

Tarpon Investimentos S.A.

Individual and consolidated interim
financial statements as of
June 30, 2013

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Management report

Market Context

Investment funds under our management invest in companies listed in stock exchange and also in private equity funds.

The São Paulo Stock Exchange Index (Ibovespa), the main indicator of the performance of shares traded in the São Paulo Commodities, Futures and Stock Exchange (BM&F Bovespa), closed the second quarter of 2013 with a devaluation of 15.78%. The sharp decline occurred due to the continuing deterioration of the political and economic environment in Brazil. Popular demonstrations took to the streets with a series of claims, generally showing dissatisfaction with the political leadership and corruption, and demanding more investments in transport, health and education. In the economic scenario, the weak GDP growth, increasing inflation and weakening of trade balance kept investor pessimism. Moreover, the improvement in the U.S. economy and the increase in the country's long term interest rates generated an outflow of capital from emerging countries, affecting both the stock exchange and exchange rates. In the same period, North-American indices S&P 500, Dow Jones and Nasdaq rose 2.36%, 2.27% and 4.15%, respectively, and the London stock exchange index - FTSE dropped 3.06%.

In case of companies listed in BM&F Bovespa, which represent the majority of funds portfolio managed by Tarpon, we observed that BRF share prices increased, while Metalúrgica Gerdau and Marisa's shares decreased significantly.

About Tarpon Investimentos

We are dedicated to value-oriented investments in public and private equities. Our goal is to provide, in the long-run, above-average absolute returns.

Our investment philosophy is supported by six tenets:

Focus on intrinsic value

We look for investment opportunities that may provide significant value in the long term, with market prices reflecting a substantial discount to our perceived intrinsic value.

Portfolio concentration

We believe in portfolio concentration, which allows each invested company to have a meaningful impact on the overall performance and allows us to obtain a deeper understanding of each company.

Contrarian approach

We look for investment opportunities that are not evident and that are generally overlooked by the market. We aim to develop an independent view from market consensus.

High conviction

We seek to implement a disciplined investment process that allows us to have a high degree of conviction related to our investment decisions.

Long-term outlook

We believe that a long-term owner perspective is essential to maximize potential returns of each investment opportunity.

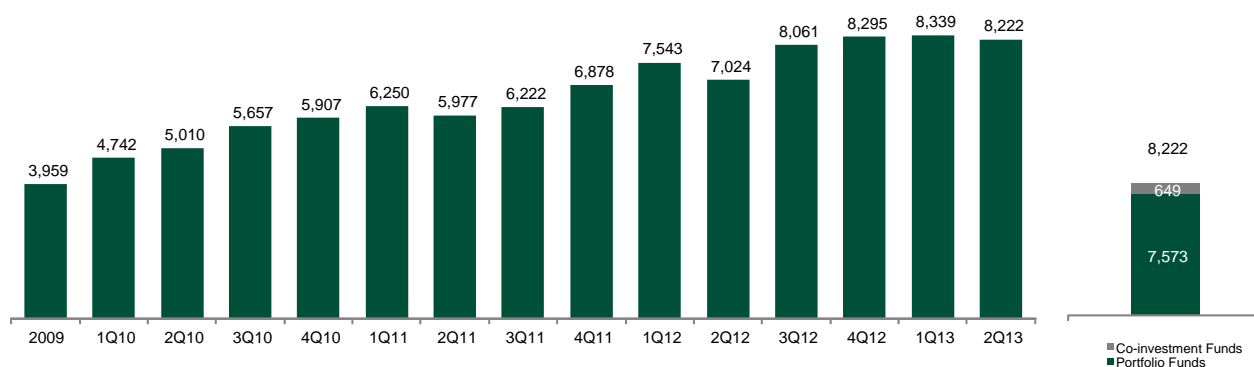
Value generation

We often seek to develop a positive value creation agenda together with our invested companies.

Assets under management

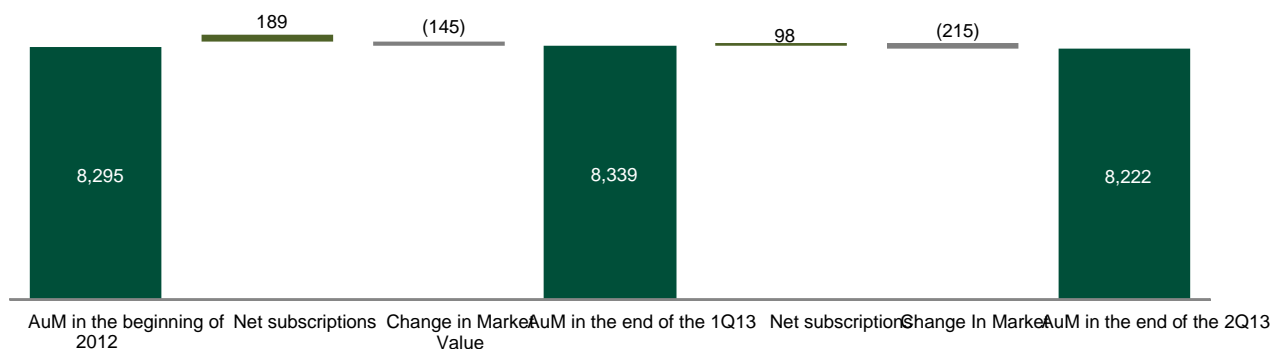
Our assets under management (“AuM”) amounted to R\$8.2 billion as of June 30th 2013, a decrease of 1.4% when compared to R\$8.3 billion AuM as of March 31st 2013 and an increase of 17% when compared to the second quarter of 2012:

Total AuM historical growth - R\$ million



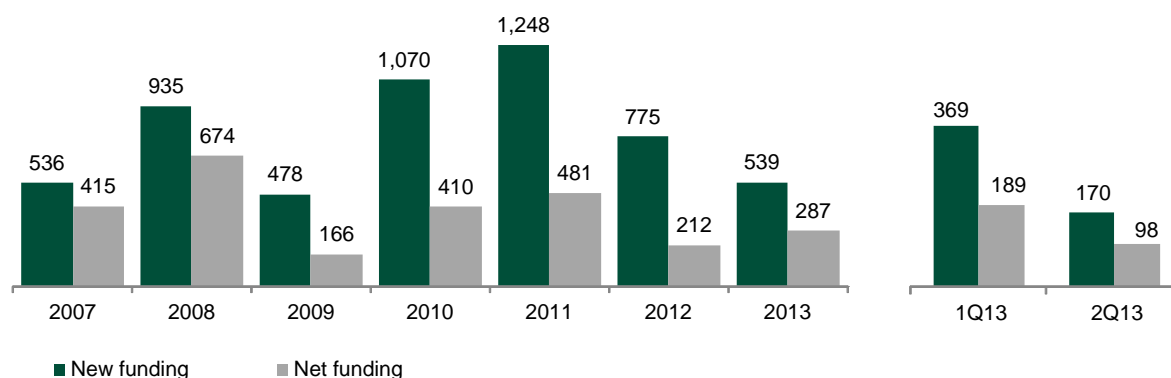
The AuM in the quarter reflected the impact of R\$ 98 million of net subscriptions and R\$ 215 million decrease in market value of the Portfolio Funds (including changes in asset prices and exchange rates).

AuM growth - R\$ million



New subscriptions: the Tarpon Funds received net subscriptions (new subscriptions (including uncalled committed capital) net of redemptions paid in the quarter) in the amount of R\$98 million during the quarter and R\$ 287 million during the half year.

Commitments - R\$ million



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

Portfolio Funds

(Public and private equity investments)

The Portfolio Funds strategy comprises the Tarpon Funds that invest in either public equities or privately held companies in Brazil or other Latin American countries.

As of June 30th 2013, the AuM allocated to this strategy amounted to R\$7.6 billion.

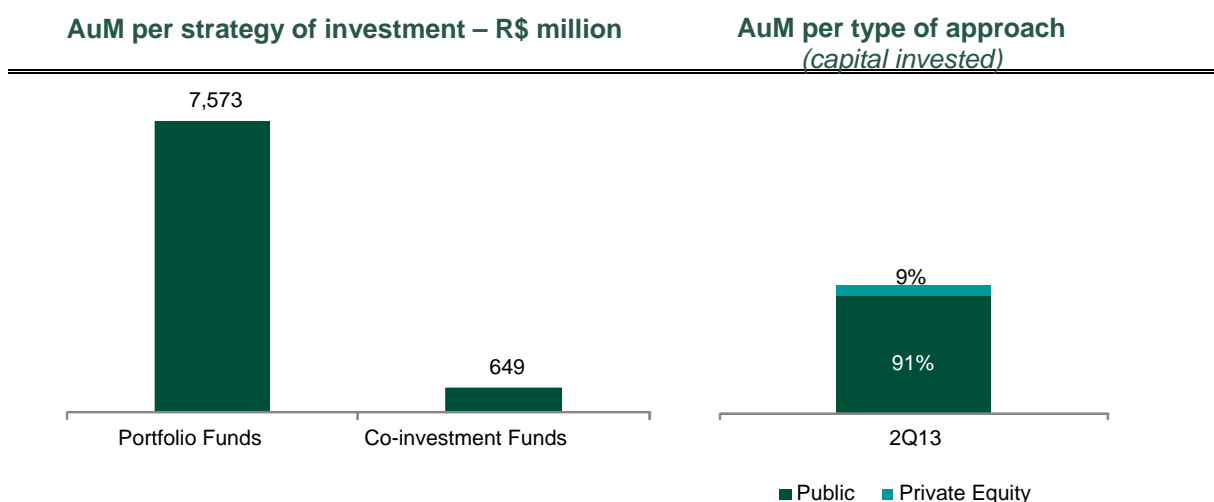
Co-Investment Strategy

(Public and private equity investments)

The co-investment strategy serves as a sidecar/co-investment structure whose primary objective is to increase funds' exposure to selected invested companies.

As of June 30th 2013, the AuM allocated to the co-investment strategy amounted to R\$ 649 million.

As indicated in the chart below, public-equity allocation accounted for 91% of our total invested capital. Private-equity investments, at fair value, accounted for the remaining 9%.

