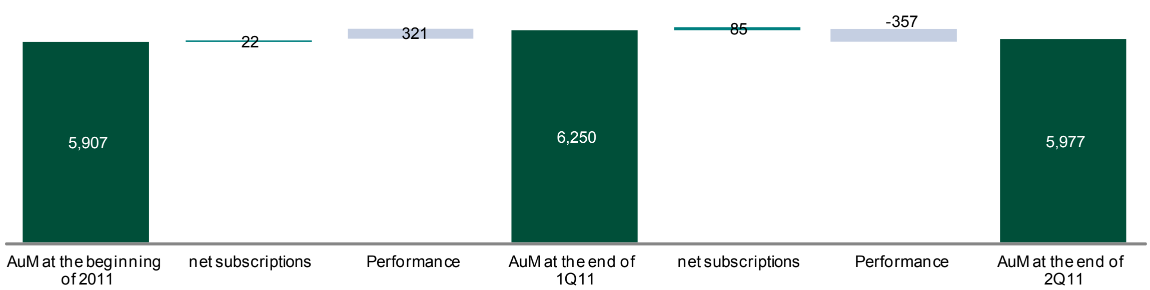
Total AuM historical growth - R$ million



The AuM reflected net subscription of R$ 85 million in the second quarter of 2011 and the negative impact of Fund's performance during the same quarter.

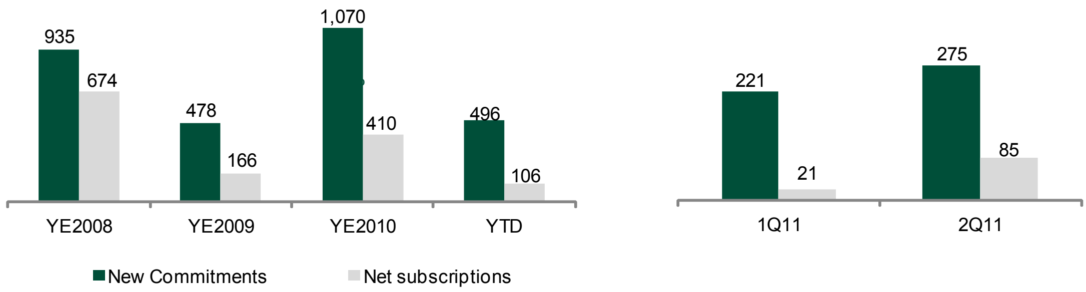
The net negative performance of the Tarpon Funds contributed to a R$357 million AuM decrease in 2Q11.

AuM growth 2010 - R$ million



New commitments: the Tarpon Funds received net commitments (new commitments net of redemptions paid in the quarter) in the amount of R$85 million during the second quarter. The strategy of Tarpon's fundraising effort is based on the capital recycling; replacing potential redemptions with new subscriptions of similar sizes.

Commitments - R$ million



The majority of subscriptions made during 2011 were committed to the hybrid-equity strategy designated to co-invest alongside the other Tarpon Funds in certain public and private-equity opportunities.

Investment performance

During the quarter, the Long-Only Equity strategy posted net returns of -6.2% in R$ and -3.5% in US$. The accumulated returns of this strategy is 33.5% in R$ and 35.4% in US$.

The Hybrid-Equity strategy posted net returns of 1.0% (in US$) in the quarter, accumulating net positive performance of 33.0% since launch. In the half year, the performance was positively impacted by the strong returns of the private equity strategy.

We do not follow any stock market index as a performance benchmark. For illustrative purposes, during the quarter, Ibovespa and IBX Indexes posted returns of -9.0% and -7.3%, respectively (both in R$).

		Performance(1)(2)					
Strategy	**Inception**	**2Q11**	**YTD**	**LTM**	**2 years**	**5 year**	**Since launch (annualized)**
Long-Only Equity (R$)	May 2002	-6.2%	-1.5%	18.2%	92.1%	186.5%	33.5%
Long-Only Equity (US$)	May 2002	-3.5%	2.0%	28.2%	117.9%	252.8%	35.4%
Hybrid-Equity (US$)	Oct 2006	1.0%	10.9%	43.8%	136.4%	-	33.0%
Stock market index		**2Q11**	**YTD**	**LTM**	**2 years**	**5 years**	**Since May 2002 (annualized)**
Ibovespa (R$)		-9.0%	-9.9%	2.4%	21.2%	70.3%	19.1%
IBX (R$)		-7.3%	-6.7%	8.8%	24.5%	75.3%	22.1%
Ibovespa (US$)		-5.0%	-3.9%	18.1%	51.5%	136.1%	24.8%
IBX (US$)		-3.3%	-0.4%	25.6%	55.6%	143.1%	27.8%

(1) Performance net of fees.
(2) Performance up to June 30th, 2011.

Summary of results

Financial highlights - R$ million

	2Q 2011	1H 2011	2Q 2010	1H 2010
Gross revenues	**126.0**	**218.4**	**87.8**	**157.2**
Management fees	16.1	31.2	12.8	25.6
Performance fees	109.9	187.2	75.0	131.6
Net revenues	**119.0**	**206.4**	**83.3**	**149.1**
Operating expenses	**(51.6)**	**(58.2)**	**(23.2)**	**(27.8)**
Recurring: general administration, payroll & others	(6.2)	(10.9)	(4.1)	(6.7)
Non recurring: stock option, variable comp., profit sharing	(45.4)	(47.3)	(19.1)	(21.1)
Results from operating activities	**67.4**	**148.2**	**60.1**	**121.3**
Operating margin	*57%*	*72%*	*72%*	*81%*
Results from financial activities	**2.4**	**3.9**	**1.2**	**1.9**
Finance Expense / Income	2.4	3.9	1.2	1.9
Income tax and social contribution	**(28.9)**	**(57.5)**	**(10.1)**	**(17.8)**
Net Income	**40.9**	**94.6**	**51.2**	**105.3**
Net margin	*34%*	*46%*	*61%*	*71%*
Earnings per share (R$/share)	0,89	2,07	1,24	2,55
Dividends per share (R$/share)	2,07	2,07	2,55	2,55
O/S	45,760	45,760	41,207	41,207
AuM (end of period)	5,977	5,977	5,010	5,010
Average fee paying AuM [1]	5,231	5,231	4,054	4,054

(1) Assets under management subject to payment of management fees. Excludes committed but uncalled capital and other co-investment structures.

Note: the margin indicated is calculated over net operating revenues.

Operating revenues

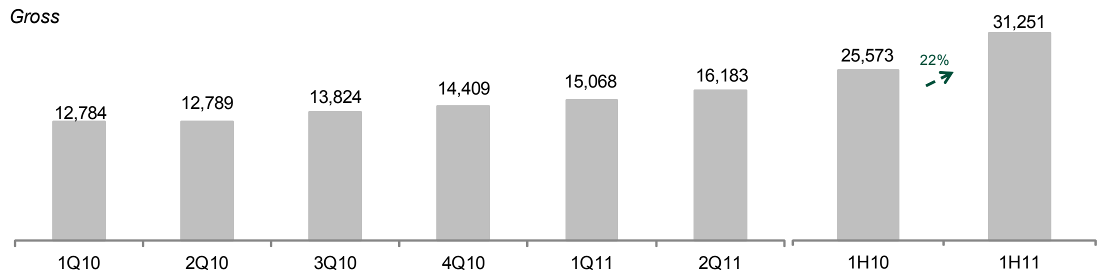
Operating revenues are composed of compensation related to management fees – recurring and more predictable income flow based on the Tarpon Funds' net asset value – and compensation related to performance fees income flow with higher volatility based on the performance rendered by the Tarpon Funds.

Revenues related to management fees

Management fees are charged on the Tarpon Funds on a monthly or quarterly basis, calculated over the amount of called capital.

