KPMG

Tarpon Investimentos S.A.

Individual and consolidated interim financial statements Quarter ended June 30, 2012

This document is a free translation from the official "Demonstrações contábeis intermediárias individuais e consolidadas em 30 de junho de 2012" of the Company submitted to CVM. It is for information purposes only. Any decision made should be based on the official document, available on the CVM website. In case of discrepancy, the Portuguese version should prevail.

KPMG Auditores Independentes
August 2012
KPDS 39047

Contents

Management Report

Market context

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

The Bovespa index, an indicator of average prices of shares in BM&FBovespa, ended the second quarter of 2012 with the devaluation of 15.74%, reflecting investor uncertainty about the international situation, especially with the situation in Greece and Spain and a possible break in the eurozone. Moreover, a reduction in growth expectations for the Brazilian economy and reduced Chinese appetite for risk in the local stock market. In this same period, the U.S. indexes S&P 500, Dow Jones and Nasdaq retreated 3.29%, 2.51% and 5.06%, respectively, and the index of the London Stock Exchange FTSE depreciated 3.42%.

For companies listed on BM&FBovespa, which represent most of the portfolio of the funds managed by Tarpon, we observed a strong decrease of the shares of Brazil Foods, while shares of Gerdau remained practically stable.

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.

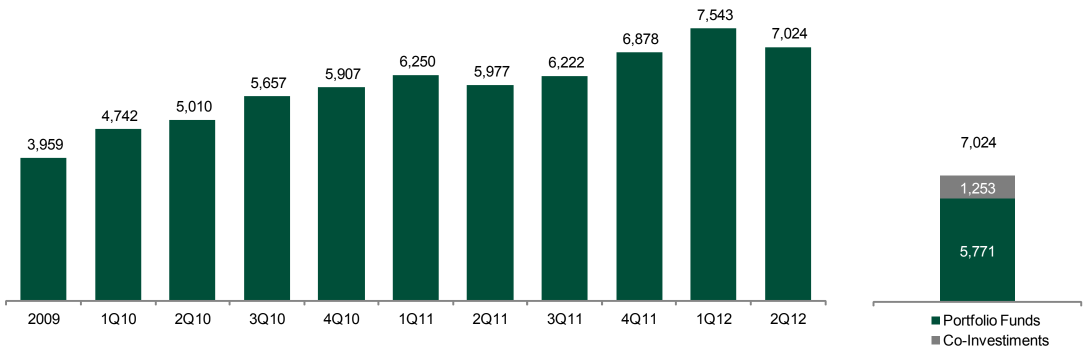
Revenues related to management fees: remuneration calculated based on Tarpon Funds' net asset value. Management fees are charged on a monthly or quarterly basis.

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.

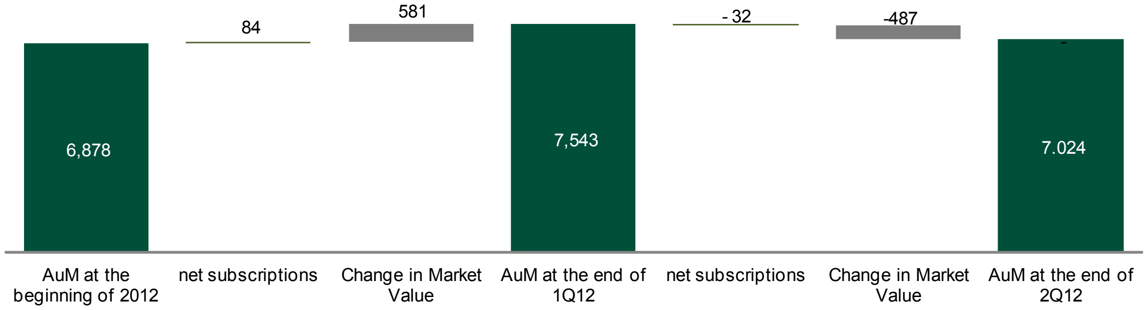
Our assets under management ("AuM") amounted to R$7.0 billion as of June 30th 2012, a decrease of 7% when compared to R$7.5 billion AuM as of March 31th 2012. In comparison to the 2Q11, there was an increase of 18%, as detailed below:

Total AuM historical growth - R$ million



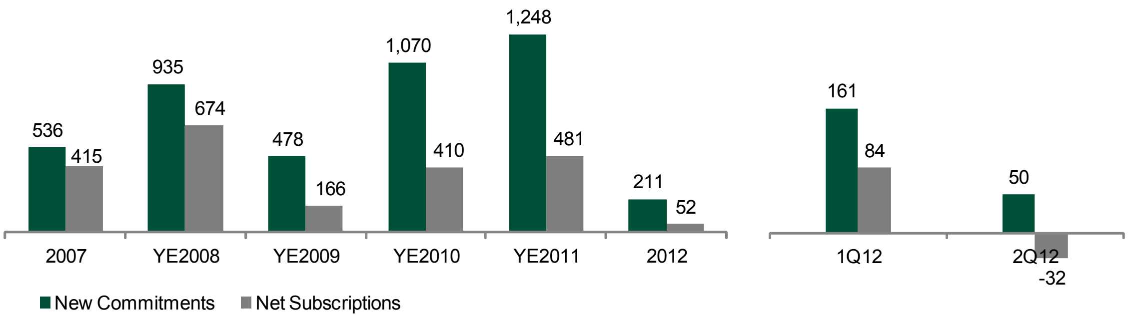
The AuM for the quarter reflected the negative impact of R$ 487 million of changes in market value of Portfolio Fund's (including changes in asset prices and exchange rates) and net redemptions of R$ 32 million for the 2Q12.

AuM growth - R$ million



Net commitments: Tarpon Funds received net redemptions (new commitments net of redemptions paid in the quarter) in the amount of R$32 million during the quarter.

Commitments - R$ million



Investment strategy

We conduct our asset management activity through two main investment strategies:

Portfolio Funds
(public and private equity investments)

The Portfolio Funds strategy comprises the Tarpon Funds that have flexibility to invest in either public equities or privately held companies.

As of June 30th 2012, AuM allocated to the strategy amounted to R$5.8 billion.

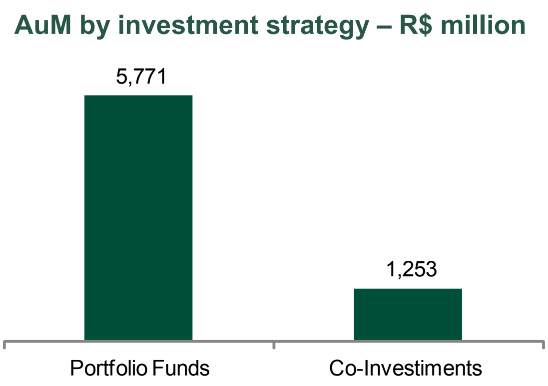
Co-Investment strategy
(Public and private equity investments)

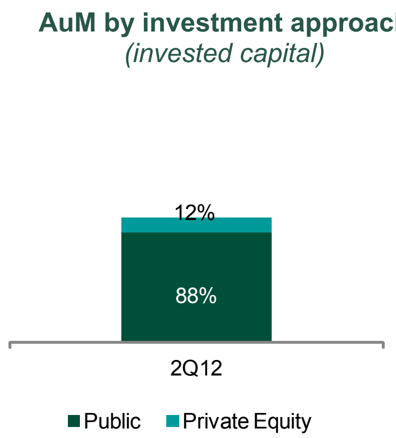
The co-investment strategy comprises the vehicles whose objective is to invest in specific opportunities together with the Portfolio Funds, both in public and private equities.

In this strategy, we seek investors for co-investments opportunities in companies where the Portfolio Funds already have the exposure that we consider adequate. This strategy of co-investment funds allows Tarpon to increase the exposure to certain investees.

As of June 30th 2012, AuM allocated to the co-investment strategy amounted to R$1.3 billion.

As of June 30th 2012, as indicated in the chart below, public equity allocation accounted for 88% of our AuM in terms of invested capital. Private equity investments, at fair value, accounted for 12%.