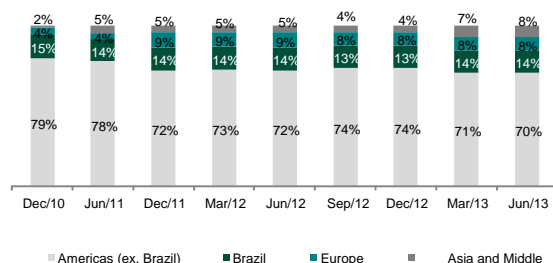


Investor base

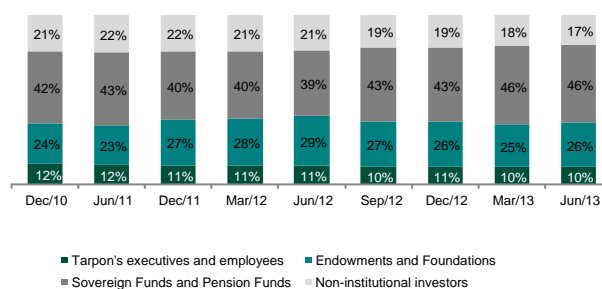
We aim to attract and retain a sophisticated investor base that is aligned with our investment philosophy and with a long-term investment profile.

As of June 30th, 2013, institutional investors, mainly endowments, foundations, pension funds and sovereign wealth funds, accounted for 72% of total AuM. The capital invested by our executives and employees represented 10% of total assets.

AuM per type of geographical region



AuM per type of investor



Investment Performance

During the quarter, the Portfolio Funds Long-Only Equity strategy posted net returns of -3.68% in R\$ and -11.79% in US\$. The accumulated annualized returns of this strategy is 28.46% in R\$ and 25.94% in US\$.

The Portfolio Funds Hybrid-Equity strategy posted net returns of -10.40% in US\$ and -2.93% in R\$ in the quarter. Net annualized performance is 18.46% in US\$ and 3.55% in R\$ since launch.

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 -15.78% and -9.15%, respectively (both in R\$), returns in US\$ were -23.46% and -17.43% for Ibovespa and IBX, respectively.

Strategy	Beginning	Performance ⁽¹⁾⁽²⁾					Since the beginning (annualized)
		2Q13	2013	12 months	2 years	5 years	
Portfolio Funds Long-Only Equity (R\$)	May 2002	-3.68%	-5.61%	10.93%	20.93%	96.60%	28.46%
Portfolio Funds Long-Only Equity (US\$)	May 2002	-11.79%	-12.73%	0.95%	-15.61%	45.28%	25.94%
Portfolio Funds Hybrid-Equity (R\$)	Oct 2011	-2.93%	-3.89%	7.06%	-	-	3.55%
Portfolio Funds Hybrid-Equity (US\$)	Oct. 2006	-10.40%	-10.84%	1.97%	-17.43%	49.13%	18.46%

Market indexes	2Q13	2013	12 months	2 years	5 years
Ibovespa (R\$)	-15.78%	-22.14%	-12.69%	-23.95%	-27.01%
IBX (R\$)	-9.15%	-11.02%	-1.28%	-5.71%	-9.84%
Ibovespa (US\$)	-23.46%	-28.19%	-20.35%	-46.42%	-47.56%
IBX (US\$)	-17.43%	-17.93%	-9.93%	-33.57%	-35.22%

(1) Performance net of fees.

(2) Performance up to June 30, 2013.

Financial highlights

Summary

Financial highlights - R\$ million

	2Q13	2Q12	1H13	1H12
Gross revenues	29.6	32.2	54.9	59.8
Management fees	19.1	21.3	37.8	40.4
Performance fees	10.5	10.9	17.1	19.4
Net revenues	28.7	31.2	53.4	57.5
Operating expenses	(8.2)	(12.6)	(19.1)	(21.7)
Recurring: general administration, payroll & others	(6.9)	(7.3)	(14.0)	(13.9)
Non recurring: stock option, variable comp., profit sharing	(1.3)	(5.2)	(5.1)	(7.8)
Results from operating activities	20.5	18.6	34.3	35.9
<i>Operating margin</i>	71%	60%	64%	62%
Results from financial activities	(0.6)	0.8	0.2	2.6
Finance Expense / Income	(0.6)	0.8	0.2	2.6
Income tax and social contribution	(3.6)	(7.3)	(6.6)	(14.3)
Net Income	16.3	12.1	28.0	24.1
<i>Net margin</i>	57%	39%	52%	42%
Earnings per share (R\$/share) *	0.30	0.23	0.52	0.46
O/S	45,556	46,023	45,556	46,023
AuM (end of period)	8,222	7,024	8,222	7,024

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

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

Operating revenues

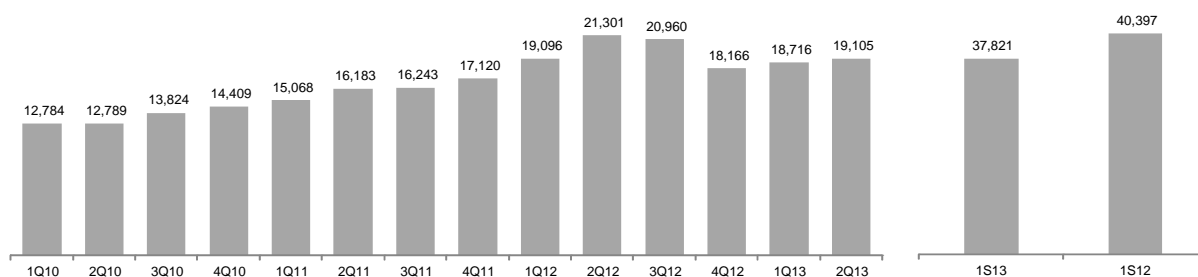
Operating revenues are composed of revenues related to management fees – recurring income flow based on the Tarpon Funds’ net asset value – and revenues related to performance fees – income flow with higher volatility based on the performance of the Tarpon Funds.

Revenues related to management fees

Management fees are charged on the Tarpon Funds based on the amount of invested capital.

During 2Q13, gross revenues related to management fees amounted to R\$19.1 million, equivalent to 65% of the operating revenues on the quarter. These revenues decreased 10% when comparing 2Q13 with 2Q12 and presented a 5% increase when compared to 4Q12.

Management fees revenues - R\$'000



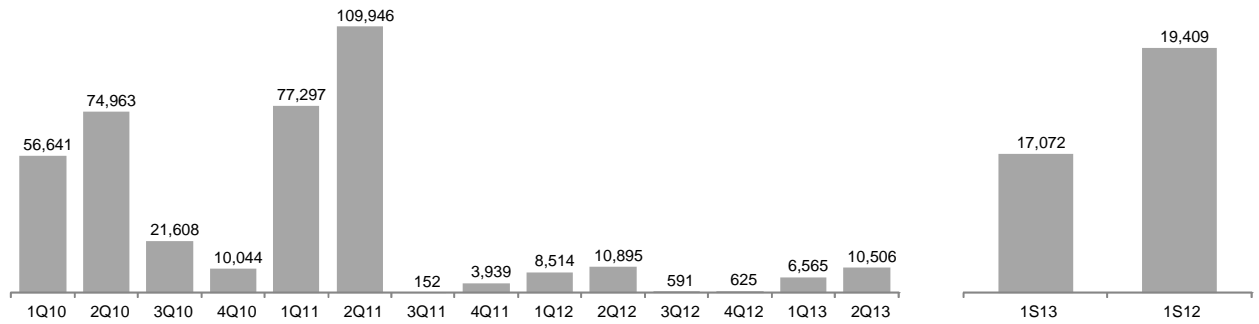
Revenues related to performance fees

Performance fees are payable when the Tarpon Funds’ performance exceeds certain hurdle rates. The hurdles primarily are inflation index plus 6% per year.

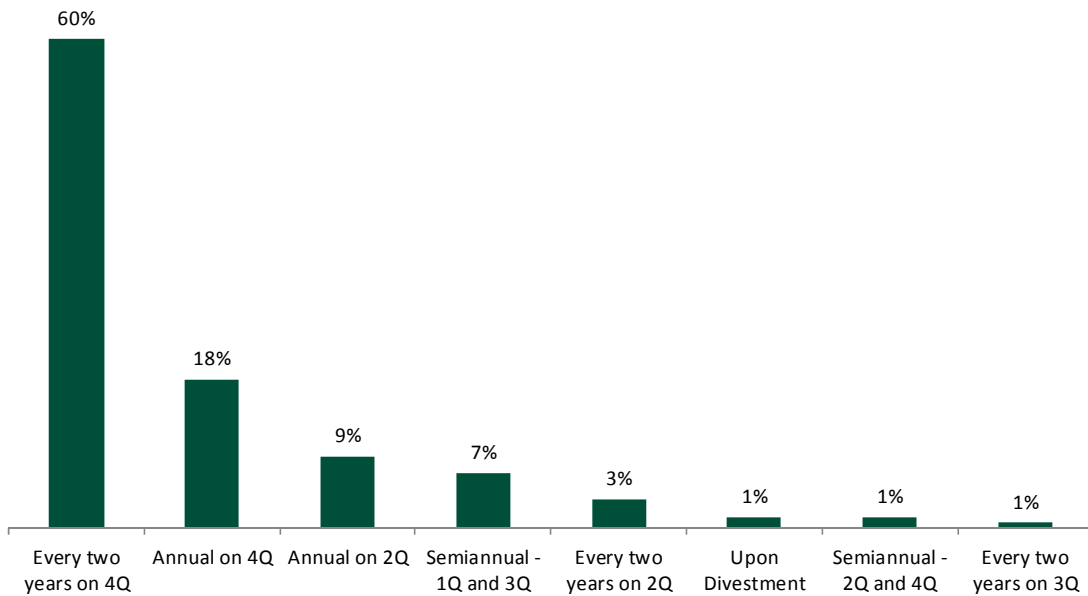
The performance fees are subject to a high water mark, which means that such fees are charged only if the net asset value (NAV) of the relevant fund exceeds the NAV of the previous performance fee collection date, adjusted by the hurdle rate.

In 2Q13, revenues related to performance fees amounted to R\$10.5 million, accounting for 35% of overall operating revenues, a 1,581% increase compared to 4Q12 and a 4% decrease compared to 2Q12.

Performance fees revenues - R\$'000



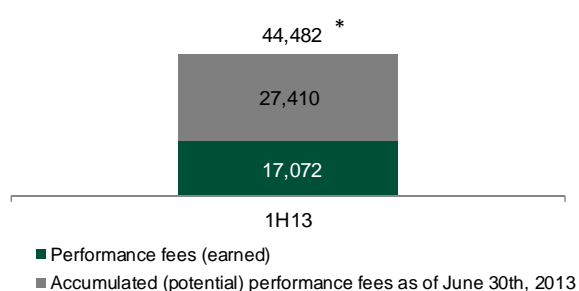
Below is the current distribution of our AuM by performance collection period:



As of June 30, 2013, 12.17% of the Tarpon Funds' NAV was above their respective high water marks (excluding funds where performance fees are collected upon divestment).

For illustrative purposes only, if 100% of the Tarpon Funds' net asset value had been charged performance fees on June 30, 2013, the additional revenues related to performance fees would amount to R\$27.4 million (based on the net asset value of the funds as of such date). As we cannot predict the Tarpon Funds' performance, there is no assurance that such potential additional amounts will be due and payable to Tarpon on the relevant dates and the prospective amounts may differ substantially from the actual amounts.