During the quarter, gross revenues related to management fees amounted to R$16.1 million, equivalent to 13% of the operating revenues on the quarter and 14% of operating revenues on the half-year. These revenues increased 27% when comparing 2Q11 with 2Q10 and 22% when comparing 1H11 with 1H10.

Management fees revenues - R$'000



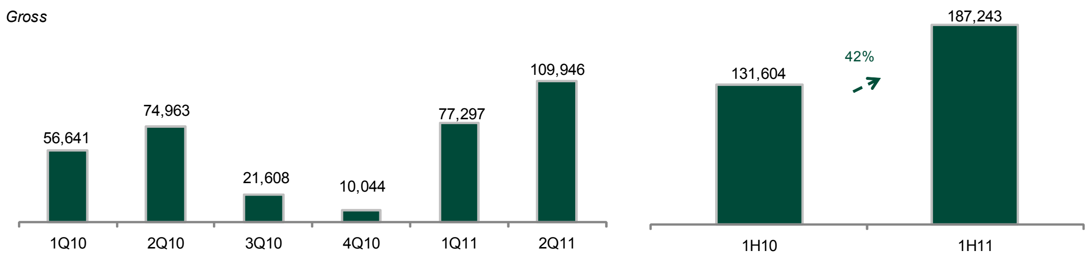
Revenues related to performance fees

The Tarpon Funds are entitled to collect performance fees when their performance exceeds certain hurdle rates. The majority of the Tarpon Funds' hurdles vary from 6% per year to an inflation index plus 6% per year.

The Tarpon Funds include the concept of a high water mark. Performance fees are charged only if the net asset value (NAV) of the fund's shares exceeds the NAV of the previous date of performance fee collection, adjusted for the hurdle rate.

In the quarter, revenues related to performance fees amounted to R$109.9 million, accounting for 87% of overall operating revenues in the quarter and 86% in the half-year.

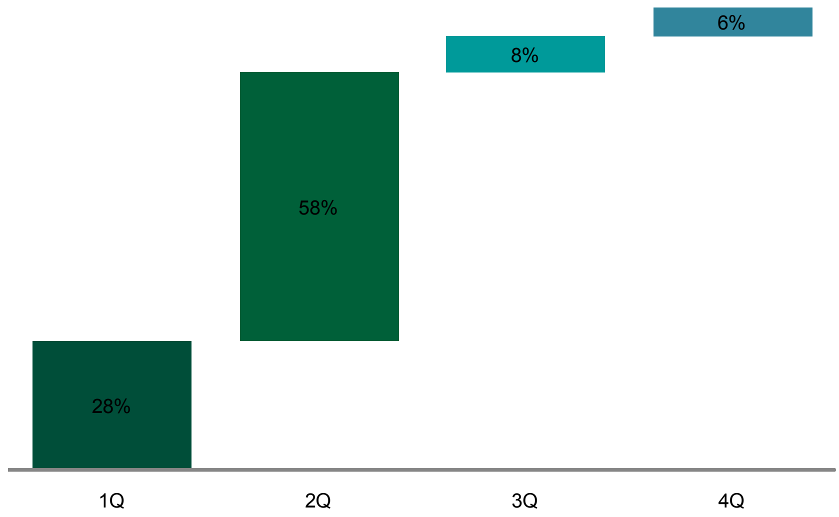
Performance fees revenues - R$'000



During the half year, revenues totaled R$187.2 million as a result of the superior performance delivered by the Tarpon Funds. When comparing 2Q11 with 2Q10, we see an increase of 47% and an increase of 42% when comparing 1H11 with 1H10.

Our funds collect performance annually or semiannually, therefore the collection of performance fees on our AuM base is not uniform through the year. Below you will find our current performance collection schedule as a % of AuM, divided by quarter:

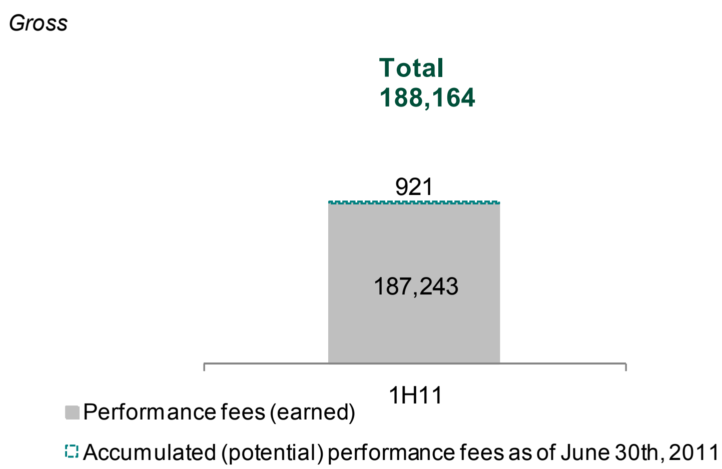
Segregation of Performance Fee - %AUM



As of June 30th 2011, 41% of the Tarpon Funds' NAV was above their respective high water marks.

The Tarpon Funds are entitled to collect performance fees on distinct dates. As presented in the chart below, for illustrative purposes, if 100% of the Tarpon Fund's net asset value had been charged performance fees as of June 30th 2011, the additional amount in revenues related to performance fees would have been R$921 thousand (potential revenues based on the net asset value of funds as of such date). As we cannot predict the Tarpon Funds' performance, we cannot guarantee that this potential amount will be owed to Tarpon at any future date. The amount shown below may differ substantially from the actual realized amount.

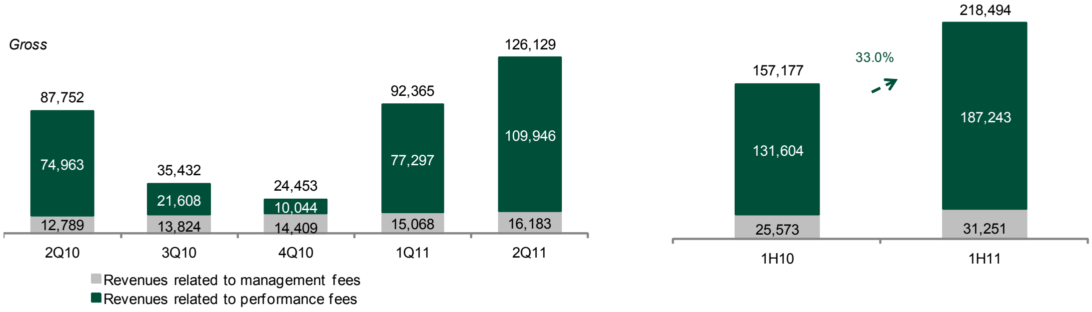
Performance fees revenues: earned and potential amount as of June 30st, 2011 - R$'000



Total operating revenues

The amount of revenues related to management and performance fees totaled R$126.1 million in the quarter a 37% increase over the amount recorded in the same period of 2010. In the half year of 2011, the operating revenue amounted R$ 218.5 representing an increase of 39% when compared in the same period of 2010.

Total operating revenues - R$'000

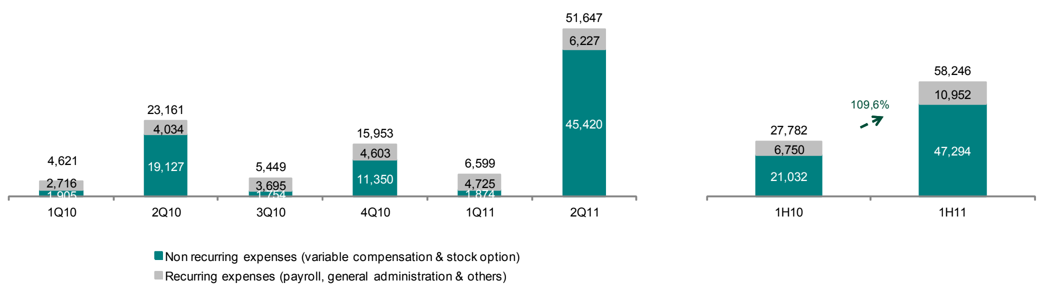


Operating expenses

Operating expenses, which are comprised of recurring and non-recurring expenses, amounted to R$51.6 million during the second quarter of 2011 (57% of operating margin), compared to R$23.3 million reported in the same period of 2010 (72% of operating margin).