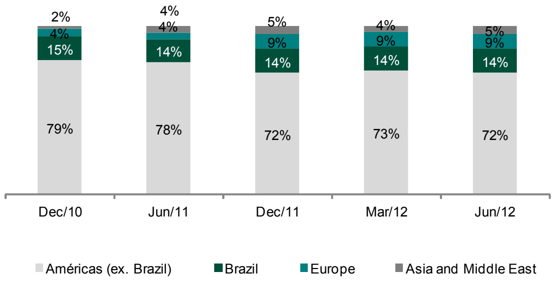


<u>Investor base</u>

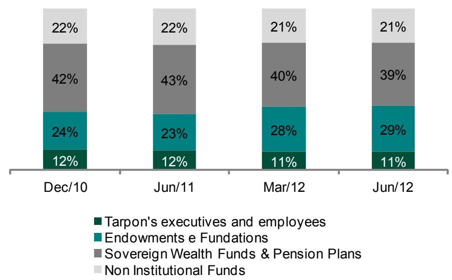
We aim to attract and retain a sophisticated investor base that is aligned with our investment philosophy and with a long-term investment profile.

As of June 30th, 2012, institutional investors, mainly endowments, foundations, pension funds and sovereign wealth funds accounted for 68% of total AuM. The capital invested by our executives and employees represented 11% of the AuM.

AuM by geographical region



AuM by investor type



Investment performance

During the quarter, the Long-Only Equity investment strategy of the Portfolio Funds posted net performance of -7.51% in R$ and -16.43% in US$. The accumulated annualized returns of this strategy is 30.89% in R$ and 29.11% in US$.

The Hybrid Equity strategy of the Portfolio Funds posted net performance of -14.47% (in US$) during the quarter. The net annualized performance is 22.00% in US$.

For illustrative purposes, during 2Q12, Ibovespa and IBX Indexes posted performance in R$ of -15.74% and -10.08%, respectively. In US$ the performance of Ibovespa and IBXwere -24.05% and -18.95%, respectively.

		Performance(1)(2)					
Strategy	**Inception**	**2Q12**	**2012**	**LTM**	**2 years**	**5 years**	**Since launch (annualized)**
Portfolio Funds Long-Only Equity (R$)	May 2002	-7.51%	1.98%	9.02%	28.88%	101.94%	30.89%
Portfolio Funds Long-Only Equity (US$)	May 2002	-16.43%	-5.41%	-16.41%	7.21%	80.24%	29.11%
Portfolio Funds Hybrid-Equity (US$)	Oct 2006	-14.47%	-7.21%	-19.02%	16.46%	92.06%	22.00%
Stock market index		**2Q12**	**2012**	**LTM**	**2 years**	**5 years**	
Ibovespa (R$)		-15.74%	-4.23%	-12.9%	-10.80%	-0.07%	
IBX (R$)		-10.08%	0.54%	-4.49%	3.98%	13.27%	
Ibovespa (US$)		-24.05%	-11.12%	-32.73%	-20.50%	-4.77%	
IBX (US$)		-18.95%	-6.69%	-26.24%	-7.33%	7.94%	

(1) Performance net of fees.
(2) Performance up to June 30th, 2012.

Financial highlights

Summary

Financial highlights - R$ million

	2Q12	2Q11	1H12	1H11
Gross revenues				
Management fees	21.3	16.2	40.4	31.3
Performance fees	10.9	109.9	19.4	187.2
Net revenues	**31.2**	**119.2**	**57.5**	**206.4**
Operating expenses	**(12.6)**	**(51.6)**	**(21.7)**	**(58.2)**
Recurring: general administration, payroll & others	(7.3)	(6.2)	(13.9)	(11.0)
Non recurring: stock option, variable comp., profit sharing	(5.2)	(45.4)	(7.8)	(47.3)
Results from operating activities	**18.6**	**67.5**	**35.9**	**148.2**
Operating margin	60%	57%	62%	72%
Results from financial activities	**0.8**	**2.4**	**2.6**	**4.0**
Finance Expense / Income	0.8	2.4	2.6	4.0
Income tax and social contribution	**(7.3)**	**(29.0)**	**(14.3)**	**(57.5)**
Net Income	**12.1**	**41.0**	**24.1**	**94.6**
Net margin	39%	34%	42%	46%
Earnings per share (R$/share) *	0.26	0.89	0,.51	2.07
O/S	46,023	45,760	46,023	45,760
AuM (end of period)	7,024	5,977	7,024	5,977

(*) Earnings per share are calculated using the weighted average shares.

Note: the margins indicated are calculated over net operating revenues.

Operating revenues

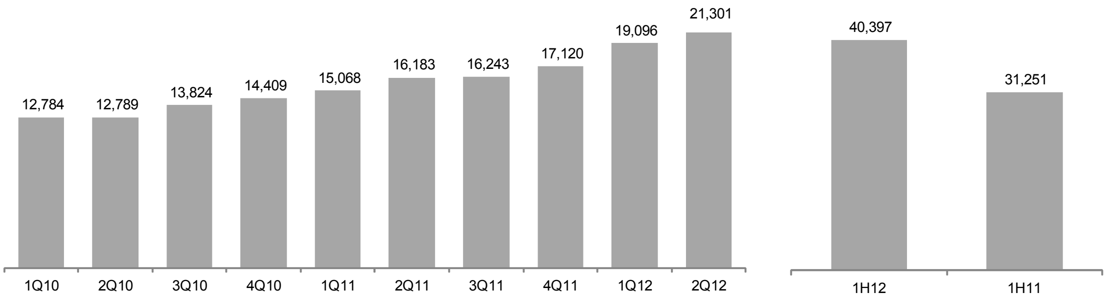
Operating revenues are composed of revenues related to management fees – recurring income flow based on Tarpon Funds' net assets value – and revenues related to performance fees – income flow with higher volatility, based on the performance rendered by Tarpon Funds.

Revenues related to management fees

Management fees are calculated over the amount of called capital.

During 2Q12, gross revenues related to management fees amounted to R$21.3 million, equivalent to 66% of the operating revenues for the quarter. These revenues increased 12% when compared to 1Q12 and 32% of increase when compared to 2Q11.

Management fees revenue - R$'000



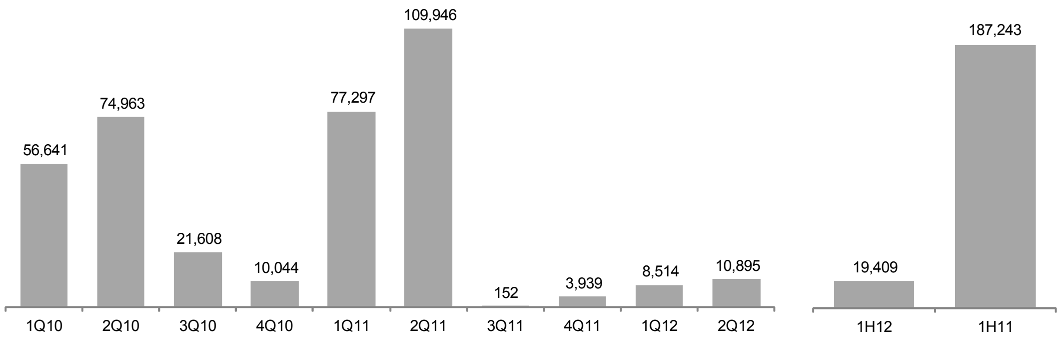
Revenues related to performance fees

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.

Tarpon Funds include the concept of a high water mark. Thus, 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 corresponding hurdle rate.