Performance fees revenues: earned and potential amount as of June 30th, 2013 – R\$'000

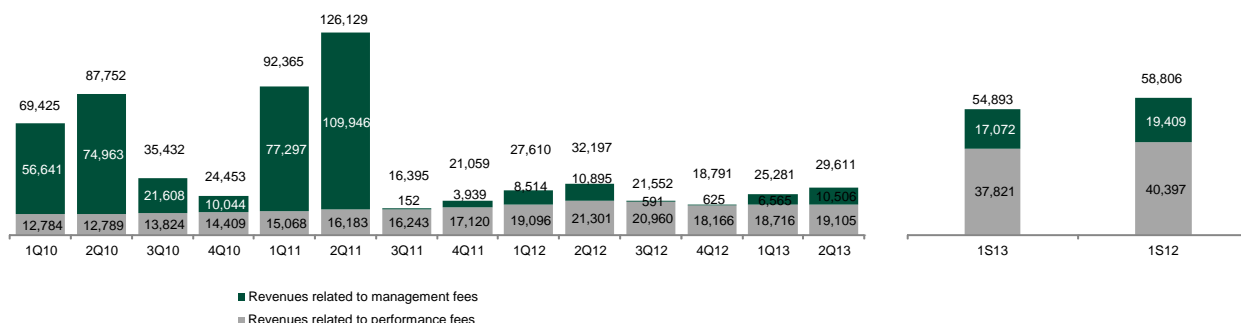


* Estimate amounts. There is no assurance that potential amounts will be due and payable to Tarpon on the relevant dates

Total operating revenues

The amount of revenues related to management and performance fees totaled R\$29.6 million in 2Q13, a 58% increase over the amount recorded in 4Q12 and an 8% decrease compared to 2Q12.

Total operating revenues - R\$'000

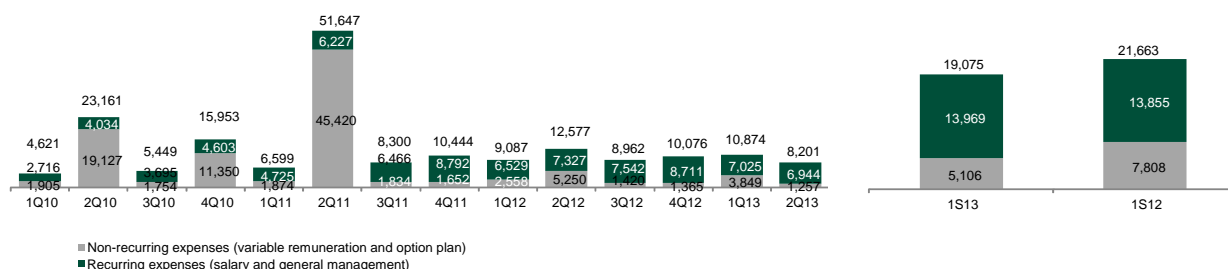


Operating expenses

Operating expenses, which are comprised of recurring and non-recurring expenses, amounted to R\$8.2 million during 2Q13. Operating margin in the quarter was 71%.

The recurring portion of operating expenses is comprised of general and administrative expenses, payroll expenses, and other expenses related to depreciation and travel expenses. In 2Q13, recurring expenses totaled R\$6.9 million, equivalent to 85% of total operating expenses. This represents a 20% decrease compared to 4Q12 and a 5% decrease compared to 2Q12.

Total operating expense - R\$'000



In 2Q13, non-recurring operating expenses amounted to R\$1.3 million, which includes variable compensation and the provision of our stock option plan (with no cash impact).

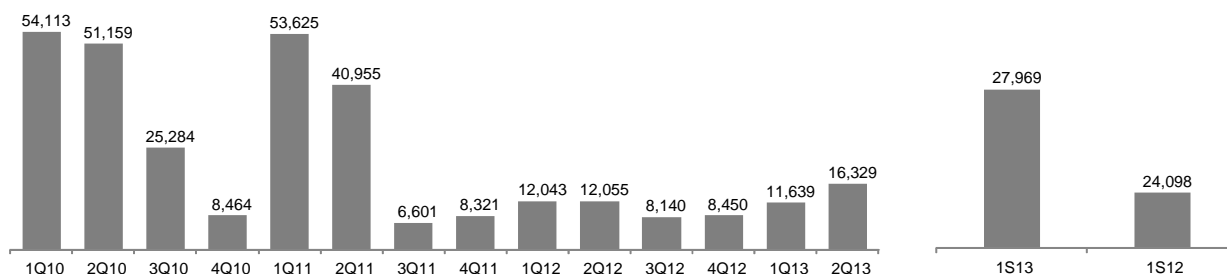
Taxes

Income taxes and social contribution amounted to R\$3.6 million in 2Q13.

Net income

Net income in 2Q13 amounted to R\$16.3 million, representing a net margin of 57%.

Net income - R\$'000



Corporate governance

Our shares are traded on the Novo Mercado segment of BM&FBOVESPA under the ticker TRPN3

Investor Relations - IR

Shareholders, investors and market analysts have at their disposal information available in RI Companhia website (www.tarpon.com.br). For further information, contact directly the RI Department through email (RI@tarpon.com.br) or through a telephone call: (5511) 3074 5800.

Independent Audit

The audit work involved in the examination of the financial statements for the quarter ended June 30, 2013 was carried out by KPMG Auditores Independentes. Company's policies in the engagement of services not related to the external audit at its independent auditors aim to ensure that there is no conflict of interests, loss of independence or objectivity.

During the quarter/semester ended June 30, 2013 no services were rendered to Tarpon by its independent auditors, other than those related to the Review of Financial Statements.

Commitment clause

Tarpon Investimentos S.A. is bound to arbitration at the Market's Arbitration Chamber, as per the arbitration clause in its Bylaws.



KPMG Auditores Independentes
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Report on the review of interim information

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

Introduction

We have reviewed the individual and consolidated interim balance sheet of Tarpon Investimentos S.A. (“Company”) as of June 30, 2013, and the related interim statements of income and comprehensive income for the three and six-month period then ended, and of changes in shareholders’ equity and cash flows for the six-month then ended, including the summary of significant accounting practices and other explanatory notes.

The company’s management is responsible for the preparation of the individual interim accounting information in accordance with Technical Pronouncement CPC 21(R1) - Interim Statement and of the consolidated interim accounting information in accordance with CPC 21 (R1) and with international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB. Our responsibility is to express a conclusion on these interim financial information based on our review.

Scope of the review

We conducted our review in accordance with the Brazilian and International review standards (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, 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 Brazilian and 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 accounting information

Based on our review, we are not aware of any facts that would lead us to believe that the individual interim financial information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of Quarterly Information - ITR.



Conclusion on the consolidated interim financial information

Based on our review, we are not aware of any facts that would lead us to believe that the consolidated interim financial information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of interim financial information.

Other issues

Statements for added value

We also reviewed the individual and consolidated interim financial information, of Added-value for the six-month period ended June 30, 2013, prepared by the Company's management, whose presentation is required according to the standards issued by the CVM - Securities and Exchange Commission, applicable to the preparation of Quarterly Information - ITR and considered supplementary information by the IFRS, which do not require the presentation of the statement of added-value. These interim financial statements were subjected to the review procedures previously described and, based on our review, we are not aware of any other event that make us believe that those were not prepared, in all material respects, in accordance with the individual and consolidated interim accounting information taken as a whole.

São Paulo, July 29, 2013

KPMG Auditores Independentes
CRC 2SP014428/O-6
Original report in Portuguese signed by
Jubran Pereira Pinto Coelho
Accountant CRC MG-077045/O-0 T SP

Tarpon Investimentos S.A.

Individual and consolidated interim balance sheets as of June 30, 2013 and December 31, 2012

(In thousands of Reais)

Assets	Notes	Consolidated		Individual		Liabilities	Notes	Consolidated		Individual	
		30/06/13	31/12/12	30/06/13	31/12/12			30/06/13	31/12/12		
Current assets						Current liabilities					
Cash and cash equivalents	4	13,824	3,317	322	1,098	Accounts payable	18c	987	792	141	191
Financial assets measured at fair value through profit or loss	5	27,360	32,379	0	32,379	Taxes payable	18d	8,047	28,726	1,768	20,170
Derivative financial instruments	6c	38	1,977	0	1,977	Labor obligations	18e	2,379	2,042	9	42
Receivables	7	5,967	15,766	-	-	Statutory payables	10c	20,000	21,510	20,000	21,510
Deferred taxes	15	1,757	4,229	1,757	4,229						
Others assets	18b	6,527	18,956	1,892	9,687						
								31,413	53,070	21,918	41,913
		55,473	76,624	3,971	49,370						
Non-current assets						Non-current liabilities					
Investment	8	-	-	43,864	18,061	Accounts payable	18c	-	15	-	-
Property, plant and equipment	9	1,857	1,980	-	-			-	15	-	-
		1,857	1,980	43,864	18,061						
						Shareholders' equity					
						Capital	10a	6,288	6,216	6,288	6,216
						Capital reserves	10e	-	-	-	-
						Statutory reserve	10d	-	3,052	-	3,052
						Legal reserve	10b	1,223	1,223	1,223	1,223
						Equity evaluation adjustment		-	(4)	-	(4)
						Option plan	14	16,533	14,503	16,533	14,503
						Accumulated translation adjustment	8	1,714	528	1,714	528
						Retained earnings		159	-	159	-
						Shareholders' equity attributable to controlling shareholders		25,917	25,518	25,917	25,518
						Total liabilities and shareholders' equity		57,330	78,604	47,835	67,431
Total assets		57,330	78,604	47,835	67,431						

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

Tarpon Investimentos S.A.