The recurring portion of operating expenses is comprised of general and administrative expenses, payroll expenses, and other income/expenses related to depreciation and travel expenses. In 2Q11, recurring expenses totaled R$6.2 million, equivalent to 12% of total operating expenses. In 2Q10, recurring expenses amounted to R$4.0 million. The difference between 2Q11 and 2Q10 is primarily due to an increase in headcount and overall office structure.

Total operating expenses - R$'000



In 2Q11, non-recurring operating expenses amounted to R$45.4 million, that amount includes variable compensation, profit sharing program and provision of our stock option plan (with no cash impact).

Taxes

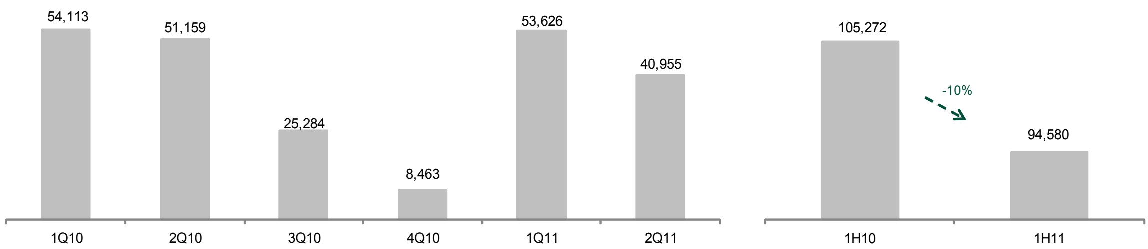
Because of the total level of revenue recorded in 2010, as of Fiscal Year 2011, the Company started to calculate its income tax using "Lucro Real" method.

Due to the above mentioned change, the effective tax rate increased from 18.6% to 33.7% (considering PIS, COFINS, ISS, IR and CSLL) when comparing December 31, 2010 with June 30, 2011. As a consequence, there was an increase of approximately 223% in the expenses related to income taxes (IR and CSLL).

Net Income

Net income in 2Q11 amounted to R$40.9 million (R$2.07 per share) a decrease of 19.9% when compared to the second quarter of 2010, representing a net margin of 46%. This decrease is explained by the above-mentioned change in Tarpon's tax regime.

Net income - R$'000



Corporate Governance

Tarpon shares are traded in the New Market segment of the BM&FBOVESPA, under the ticker TRPN3.

Investor Relations - IR

Shareholders, investors and market analysts have at their disposal information available on the Company's IR website (www.tarponinvest.com.br/ri). 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.

Independent Auditors

Tarpon's financial statements related to the period ended March 31, 2011 were audited by KPMG Auditores Independentes. Tarpon's policy adopted for hiring audit non-related services from its independent auditors aims to assure that there are no conflicts of interest, loss of independence nor objectivity.

During the period ended March, 2011 no other service but financial auditing related to the financial statements was provided by the independent auditors.

Arbitration Clause

Tarpon Investimentos S.A. is related to an arbitration at the Market Arbitration Chamber, in accordance with an arbitration clause included in the Company's By-laws.

KPMG Auditores Independentes
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Independent auditors' report on review of the individual and consolidated interim financial statements

The Board of Directors and Shareholders of
Tarpon Investimentos S.A.
São Paulo - SP

Introduction

We have reviewed the individual and consolidated interim financial statements of Tarpon Investimentos S.A. for the quarter ended June 30, 2011, comprising the balance sheets as at June 30, 2011 and the related statements of income and comprehensive income for the three and six-months periods then ended, and the changes in shareholders' equity and cash flows for the six-months period then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management is responsible for preparing the individual interim financial statements in accordance with CPC Technical Pronouncement 21 - *Demonstração Intermediária*, and the consolidated interim financial statements in accordance with CPC 21 and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and for presenting this information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM). Our responsibility is to express opinion conclusion on these interim financial statements based on our review.

Review scope

We conducted our review in accordance with Brazilian and International Standards on Review of interim information (NBC TR 2410 - *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual interim financial statements

Based on our review, we are not aware of any fact that causes us to believe that the consolidated interim financial statements referred to above were not prepared, in all material respects, in accordance with CPC 21, applicable to the preparation of interim financial statements, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Conclusion on the consolidated interim financial statements

Based on our review, we are not aware of any fact that causes us to believe that the consolidated interim financial statements referred to above were not prepared, in all material respects, in accordance with CPC 21 and IAS 34, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Interim statement of added value

We have also reviewed the individual and consolidated interim statements of added value (DVA) for the six-months period ended June 30, 2011, prepared under Management's responsibility, which presentation is required by the standards issued by the Brazilian Securities and Exchange Commission but is considered supplementary information under IFRS, which does not require the publication of the DVA. This statement was subject to the same review procedures described earlier and our review did not detect any facts that causes us to believe that the DVA was not prepared, in all material aspects, consistently with the individual and consolidated interim financial statements taken as a whole.

Review of the values corresponding to the second quarter of 2011

The values corresponding to the changes in shareholders' equity, cash flows and added value corresponding to the second quarter of 2011, prepared under Management's responsibility, that are been presented as supplementary information in relation to the presentation periods required by CPC 21 and IAS 34, were subject to the same review procedures described earlier and our review did not detect any facts that causes us to believe that the values were not prepared, in all material aspects, consistently with the individual and consolidated interim financial statements taken as a whole.

São Paulo, July 28, 2011

KPMG Auditores Independentes
CRC 2SP014428/O-6
Original version in portuguese signed by
Jubran Pereira Pinto Coelho
Accountant CRC 1MG077045/O-0 T-SP

Tarpon Investimentos S.A.

Individual and consolidated balance sheets

June 30, 2011 and December 31, 2010

(In thousands of Reais)

		Consolidated		Individual	
Assets	**Notes**	**06/30/11**	**12/31/10**	**06/30/11**	**12/31/10**
Current					
Cash and cash equivalents	4	1,122	294	1,122	294
Financial assets measured at fair value through profit or loss	5	107,220	45,217	107,220	45,217
Receivables	7	115,444	21,282	115,444	21,282
Other assets	16b	13,082	1,523	13,082	1,523
		236,868	68,316	236,868	68,316
Noncurrent					
Property, plant and equipment	16a	1,435	1,435	1,435	1,435
		1,435	1,435	1,435	1,435
Total assets		238,303	69,751	238,303	69,751

		Consolidated		Individual	
Liabilities	**Notes**	**06/30/11**	**12/31/10**	**06/30/11**	**12/31/10**
Current					
Accounts payable	16c	41,711	10,333	41,711	10,333
Tax liabilities	16d	63,595	6,396	63,595	6,396
Labor liabilities	16e	4,369	1,319	4,369	1,319
Statutory obligations	8c	-	33,713	-	33,713
		109,675	51,761	109,675	51,761
Shareholders' equity					
Capital	8a	5,419	4,180	5,419	4,180
Capital reserves	8e	16,678	2,102	16,678	2,102
Statutory reserve	8d	30	30	30	30
Legal reserve	8b	836	836	836	836
Stock option plan	12	11,085	10,842	11,085	10,842
Retained earnings		94,580	-	94,580	-
Equity attributable to controlling shareholders		128,628	17,990	128,628	17,990
Total liabilities and shareholders 'equity		238,303	69,751	238,303	69,751

See the accompanying notes to the individual and consolidated interim financial statements.

Tarpon Investimentos S.A.