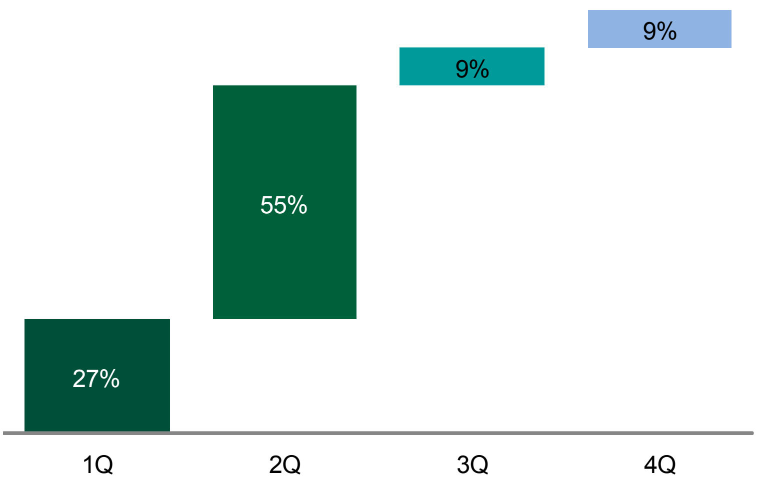
During 2Q12, revenues related to performance fees amounted to R$10.9 million, accounting for 34% of overall operating revenues during the quarter. These revenues increased 28% when compared to 1Q12 and decreased 90% when compared with 2Q11.

Performance fees revenue - R$'000



Below you will find our current performance fee collection divided by quarter:

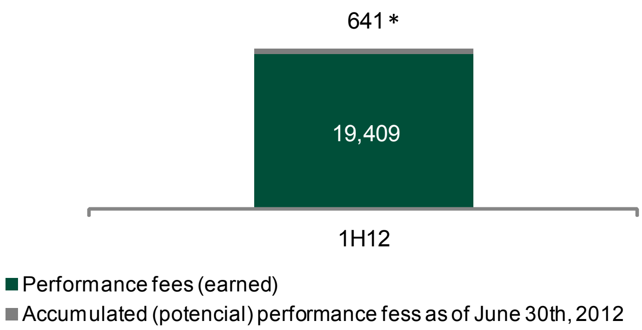
Performance fee collection - %AUM



As of June 30th, 2012, 2.56% of Tarpon Funds' NAV was above their respective high water marks. Tarpon Funds are entitled to collect performance fees on distinct dates.

For illustrative purposes, if 100% of Tarpon Fund's net assets value had been charged performance fees as of June 30th 2012, the additional amount in revenues related to performance fees would have been R$641 thousand (potential revenues based on the net assets value of Tarpon Funds as of such date). As we cannot predict 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 30th, 2012 - R$'000

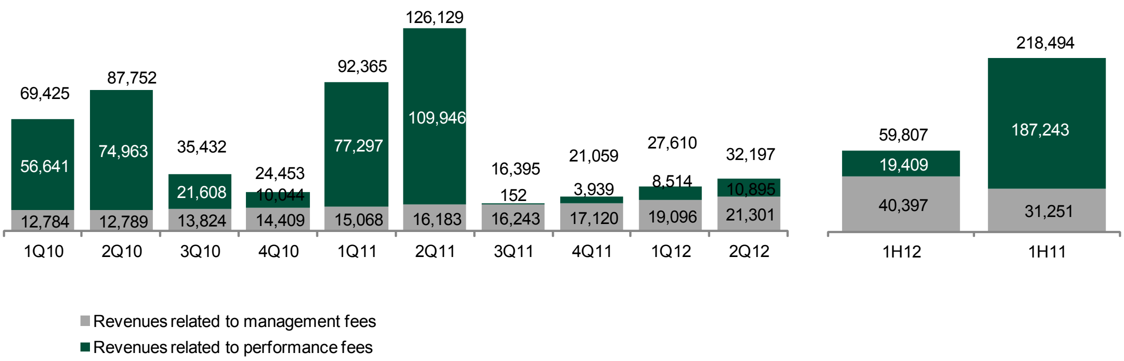


* The amount is estimated, and there is no guarantee that this amount will be effectively owed to Tarpon on the corresponding dates.

<u>Total operating revenues</u>

As a result of the management and performance fees collected, the operating revenue, for the 2Q12, totaled R$32.2 million, accounting an increase of 17% over the amount recorded in the 1Q12. When compared to 2Q11 we identify a decrease of 74%.

Total operating revenues - R$'000

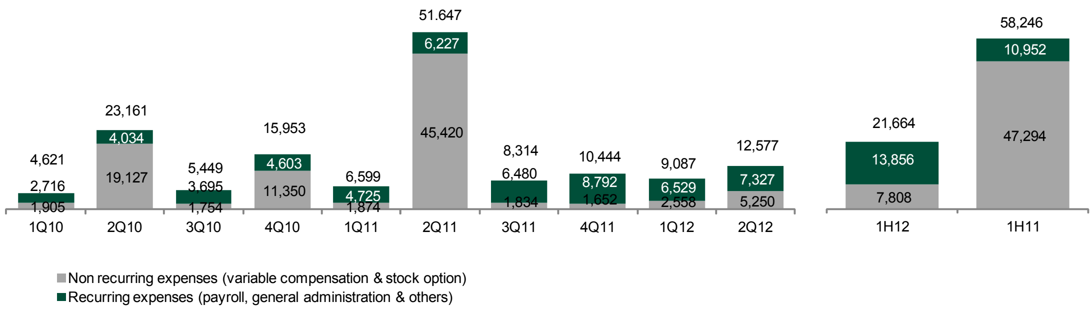


Operating expenses

Operating expenses, which are comprised of recurring and non-recurring expenses, amounted to R$12.6 million during the quarter (60% of operating margin).

The recurring portion of operating expenses is comprised of general and administrative expenses, payroll expenses, and other expenses related to depreciation and travel expenses. During the second quarter of 2012, recurring expenses totaled R$7.3 million, equivalent to 58% of the total operating expenses for the quarter. When compared to 1Q12 we verify an increase of 13% and an increase of 18% when compared to 2Q11.

Total operating expenses - R$'000



On the second quarter of 2012, non-recurring operating expenses amounted to R$5.2 million, which includes the provision (with no cash impact) of our stock option plan and also the variable compensation.

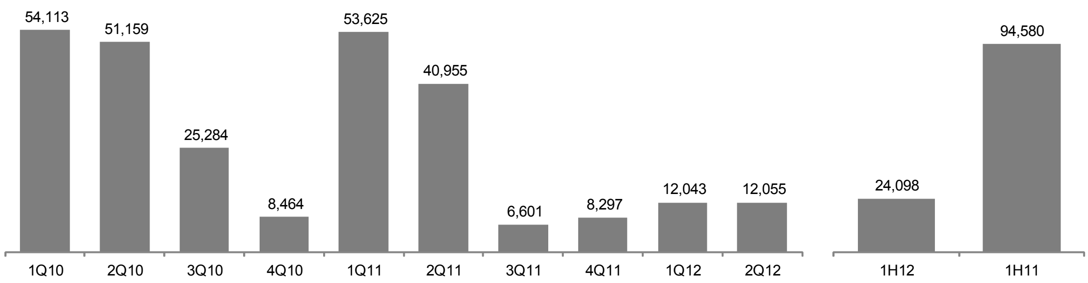
Taxes

During the first half of 2012, income taxes and social contribution amounted to R$ 14.3 million.

Net income

Net income amounted to R$12.1 million in the 2Q12 and R$24.1 million in 2012, representing a net margin of 42%.

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). 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 interim financial statements related to the period ended June 30, 2012 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 June 30, 2012 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, 2012, comprising the balance sheet as at June 30, 2012 and the related statements of income and comprehensive income for the periods of three and six months then ended, and the changes in shareholders' equity and cash flows for the period of three and six months 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 (R1) - *Demonstração Intermediária*, and the consolidated interim financial statements in accordance with CPC 21 (R1) 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 a 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 (R1), 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 (R1) 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, 2012, 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.