Interim individual and consolidated statements of income

Quarters and semesters ended June 30, 2013 and 2012

(In thousands of Reais)

	Notes	Consolidated		Individual		Consolidated		Individual	
		Semesters ended June 30		Semesters ended June 30		Quarter ended June 30		Quarter ended June 30	
		2013	2012	2013	2012	2013	2012	2013	2012
Management fee		37,025	38,822	-	30,305	18,700	20,702	-	13,052
Performance fee		16,378	18,716	-	18,716	9,954	10,502	-	10,502
Net operating income	12	<u>53,403</u>	<u>57,538</u>	<u>-</u>	<u>49,021</u>	<u>28,654</u>	<u>31,204</u>	<u>-</u>	<u>23,554</u>
Operating income and expenses									
Personnel expenses	18e	(9,737)	(10,668)	(38)	(9,540)	(3,566)	(6,734)	(19)	(5,857)
Option plan	14	(2,520)	(3,645)	-	(3,645)	(1,257)	(1,814)	-	(1,814)
Administrative expenses	13	(5,398)	(6,446)	(500)	(5,112)	(3,044)	(3,178)	(97)	(2,255)
Income (loss) from financial assets measured at fair value through profit or loss		224	2,558	82	2,558	(551)	750	10	750
Equity in net income of subsidiaries	8	-	-	28,401	3,283	-	-	16,423	3,088
Other operating income (expenses)		(1,420)	(905)	(30)	78	(334)	(852)	(16)	121
		(18,851)	(19,106)	27,915	(12,378)	(8,752)	(11,828)	16,301	(5,967)
Operating income		<u>34,552</u>	<u>38,432</u>	<u>27,915</u>	<u>36,643</u>	<u>19,902</u>	<u>19,376</u>	<u>16,301</u>	<u>17,587</u>
Income and social contribution taxes	15	<u>(6,583)</u>	<u>(14,334)</u>	<u>54</u>	<u>(12,545)</u>	<u>(3,573)</u>	<u>(7,321)</u>	<u>28</u>	<u>(5,532)</u>
Current		(8,340)	(16,196)	(1,703)	(14,407)	(4,633)	(9,183)	(1,032)	(7,394)
Deferred		1,757	1,862	1,757	1,862	1,060	1,862	1,060	1,862
Net income for the semester/quarter		<u>27,969</u>	<u>24,098</u>	<u>27,969</u>	<u>24,098</u>	<u>16,329</u>	<u>12,055</u>	<u>16,329</u>	<u>12,055</u>
attributable to controlling shareholders		27,969	24,098	27,969	24,098	16,329	12,055	16,329	12,055
Quantity of shares at the end of the period	11	<u>45,556</u>	<u>46,023</u>	<u>46,387</u>	<u>46,023</u>	<u>45,556</u>	<u>46,023</u>	<u>45,556</u>	<u>46,023</u>
Basic earnings per thousand shares - R\$	11a	<u>0.60</u>	<u>0.51</u>	<u>0.60</u>	<u>0.51</u>	<u>0.35</u>	<u>0.26</u>	<u>0.35</u>	<u>0.26</u>
Diluted earning per thousand shares - R\$	11b	<u>0.52</u>	<u>0.46</u>	<u>0.52</u>	<u>0.46</u>	<u>0.30</u>	<u>0.23</u>	<u>0.30</u>	<u>0.23</u>

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

Tarpon Investimentos S.A.

Individual and consolidated interim statements of comprehensive income

Quarters and semesters ended June 30, 2013 and 2012

(In thousands of Reais)

	Consolidated	Individual
Quarter ended June 30, 2013	<u>16,329</u>	<u>16,329</u>
Comprehensive income		
Accumulated translation adjustment	1,308	1,308
Total comprehensive income for the quarter ended June 30, 2013	<u><u>17,637</u></u>	<u><u>17,637</u></u>
Comprehensive income attributable to parent companies	17,637	17,637
Semester ended June 30, 2013	<u>27,969</u>	<u>27,969</u>
Comprehensive income		
Accumulated translation adjustment	1,714	1,714
Total comprehensive income for the quarter ended June 30, 2013	<u><u>29,683</u></u>	<u><u>29,683</u></u>
Comprehensive income attributable to parent companies	29,683	29,683
Quarter ended June 30, 2012	<u>12,055</u>	<u>12,055</u>
Comprehensive income		
Accumulated translation adjustment	379	379
Equity evaluation adjustment	58	58
Total comprehensive income for the quarter ended September 30, 2012	<u><u>12,492</u></u>	<u><u>12,492</u></u>
Comprehensive income attributable to parent companies	12,492	12,492
Semester ended June 30, 2012	<u>24,098</u>	<u>24,098</u>
Comprehensive income		
Accumulated translation adjustment	483	483
Equity evaluation adjustment	58	58
Total comprehensive income for the quarter ended June 30, 2012	<u><u>24,639</u></u>	<u><u>24,639</u></u>
Comprehensive income attributable to parent companies	24,639	24,639

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

Tarpon Investimentos S.A.

Consolidated interim statements of changes in shareholders' equity

Semesters ended June 30, 2013 and 2012

(In thousands of Reais)

	Capital	Capital reserves	Statutory reserves	Legal reserve	Treasury shares	Option plan	Equity evaluation adjustments	Accumulated translation adjustment	Retained earnings	Total shareholders' equity
Balances at December 31, 2012	6,216	-	3,052	1,223	-	14,502	(4)	529	-	25,518
Interest on own capital	72	648	-	-	-	-	-	-	-	720
Equity evaluation adjustment	-	-	-	-	-	-	-	-	-	-
Repurchase of shares	-	-	-	-	(11,999)	-	-	-	-	(11,999)
Option plan	-	-	-	-	-	2,520	-	-	-	2,520
Reversal of exercised options	-	489	-	-	-	(489)	-	-	-	-
Cancellation of Company's shares	-	(1,137)	(3,052)	-	11,999	-	-	-	(7,810)	-
Accumulated translation adjustment	-	-	-	-	-	-	-	1,185	-	1,185
Net income	-	-	-	-	-	-	4	-	27,969	27,973
Formation of reserves	-	-	-	-	-	-	-	-	-	-
Intermediary dividends proposed	-	-	-	-	-	-	-	-	(20,000)	(20,000)
Balances at June 30, 2013	<u>6,288</u>	<u>-</u>	<u>-</u>	<u>1,223</u>	<u>-</u>	<u>16,533</u>	<u>-</u>	<u>1,714</u>	<u>159</u>	<u>25,917</u>
Balances at December 31, 2011	6,116	26,507	6,116	1,223	-	11,013	-	133	-	51,108
Option plan	-	-	-	-	-	3,645	-	-	-	3,645
Cancellation of Company's shares	-	(26,507)	(2,799)	-	29,307	-	-	-	-	-
Repurchase of shares	-	-	-	-	(32,495)	-	-	-	-	(32,495)
Equity evaluation adjustment	-	-	-	-	-	-	58	-	-	58
Intermediary dividends proposed	-	-	-	-	-	-	-	-	(7,957)	(7,957)
Accumulated translation adjustment	-	-	-	-	-	-	-	350	-	350
Net income	-	-	-	-	-	-	-	-	24,098	24,098
Balances at June 30, 2012	<u>6,116</u>	<u>-</u>	<u>3,317</u>	<u>1,223</u>	<u>(3,188)</u>	<u>14,658</u>	<u>58</u>	<u>483</u>	<u>16,141</u>	<u>38,808</u>

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

Tarpon Investimentos S.A.

Individual and consolidated statements of cash flows

Semesters ended June 30, 2013 and 2012

(In thousands of Reais)

	Consolidated		Individual	
	Semesters ended June 30		Semesters ended June 30	
	2013	2012	2013	2012
Operational activities				
Net income from recurring operations	27,969	24,098	27,969	24,098
Adjustments:				
Depreciation	257	248	-	187
Equity income (loss)	-	-	(28,401)	(3,283)
Increase/(decrease) in option plan	2,520	3,645	-	3,645
Accumulated translation adjustment	1,185	483	1,185	-
Deferred taxes	1,757	(1,862)	1,757	(1,862)
Variation of equity evaluation adjustment	(4)	(58)	(4)	(58)
Variation of derivative financial assets	1,939	-	1,977	-
Adjusted income (loss)	35,623	26,554	4,483	22,727
Changes in assets and liabilities				
(Increase)/decrease in receivables	9,799	(4,872)	-	(4,832)
(Increase)/decrease in other assets	12,429	20,180	7,795	24,181
Increase/(decrease) in accounts payable	180	(175)	(50)	(7)
Increase/(decrease) in tax payable	(20,679)	(46,347)	(18,402)	(49,359)
Increase/(decrease) in labor liabilities	337	3,776	(33)	3,370
Cash flow from operating activities	37,689	(884)	(6,207)	(3,920)
Investment activities				
Variation of financial assets at fair value through profit or loss	5,607	44,858	31,915	44,858
(Acquisitions)/write-off of property, plant and equipment and lease	-	(199)	-	(64)
Cash flow from investing activities	5,607	44,659	31,915	44,794
Financing activities				
Repurchase of shares	(11,999)	(32,495)	(11,999)	(32,495)
Payment of dividends	(21,510)	(8,451)	(21,510)	(8,451)
Exercise of stock options	720	-	720	-
Dividends received			6,305	
Cash flow from financing activities	(32,789)	(40,946)	(26,484)	(40,946)
Total cash flow	10,507	2,827	(776)	(72)
Increase/(decrease) in cash and cash equivalents	10,507	2,827	(776)	(72)
Cash and cash equivalents at the beginning of the period	3,317	479	1,098	373
Cash and cash equivalents at the end of the semester	13,824	3,306	322	301

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

Tarpon Investimentos S.A.

Individual and consolidated interim statements of added-value

Semesters ended June 30, 2013 and 2012

(In thousands of Reais)

	Consolidated		Individual	
	Semesters ended June 30		Semesters ended June 30	
	2013	2012	2013	2012
Income	<u>54,893</u>	<u>59,808</u>	<u>-</u>	<u>51,291</u>
Performance and Management fee	54,893	59,808	-	51,291
Inputs acquired from third parties	<u>(6,561)</u>	<u>(7,103)</u>	<u>(530)</u>	<u>(4,846)</u>
Materials-Power-Third-party services-Other	(6,561)	(7,103)	(530)	(4,846)
Gross added value	<u>48,332</u>	<u>52,705</u>	<u>(530)</u>	<u>46,445</u>
Retentions	<u>(257)</u>	<u>(248)</u>	<u>-</u>	<u>(187)</u>
Depreciation	(257)	(248)	-	(187)
Net added value produced	<u>48,075</u>	<u>52,457</u>	<u>(530)</u>	<u>46,258</u>
Added value received as transfer	<u>224</u>	<u>2,558</u>	<u>28,483</u>	<u>5,841</u>
Equity income (loss)	-	-	28,401	3,283
Financial income and expenses	224	2,558	82	2,558
Total added value payable	<u>48,299</u>	<u>55,015</u>	<u>27,953</u>	<u>52,099</u>
Distribution of added value	<u>48,299</u>	<u>55,015</u>	<u>27,953</u>	<u>52,099</u>
Personnel	<u>10,919</u>	<u>13,133</u>	<u>-</u>	<u>12,006</u>
Direct remuneration	10,919	13,133	-	12,006
Taxes, duties and contributions	<u>9,411</u>	<u>17,784</u>	<u>(16)</u>	<u>15,995</u>
Federal	8,533	16,483	(16)	14,694
Municipal	878	1,301	-	1,301
Remuneration of own capital	<u>27,969</u>	<u>24,098</u>	<u>27,969</u>	<u>24,098</u>
Dividends	20,000	7,957	20,000	7,957
Retained earnings for the year	159	16,141	159	16,141
Cancellation of shares	7,810	-	7,810	-

See the accompanying notes to the interim individual and consolidated 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 established in June 2002, and was initially organized as a limited liability company engaged in operating as securities portfolio administrator and third parties’ funds manager, through investment funds, administrated portfolios and other investment vehicles (“Fundos Tarpon”). In December 2003, the Company became a publicly-held corporation.