Individual and consolidated statements of income

Quarters ended March 31, 2011 and 2010

(In thousands of Reais)

		Consolidated				Individual			
		Quarters ended June 30		Half-years ended June 30		Quarters ended June 30		Half-years ended June 30	
	Notes	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
Management fee		15,187	12,127	29,321	24,253	15,187	12,127	29,321	24,253
Performance fee		103,963	71,169	177,089	124,893	103,963	71,169	177,089	124,893
Net operating revenue	10	119,150	83,296	206,410	149,146	119,150	83,296	206,410	149,146
Operating revenue and expense									
Personnel expenses	16e	(46,042)	(18,933)	(48,735)	(20,779)	(46,042)	(18,933)	(48,735)	(20,779)
Stock option plan	12	(1,795)	(1,955)	(3,669)	(3,860)	(1,795)	(1,955)	(3,669)	(3,860)
Administrative expenses	11	(3,584)	(937)	(5,639)	(1,868)	(3,584)	(937)	(5,639)	(1,868)
Income(loss) with financial assets measured at fair value through profit or loss		2,430	1,247	3,955	1,916	2,430	1,247	3,955	1,916
Equity in net income of subsidiaries		-	(196)	-	(253)	-	(97)	-	(125)
Other operating revenue/(expenses)		(226)	(1,336)	(203)	(1,275)	(226)	(1,336)	(203)	(1,275)
		(49,217)	(22,110)	(54,291)	(26,119)	(49,217)	(22,011)	(54,291)	(25,991)
Operating income		69,933	61,186	152,119	123,027	69,933	61,285	152,119	123,155
Income tax and social contribution	13	(28,978)	(10,126)	(57,539)	(17,882)	(28,978)	(10,126)	(57,539)	(17,882)
Net income		40,955	51,159	94,580	105,273	40,955	51,159	94,580	105,273
attributable to controlling shareholders		40,955	51,060	94,580	105,145	40,955	51,159	94,580	105,273
attributable to non-controlling shareholders		-	99	-	128	-	-	-	-
Number of shares at period-end	8	45,760	41,207	45,760	41,207	45,760	41,207	45,760	41,207
Basic earnings per lot of one thousand shares, in R$	9a	0.89	1.24	2.07	2.55	0.89	1.24	2.07	2.55
Diluted earnings per lot of one thousand shares, in R$	9b	0.71	0.99	1.64	2.03	0.71	0.99	1.64	2.03

See the accompanying notes to the individual and consolidated interim financial statements.

Tarpon Investimentos S.A.

Consolidated statements of changes in shareholders' equity and comprehensive income

Quarters and half-years ended March 31, 2011 and 2010

(In thousands of Reais)

	Capital	Capital reserves	Statutory reserves	Legal reserve	Stock option plan	Equity appraisal adjustments	Retained earnings	Equity attributable to controlling shareholders	Non-controlling shareholders	Total shareholders' equity	Statement of of total comprehensive income
Balances at March 31, 2011	5,419	16,678	30	836	9,290	-	53,625	85,877	-	85,877	-
Capital increase	-	-	-	-	-	-	-	-	-	-	-
Reserva Legal	-	-	-	-	-	-	-	-	-	-	-
Ações em tesouraria	-	-	-	-	-	-	-	-	-	-	-
Cancelamento de ações	-	-	-	-	-	-	-	-	-	-	-
Ajuste a valor de mercado	-	-	-	-	-	-	-	-	-	-	-
Stock option plan	-	-	-	-	1,795	-	-	1,795	-	1,795	-
Net income	-	-	-	-	-	-	40,955	40,955	-	40,955	40,955
Distribuição de dividendos	-	-	-	-	-	-	-	-	-	-	-
Balances at June 30, 2011	5,419	16,678	30	836	11,085	-	94,580	128,628	-	128,628	40,955
Comprehensive income attributable to controlling shareholders											40,955
Comprehensive income attributable to non-controlling shareholders											-
Balances at December 31, 2010	4,180	2,102	30	836	10,842	-	-	17,990	-	17,990	-
Capital increase	1,239		-	-		-	-	1,239	-	1,239	-
Reserva Legal	-	-	-		-	-		-	-	-	-
Ações em tesouraria	-	-	-	-	-		-	-	-	-	-
Cancelamento de ações	-	-	-	-	-		-	-	-	-	-
Stock option plan	-	14,576	-	-	243	-	-	14,819	-	14,819	-
Net income	-	-	-	-	-	-	94,580	94,580		94,580	94,580
Net income	-	-	-	-	-	-		-	-	-	-
Balances at June 30, 2011	5,419	16,678	30	836	11,085	-	94,580	128,628	-	128,628	94,580
Comprehensive income attributable to controlling shareholders											94,580
Comprehensive income attributable to non-controlling shareholders											-
Balances at March 31, 2010	4,180	2,102	30	801	5,049	4,619	54,114	70,895	99	70,994	-
Aumento de capital		-	-	-	-	-	-	-	-	-	-
Reserva Legal	-	-	-	-	-	-	-	-	-	-	-
Ações em tesouraria	-	-	-	-	-	-	-	-	-	-	-
Cancelamento de ações	-	-	-	-	-	-	-	-	-	-	-
Ajuste a valor de mercado	-	-	-	-	-	-	-	-	-	-	-
Stock option plan	-		-	-	1,955	-	-	1,955	-	1,955	-
Net income	-	-	-	-	-	-	51,159	51,159	(99)	51,060	51,060
Distribuição de dividendos	-	-	-	-	-	-	-	-	-	-	-
Balances at June 30, 2010	4,180	2,102	30	801	7,004	4,619	105,273	124,009	-	124,009	51,060
Comprehensive income attributable to controlling shareholders											51,060
Comprehensive income attributable to non-controlling shareholders											(99)
Balances at December 31, 2009	4,004	2,019	30	801	3,227	5	-	-	128	10,213	10,213
Capital increase	176	-	-	-	-	-	-	176	-	176	-
Reserva legal	-	-	-		-	-		-	-	-	-
Adjustment to market value	-	-	-	-	-	4,614	-	4,614	-	4,614	4,614
Reclassificação para resultado - Ajuste a valor de mercado	-	-	-	-	-		-	-	-	-	-
Stock option plan	-	83	-	-	3,777	-	-	3,860	-	3,860	-
Net income	-	-	-	-	-	-	105,273	105,273	(128)	105,145	105,145
Distribuição de dividendos	-	-	-	-	-	-		-	-	-	-
Balances at June 30, 2010	4,180	2,102	30	801	7,004	4,619	105,273	124,009	-	124,009	109,759
Comprehensive income attributable to controlling shareholders											109,887
Comprehensive income attributable to non-controlling shareholders											(128)

See the accompanying notes to the individual and consolidated interim financial statements.

Tarpon Investimentos S.A.

Individual and consolidated statements of cash flows

Quarters and half-years ended March 31, 2011 and 2010

(In thousands of Reais)