São Paulo, August 6, 2012

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 at June 30, 2012 and December 31, 2011

(In thousands of Reais)

		Consolidated		Individual	
Assets	**Notes**	**06/30/12**	**12/31/11**	**06/30/12**	**12/31/11**
Current					
Cash and cash equivalents	4	3,306	479	301	373
Financial assets measured at fair value through profit or loss	5	39,172	84,030	39,172	84,030
Receivables	7	13,832	8,958	13,322	8,490
Deferred tax assets	15	1,862	-	1,862	-
Other assets	18b	10,775	30,955	6,737	30,918
		68,947	124,422	61,394	123,811
Non current					
Investments	8	-	-	4,824	1,091
Property, plant and equipment	9	2,188	2,253	1,576	1,682
		2,188	2,253	6,400	2,773
Total assets		71,135	126,675	67,794	126,584

		Consolidated		Individual	
Liabilities	**Notes**	**06/30/12**	**12/31/11**	**30/06/12**	**12/31/11**
Current					
Accounts payable	18c	571	592	648	501
Tax liabilities	18d	18,002	64,349	14,990	64,349
Labor liabilities	18e	5,760	1,984	5,354	1,984
Statutory obligations	10c	7,957	8,451	7,957	8,451
		32,290	75,376	28,949	75,285
Non current					
Accounts payable	18c	37	191	37	191
Shareholders' equity					
Capital	10a	6,116	6,116	6,116	6,116
Capital reserves	10e	-	26,507	-	26,507
Statutory reserve	10d	3,317	6,116	3,317	6,116
Treasury shares		(3,188)	-	(3,188)	-
Equity evaluation adjustment		58	-	58	-
Legal reserve	10b	1,223	1,223	1,223	1,223
Stock option plan	14	14,658	11,013	14,658	11,013
Translation reserve	8	483	133	483	133
Retained earnings		16,141	-	16,141	-
Equity attributable to controlling shareholders		38,808	51,108	38,808	51,108
Total liabilities and shareholders 'equity		71,135	126,675	67,794	126,584

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

Tarpon Investimentos S.A.

Individual and consolidated statements of income

Quarters and semesters ended June 30, 2012 and 2011

(In thousands of Reais)

		Consolidated		Individual		Consolidated		Individual	
	Notes	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Management fee		38,822	29,321	30,305	29,321	20,702	15,187	13,052	15,187
Performance fee		18,716	177,089	18,716	177,089	10,502	103,963	10,502	103,963
Net operating revenue	12	57,538	206,410	49,021	206,410	31,204	119,150	23,554	119,150
Operating revenue and expense									
Personnel expenses	18e	(10,668)	(48,735)	(9,540)	(48,735)	(6,734)	(46,042)	(5,857)	(46,042)
Stock option plan	14	(3,645)	(3,669)	(3,645)	(3,669)	(1,814)	(1,795)	(1,814)	(1,795)
Administrative expenses	13	(6,446)	(5,639)	(5,112)	(5,639)	(3,178)	(3,584)	(2,255)	(3,584)
Income(loss) with financial assets measured								-	
at fair value through profit or loss		2,558	3,955	2,558	3,955	750	2,430	750	2,430
Equity in net income of subsidiaries	8	-	-	3,283	-	-	-	3,088	-
Other operating revenue/(expenses)		(905)	(203)	78	(203)	(852)	(226)	121	(226)
		(19,106)	(54,291)	(12,378)	(54,291)	(11,828)	(49,217)	(5,967)	(49,217)
Operating income		38,432	152,119	36,643	152,119	19,376	69,933	17,587	69,933
Income tax and social contribution	15	(14,334)	(57,539)	(12,545)	(57,539)	(7,321)	(28,978)	(5,532)	(28,978)
Current		(16,196)	(57,539)	(14,407)	(57,539)	(9,183)	(28,978)	(7,394)	(28,978)
Deferred		1,862	-	1,862	-	1,862	-	1,862	-
Net income		24,098	94,580	24,098	94,580	12,055	40,955	12,055	40,955
Attributable to controlling shareholders		24,098	94,580	24,098	94,580	12,055	40,955	12,055	40,955
Number of shares at period-end	11	46,023	48,193	46,023	48,193	46,023	48,193	46,023	48,193
Basic earnings per lot of one thousand shares, in R$	11a	0.51	2.07	0.51	2.07	0.26	0.89	0.26	0.89
Diluted earnings per lot of one thousand shares, in R$	11b	0.46	1.93	0.46	1.93	0.23	0.83	0.23	0.83

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

Tarpon Investimentos S.A.

Individual and consolidated statements of comprehensive income

Quarters and semesters ended June 30, 2012 and 2011

(In thousands of Reais)

	Consolidated	Individual
Net income for the quarter ended June 30, 2012	12,055	12,055
Comprehensive income		
Cumulative translation adjustment	379	379
Equity evaluation adjustment	58	58
Total comprehensive income for the quarter ended June 30, 2012	12,492	12,492
Comprehensive income attributable to controlling shareholders	12,492	12,492
Net income for the semester ended June, 30 2012	24,098	24,098
Comprehensive income		
Cumulative translation adjustment	483	483
Equity evaluation adjustment	58	58
Total comprehensive income for the semester ended June, 30 2012	24,639	24,639
Comprehensive income attributable to controlling shareholders	24,639	24,639
Net income for the quarter ended June 30, 2011	40,955	40,955
Total comprehensive income for the quarter ended June 30, 2011	40,955	40,955
Comprehensive income attributable to controlling shareholders	40,955	40,955
Net income for the semester ended June, 30 2011	94,580	94,580
Total comprehensive income for the semester ended June, 30 2011	94,580	94,580
Comprehensive income attributable to controlling shareholders	94,580	94,580

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

Tarpon Investimentos S.A.

Consolidated statements of changes in shareholders' equity

Semesters ended June 30, 2012 and 2011

(In thousands of Reais)

	Capital	Capital reserves	Statutory reserves	Legal reserve	Treasury shares	Stock option plan	Equity evaluation adjustments	Translation reserve	Retained earnings	Equity attributable to controlling shareholders	Total shareholders' equity
Balances at December 31, 2011	6,116	26,507	6,116	1,223	-	11,013	-	133	-	51,108	51,108
Equity evaluation adjustments	-	-	-	-	-	-	58	-	-	58	58
Repurchase of shares	-			-	(32,495)	-	-	-	-	(32,495)	(32,495)
Stock option plan	-	-	-	-	-	3,645	-	-	-	3,645	3,645
Cancellation of shares of the company	-	(26,507)	(2,799)	-	29,307	-	-	-	-	-	-
Cumulative translation adjustment	-	-	-	-	-	-	-	350	-	350	350
Net income	-	-	-	-	-	-	-	-	24,098	24,098	24,098
Distribution of dividends	-	-	-	-	-	-	-	-	(7,957)	(7,957)	(7,957)
Balances at June 30, 2012	6,116	-	3,317	1,223	(3,188)	14,658	58	483	16,141	38,808	38,808
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
Stock option plan	-	14,576	-	-	-	243	-	-	-	14,819	14,819
Net income	-	-	-	-	-	-	-	-	94,580	94,580	94,580
Balances at June 30, 2011	5,419	16,678	30	836	-	11,085	-	-	94,580	128,628	128,628

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

Tarpon Investimentos S.A.

Individual and consolidated statements of cash flows

Semesters ended June 30, 2012 and 2011

(In thousands of Reais)

	Consolidated		Individual	
	2012	**2011**	**2012**	**2011**
Operating activities				
Net income from recurrent operations	24,098	94,580	24,098	94,580
Adjustments:				
Depreciation	248	134	187	134
Equity in net income of subsidiaries and affiliates	-	-	(3,283)	-
Increase/(decrease) in stock option plan	3,645	3,669	3,645	3,669
Deferred taxes	(1,862)	-	(1,862)	-
Variation of financial assets available for sale	(58)	-	(58)	-
Adjusted income/(loss)	26,071	98,383	22,727	98,383
Changes in assets and liabilities:				
(Increase)/decrease in receivables	(4,874)	(94,162)	(4,832)	(94,162)
(Increase)/decrease in other assets	20,180	(11,559)	24,181	(11,559)
Increase/(decrease) in accounts payable	(175)	31,378	(7)	31,378
Increase/(decrease) in tax liabilities	(46,347)	57,199	(49,359)	57,199
Increase/(decrease) in labor liabilities	3,776	3,050	3,370	3,050
Cash flows from operating activities	(1,369)	84,289	(3,920)	84,289
Investment activities				
Changes in financial assets measured at fair value through profit or loss	44,858	(62,003)	44,858	(62,003)
Equity evaluation adjustments	483	-	-	-
(Acquisitions)/write-offs of investments in subsidiaries	-		-	
(Acquisitions)/write-offs of property, plant and equipment	(199)	(133)	(64)	(133)
Cash flows produced by investment activities	45,142	(62,136)	44,794	(62,136)
Financing activities				
Repurchase of shares	(32,495)	-	(32,495)	-
Payment of dividends	(8,451)	(33,713)	(8,451)	(33,713)
Exercised share options	-	12,388	-	12,388
Cash flows from financing activities	(40,946)	(21,325)	(40,946)	(21,325)
Total cash flow	2,827	828	(72)	828
Net increase/(decrease) in cash and cash equivalents	2,827	828	(72)	828
Cash and cash equivalents at beginning of the period	479	294	373	294
Cash and cash equivalents at end of the period	3,306	1,122	301	1,122

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

Tarpon Investimentos S.A.