On May 30, 2012, the Board of Directors approved internal corporate reorganization according to which administration of third parties’ funds is now conducted by Tarpon Gestora, subsidiary of the Company, and the Company started to operate exclusively as a *holding*. Such reorganization was completed on August 31, 2012.

2 Presentation of financial statements

2.1 Presentation of individual and consolidated financial statements

The parent company’s individual financial statements were prepared according to the International Financial Reporting Standards - IFRS issued by the International Accounting Standards Board (IASB) and also in accordance with accounting practices adopted in Brazil BR GAAP.

There is no difference between the shareholders' equity and consolidated income (loss) and the individual presented. Accordingly, the consolidated and consolidated financial statements are being presented side by side in a single set of financial statements.

These financial statements and the respective Independent auditors' report on the audit on financial statements were approved by the Board of Directors on July 29, 2013.

2.2 Functional and presentation currency

The financial statements were prepared in Brazilian Reais (R\$), Company’s functional and presentation currency.

2.3 Use of estimates and judgments

The preparation of financial statements requires Management to make judgments, estimates and assumptions that affect the application of accounting principles and the reported amounts of assets, liabilities, revenues and expenses including the calculation of market values and stock option plan. Actual results may differ from estimates. The assumptions and estimates are quarterly reviewed.

2.4 Consolidation basis

The consolidated financial statements include Tarpon Gestora de Recursos S.A., TISA NY, Inc., Tarpon All Equities (Cayman), Ltd., TSOP Ltd. and Tarpon BR S.A..

Tarpon Gestora de Recursos S.A.

On April 25, 2012, Tarpon Investimentos S.A. became the holder of all Tarpon Gestora shares totaling 500 shares at the value of R\$1.00.

On August 31, 2012, the Company subscribed a capital increase of Tarpon Gestora, from R\$ 0.5 to R\$ 763, through the issue of 762,292 new nominative common shares with no par value of R\$ 1.00. The shares were paid up on the same subscription date through a contribution in assets and current local currency.

TISA NY, Inc.

TISA NY is a Company's wholly-owned subsidiary. TISA NY income and its respective investment are evaluated at the equity method (individual accounting statements) whose functional currency is different from the parent company functional currency.

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

On March 28, 2012, Tarpon Investimentos S.A. became the holder of all shares of Tarpon All Equities (Cayman), Ltd. and TSOP Ltd. These companies operate as general partners of some foreign investment funds and its functional currency is different from the parent company's functional currency.

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

Subsidiaries Tarpon BR S.A. and Tarpon BR Participações Ltda. were liquidated on February 13, 2013 and March 27, 2012, respectively.

Investments in subsidiaries established abroad are translated into presentation currency, as follows:

- (i) The asset and liability balances are translated at the current foreign exchange rate on the closing date of the Consolidated Financial Statements;
- (ii) Income accounts are translated at foreign exchange quotations on transaction date; and
- (iii) All differences resulting from foreign exchange translations are recognized in Shareholders' Equity and in Consolidated Statement of Comprehensive Income, under line "accumulated translation adjustments".

Investments in subsidiaries and all balances between these companies were eliminated on preparation of consolidated financial statements.

2.5 New standards and interpretations issued and not yet adopted

Several IFRS standards, standard amendments, and interpretations issued by IASB have not yet come into effect in the preparation of such financial statements.

None of these new Standards are expected to have a material effect on the Company's interim financial statements except for IFRS 9 - Financial Instruments which will be mandatory as of

January 1, 2015 and may change classification and measurement of any financial assets maintained by the Company.

The CPC (Accounting Pronouncements Committee) has not yet issued pronouncements equivalent to the aforementioned IFRSs, although that is expected to be done before the date when they are required to come into effect. The advanced adoption of IFRS pronouncements is conditioned to the prior approval by a regulatory act by the Brazilian Securities Commission ("CVM").

3 Significant accounting policies

The main accounting practices described below were consistently applied for the Company and its foreign subsidiaries in the quarter/semester ended June 30, 2013.

a. Revenues

Revenues are comprised of fees deriving from management services for Fundos Tarpon portfolio, referring to administration and performance fees. Management fees are generated in accordance with a percentage on funds' shareholders' equity and recognized as respective services are provided. Performance fees are generated when the performance of funds exceeds a certain parameter or minimum profitability rate (hurdle rate), as defined in respective regulations, and are recognized when their value and receipt is certain.

b. Financial instruments

Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through income are intended for trading and are represented by the Company's investments in bank deposit certificates and repurchase and resale agreements. The interest, gains and losses derived from the adjustment at fair value were recognized in the statements of income under "Income from financial assets measured at fair value through profit or loss". Fair values of these assets are determined based on value adjusted at the interbank deposit rate (DI) informed by the bank that issued CDB's and the repurchase and resale agreement, respectively, at the end of each month.

Derivative financial instruments

Derivative financial instruments (assets) are classified on the date of their acquisition according to the intention of Management for hedge purposes or not. Transactions are stated at market values including gains and losses, realized and unrealized, and recognized directly to the statement of income.

Cash and cash equivalents

Cash and cash equivalents refer to cash balances and demand deposits used to manage the Company's working capital.

c. Impairment

The carrying values of the Company are reviewed each balance sheet date to determine whether there is sign of loss in the recovery value (impairment). If such indication exists, the recovery value of the asset is estimated. A loss in recovery value is recognized (impairment) if the carrying value of the asset exceeds its recoverable value.

d. Investments in subsidiaries and foreign subsidiary

The investments in subsidiaries and foreign subsidiary are stated at nominal value and restated under the equity method in the individual financial statements.

e. Property, plant and equipment

Property, plant and equipment is recorded by the acquisition cost, net of the respective accumulated depreciations, calculated using the straight-line method which considers the economic useful life and the respective residual values. The annual depreciation rates are: Furniture and fixtures and machinery and equipment (10%), facilities (10%), data processing systems (20%), communications and security systems (20%) and software licenses (25). Leasehold improvements are amortized over lease contract effective period (five years), at the annual rate of 20%.

f. Short-term benefits to employees and managers

Employees and managers are entitled to fixed and variable remuneration and annual profit sharing plan, as applicable. The provision for estimated amount to be paid as semi-annual profit sharing or variable compensation recognized when the Company complies with legal (conditions established in the plan) or constructive obligation of paying said value and the obligation may be reliably estimated.

Employees and managers are not entitled to any type of post-employment benefits, other long-term benefits, or job termination benefits.

g. Provisions

A provision is recognized if, as a result of past events, the Company has a legal or constructive obligation that allows a reliable estimate, and provided that losses are evaluated as probable. Reserves are determined by discounted estimated future cash flows at a rate that reflects the current market conditions and the characteristic risks of the liability.

h. Stock option plan

Effects of the stock option plan are calculated based on fair value prevailing on the date options are granted, and are recognized in the balance sheet and in the statement of income on a pro-rata basis, over vesting period of each granting.

i. Income and social contribution taxes and other taxes

In the current year, Tarpon Investimentos S.A. used as tax regime the Taxable Income. Thus, provision for income tax is formed at the basic rate of 15% of the taxable income, plus a surtax of 10% on certain limits. The provision for social contribution tax is calculated based on the rate of 9%. Amounts paid as income tax and social contribution advances are being accounted for in assets, under taxes recoverable (see note 18 b).

It is worth to emphasize that the Company adopted the Transitory Tax Regime (RTT) for calculating corporate income tax and social contribution as opted by the Law 11941/09 whose purpose is to maintain the tax neutrality of the amendments to the Brazilian corporate law introduced by Law 11638/07 and other amendments in accounting standards performed in the convergence context for IFRS.

PIS and COFINS rates are 1.65% and 7.60%, respectively, and are levied only on revenues from administration and performance fees deriving from Brazilian funds, less corresponding expenses.

ISS rate levied on portfolio management revenues, including management of Brazilian funds and management of foreign funds and portfolios is 2%.

PIS, COFINS and ISS overdue amounts are accounted for as taxes on revenues.

Deferred income tax and social contribution assets deriving from recoverable taxes on income earned abroad were established considering expected realization.

j. Other assets and liabilities

Other assets have been stated at realizable values, including, when applicable, income and monetary variations (on a pro rata daily basis) earned and a provision for losses, when considered necessary. Liabilities presented include known or calculated amounts, plus charges and monetary variations (on a pro rata daily basis) incurred.

k. Receivables

Receivables are stated at realizable values, including, where applicable, an allowance for losses.

l. Segment reporting

A segment is a Company's unit which is dedicated to provide products or services (business segment), or products or services in a particular economic environment (geographical segment), which is subject to risks and rewards which differ from those of other segments.

The Company, through its subsidiaries, carries out a single type of business (the rendering of services related to the management of portfolios) in the several markets which operates, and, consequently, no further division of the segment by type of business nor geographic segment presented.

m. Comprehensive income

Results from net income for the current quarters and foreign exchange variation arising from the consolidation of foreign subsidiaries and equity evaluation adjustment.

n. Statements of added value

The Company prepared individual and consolidated statements of added value in accordance with the rules of technical pronouncement CPC 9 - Statement of Added Value, which are presented as an integral part of the financial statements under BRGAAP applicable to publicly-held companies, whereas under IFRS they represent additional financial information.

o. Earnings per share

The basic earnings per share are calculated based on the result for the quarter/semester ended June 30, 2013, attributable to the Company's controlling and non-controlling shareholders and the weighted average of outstanding common shares in the respective year. Diluted earnings per share are calculated through the aforementioned average of outstanding shares, adjusted by the possible exercise of the share purchase options, with a dilutive effect on the years presented, in accordance with CPC 41 and IAS 33.

4 Cash and cash equivalents

Cash and cash equivalents are represented in the consolidated and individual as of June 30, 2013 and December 31, 2012 by the balances of cash and banks.