	Consolidated				Individual			
	Quarters ended June 30		Half-years ended June 30		Quarters ended June 30		Half-years ended June 30	
	2011	2010	2011	2010	2011	2010	2011	2010
Operating activities								
Net income from recurrent operations	40,955	51,159	94,580	105,273	40,955	51,159	94,580	105,273
Adjustments:								
Depreciation	67	14	134	27	67	14	134	27
Equity in net income of subsidiaries and affiliates	-	97	-	125	-	97	-	125
Increase/(decrease) in stock option plan	1,795	1,955	3,669	3,860	1,795	1,955	3,669	3,860
Adjusted income/(loss)	42,817	53,225	98,383	109,285	42,817	53,225	98,383	109,285
Changes in assets and liabilities:								
(Increase)/decrease in receivables	(27,109)	(16,163)	(94,162)	(71,661)	(27,109)	(16,163)	(94,162)	(71,661)
(Increase)/decrease in other assets	(11,213)	(209)	(11,559)	(384)	(11,213)	(209)	(11,559)	(384)
Increase/(decrease) in accounts payable	40,900	17,099	31,378	16,925	40,900	17,099	31,378	16,925
Increase/(decrease) in tax liabilities	30,306	2,852	57,199	11,739	30,306	2,852	57,199	11,739
Increase/(decrease) in labor liabilities	2,928	429	3,050	(4,665)	2,928	429	3,050	(4,665)
Cash flows from operating activities	78,629	57,233	84,289	61,239	78,629	57,233	84,289	61,239
Investment activities								
Disposal of assets available for sale								
Changes in financial assets measured at fair value through profit or loss	(77,494)	(57,125)	(62,003)	(54,483)	(77,494)	(57,125)	(62,003)	(54,483)
(Acquisitions)/write-offs of investments in affiliates and subsidiaries	-	(191)	-	(191)	-	(187)	-	(187)
(Acquisitions)/write-offs of property, plant and equipment	(95)	93	(133)	84	(95)	94	(133)	83
Cash flows produced by investment activities	(77,589)	(57,223)	(62,136)	(54,590)	(77,589)	(57,218)	(62,136)	(54,587)
Financing activities							-	
Payment of dividends	-	(5)	(33,713)	(6,838)	-	(5)	(33,713)	(6,838)
Exercised share options	-		12,388	176	-		12,388	176
Dividendos recebidos e apropriados	-				-			
Cash flows from financing activities	-	(5)	(21,325)	(6,662)	-	(5)	(21,325)	(6,662)
Total cash flow	1,040	5	828	(13)	1,040	10	828	(10)
Net increase/(decrease) in cash and cash equivalents	1,040	5	828	(13)	1,040	10	828	(10)
Cash and cash equivalents at beginning of the period	82	24	294	42	82	19	294	40
Cash and cash equivalents at end of the period	1,122	29	1,122	29	1,122	29	1,122	30

See the accompanying notes to the individual and consolidated interim financial statements.

Tarpon Investimentos S.A.

Individual and consolidated statements of added value

Quarters and half-years ended March 31, 2011 and 2010

(In thousands of Reais)

	Consolidated				Individual			
	Quarters ended June 30		Half-years ended June 30		Quarters ended June 30		Half-years ended June 30	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenue	126,129	87,752	218,494	157,177	126,129	87,752	218,494	157,177
Performance and management fees	126,129	87,752	218,494	157,177	126,129	87,752	218,494	157,177
Inputs acquired from third parties	(3,735)	(2,323)	(5,702)	(3,159)	(3,735)	(2,323)	(5,702)	(3,159)
Materials-Electricity-Outsourced Services-Other	(3,735)	(2,323)	(5,702)	(3,159)	(3,735)	(2,323)	(5,702)	(3,159)
Gross added value	122,394	85,429	212,792	154,018	122,394	85,429	212,792	154,018
Withholdings	(67)	(14)	(134)	(26)	(67)	(14)	(134)	(26)
Depreciation	(67)	(14)	(134)	(26)	(67)	(14)	(134)	(26)
Net added value produced	122,327	85,415	212,658	153,992	122,327	85,415	212,658	153,992
Transferred added value	2,430	1,150	3,955	1,791	2,430	1,150	3,955	1,791
Equity in net income of subsidiaries and affiliates	-	(97)	-	(125)	-	(97)	-	(125)
Financial revenue and expenses	2,430	1,247	3,955	1,916	2,430	1,247	3,955	1,916
Added value to be distributed	124,757	86,565	216,613	155,783	124,757	86,565	216,613	155,783
Distribution of added value	124,757	86,565	216,613	155,783	124,757	86,565	216,613	155,783
Personnel	47,437	20,533	51,224	23,926	47,437	20,533	51,224	23,926
Direct remuneration	47,437	20,533	51,224	23,926	47,437	20,533	51,224	23,926
Taxes and contributions	46,574	14,873	81,018	26,584	46,574	14,873	81,018	26,584
Federal	40,517	10,633	70,523	19,099	40,517	10,633	70,523	19,099
Municipal	6,057	4,240	10,495	7,485	6,057	4,240	10,495	7,485
Interest earnings	30,746	51,159	84,371	105,273	30,746	51,159	84,371	105,273
Retained earnings for the period	40,955	51,159	94,580	105,273	40,955	51,159	94,580	105,273

See the accompanying notes to the individual and consolidated interim financial statements.

Tarpon Investimentos S.A.

Notes to the individual and consolidated interim financial statements

Quarters and semesters ended June 30, 2011 and 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 managing securities portfolios and third-party funds, through investment funds, managed portfolios and other investment vehicles. In December 2003, the Company was transformed into a joint-stock entity.

In March 2007, the Company’s corporate structure was reorganized and it became a subsidiary of TIG Holding Ltd. (“TIG”) through a contribution of common shares from its shareholders to TIG’s capital.

On March 10, 2009, all of the shareholders in attendance at the TIG General Meeting approved a corporate restructuring process for the purpose of segregating fund management activities from proprietary investment activities. The corporate restructuring process consisted of, amongst others, a reduction of TIG's capital through a proportional transfer by TIG to its shareholders of all its common shares in the Company. TIG's shareholders retained the same percent ownership interest in TIG they had held before the restructuring process and in addition, received an equivalent equity interest in the Company. As a result of the restructuring: (i) TIG became dedicated to proprietary investment activities; and (ii) the Company became a provider of asset management services for all of the funds and portfolios previously managed by TIG and the Company (“Tarpon Funds”).

As part of the corporate restructuring process, on February 16, 2009, TIG, as the holder of substantially all shares in the Company, approved, amongst others: (i) a capital increase in the Company through capitalization of a reserve; (ii) a stock split; (iii) the acquisition of treasury shares; (iv) registration of the Company as a public stock corporation with the CVM and listing of the Company’s common shares on BM&F BOVESPA's New Market segment; (v) amendment of the Company’s by-laws for compliance with the New Market Listing Regulations; and (vi) adoption of the Company's stock option plan.

2 Presentation of the financial statements

2.1 Presentation of the individual and consolidated interim financial statements

The individual financial statements of the parent company were prepared in accordance with the accounting practices adopted in Brazil, and the consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as well as with the accounting practices adopted in Brazil.

There is no difference between the consolidated shareholders' equity and the consolidated net income reported by the Group and the shareholders' equity and net income of the parent company in its individual financial statements. The Group's consolidated financial statements and the parent company's individual financial statements are therefore being presented side-by-side in a single set of financial statements.

These financial statements and the independent auditors' special review report were approved by the Board of Directors on July 28, 2011.

2.2 Functional and reporting currency

These financial statements have been prepared in the Company's functional and reporting currency, Brazilian Reais (R$).

2.3 Use of judgments and estimates

Preparing financial statements requires Management to make judgments and estimates that affect the application of accounting principles and the reported values of assets, liabilities, revenues and expenses, including the market value of securities and the stock option plan. Actual results may differ from these estimates. Estimates and assumptions are reviewed on a quarterly basis.

2.4 Basis of consolidation

The consolidated financial statements include Tarpon BR S.A., in which the Company holds a direct voting stock interest of 32.5% and an indirect voting stock interest of 50%, and Tarpon BR Participações Ltda., in which the Company holds a direct interest of 50%. These interests are being disposed of, as mentioned in note 16.f, and will be excluded from the consolidation.

Investments in these subsidiaries and all balances between companies were eliminated when preparing the consolidated financial statements, and the minority interest in shareholders' equity and income is presented separately.