Individual and consolidated statements of added value

Semesters ended June 30, 2012 and 2011

(In thousands of Reais)

	Consolidated		Individual	
	2012	2011	2012	2011
Revenue	59,808	218,494	51,291	218,494
Performance and management fees	59,808	218,494	51,291	218,494
Inputs acquired from third parties	(7,103)	(5,708)	(4,846)	(5,708)
Materials-Electricity-Outsourced Services-Other	(7,103)	(5,708)	(4,846)	(5,708)
Gross added value	52,705	212,786	46,445	212,786
Withholdings	(248)	(134)	(187)	(134)
Depreciation	(248)	(134)	(187)	(134)
Net added value produced	52,457	212,652	46,258	212,652
Transferred added value	2,558	3,955	5,841	3,955
Equity in net income of subsidiaries and affiliates	-	-	3,283	-
Financial revenue and expenses	2,558	3,955	2,558	3,955
Added value to be distributed	55,015	216,607	52,099	216,607
Distribution of added value	55,015	216,607	52,099	216,607
Personnel	13,133	51,224	12,006	51,224
Direct remuneration	13,133	51,224	12,006	51,224
Taxes and contributions	17,784	70,803	15,995	70,803
Federal	16,483	60,308	14,694	60,308
Municipal	1,301	10,495	1,301	10,495
Interest earnings	24,098	94,580	24,098	94,580
Dividends	7,957	-	7,957	-
Retained earnings for the period	16,141	94,580	16,141	94,580

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

Notes to the individual and consolidated interim financial statements

(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. On July 2011, the subsidiary of the company in New York (TISA NY, Inc.) was created, with the purpose of providing financial advisory services.

On March 28, 2012 occurred the transfer of the shares of Tarpon All Equities (Cayman) Ltd. and TSOP Ltd. from TIG Holding NY LLC to Tarpon Investimentos S.A. Finally, on April 25, 2012 the Company formed the Tarpon Gestora de Recursos S.A., whose corporate purpose is (a) act as portfolio manager and investment manager of own and third-party resources through funds, portfolios and other investment vehicles in Brazil and abroad (b) acquire, sell, trade securities of public and private companies, in the stock market or elsewhere, in Brazil and abroad (c) engage in any purpose or related activity and (d) participate in the capital of other companies and funds, portfolios and other investment vehicles, under the reorganization (see Note 18f).

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 and individual 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 and individual 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 August 6, 2012.

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., Tarpon BR Participações Ltda., TISA NY, Inc. ("TISA NY"), Tarpon All Equities (Cayman), Ltd. and TSOP Ltd.

Tarpon BR S.A. and Tarpon BR Participações Ltda.

The Company holds a direct voting stock interest of 32.5% and an indirect voting stock interest of 50% in Tarpon BR S.A., and for Tarpon BR Participações Ltda., the Company holds a direct interest of 50%. These interests are being disposed of, and will be excluded from the consolidation.

The Company held in Tarpon BR Participações Ltda, up to December 31, 2011, a 50% direct interest, and on March 27, 2012, the company had its register at the Brazilian Treasury Department ("Receita Federal do Brasil") cancelled.

TISA NY, Inc.

TISA NY is afully-owned subsidiary of Tarpon Investimentos S.A. The net income of TISA NY and its respective investments are measured by the equity method, (individual financial statements) and have its functional currency different from the controlling parent functional currency.

Tarpon All Equities (Cayman), Ltd. and TSOP Ltd.

On March 28, 2012, Tarpon Investimentos S.A. started to hold shares of Tarpon All Equities (Cayman), Ltd. and TSOP Ltd., in the proportion of 50.000 shares at the value of US$ 1.00 and 1 share at the value of US$ 1.00, respectively. These companies act as general partners of specific offshore investment funds and have its functional currency different from the controlling parent functional currency.

Tarpon Gestora de Recursos S.A.

On April 25, 2012, Tarpon Investimentos S.A. started holding shares of Tarpon Gestora de Recursos S.A., totaling 500 shares at R$ 1.00.

Thus, investments in these associates and subsidiaries established abroad are translated into the presentation currency, as follows:

i. Assets and liabilities balances are converted to the current exchange rate based on the rate of the ending date of the consolidated financial statements

ii. Income statement amounts are translated to the current exchange rate based on the date of the transaction

iii. All the resulting differences of the currency translation are presented within the shareholders' equity and in the statements of comprehensive income, as "Translation reserves" and "Cumulative translation adjustment", respectively.

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

2.5 New standards and interpretations issued but not yet adopted

Certain IFRS standards, amendments and interpretations issued by IASB are not in force for the quarter ended June 30, 2012, as follow:

New standards, amendments and interpretations that will be in force for annual periods beginning January 1, 2013, and are not applicable in the preparation of these financial statements. It is not expected that any of these new standards will have material effects on the Company's financial statements, except for IFRS 9 - Financial Instruments, which is mandatory for periods beginning on January 1, 2015, that may modify the classification and measurement of potential financial instruments held by the Company.

The Brazilian Accounting Committee (CPC) has not yet issued related standards to the IFRS aforementioned, however there the expectation is that it will do so before the mandatory dates for such IFRS takes place. The anticipated adoption of the IFRS standards is conditioned to the prior approval of the Brazilian Securities and Exchange Comission (CVM) through a normative act.

3 Description of significant accounting policies

The significant accounting policies described below were applied consistently to Tarpon Investimentos S.A. and its foreign subsidiaries for the quarters/semesters ended June 30, 2012.

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 (hurdle rate), 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

Financial assets 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 on the individual and consolidated interim financial statements.

The investments in associates and in the foreign subsidiary are accounted for its nominal amount and updated by the equity method in the individual financial statements.

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 and management key-personnel are entitled to fixed and variable compensation and eligible to participate in our biannual profit sharing plan, as applicable. 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.

Employees and management key-personnel are not entitled to any kind of "post-employment" benefits, other long-term benefits and termination of employment contract benefits.

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

During the current year, the Company adopted the "Lucro Real" tax determination method. Therefore, the 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 recoverable (see Note 18 b).
The Company adopted the Transition Taxation System (*Regime Tributário de Transição - RTT*) for determining Income Tax and Social Contribution, 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.

The ISS rate applied on income from investment management, including investment management of Brazilian funds and direct investment management of foreign funds and portfolios, rose to 2%.

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

The income tax and social contribution deferred tax assets arising from tax offset on profits earned abroad, were constituted considering the likely expectation of realization by the end of the year.

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 the net income for the current quarters and for the translation changes from the consolidation of the foreign subsidiary.

n. Comprehensive income

The Company has prepared the individual and consolidated statements of added value (DVA) according to the technical standard CPC 9 - Statement of added value, which are presented as an integral part of the financial statements in accordance with the accounting practices adopted in Brazil applicable to public companies. As for IFRS, the DVA represents additional financial information.

o. Earnings per share

Basic earnings per share are calculated by dividing the net income of the quarter/semester ended June 30, 2012 attributable to controlling and noncontrolling shareholders of the company by the weighted average number of common and preferred shares outstanding during the respective quarter. 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 quarters, pursuant to CPC 41 and IAS 33.