5 Financial assets measured at fair value through profit or loss

	Consolidated	
	June 2013	December 2012
Financial assets measured at fair value through profit or loss		
Purchase and sale commitments	9,168	18,419
Bank deposit certificates	<u>18,192</u>	<u>13,960</u>
	<u>27,360</u>	<u>32,379</u>
	Individual	
	June 2013	December 2012
Financial assets measured at fair value through profit or loss		
Purchase and sale commitments	-	18,419
Bank deposit certificates	=	<u>13,960</u>
	=	<u>32,379</u>

Operations indexed to the variation of the Interbank Deposit (DI) rate entered into with a prime bank. Its fair value is classified as level 3, considering its calculation based on the adjustment of future cash flows to present value at observable market rates, and adjusted by the credit risk, when applicable, of the counterparties, in accordance with Management's internal assessment.

6 Financial instruments

a. Risk management

The Company is basically exposed to the risks from the use of financial instruments:

Credit risk

It results from the possibility of the Company and its subsidiaries incurring losses arising out of default of their counterparties or financial institutions depository of resources or financial investments. The Company's policy is to minimize the exposure to credit risk. Management reviews and approves all the decisions taken with regard to investments, in order for them to be made only in highly liquid assets issued by prime financial institutions.

Market risk

It is the risk that changes in market prices, such as interest rates and prices in the stock market, will affect the income or value of their financial instruments. The Company's policy is to minimize its exposure to market risk, seeking to diversify the application of funds in terms of post-fixed rates.

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

	Valuation method - 2013 and 2012	Exposure to market value risk or interest rate?
Bank deposit certificates	Adjusted by the indexation rate – Interbank Deposit (DI) rate	Yes
Purchase and sale commitments	Adjusted by the indexation rate – Interbank Deposit (DI) rate	Yes

c. Derivative financial instruments

The Company (including through its subsidiary) has a swap contract with Banco Itaú BBA S.A. where it holds an asset position in the variation of the price of Company common shares issued, and a liability position in 100% of the variation of the CDI plus a fixed rate, with a notional value of up to R\$ 22,000 and a settlement term of up to 12 months as from the respective negotiation. The result of the transactions will be settled upon maturity.

As of June 30, 2013, the Company had the following outstanding transactions:

Consolidated

Financial instrument	Asset	Liability	Maturity	Notional value	MTM – 06/30/13	MTM – 12/31/12
SWAP	Shares	CDI + 0.50% p.a.	365 days	5,928	38	-
Total					<u>38</u>	<u>=</u>

d. Sensitivity analysis - Effect in the variation of the fair value

In compliance with the provisions of CVM Instruction no. 475, of December 17, 2008, the Company states that it is not exposed to market risks and/or interest rate considered relevant.

Although risk is assessed as low, Management continuously monitors changes in interest rates and share prices, which can have a direct or indirect impact on the fair value of these financial instruments.

e. Cash and cash equivalents

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

f. Other financial assets and liabilities

The fair values of the other financial assets and liabilities are equal to the carrying amounts in the balance sheets, measured at fair value or short-term maturity.

7 Receivables

The management fees due by the Fundos Tarpon (Tarpon Funds) funds are calculated on a monthly basis and paid at the beginning of the subsequent period, in accordance with the respective regulation. The performance fees are calculated on a six-month period basis, annual or bi-annual basis and paid on March 31, June 30, September 30 and December 31 of each year, pursuant to the respective regulation.

	Consolidated	
	June 2013	December 2012
Management fee (i)/(ii)	1,104	15,144
Performance fee (i)	<u>4,863</u>	<u>622</u>
	<u>5,967</u>	<u>15,766</u>

- (i) By the date these financial statements were approved, the receivables referring to the quarter ended June 30, 2013 had been 100% settled.
- (ii) By August 31, 2012, the foreign funds hired the Company and TISA NY as service providers, and the remuneration arose from the management and performance fees paid by these funds. As from September 1, 2012, these funds hired Tarpon Gestora to replace the Company.

As of June 30, 2013, only the subsidiaries had receivables recorded in the respective balance sheets.

8 Investments

On July 6, 2011, the Company's subsidiary in New York, US (TISA NY, Inc.) was established. On this date, 1,000 shares of TISA NY were paid up, at US\$ 1.00 each. On July 15, 2011, 50,000 shares were paid up, at US\$ 10.00 each.

The tables below present the changes in the balances of TISA NY:

TISA NY - in R\$ thousand

Balance at December 31, 2012	<u>9,362</u>
Equity in net income of subsidiaries	2,706
Contribution to subsidiary in connection with the option plan	<u>247</u>
Foreign exchange	<u>1,185</u>
Balance at June 30, 2013	<u>13,500</u>

*Tarpon Investimentos S.A.
Individual and consolidated
interim financial statements
as of June 30, 2013*

<u>TISA NY - in USD thousand</u>		<u>TISA NY - in R\$ thousand</u>						
Shareholders' equity	Income (loss) June 30, 2013	Shareholders' equity	Income (loss) June 30, 2013	Accumulated foreign exchange	Capital holdings in %	Equity in net income of subsidiaries	Contribution to subsidiary in connection with the option plan.	Equity value of the investment
4,791	1,436	8,834	2,706	1,714	100%	2,706	247	13,501

The investments in subsidiaries Tarpon All Equities (Cayman), Ltd. e TSOP Ltd. correspond to R\$ 100 as of June 30, 2013.

On August 31, 2012, the Company subscribed a capital increase of Tarpon Gestora, from R\$ 0.5 to R\$ 763, through the issue of 762,292 new nominative common shares with no par value of R\$ 1.00. The shares were paid up on the same subscription date through a contribution in assets and current local currency.

Tarpon Gestora de Recursos S.A.

Balance at December 31, 2012	<u>8,599</u>
Dividends payable to the parent company	(6,305)
Equity in net income of subsidiaries	25,695
Contribution to subsidiary in connection with the option plan	<u>2,273</u>
Balance at June 30, 2013	<u>30,262</u>

Tarpon Gestora - in R\$ thousand

Shareholders' equity	Income (loss) June 30, 2013	Capital holdings in %	Equity in net income of subsidiaries	Contribution to subsidiary in connection with the option plan.	Equity value of the investment
2,293	25,695	100%	25,695	2,273	30,262

9 Property, plant and equipment

The Company's property, plant and equipment is comprised of:

Consolidated

	Facilities	Machinery and equipment	Computers	Software	Furniture and fixtures	Telephony equipment	Third- party properties	Total
Balance at December 31, 2011	13	65	83	539	197	5	792	1,694
Additions	-	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)
Balance of property, plant and equipment at June 30, 2012	11	463	132	555	132	32	349	1,674
Property, plant and equipment acquired from financial lease	-	-	58	22	352	82	-	514
Total at June 30, 2012	11	463	190	577	484	114	349	2,188
Balance at December 31, 2012	10	434	124	490	120	27	306	1,511
Additions	-	-	118	19	-	-	-	137
Write-offs	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Depreciation	(2)	(4)	(19)	(75)	(10)	(6)	(100)	(215)
Balance at June 30, 2013	8	430	223	434	110	21	206	1,433
Property, plant and equipment acquired from financial lease	-	-	44	16	308	56	-	424
Total at June 30, 2013	8	430	267	450	418	77	206	1,858

As of June 30, 2013, only the subsidiaries had fixed assets recorded in the respective balance sheets.

Refer to Note 18(a) for finance lease payments.

10 Shareholders' equity

a. Capital

As of January 28, 2013, the Board of Directors approved, within the authorized capital limit, the issue of 66 thousand shares, arising from the exercise of stock options granted under the Company's stock option plan. Of the exercise price, in the amount of R\$ 561, R\$ 56 was allocated to capital stock and R\$ 505 to the capital reserve. Accordingly, the Company's capital increased from R\$ 6,216 to R\$ 6,272 (R\$ 6,216 as of December 31, 2012), represented by 46,387 thousand common shares, with no par value (47,849 thousand common shares as of December 31, 2012).

As of April 29, 2013, the Board of Directors approved, within the authorized capital limit, the issue of 15 thousand shares, arising from the exercise of stock options granted under the

Company's stock option plan. Of the exercise price, in the amount of R\$ 159, R\$ 16 was allocated to capital stock and R\$ 143 to the capital reserve. Accordingly, the Company's capital increased from R\$ 6,272 to R\$ 6,288 (R\$ 6,216 as of December 31, 2012), represented by 46,402 thousand common shares, with no par value (47,849 thousand common shares as of December 31, 2012).

On June 24, 2013 the Board of Directors approved the cancellation of the total 846,700 common shares of the Company held in treasury, acquired under the share repurchase program approved on January 28, 2013. Thus, capital is now divided into 45,556,000 shares.

b. Legal reserve

Established at the rate of 5% of net income for each fiscal year, pursuant to section 193 of Law 6404/76, the purpose of this reserve, which cannot exceed 20% of capital, is to ensure the integrity of capital and it can only be used to offset losses or increase capital. At the Company's discretion, the legal reserve need not be established whenever its balance plus that of the capital reserves referred to in section 182, paragraph 1 of Law 6404/76, exceed 30% of the capital. As of June 30, 2013, the balance of the statutory reserve was R\$ 1,223.

c. Dividends

The Company's bylaws provide for the payment of mandatory minimum dividends of 25% of net income for the year, adjusted as per the bylaws.

On March 4, 2013, the Ordinary General Meeting determined the payment of dividends in the amount of R\$ 21,510, made on March 12, 2013, and included in the mandatory minimum dividends for 2012.

On July 29, 2013, the Board of Directors approved the distribution of dividends amounting to R\$ 20,000, which were paid on August 6, 2013.

d. Statutory reserve

The Company's bylaws establish that up to 10% of net income, adjusted as per the bylaws, less the mandatory minimum dividend, may be allocated to statutory reserve called "Investment reserve", for the redemption, repurchase or acquisition of shares issued by the Company, or the performance of the Company's activity, limited to the Company's share capital. On June 30, 2013, the balance was null, since it was used in the share repurchase program approved on January 28, 2013.

e. Capital reserve

The balance of the capital reserve arises from the issue of new shares, the transfer of the balance of exercised options from the "Stock Option Plan" account, and cancellation of treasury shares, as follows:

Period	Nature	Allocation at issue price			Amounts transferred from the stock option plan to the capital reserve	Total capital reserve
		Issue of new shares (quantity - thousand)	Capital	Capital reserve		
Balance at December 31, 2011		48,194	6,116	19,522	6,984	26,507
	Treasury share cancellation.					
		(2,171)		(19,522)	(6,984)	(26,507)
Balance on June, 30, 2012		46,023	6,116	-	-	-
Balance at December 31, 2012		47,849	6,216	-	-	-
	Treasury share cancellation.					
		(2,374)		(1,137)	-	(1,137)
	Company's Stock option plan exercise as Option plan, and reversal of exercised options.	81	72	648	-	648
		-	-	-	489	489
Balance at June 30, 2013		45,556	6,288	(489)	489	-

f. Repurchase of shares

Under the share repurchase program approved by the Board of Directors on November 17, 2011, the Company repurchased 2,170,873 common shares on April 9, 2012, totaling R\$ 29,322 (including brokerage fees), the sole repurchase price of which was R\$ 13.50. The aim of the Repurchase Program was to create value for the Company's stockholders through efficient management of the Company's capital structure.