3 Description of significant accounting policies

The significant accounting policies described below were applied consistently to Tarpon Investimentos S.A. and its subsidiaries for the periods/years presented in the financial statements.

a. Revenue

Revenue comprises management and performance fees payable by Tarpon Funds. Management fees are calculated as a fixed and/or variable percentage of the net asset value of the funds, and are recognized as and when the services are provided. Performance fees, earned when the funds achieve a certain level of performance, as stipulated in their regulations, are recognized only when there is certainty as to the amount to be received and that payment will be made.

b. *Non-derivative financial instruments*

Financial assets measured at fair value through profit or loss

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 (held in 2010), bank deposit certificates and securities held under repurchase agreements, which are recognized at fair value. Interest and gains and losses arising from adjustment to fair value were recognized in the income statement as "Net income from financial assets at fair value through profit or loss". The fair value of these assets is determined based on, respectively, the quota value stated by the fund manager and the value (adjusted by the interbank deposit fee) stated by the issuer of the bank deposit certificates and repurchase agreements at the end of each month.

Available-for-sale financial assets

Investments in equity securities are classified as available for sale. After their initial recognition, they are measured at fair value and changes, except impairment, are recognized directly in shareholders' equity. When an investment is redeemed or sold, the accumulated gain or loss in shareholders' equity is transferred to income.

Cash and cash equivalents

Cash and cash equivalents refer to cash balances used in the management of working capital.

c. *Decrease in recoverable value*

The book values of assets are reviewed at each reporting date to determine whether there are signs of impairment. If such signs are detected, the asset's recoverable value is estimated. Impairment is recognized if the asset's book value exceeds its recoverable value.

d. *Investments in associated and subsidiary companies*

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

e. Property, plant and equipment

Property, plant and equipment is recognized at acquisition cost, net of accumulated depreciation, calculated using the straight line method, which takes into consideration the estimated economic useful life of the relevant item and its residual value. Annual depreciation rates are 10% for furniture, fixtures, machinery and equipment, 10% for facilities, 20% for data processing systems, 20% for communication and security systems, and 25% for software licenses. Improvements on third-party property are depreciated over the term of the relevant rental agreement (five years), at the rate of 20% per year.

f. Short-term employee benefits and profit sharing plan

Employees are entitled to fixed compensation and eligible to participate in our biannual profit sharing plan. A provision is recognized for the estimated biannual amount payable in profit sharing earnings, in cash, when the Company has a legal or constructive obligation (under the plan) to pay this amount to employees and the amount can be reliably estimated.

g. Provisions

A provision is recognized if, as a result of a past event, the Company has a legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market conditions and the risks specific to the liability.

h. Stock option plan

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

i. Income tax, social contribution and other taxes

Up to December 31, 2010, the Company used the presumed income method of determining taxable income, which is based on total gross revenue for a given quarter. The calculation base for corporate income tax (IRPJ) and social contribution (CSLL) was calculated as 32% of gross revenue, plus financial revenues. These taxes were calculated as respectively 15% plus a surcharge of 10% and 9% of the calculation base determined as described above.

The PIS and COFINS rates were respectively 0.65% and 3% on revenue from management and performance fees earned from Brazilian funds.

Due to the higher levels of revenue reported in 2010, the Company was required to use a new tax determination method ("Lucro Real") as from January 1, 2011 A provision for income tax was established at the base rate of 15% of taxable income, plus a surcharge of 10% when certain limits are exceeded. The provision for social contribution on income before income tax is calculated at the rate of 9%. Income tax and social contribution paid in advance are registered in Assets as Tax recoverables.

The Company adopted the Transition Taxation System (*Regime Tributário de Transição - RTT*) for determining Income Tax and Social Contribution for the quarter ended June 30, 2011, as allowed under Act 11.941/09 to maintain the tax neutrality of the changes in Brazilian corporate legislation introduced by Act 11.638/09 and other changes in accounting practices arising from convergence with IFRS.

The PIS and COFINS rates were respectively 1.65% and 7.60% on revenues from management and performance fees earned from Brazilian funds less creditable expenses.

There was no change to the ISS rate of 2.5% on revenue from management of Brazilian funds and 5% on revenue from management of foreign funds.

PIS, COFINS and ISS are recognized as tax expense on revenue.

j. Other assets and liabilities

Other assets are stated at their realization value, including any yield and monetary restatement (on a daily "*pro-rata*" basis), and a provision for losses, when deemed necessary. Other liabilities include their known or determinable amounts, plus charges and/or monetary and exchange variations incurred on a daily "*pro-rata*" basis.

k. Receivables

Receivables are measured at their realization value, less any impairment.

l. Financial disclosures per segment

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products and services within a particular economic environment (geographical segment) and is subject to risks and rewards that are different from those of other segments.

The Company engages in only one type of business (asset management services) and therefore no segment information by business type is presented.

m. Comprehensive income

The result of changes in the fair value of financial instruments classified as available for sale and net income for the quarter.

n. Earnings per share

Basic earnings per share are calculated by dividing profit and loss attributable to controlling and noncontrolling shareholders of the company by the weighted average number of common and preferred shares outstanding in the respective period. Diluted earnings per share are calculated by adjusting the aforesaid average number of shares outstanding for the effects of the dilutive options granted under the stock option plan during the reporting periods, pursuant to CPC 41 and IAS 33.

(In thousands of Reais)

4 Cash and cash equivalents

Individual and consolidated cash and cash equivalents stated for the quarters ended June 30, 2011 and December 31, 2010 are represented by cash and banks balances.

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

	Consolidated and Individual	
	June 2011	**December 2010**
Financial assets stated at fair value through profit or loss		
Securities held under repurchase agreements (a)	107,220	16,370
Bank deposit certificate (b)	-	28,847
	107,220	45,217

(a) Debentures held under repurchase agreements with first-rate banks, indexed to the Brazilian Interbank Deposit rate, maturing on July 18, 2011. Their fair value is classified as level 3 and is determined by discounting future cash flows to present value at market-observable rates and adjusting them for the credit risk of the counterparties as assessed by Management.

(b) Certificates issued by first-rate banks, indexed to the Brazilian Interbank Deposit rate, maturing in February 2012. Their fair value is classified as level 3 and is determined by discounting future cash flows to present value at market-observable rates and adjusting them for the credit risk of the counterparties as assessed by Management.

6 Financial instruments

a. *Risk management*

The Company is exposed to risks largely resulting from the use of financial instruments, including:

Credit risk

Credit risk arises from the possibility of the Company and its subsidiaries suffering losses due to the default of their counterparties or of financial institutions in which they have funds or financial investments. The Company's policy is to keep its exposure to credit risks to a minimum. Management revises and approves all investment decisions to ensure all investments are made in highly liquid assets issued by reputed institutions.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and stock prices, may affect revenue or the value of financial instruments. The Company's policy is to minimize exposure to market risk by diversifying its investment portfolio in terms of pre- or post-fixed rates and/or equity indices.

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

	2011	**2010**	
	Valuation method	**Valuation method**	**Exposure to market value or interest rate risk?**
Bank Deposit Certificates	-	Adjusted by the Interbank Deposit rate	Yes
Securities held under repurchase agreements	Adjusted by the Interbank Deposit rate	Adjusted by the Interbank Deposit rate	Yes

c. *Derivative financial instruments*

As of June 30, 2011 and December 31, 2010 and throughout the reporting periods, the Company had no balances of derivative financial instruments.

d. *Sensitivity analysis - Effects of changes in fair value*

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

Existing financial instruments are used only for temporary cash management and, as of June 30, 2011, consisted of securities held under repurchase agreements (91%) and bank deposit certificates (9%). Although their risk is considered low, management continually monitors fluctuations in the stock and interest rate markets, which could have a direct or indirect impact on the fair value of these financial instruments.

e. *Cash and cash equivalents*

Funds are not allocated to interest-earning deposits and therefore no specific interest rate is applicable.

f. *Other financial assets and liabilities*

The fair value of other financial assets and liabilities is substantially the same as the book value reported in the balance sheets, as measured at fair value or due to the short period to maturity.

7 Receivables

Management fees payable by funds are calculated monthly and paid at the beginning of the following month, or quarterly. Performance fees are calculated semi-annually and/or annually, as contractually stipulated, and paid on January 31, March 31, April 30, June 30, July 31, September 30, and December 31 each year.