4 Cash and cash equivalents

Individual and consolidated cash and cash equivalents stated for the quarters ended June 30, 2012 and December 31, 2011 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 2012	**December 2011**
Financial assets stated at fair value through profit or loss		
Securities held under repurchase agreements	21,631	42,941
Bank deposit certificate	17,541	41,089
	39,172	84,030

Operations indexed to the variation of the Brazilian Interbank Deposit Rate (DI), entered with first rate banks. Its 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

	Valuation method - 2012 and 2011	Exposure to market value or interest rate risk?
Bank Deposit Certificates	Adjusted by the Interbank Deposit rate - DI	Yes
Securities held under repurchase agreements	Adjusted by the Interbank Deposit rate - DI	Yes

c. Derivative financial instruments

As of June 30, 2012 and December 31, 2011 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, 2012 and December 31, 2011, consisted of securities held under repurchase agreements and bank deposit certificates (CDB) with first line financial institutions. 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.

	Consolidated	
	June 2012	December 2011
Management fee (i)	4,829	5,251
Performance fee (ii)	9,003	3,707
	13,832	8,958

i. At the time of approval of these financial statements, approximately 100% of the outstanding receivables related to the quarter ended June 30, 2012 had been settled.

ii. The offshore funds hired the Company and TISA NY as service providers, which remuneration arises from the management fees pay by these funds.

	Individual	
	June 2012	December 2011
Management fee (i)	4,319	4,783
Performance fee (ii)	9,003	3,707
	13,322	8,490

i. At the time of approval of these financial statements, approximately 100% of the outstanding receivables related to the quarter ended June 30, 2012 had been settled.

ii. The offshore funds hired the Company and TISA NY as service providers, which remuneration arises from the management fees pay by these funds.

8 Investments

On July 6, 2011, the subsidiary of the Company in New York, United States of America (TISA NY, Inc.) was constituted. One thousand quotas were issued at US$ 1.00 each and, on July 15, 2011, 50,000 quotas were issued at US$ 10.00 each.

From October 2011, TISA NY started to accrue financial advisory income. In this month, this income was of USD 152.

Below is disclosed the balance changes:

TISA NY - in thousands R$

Balance as of December 31, 2011	1,091
Equity method	3,283
Foreign currency translation	350
Balance as of June 30, 2012	4,724

TISA NY - em USD		TISA NY - em R$					
Equity shareholders	Net income June 30, 2012	Equity shareholders	Net income June 30, 2012	Foreign exchange translation	Participation in capital in %	Equity method	Book value of the investment
501	1,678	958	3,283	483	100%	3,283	4,724

The investments in the subsidiaries Tarpon All Equities (Cayman), Ltd., TSOP Ltd. and Tarpon Gestora de Investimentos S.A, refer to R$ 100 as of June 30, 2012.

9 Property, plant and equipment

Property, plant and equipment of the Company is composed of:

Consolidated

	Facilities	Machinery and equipment	Computers	Software	Furniture and fixtures	Communication and security systems	Improvements on third-party property	Total
Balances at December 31, 2010	17	39	113	8	58	6	509	750
Acquisitions	-	-	-	94	-	-	2	96
Write-offs	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Depreciation	(2)	(2)	(17)	(5)	(4)	(2)	(54)	(86)
Balances at June 30, 2011	15	37	96	97	54	4	457	760
PPE acquired through finance leasing	-	-	-	34	493	148	-	675
Total balances at June 30, 2011	15	37	96	131	547	152	457	1,435
Balances at December 31, 2011	13	65	83	539	197	5	792	1,694
Acquisitions	-	14	9	77	11	32	44	187
Write-offs	-	-	(4)	-	-	-	-	(4)
Transfers		390		68	(68)		(390)	-
Depreciation	(2)	(6)	(24)	(60)	(8)	(5)	(98)	(203)
Balances at June 30, 2012	11	463	132	555	132	32	349	1,674
PPE acquired through finance leasing	-	-	58	22	352	82	-	514
Total balances at June 30, 2012	11	463	190	577	484	114	349	2,188

Individual

	Facilities	Machinery and equipment	Computers	Software	Furniture and fixtures	Communication and security systems	Improvements on third-party property	Total
Balances at December 31, 2010	17	39	113	8	58	6	509	750
Acquisitions	-	-	-	94	-	-	2	96
Write-offs	-	-	-	-	-	-	-	-
Depreciation	(2)	(2)	(17)	(5)	(4)	(2)	(54)	(86)
Balances at June 30, 2011	15	37	96	97	54	4	457	760
PPE acquired through finance leasing	-	-	-	34	493	148	-	675
Total balances at June 30, 2011	15	37	96	131	547	152	457	1,435
Balances at December 31, 2011	13	43	77	538	48	2	403	1,124
Acquisitions	-	-	9	77	-	-	-	86
Write-offs	-	-	(4)	-	-	-	-	(4)
Depreciation	-	-	-	-	-	-	-	-
Balances at June 30, 2012	12	39	66	555	44	-	347	1,062
PPE acquired through finance leasing	-	-	58	22	352	82	-	514
Total balances at June 30, 2012	12	39	124	577	396	82	347	1,576

See Note 18(a) for the payable amounts related to the finance leasing installments.

10 Shareholders' equity

a. Capital

Share capital as at June 30, 2012 was R$ 6,116 (R$ 6,116 at December 31, 2011), represented by 46,023 thousand common shares (48,193 thousand at December 31, 2011) (see Note 2f).

b. Legal reserve

A reserve of 5% of the yearly net income is established in accordance with art. 193 of Act 6,404/76. This reserve, that will not exceed 20% of the capital, has the objective to assure the capital integrity and will only be used to compensate losses or to raise capital. Contributions to this reserve which may no longer be required when its balance, added to the capital reserves mentioned in art. 182, first paragraph, of Act 6,404/76, exceed 30% of the capital.

c. Dividends

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

On August 6, 2012, the Board of Directors approved the distribution of dividends amounting to R$ 7,957, which payment will be held on August 15, 2012.

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, limited to the Company's capital. On June 30, 2012, the remaining balance was R$ 3,317.

e. Capital reserve

The balance of the capital reserve results from the issuance of new shares and transfer of the exercised options from the stock option plan, as shown below:

Period	Nature	Allocation by the issuance price				
		Issuance of new shares (quantity - thousand)	Capital	Capital reserve	Amounts transferred from the stock option plan to capital reserve	Total capital reserve
Openning balances at December 31, 2010		41,207	4,180	2,102	-	2,102
January 7, 2011	Exercise of call options of the Company shares, as the stock option plan	4,553	1,239	11,250	3,326	14,576
Balances at June 30, 2011		45,760	5,419	13,352	3,326	16,678
Openning balances at December 31, 2011		48,194	6,116	19,522	6,984	26,507
	Repurchase and subsequent cancellation of shares	(2,171)	-	(19,522)	(6,984)	(26,507)
Balances at June 30, 2012		46,023	6,116	-	-	-

f. Repurchase of shares

Under the stock repurchase program approved by the Board on November 17, 2011, the Company made the repurchase of 2,170,873 common shares of the Company, totaling R$ 29,307, at a unique repurchase price of R$ 13.50. The aim of the Repurchase Program was to create value to shareholders through the efficient management of its capital structure. The total shares repurchased represent 10% of the outstanding shares, as required under Article 3 of CVM Instruction No. 10/80.

On April 13, 2012, the Board of Directors approved the cancellation of the repurchased shares, which resulted in the reduction of capital reserve in the amount of R$ 26,507 and statutory reserve of R$ 2,800, and approved a new repurchase program of 1,953,786 shares, with the same objective as the Plan described above.

Under this new repurchase program, on April 20, 2012, the Company acquired 228,227 of its common shares, at the average price of R$ 13.90, totaling R$ 3,188 (including brokerage fees). These shares are held as treasury shares, representing less than 10% of the outstanding shares.

Until August 6, 2012, no new shares were repurchased by the Company.

11 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.