On April 13, 2012, the Board of Directors approved the cancellation of the repurchased shares, which caused a reduction in the capital reserve of R\$ 26,507 and in the statutory reserve of R\$ 2,800. On that same date, a Repurchase Program of 1,953,786 shares was approved, aiming to create value for the stockholders through efficient management of the Company's capital structure. Under the current repurchase plan, on April 20, 2012, 228,227 shares issued by the Company were purchased, at an average price of R\$ 13.90 (maximum price of R\$ 14.00 and minimum price of R\$ 13.90), totaling R\$ 3,174 (including brokerage fees). On September 13, 2012, 1,300,000 shares were purchased at the unit price of R\$ 12.50, totaling R\$ 16,258 (including brokerage fees).

As of December 31, 2012, the Company held 1,528,227 treasury shares, and their cancellation was approved at a board of directors meeting held on January 28, 2013.

On January 28, 2013, the Company closed the previous share repurchasing program and launched a new one, to acquire up to 1,870,045 shares within one year, for the same objective as in the previous programs.

On May 23, 2013, the Company acquired 80,000 common shares issued by the Company, at a price of R\$ 14.42, totaling R\$ 1,154 (including brokerage fees), on May 28, 2013, it acquired 120,000 shares at an unit price of R\$ 14.35, totaling R\$ 1,723 (including brokerage fees), on June 4, 2013, it purchased 239,700 shares at an average price of R\$ 14.25 (maximum price of R\$ 14.33 and minimum of R\$ 14.00), totaling R\$ 3,416 (including brokerage fees), on June 18, 2013, it acquired 350,000 shares at par value of R\$ 14.02, totaling R\$ 4,909 (including brokerage fees), and on June 20, 2013, it acquired 57,000 shares at par value R\$ 13.98, totaling R\$ 797 (including brokerage fees).

On June 24, 2013 the Board of Directors approved the cancellation of the total 846,700 common shares of the Company held in treasury, acquired under the share repurchase program approved on January 28, 2013.

11 Earnings per share

a. Basic earnings per share

Income per share calculation was based on the Company' income attributed to shareholders and on the weighted average for common shares as shown below.

	Consolidated and individual			
	Semester ended June 30, 2013	Semester ended June 30, 2012	Quarter ended June 30, 2013	Quarter ended June 30, 2012
Net income attributable to shareholders	27,969	24,098	16,329	12,055

Weighted average of common shares

	Consolidated and individual			
	Semester ended June 2013	Semester ended June 2012	Quarter ended June 2013	Quarter ended June 2012
Common shares in the beginning of the quarter/semester	47,849	48,194	46,387	48,194
Shares issued in the quarter/semester	81	-	16	-
Shares canceled in the quarter/semester	<u>(2,374)</u>	<u>(2,171)</u>	<u>(847)</u>	<u>(2,171)</u>
Total shares	<u>45,556</u>	<u>46,023</u>	<u>45,556</u>	<u>46,023</u>
Weighted average of the Company's quantity of common shares	46,578	47,252	46,333	46,309
Basic earnings per share for the quarter/semester	<u>0.60</u>	<u>0.51</u>	<u>0.35</u>	<u>0.26</u>

b. Diluted earning per share

In order to calculate diluted earnings per share, we assumed the exercise of the stock options already granted:

	Consolidated and individual			
	Semester ended June 2013	Semester ended June 2012	Quarter ended June 2013	Quarter ended June 2012
Income attributable to shareholders	27,969	24,098	16,329	12,055
Weighted average of the Company's quantity of common shares	46,578	47,252	46,333	46,309
Adjustment per stock option plan	7,304	5,437	7,304	5,437
Weighted average quantity of common shares for the Diluted earning per share	53,882	52,689	53,637	51,746
Diluted earning per share - R\$	<u>0.52</u>	<u>0.46</u>	<u>0.30</u>	<u>0.23</u>

12 Net operating income

	Consolidated			
	Semester ended June 2013	Semester ended June 2012	Quarter ended June 2013	Quarter ended June 2012
Income related to the management fee	37,821	40,397	19,105	21,301
Income related to the performance fee	17,072	19,409	10,506	10,895
Taxes on revenues(i)	<u>(1,490)</u>	<u>(2,268)</u>	<u>(957)</u>	<u>(992)</u>
	<u>53,403</u>	<u>57,538</u>	<u>28,654</u>	<u>31,204</u>

(i) Balance comprised of taxes on gross income (ISS, PIS and COFINS)

	Individual			
	Semester ended June 2013	Semester ended June 2012	Quarter ended June 2013	Quarter ended June 2012
Income related to the management fee	-	31,881	-	13,652
Income related to the performance fee	-	19,409	-	10,895
Taxes on revenues ⁽ⁱ⁾	<u>-</u>	<u>(2,269)</u>	<u>-</u>	<u>(993)</u>
	<u>=</u>	<u>49,021</u>	<u>=</u>	<u>23,554</u>

The revenues related to management fee are recognized as the services are rendered and are monthly calculated based on a percentage applied to the value of the net assets of the Fundos Tarpon (Tarpon Funds).

The revenues related to performance fees are received when the performance of the Fundos Tarpon exceed a certain threshold or minimum profitability rate (hurdle rate). Most of the funds have a parameter of inflation rate plus a fixed percentage.

Fundos Tarpon follow the concept of ‘‘high water mark’’. Therefore, the performance fee of the Fundos Tarpon is only charged if the share’s value at the time of the collection exceeds the share’s value at the time the last performance fee was charged, i.e., the last high water mark, adjusted by its profitability parameter.

As of June 30, 2013, 12.17% of the assets managed were above the applicable high water mark.

Consequently, the amount of the revenues related to performance fees may significantly change from year to year in accordance with: (i) fluctuations in the value of the net assets of the funds’ portfolios; (ii) the performance of the portfolios in comparison with hurdle rates for each fund and (iii) the realization of the net investments (since the performance fees related to these investments are only charged upon the realization of the investment).

Below we summarize the history of net returns, which reflects the monthly returns for the funds’ investors, net of (i) the management fee, (ii) the performance fee and (iii) other charges and expenses generated by the funds. The net return on the strategies is calculated based on the gross return at the closing of the month, and the items described above may cause each investor’s actual return to differ from those presented below.

Strategy	Performance						Since the beginning (annualized)
	Beginning	2Q13	2013	12 months	2 years	5 years	
Long Only Equity Portfolio Funds (R\$)	May 2002	-3.68%	-5.61%	10.93%	20.93%	96.60%	28.46%
Long Only Equity Portfolio Funds (US\$)	May 2002	-11.79%	-12.73%	0.95%	-15.61%	45.28%	25.94%
Hybrid Equity Portfolio Funds (R\$)	Oct. 2011	-2.93%	-3.89%	7.06%	-	-	3.55%
Hybrid Equity Portfolio Funds (US\$)	Oct. 2006	-10.40%	-10.84%	1.97%	-17.43%	49.13%	18.46%
Market indexes							
Ibovespa (R\$)		-15.78%	-22.14%	-12.69%	-23.95%	-27.01%	
IBX (R\$)		-9.15%	-11.02%	-1.28%	-5.71%	-9.84%	
Ibovespa (US\$)		-23.46%	-28.19%	-20.35%	-46.42%	-47.56%	
IBX (US\$)		-17.43%	-17.93%	-9.93%	-33.57%	-35.22%	

13 Administrative expenses

Consolidated				
	Semester ended June 2013	Semester ended June 2012	Quarter ended June 2013	Quarter ended June 2012
Maintenance of the office	2,511	2,051	1,368	1,062
Outsourced services	1,609	2,233	920	814
Representation expenses	591	1,167	388	675
Depreciation and amortization	257	248	129	95
Information system expenses	77	169	40	132
Expenses with fees and other contributions	31	97	18	58
Other expenses	<u>322</u>	<u>481</u>	<u>181</u>	<u>342</u>
	<u>5,398</u>	<u>6,446</u>	<u>3,044</u>	<u>3,178</u>
Individual				
	Semester ended June 2013	Semester ended June 2012	Quarter ended June 2013	Quarter ended June 2012
Outsourced services	498	1,967	97	665
Maintenance of the office	2	1,596	-	831
Representation expenses	-	845	-	355
Depreciation and amortization	-	187	-	93
Information system expenses	-	64	-	34
Expenses with fees and other contributions	-	75	-	57
Other expenses	<u>-</u>	<u>378</u>	<u>-</u>	<u>220</u>
	<u>500</u>	<u>5,112</u>	<u>97</u>	<u>2,255</u>

14 Stock option plan

On February 16, 2009, the Company's shareholders approved the Company's stock option plan. This Plan authorizes the granting of 13,724 thousand stock options, whose vesting conditions, maximum term and payment method are described below.

The aim of the Plan is to allow managers (members of the Board of Directors and Executive Board), employees who hold managerial positions and other employees, including those of companies that belong to the Funds' portfolios, to purchase common shares representing up to 25% of the total shares issued, as determined by the Board of Directors. Each option granted allows the right to subscribe one share of the Company.

Of the total options granted under the Plan, (a) up to 70% can be granted as from the date the Plan becomes effective; (b) up to 7.5% as from July 1, 2009, (c) up to 7.5% as from July 1, 2010, (d) up to 7.5% as from July 1, 2011, and (e) up to 7.5% as from July 1, 2012. Options not granted on any granting date previously mentioned may be granted on the subsequent granting dates.

The options granted become exercisable as follows:

- The first portion of options, granted on March 10, 2009, became exercisable at the rates of 20% on March 10, 2009, 20% on July 1, 2009 and 20% on each of the three subsequent anniversaries after July 1, 2009;
- The second portion of options, granted on March 10, 2009, became exercisable at the rates of 20% on July 1, 2009 and 20% on each of the four anniversaries after July 1, 2009; and
- The options granted as from July 1, 2009 will become exercisable at the rate of 20% on each July 1 of the five fiscal years subsequent to the respective granting date, except for the options returned. The same rule applies to the options granted as from July 1, 2010, July 1, 2011 and July 1, 2012.

Options granted but not exercised which became available for granting in the event of termination of their holders can be granted on any date up to July 1, 2017, and will become exercisable at the rate of 20% in each of the five fiscal years subsequent to the respective granting date.

In the event the current controlling shareholders cease to jointly hold at least 30% of the total shares at any time, among other hypotheses, all the options granted under the plan will become immediately exercisable.

Each portion of the plan options will expire on the fifth anniversary of the date on which the options became exercisable.