(In thousands of Reais)

	Consolidated and Individual	
	June 2011	**December 2010**
Management fee (*)	12.709	11,495
Performance fee (*)	102.735	9,787
	115.444	21,282

(*) At the time of approval of these financial statements, 100% of these receivables had been settled.

8 Shareholders' equity

a. *Capital*

Share capital at June 30, 2011 was R$ 5,419, represented by 45,760 thousand common shares.

Share capital at June 30, 2010 was R$ 4,180, represented by 41,207 thousand common shares.

b. *Legal reserve*

A reserve of 5% of the yearly net income is established in accordance with art. 193 of Act 6.404/76. The legal reserve as of June 30, 2011 was R$ 836.

c. *Dividends*

Our by-laws require distribution of a minimum mandatory dividend of 25% of net income, adjusted in accordance with the by-laws.

The provision of R$33,713 established at December 31, 2010 was paid in 2011.

d. *Statutory reserve*

Our by-laws establish that up to 10% of annual net income, adjusted as stipulated in the bylaws and after deducting the minimum mandatory dividend, can be allocated to a statutory reserve for the purpose of redemption, repurchase or acquisition of Company shares, or to develop business.

On March 10, 2009, the Company capitalized R$ 3,888 of its profit reserve by issuing new shares, and at june 31, 2011 and 2010 the remaining balance was R$ 30.

e. *Capital reserve*

On January 7, 2011, 4,553 new shares were issued as part of the Company's stock option program. The issue price was allocated as follows: R$ 1,239 was allocated to the share capital account and R$ 11,149 to the capital reserve account.

On March 10, 2010, the Company recorded R$ 83 as a capital reserve. During the quarter ended June 30, 2011, R$ 3,426 was transferred between the stock option plan and capital reserve (See Note 12).

In this way, as at June 30, 2011, the amount of the reserve was R$ 16,678 and R$ 2,102 as at December 31, 2010.

9 Earnings per share

a. *Basic earnings per share*

Earnings per share were calculated based on profit attributed to shareholders and the weighted average number of common shares, as demonstrated below.

(In thousands of Reais)

	Consolidated and Individual			
	Quarter ended June 30		Semester ended June 30	
	2011	**2010**	**2011**	**2010**
Net income for the quarter attributable to shareholders	40,955	51,159	94,580	105,273

Weighted average number of common shares (Consolidated and Individual)

	Quarter ended June 30		Semester ended June 30	
	2011	**2010**	**2011**	**2010**
Common shares as at January 1	45,760	41,207	41,207	41,174
Shares issued during the period	-	-	4,553	33
Shares cancelled during the period	-	-	-	-
Shares on June 30	45,760	41,207	45,760	41.207
Weighted average number of common shares in the Company	45,760	41,207	45,609	41,194
Basic earnings per share for the year	0.89	1.24	2.07	2.55

b. *Diluted earnings per share*

Considering the dilution caused by the stock option plan, including the number of options available (13,724 thousand) and granted (11,800 thousand as at June 30, 2011 and 10,685 thousand as at December 31, 2010), the net income from continuing operations attributable to stockholders would be:

(In thousands of Reais)

	Quarter ended June 30		Semester ended June 30	
	2011	**2010**	**2011**	**2010**
Number of shares subject of the plan	0.69	0.93	1.59	1.92
Number of options granted	0.71	0.99	1.64	2.03

10 Net operating revenue

	Consolidated and Individual			
	2nd Quarter 2011	**2nd Quarter 2010**	**1st semester 2011**	**1st semester 2010**
Revenue from management fees	16,183	12,789	31,252	25,573
Revenue from performance fees	109,946	74,963	187,242	131,604
Tax on revenue (1)	(6,979)	(4,456)	(12,084)	(8,031)
	119,150	83,296	206,410	149,146

(1) Taxes on gross revenue (ISS, PIS and COFINS).

Revenue from management fees is recognized as the relevant management services are provided and calculated as a fixed and/or variable percentage of the net asset value of the funds under management.

Performance fees are earned when the performance of Tarpon Funds exceeds a given hurdle rate, Most funds have hurdle rates ranging from 6%, to inflation plus 6% per year.

Tarpon Funds employ the high water mark concept, in which performance fees are only payable by Tarpon Funds if their quota value on the payment date exceeds the quota value on the previous payment date (i,e, the last water mark), adjusted for the hurdle rate.

At June 30, 2011, all assets under our management were above the relevant high-water mark.

(In thousands of Reais)

Revenue from performance fees may vary significantly from year to year as a function of: fluctuations in the value of net assets, portfolio performance against the minimum acceptable rate of return (benchmark) for each fund and the realization of private equity investments (since performance fees related to these investments are charged only upon realization of the investment).

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

Net return history (Semester)

Strategy	**Vehicle**	**2011**	**2010**	**Hurdle rate**
Long-Only Equity	Tarpon FIA (Brazilian vehicle)	-1,55%	15,60%	IGPM + 6%
	TF Fund (foreign vehicle)	2,06%	11,64%	Libor
	Managed portfolio (foreign vehicle)	-0,05%	17,14%	IPCA + 6%
Hybrid Strategy	TAEF Fund	10,94%	13,80%	6%

11 Administrative expenses

	Consolidated and Individual			
	2nd Quarter 2011	**2nd Quarter 2010**	**1st semester 2011**	**1st semester 2010**
Outsourced services	2.025	318	3.049	765
Travel expenses	645	113	914	260
IT expenses	74	212	147	283

(In thousands of Reais)

	Consolidated and Individual			
	2nd Quarter 2011	**2nd Quarter 2010**	**1st semester 2011**	**1st semester 2010**
Office maintenance	830	263	1.532	498
Other	10	31	(3)	62
Total	3.584	937	5.639	1.868

12 Stock option plan

The Company's shareholders approved a stock option plan under which options may be issued entitling their holders to purchase shares representing 25% of the shares in the Company (equivalent to 13,724 million common shares on the date the plan was approved), on a fully diluted basis.

On March 10, 2009 (the "First Grant Date"), the Company's Board of Directors granted 7,662 million options representing 55,8% of the total number options available under the plan.

The Company's Board of Directors granted a further 2,493 million options on November 30, 2009, 530 thousand options on February 19, 2010 and 1,115 million options on August 19, 2010, As of March 31, 2011, 492 thousand options had been returned by option holders leaving the company, Total options granted, less returns, represent 82,40% of the total number of options available under the plan.

As a result of options being exercised under the plan, (a) 33 thousand shares were issued on March 10, 2010 and (b) 4,553 million shares were issued on January 7, 2011, At any date until July 1, 2017, the Company may grant an additional 2,416 million options, Further, as from July 1, 2011 and 2012, the Company may grant additional options equivalent to 7,5% of the total number of options under the plan.

Options are granted to Company Directors (except independent members), vice-presidents and other beneficiaries under the plan, as allocated by the Company's Board of Directors.

The strike price for each grant is the highest of (i) R$ 5,60 per share (adjusted for dividends distributed by the Company from the date on which the plan was approved to the date on which the option was granted) and (ii) 75% of the quoted share price on the trading day prior to the grant date, The strike price is reduced by dividends paid by the Company, up to a limit of R$ 2,53 per share or 45% of the shares' quoted price on the date prior to the grant date.

Options under the plan can be exercised in the proportions and on the vesting dates listed below:

a. Of the first portion of options granted on March 10, 2009, equivalent to 50,2% of the total number of shares under the plan, 20% became exercisable on March 10, 2009; 20% on July 1, 2009; and 20% on each of the 3 anniversaries subsequent to July 1, 2009;

b. Of the second portion of options granted March 10, 2009, equivalent to 5,6% of the total number of shares under the plan, 20% became exercisable on July 1, 2009 and 20% on each of the 4 anniversaries subsequent to July 1, 2009; and

c. Of the options granted as from July 1, 2009, 20% will become exercisable on the 1st of July of each of the 5 years subsequent to the year in which these options were granted.