	Consolidated and Invididual			
	Semester ended June 30, 2012	**Semester ended June 30, 2011**	**Quarter ended June 30, 2012**	**Quarter ended June 30, 2011**
Net income attiributable to controlling shareholders	24.185	94.580	12.142	40.955

Weighted average number of common shares

	Consolidated and Invididual			
	Semester ended June 30, 2012	**Semester ended June 30, 2011**	**Quarter ended June 30, 2012**	**Quarter ended June 30, 2011**
Common shares at the beggining of the period	48,194	41,207	48,194	45,760
Shares issued during the period	-	4,553	-	-
Shares cancelled during the period	(2,171)	-	(2,171)	-
Total shares	46,023	45,760	46,023	45,760
Weighted average number of common shares in the Company	47,252	45,609	46,309	45,760
Basic earnings per share for the period	0.51	2.07	0.26	0.89

b. Diluted earnings per share

For the diluted earnings per share, the exercise of the call options of the Company's shares already granted were considered:

	Semester ended June 30, 2012	Semester ended June 30, 2011	Quarter ended June 30, 2012	Quarter ended June 30, 2011
Net income attributable to shareholders	24,185	94,580	12,142	40,955
Weighted average number of common shares	47,252	45,609	46,309	45,760
Adjustments for the call option	5,437	3,460	5,437	3,460
Weighted average number of common shares for diluted earnings per share	52,689	49,069	51,746	49,220
Diluted earnings per share - R$	0.46	1.93	0.23	0.83

12 Net operating revenue

	Invididual			
	Semester ended June 30, 2012	Semester ended June 30, 2011	Quarter ended June 30, 2012	Quarter ended June 30, 2011
Revenue from management fees	31,881	31,252	13,652	16,183
Revenue from performance fees	19,409	187,242	10,895	109,946
Tax on revenue (i)	(2,269)	(12,084)	(993)	(6,979)
	49,021	206,410	23,554	119,150

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

	Consolidated			
	Semester ended June 30, 2012	Semester ended June 30, 2011	Quarter ended June 30, 2012	Quarter ended June 30, 2011
Revenue from management fees	40,397	31,252	21,301	16,183
Revenue from performance fees	19,409	187,242	10,895	109,946
Tax on revenue (i)	(2,268)	(12,084)	(992)	(6,979)
	57,538	206,410	31,204	119,150

(i) 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.

As at June 30, 2012, 2.56% of assets under our management were above the relevant high-water mark.

Consequently, 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.

	Performance [1] [2]						
Strategy	**Start**	**2Q12**	**2012**	**12 months**	**2 years**	**5 years**	**From beginning (annualized)**
Long-Only Equity (R$)	May 2002	-7.51%	1.98%	9.02%	28.88%	101.94%	30.89%
Long-Only Equity (USD)	May 2002	-16.43%	-5.41%	-16.41%	7.21%	80.24%	29.11%
Hybrid Equity (USD)	October 2006	-14.47%	-7.21%	-19.02%	16.46%	92.06%	22.00%
Market indexes							
Ibovespa (R$)		-15.74%	-4.23%	-12.90%	-10.80%	-0.07%	
IBX (R$)		-10.08%	0.54%	-4.49%	3.98%	13.27%	
Ibovespa (USD)		-24.05%	-11.12%	-32.73%	-20.50%	-4.77%	
IBX (USD)		-18.95%	-6.69%	-26.24%	-7.33%	7.94%	

13 Administrative expenses

	Consolidadated			
	Semester ended June 30, 2012	**Semester ended June 30, 2011**	**Quarter ended June 30, 2012**	**Quarter ended June 30, 2011**
Outsourced services	2,233	3,055	814	2,031
Travel expenses	1,167	914	675	645
IT expenses	169	141	132	68
Office maintenance	2,051	943	1,062	536
Depreciation and amortization	248	134	95	67
Fees and other contributions	97	31	58	34
Other	481	421	342	203
	6,446	5,639	3,178	3,584

	Individual			
	Semester ended June 30, 2012	**Semester ended June 30, 2011**	**Quarter ended June 30, 2012**	**Quarter ended June 30, 2011**
Outsourced services	1,967	3,055	665	2,031
Travel expenses	845	914	355	645
IT expenses	64	141	34	68
Office maintenance	1,596	943	831	536
Depreciation and amortization	187	134	93	67
Fees and other contributions	75	31	57	34
Other	378	421	220	203
	5,112	5,639	2,255	3,584

14 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.

The plan aims to enable the participants: administrators (members of the Board of Directors and management), executives (employees who are part of management and other employees, including those linked to Tarpon invested funds) and other participants (service providers individuals for Tarpon), by determination of the Board, to acquire common shares, representing up to 25% of the shares of the Company. Each option granted allows the participant the right to subscribe one share of the Company.

Out of the total options granted in the plan, (a) up to 70% could have been granted from the current date of delivery of the plan, (b) up to 7.5% can be granted as of July 1, 2009 (c) up to 7.5% can be granted as of July 1, 2010, (d) up to 7.5% can be granted as of July 1, 2011, and (e) up to 7.5% may be granted from July 1, 2012. The options do not granted in any grant date set out above may be granted on the dates of subsequent grants.

Options granted are exercisable as follow:

- The first portion of options granted on March 10, 2009became exercisable in the proportion of 20% on March 10, 2009; 20% on July 1, 2009; and 20% on each of the 3 anniversaries subsequent to July 1, 2009

- The second portion of options granted March 10, 2009became exercisable in the proportion of 20% on July 1, 2009 and 20% on each of the 4 anniversaries subsequent to July 1, 2009

- The options granted as from July 1, 2009, 20% will become exercisable in the proportion of 20% on the 1st of July of each of the 5 years subsequent to the year in which these options were granted, with exception to the forfeited options. The same rule is valid for the options granted as from July 1, 2010, July 1, 2011 and July 1, 2012.

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.

On March 22, 2010, it was decided on the Shareholders' Meeting, the amendment of the stock option plan to state that the exercise price of each option granted equals the greater of (i) R$ 5.60 per share (adjusted for dividends distributed by the Company from the date of initial approval of the Plan until the date of grant of the related option) and (ii) 75% of the market price of shares on the date preceding the grant date. The exercise price of options will be reduced by dividends paid by the Company, up to the highest value of R $ 2.53 per share or 45% of the price of shares on the date preceding the grant.

The option exercise price must be paid by the participants in cash. No participant may sell the shares acquired for a period of 12 months from the date of exercise of its option.

Below are the descriptions of each grant (consolidated and individual):

	Granted				**Forfeited**			**Exercised**					**To be exercised**		
	Quantity (thousand)	**Fair value of the options on grant date – R$ per share**	**Total in thousand R$**	**Exercise price on the grant date**	**Quantity (thousand)**	**Fair value of the options on grant date – R$ per share**	**Total in thousand R$**	**Quantity**	**Average exercise price**	**Total in thousand R$**	**Exercise dates**	**Average market price at each exercise**	**Quantity (thousand)**	**Exercise price on June 30, 2012**	**Total in thousand R$**
1st and 2nd grant (March 10, 2009)	7,662	0.38	2,951	5.6	(201)	0.38	(85)	5,874	2.62	15,549	arch 10, 2010, January 7, 2011, July 4, 2011 and August 15, 2011	15.94	1,587	2.53	4,016
3rd grant (November 30, 2009)	2,493	4.08	10,181	5.4	(168)	4.08	(693)	955	3.06	2,92	anuary 7, 2011, July 4, 2011 and August 15, 2011	15.96	1,370	2.53	3,466
4th grant (February 19, 2010)	530	4.67	2,477	5.23	(92)	4.67	(431)	94	3.38	318	ly 4, 2011 and August 15, 2011	15.99	344	2.53	870
5th grant (August 19, 2010)	1,115	6.72	7,488	8.59	(127)	6.72	(855)	96	6.86	746	ly 4, 2011 and August 15, 2011	15.99	892	5.70	5,084
6th grant (August 8, 2011)	960	8.07	7,745	11.4	(30)	8.07	(242)	-	-	-			930	11.23	10,444
Plan total	12,760		30,844		(618)		(2,306)	7,019		19,532			5,123		23,880

As for the balance in the stock option plan account, both in equity and in income (consolidated and individual), we have:

in R$ thousand	Semester ended June 30, 2012	Semester ended June 30, 2011	Quarter ended June 30, 2012	Quarter ended June 30, 2011
Stock option plan	3,645	3,669	1,814	1,795

The evaluation of the stock option plan is prepared using the binomial tree model, applied on the date of each grant considering the market parameters. The following assumptions were adopted on the date of each grant:

	March 10, 2009 (*)	November 30, 2009	February 19, 2010	August 19, 2010	August 8, 2011
Average annual volatility	70%	34%	28%	23%	20%
Current share price	1.29	6.87	7.84	11.45	15.20
Exercise price of options under the plan in accordance with the program	5.60	5.40	5.23	8.59	11.40
Free risk interest rate	13.00%	8.75%	8.63%	10.75%	11.90%
Expected dividends	6.2%	4.7%	4.5%	6.9%	6.0%

(*) On this date, Tarpon Investimentos SA's shares were not traded on the BM&FBovespa.