Any granted and unexercised options held by individuals leaving the Company will become available to be granted at any time up to July 1, 2017, and any options so granted will become exercisable in portions of 20% in each of the 5 years subsequent to the respective grant date,

If at any time the current controlling shareholders cease to jointly hold at least 30% of the Company's total shares, 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 of the relevant Vesting Date (including options vesting on the First Grant Date).

Options under the plan can only be exercised if certain requirements are met by the beneficiary, including the requirement that the beneficiary remain with the Company, In the event of voluntary termination or termination without cause, the exercisable portion of options held by the beneficiary may be exercised within 30 days of termination, and any unexercised or non-exercisable options will become available to be granted under the stock option plan, In the event of termination for cause, the beneficiary loses eligibility to exercise any of the options granted under the plan, In such event, any unexercised or non-exercisable options will become available to be granted under the stock option plan.

The Stock Option Plan is valuated using the binomial model on the date of each grant based on market parameters, The following parameters were determined on the date of each grant: (a) average annual volatility; (b) the current share price; (c) the strike price of options under the plan and (d) the risk-free interest rate, On the most recent grant date, August 19, 2010, these parameters were determined to be as follows: average annual volatility: 22,60%, current share price: R$11,45; strike price: R$8,59; interest rate: 10,75% p.a.

Below is a table corresponding to the amounts recognized in net income as the fair value of the stock option plan, as well as in the shareholders' equity:

Changes - Net income - In thousands of Reais

	Quarter ended June 30		**Semester ended June 30**	
	2011	**2010**	**2011**	**2010**
March 10, 2009	139	193	317	500
November 30, 2009	654	1,484	1,308	2,896
February 19, 2010	159	278	358	464
August 19, 2010	843	-	1,686	-
	1,795	1,955	3,669	3,860

Changes – Stock Option Plan (Shareholders' Equity) – In thousands of Reais

	Quarter ended June 30		Semester ended June 30	
Constitutions	**2011**	**2010**	**2011**	**2010**
March 10, 2009	139	193	317	500
November 30, 2009	654	1,484	1,308	2,896
February 19, 2010	159	278	358	464
August 19, 2010	843	-	1,686	-
	1,795	1,955	3,669	3,860

	Quarter ended June 30		Semester ended June 30	
Reversions (*)	**2011**	**2010**	**2011**	**2010**
Shares exercised on March 10, 2010	-	-	-	(83)
Shares exercised on January 7, 2011	-	-	(3,426)	-
	-	-	(3,426)	(83)
Total:	1,795	1,955	243	3,777

(*) Amounts transferred from Stock Option Plan account to Capital reserve.

(In thousands of Reais)

13 Calculation of income tax and social contribution

Taxable income (quarter and Semester ended June 30, 2011)

	Consolidated and Individual	
Apuração da base de cálculo	**Quarter**	**Semester**
Income before income tax and social contributions	69,933	152,119
Income tax and social contribution at current rates (respectively 25% and 9%)	(23,777)	(66,542)
Effects of additions and (exclusions) on tax calculation		
RTT adjustment	13	26
Options plan	(606)	(1,237)
Management variable remuneration	(4,608)	(4,608)
Income tax and social contribution for the period	(28,978)	(57,539)

Presumed income (quarter and semester ended June 30, 2010)

Determination of the calculation base	**Quarter**	**Semester**
Gross operating revenue	87.752	157.177
Presumed income (32%)	28.081	50.297
Financial revenue	1.718	2.333
Income tax (IR) and social contribution (CS) calculation base	29.799	52.630
IR (15%)	(4.470)	(7.894)
IR surcharge (10%)	(2.974)	(5.251)
CS (9%)	(2.682)	(4.737)
Total	(10.126)	(17.882)

(In thousands of Reais)

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-party transactions

The main balances of related party assets and liabilities as of June 30, 2011 and December 31, 2010, as well as the related-party transactions that affected income for the quarters then ended, are the result of transactions between the Company and its subsidiaries, affiliates and key Management personnel.

The Company engages in transactions with related parties that are inherent to fund management (See Notes 7 and 10), statutory obligations and remuneration of Management.

These transactions were conducted on an arm's length basis and are listed below:

	Consolidated and individual					
	Assets/(liabilities)		Revenue/(expense)			
	2011	2010	Quarter June 30, 2011	Quarter June 30, 2010	Semester June 30, 2011	Semester June 30, 2010
Receivables	115,444	21,282	126,129	87,752	218,494	157,177
Accounts payable	-	(305)	-	(17,184)		(17,191)
Dividends	-	(33,713)	-	-	-	-
D&O compensation (*)	(13,556)	(1,811)	(13,807)	(877)	(14,401)	(1,057)
Total	101,888	(14,547)	112,322	69,691	204,493	138,929

(*) The maximum total amount of D&O compensation is set annually during Annual and Extraordinary General Meetings. The ceiling set for 2011 is R$ 18,650.

16 Further information

a. Property, plant and equipment

Expenses related to depreciation or amortization of property, plant and equipment were R$ 67 for the quarter and R$ 134 for the semester ended June 30, 2011 (R$ 14 for the quarter and R$ 27 for the semester ended June 30, 2010).

b. Other assets

Other assets in the consolidated and individual interim financial statements substantially consist of IRRF and CSLL paid in advance of R$ 11,548 and other recoverable taxes of R$ 1,334 (R$ 1,411 at December 31, 2010) and prepaid expenses of R$ 69 (R$ 69 at December 31, 2010).

c. Accounts payable

Trade accounts payable comprise provider payables valor of R$ 715 (R$ 798 as at December 31, 2010) and profit sharing program of R$ 40,908 (R$ 9,535 as at December 31, 2010).

d. Tax obligations

Comprised of R$ 71 in third-party taxes (R$ 6 as of December 31, 2010), R$ 326 in PIS and Cofins (R$ 188 as of December 31, 2010), R$ 5,659 in ISS (R$ 864 as of December 31, 2010) and R$ 57,539 in IRPJ and CSLL (R$ 5,338 as of December 31, 2010).

e. Labor obligations and personnel expenses

This balance comprises social security charges, provision for vacation and Christmas bonus, amounting to a total of R$ 4,369 (R$ 1,319 at December 31, 2010). Personnel expenses consist of expenses on salaries and charges of R$ 46,042 for the quarter and R$ 48,735 for the semester ended June 30, 2011 (R$ 18,933 for the quarter and R$ 20,779 for the semester ended June 30, 2010).

f. Investments in associated and subsidiary companies

Up until May 6, 2010, the Company, through its interests in Tarpon BR S,A, and Tarpon BR Participações Ltda,, held a 25% interest in Paraná Consultoria de Investimentos S,A, ("Paraná"), a consulting company, Since the Company had no significant control over operating and financial decisions in Parana, this venture was treated as an investment and recorded using the equity method of accounting, This indirect interest was disposed of at a loss of R$ 100.

17 Subsequent events

On July 4, 2011, the Board of Directors approved the capital increase of the Company, in the amount of R$ 5,662 (R$ 566 as Capital and R$ 5,096 as Capital reserve) as authorized capital, through the issuance of 1,941 thousand shares, from the exercise of call options of shares granted on the stock option plan of the Company. In this way, the capital increased from R$ 5,419 to R$ 5,985, divided in 47,701 thousand common shares.

On July 6, 2011, the Company constituted a subsidiary in New York, USA (TISA NY, Inc.) with a capital of R$ 784.

On July 28, 2011, the Board approved the proposal of dividends payment corresponding to the net income of the first semester of 2011 in the amount of R$ 94,580.

Senior Management

Chief Executive Officer
José Carlos Reis de Magalhães Neto

Investor Relations Officer
Rafael Sonder

Accountant
Caroline Miranda
CRC 1SSP-255926/O-6