In determining the expected volatility, the Ibovespa and the trading price of Tarpon shares (TRPN3) were used as a parameter, during the periods which the options were granted.

15 Calculation of income tax and social contribution

a. Reconciliation of the tax rate

Taxable income (semesters ended June 30, 2012 and 2011)

	Individual	
Verification of the calculation basis	**2012**	**2011**
Income before income tax and social contributions (i)	36,643	152,119
Income tax and social contribution at current rates (respectively 25% and 9%)	(12,447)	(51,720)
Effects of additions and (exclusions) on tax calculation		
RTT adjustment	33	26
Stock option plan	(1,239)	(1,237)
Equity method revenue	1,116	-
Management variable remuneration	(9)	(4,608)
Income earned abroad	(1,862)	26
Total tax	(14,407)	(57,539)
Tax deferred asset from taxes paid in New York	1,862	-
Income tax and social contribution for the semester	(12,545)	(57,539)

Taxable income (quarters ended June 30, 2012 and 2011)

	Individual	
Verification of the calculation basis	**2012**	**2011**
Income before income tax and social contributions (i)	17,587	69,933
Income tax and social contribution at current rates (respectively 25% and 9%)	(5,974)	(23,777)
Effects of additions and (exclusions) on tax calculation		
RTT adjustment	17	13
Stock option plan	(617)	(606)
Equity method revenue	1,050	-
Management variable remuneration	(9)	(4,608)
Income earned abroad	(1,862)	-
Total tax	(7,394)	(28,978)
Tax deferred asset from taxes paid in New York	1,862	-
Income tax and social contribution for the semester	(5,532)	(28,978)

b. Deferred tax assets

The subsidiary of the Company, NY Tisa, Inc., found profit in the quarter/semester ended June 30, 2012, which was subject to tax at a rate of 35% (federal tax), in addition to other state and local taxes. The provision of such taxes at June 30, 2012, was R$ 3,012.

From the profit earned by the subsidiary, the Company may offset the percentage of 34% as envisaged in the Brazilian federal tax regulation. This amount, R$ 1,862, was recorded as deferred tax assets in the consolidated balance sheets and should be performed at year end.

In the consolidated balance sheet, under the heading of other assets, was recorded the amount of R$ 3,923 relating to the advance of federal, state and local taxes, made by the subsidiary in June.

16 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.

17 Related-party transactions

The main balances of related party assets and liabilities as of June 30, 2012 and December 31, 2011, as well as the related-party transactions that affected income for the quarters and semesters ended June 30, 2012 and 2011, are the result of transactions between the Company and its subsidiaries, affiliates and key Management personnel.

	Consolidated					
	Assets/(Liabilities/ Shareholders' equity)		Revenue/(Expense)			
	June 30, 2012	December 31, 2011	Quarter ended June, 30 2012	Quarter ended June, 30 2011	Semester ended June, 30 2012	Semester ended June, 30 2011
Short term benefits to D&O (*)	-	-	(1,074)	(27,190)	(1,959)	(27,570)
Share-based payment to D&O	(2,968)	(2,186)	(391)	(366)	(781)	(733)

(*) Key management personnel is not entitled to any post-employment benefits, other long-term benefits and benefits on termination of employment contract.

18 Further information

a. Finance leasing

Property, plant and equipment acquired through finance leases (see Note 9), have the following liability:

	Minimum future lease payments	Interest	Present value of minimum lease payments
Less than 1 year	306	33	273
Between 1 and 5 years	41	4	37
Balance at June 30, 2012	347	37	310
Less than 1 year	272	59	213
Between 1 and 5 years	262	26	236
Balance at June 30, 2011	534	85	449

b. Other assets

Other assets as at June 30, 2012 in the consolidated and individual are composed substantially of withholding income tax, social contribution, PIS, COFINS and federal, municipal and state taxes of New York paid in advance in the amount of R$ 4,177 individual and R$ 8,100 consolidated (December 31, 2011, R$ 28,522) and other taxes withheld to offset R$ 1,529 individual and consolidated (R$ 781 as at December 31, 2011) and prepaid expenses R$ 711 individual and R$ 826 consolidated (R$ 1,615 individual and R$ 1,652 - consolidated as at December 31, 2011).

c. Accounts payable

Comprised, essentially, by provider payables of R$ 274 (individual) and R$ 298 (consolidated) and R$ 185 (individual) and R$ 275 (consolidated) at December 31, 2011, as well as financial liability related to finance leasing of R$ 310 (individual and consolidated) and R$ 489 as of December 31, 2011 (individual and consolidated).

d. Tax obligations

The amount refers to R$ 41 (individual and consolidated) taxes from third parties (R$ 23 as at December 31, 2011), R$ 318 (individual and consolidated) of PIS and COFINS (R$ 821 as at 31

December 2011), R$ 224 (individual and consolidated) for ISS (R$ 169 as at December 31, 2011) and R$ 14,407 (individual) income tax and social contribution (R$ 63,336 as at December 31, 2011) and R$ 17,419 (consolidated) federal, state and local North American taxes.

e. Labor obligations and personnel expenses

The balance comprises social security contributions on wages, accrued vacation, thirteenth salary, profit sharing and bonus to employees, amounting to R$ 5,354 (individual) and R$ 5,760 (consolidated) (R$ 1,984 as at 31 December 2011). Personnel expenses (individual and consolidated) are composed of compensation expense, costs, profit sharing and bonus to employees totaling R$ 5,857 in the quarter and R$ 9,540 for the semester (individual) and R$ 6,734 in the quarter and R$ 10,668 for the semester (consolidated). On June 30, 2011, totaled R$ 46,042 in the quarter and R$ 48,735 for the semester (individual and consolidated).

f. Corporate reorganization

On May 30, 2012, the Board approved the corporate reorganization in which the activities of management of third party funds of the Company came to be exercised through a new subsidiary called Tarpon Gestora de Recursos S.A. (“Tarpon Gestora”).

The objective of this reorganization is to focus the activities of management of third party funds into a single entity, combining the regulatory requirements of various jurisdictions in which they operate the Company and its subsidiaries, including TISA NY Inc., a fully-owned subsidiary of the Company in the United States of America.

The reorganization will be effected through the transfer to Tarpon Gestora of certain assets held by the Company associated with the activities of management of third party funds. The consummation of the transfer is subject to the suspensive condition that Tarpon Gestora obtains from CVM (Brazilian Securities Exchange Comission) the authorization to engage the activities of portfolio securities management, whose authorization process is under review by the CVM.

19 Subsequent events

On July 31, 2012, the Board of Directors approved the increase of the capital of the Company, amounting to R$ 5,122 (R$ 100 for capital and R$ 5,022 (capital reserves)), within the authorized capital, by the issuance of 1,827 thousand shares, resulting from the exercise of stock options granted under the stock option plan to purchase shares of the Company. Thus, the capital increased from R$ 6,116 to R$ 6,216, divided into 47,849 thousand common shares, without par value.

* * *

Senior Management

Chief Executive Officer
José Carlos Reis de Magalhães Neto

Investor Relations Officer
Rafael Sonder

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