The exercise of the plan options is subject to the fulfillment of certain requirements by the beneficiary on the exercise date of the option, which includes the requirement that the beneficiary's employment relationship with the Company be maintained. In the event of voluntary termination of the beneficiary's employment with the Company, or dismissal without cause, the beneficiary may exercise only those exercisable options it holds, within thirty days from the employment termination date, and the options which are not exercised or exercisable will be available again for grantings under the stock option plan. In the event the beneficiary is dismissed for cause, they will not be allowed to exercise any of the options they have been granted. In this case, all the options which have not been exercised or which are not exercisable will once again be available for grantings under the stock option plan.

The exercise price of each option granted is equivalent to the higher of (i) R\$ 5.60 per share (adjusted by dividends paid by the Company from the Plan's initial approval date to the date the option was granted) and (ii) 75% of the quoted share price on the last trading session prior to the granting date. The options' exercise price will be reduced by dividends paid by the Company, up to a limit which consists of the higher of: R\$ 2.53 per share or 45% of the quoted share price on the date prior to the granting of said option.

The option's exercise price shall be paid in full by the beneficiary in cash. No beneficiary is authorized to sell the shares purchased for a period of 12 months from the exercise date of the respective option.

The description of all grantings are as follows (consolidated):

	Granted				Returned			Exercised				To be exercised			
	Quantity (thousand)	Fair value of options on the date of granting - R\$ per share	Total in R\$ thousand	Strike price in the grant date	Quantity (thousand)	Fair value of options on the date of granting - R\$ per share	Total in R\$ thousand	Quantity	Average exercise price	Total in R\$ thousand	Exercise dates	Average market price for each year	Quantity (thousand)	Exercise price at June 30, 2013	Total in R\$ thousand
1st and 2nd granting (March 10, 2009)	7,662	0.38	2,951	5.6	(226)	0.38	(94)	7,182	2.60	18,858	March 10, 2010, January 07, 2011, July 4, 2011, August 15, 2011 and July 31, 2012	15.31	254	2.53	644
3rd granting (November 30, 2009)	2,493	4.08	10,181	5.4	(332)	4.08	(1,387)	1,330	3.06	4,066	January 07, 2011, July 4, 2011, August 15, 2011 and July 31, 2012	15.00	831	2.53	2,103
4th granting (February 19, 2010)	530	4.67	2,477	5.23	(182)	4.67	(861)	160	3.38	541	July 4, 2011, August 15, 2011 and July 31, 2012	14.70	188	2.53	476
5th granting (August 19, 2010)	1,115	6.72	7,488	8.59	(299)	6.72	(2,031)	205	6.09	1,363	January 28, 2013	15.18	611	5.24	3,365
6th granting (August 8, 2011)	960	8.07	7,745	11.4	(230)	8.07	(1,853)	50	10.81	545	January 28, 2013	15.45	680	10.94	7,437
7th granting (August 9, 2012)	<u>560</u>	6.51	3,646	9.49	-	-	-	-	-	-		-	560	9.03	5,055
8th granting (September 20, 2012)	<u>50</u>	<u>6.88</u>	<u>344</u>	<u>10.12</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>50</u>	<u>9.66</u>	<u>483</u>
Total Plan:	<u>13,370</u>		<u>34,832</u>		<u>(1,269)</u>		<u>(6,226)</u>	<u>8,927</u>		<u>25,373</u>			<u>3,174</u>		<u>19,563</u>

In relation to the balances recorded under the "Stock option plan" account, both in shareholders' equity and profit or loss (consolidated), the following should be noted:

In thousand of Reais	Semester ended June 30, 2013	Semester ended June 30, 2012	Quarter ended June 30, 2013	Quarter ended June 30, 2012
Stock option plan	2,520	3,645	1,257	1,814
Exercised	(489)	-	-	-

The valuation of the Stock Option Plan is prepared using the Binomial Tree Model, which was applied on the date of each granting considering the market parameters. The following assumptions were adopted on each granting date:

	March 10, 2009 (*)	November 30, 2009	February 19, 2010	August 19, 2010	August 8, 2011	August 9, 2012	August 20, 2012
Average annual volatility	70%	34%	28%	23%	20%	24%	20%
Current price of the share	1.29	6.87	7.84	11.45	15.20	12.65	13.77
Exercise price of the plan options pursuant to the terms and conditions of the program	5.60	5.40	5.23	8.59	11.40	9.49	10.12
Risk-free interest rate	13.00%	8.75%	8.63%	10.75%	11.90%	10.15%	9.10%
Expected dividends	6.2%	4.7%	4.5%	6.9%	6%	6%	6%

(*) On this date, the shares of Tarpon Investimentos S.A were not traded on BM&FBovespa.

For the determination of the expected volatility, the parameters used were, among others, the Ibovespa indexes and the trading prices of the Tarpon (TRPN3) shares during the periods in which the options were granted.

15 Income tax and social contribution calculation statement

Rate reconciliation

Taxable Income (June 30, 2013 and 2012)

	Individual			
	Semester ended June 30, 2013	Semester ended June 30, 2012	Quarter ended June 30, 2013	Quarter ended June 30, 2012
Determination of the calculation basis				
Income before income and social contribution taxes (i)	<u>27,915</u>	<u>36,643</u>	<u>16,301</u>	<u>17,587</u>
Income and social contribution taxes at current rates (25% - IRPJ and 9% - CS)	<u>(9,485)</u>	<u>(12,447)</u>	<u>(5,536)</u>	<u>(5,974)</u>

	Individual			
	Semester ended June 30, 2013	Semester ended June 30, 2012	Quarter ended June 30, 2013	Quarter ended June 30, 2012
Determination of the calculation basis				
Effect of additions and deductions on the calculation of taxes:				
Adjustment RTT	-	33	-	17
Option plan	-	(1,239)	-	(617)
Equity in net income of subsidiaries	9,656	1,116	5,584	1,050
Managers' variable remuneration	-	(9)	-	(9)
Income accrued abroad	(1,757)	(1,862)	(1,757)	(1,862)
MTM – Derivatives	(117)	-	(20)	
Total taxes	<u>(1,703)</u>	<u>(14,407)</u>	<u>(1,729)</u>	<u>(7,394)</u>
Tax credit arising from the tax paid in New York	1,757	1,862	1,757	1,862
Income and social contribution taxes for the year	<u>54</u>	<u>(12,545)</u>	<u>28</u>	<u>(5,532)</u>

The consolidated amount of income and social contribution taxes for the quarter/semester includes subsidiaries' expenses, totaling R\$ 3,573 and R\$6,583, respectively.

a. Deferred taxes

The Company's wholly-owned subsidiary, Tisa NY, Inc., calculated a profit in the semester ended June 30, 2013, which was taxed at the rate of 35% (federal tax), in addition to the other municipal and state taxes levied. As of June 30, 2013, the provision for these taxes totaled R\$ 3,099.

The Company could offset 34% of the taxes due on the profit accrued by the subsidiary against the taxes paid abroad, as provided for in the Brazilian legislation. This amount, R\$ 1.757, was recorded as deferred taxes in the Company's balance sheet.

In the consolidated balance sheet, the amount of R\$3,048, referring to the prepayment of federal, state and municipal taxes made by the subsidiary in the quarter, was recorded within the "Other assets" line item.

16 Contingencies

As of June 30, 2013, the Company recorded no contingent liabilities, and, in Management's evaluation, no lawsuits were outstanding that could represent possible or probable losses.

17 Related party transactions

The main balances of assets and liabilities as of June 30, 2013 and December 31, 2012, as well as the operations that influenced the income for the same years ended, related to operations with related parties, result from Company's operations with Management's key professionals.

	Consolidated					
	Assets / (Liabilities/ Shareholders' equity)		Banco do Brasil S.A. and subsidiaries			
	June 30, 2013	December 31, 2012	Semester ended June 2013	Semester ended June 2012	Quarter ended June 2013	Quarter ended June 2012
Dividends payable	(18,000)	(21,510)				
Dividends approved	-	(29,467)				
Short-term benefits to the Management (*)	-	-	(2,193)	(1,959)	(894)	(1,074)
Stock option plan to the Management	<u>(4,443)</u>	<u>(2,505)</u>	(1,148)	(781)	(574)	(391)

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

18 Other information

a. Financial leases

Property and equipment items purchased through finance leases (refer to note 9) present the following liabilities:

	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than 1 year	64	5	59
Between 1 and 5 years	-	-	-
Total at June 30, 2013	<u>64</u>	<u>5</u>	<u>59</u>
Less than 1 year	306	33	273
Between 1 and 5 years	41	4	37
Total at June 30, 2012	<u>347</u>	<u>37</u>	<u>310</u>

b. Other assets

Other assets at June 30, 2013 in the consolidated and are composed mainly of IRRF, CSSL, PIS, COFINS and federal taxes, city and state of New York paid in advance in the amount of R\$ 1,892 Individual R\$ 4,752 Consolidated (December 31, 2012, R\$ 14,554) and other taxes withheld to offset R\$ 1,179 Consolidated (R\$ 1,888 at December 31, 2012) and prepaid expenses R\$ 569 Consolidated (R\$ 470 - individual and R\$ 2,380 - consolidated on December 31, 2012).

c. Accounts payable

Basically comprises amounts payable to suppliers totaling R\$ 141 (individual) and R\$ 928 (consolidated) and, at December 31, 2012, R\$ 91 (individual) and R\$ 580 (consolidated), as well as the financial liability arising from finance leases payable of R\$ 59 (consolidated) and R\$ 205 as of December 31, 2012 (individual and consolidated).

d. Taxes payable

The amounts due comprise R\$ 69 (individual) and R\$ 117 (consolidated) of third-party taxes (R\$ 65 - individual and R\$ 86 - consolidated as of December 31, 2012); R\$ 239 consolidated for PIS and COFINS (R\$ 266 individual and R\$ 337 as of December 31, 2012), R\$ 131 consolidated for ISS (R\$ 210 as of December 31, 2012) and R\$ 1.699 (individual) for IRPJ and CSLL (R\$ 19,839 as of December 31, 2012) and R\$ 7,560 (consolidated) for federal, state and municipal taxes in the USA (R\$ 28,093 as of December 31, 2012).

e. Labor liabilities and personnel expenses

The balance comprises social charges on salaries, accrued vacation, 13th salary and employee profit sharing and bonuses, totaling R\$ 2,379 (consolidated) (R\$ 2,042 as of December 31, 2012). Personnel expenses (Company and consolidated) are composed of expenses on compensation, payroll charges, profit sharing, and bonuses totaling R\$ 38 (Company) and R\$ 9,737 (consolidated). As of December 31, 2012, they amounted to R\$ 11,824 (Company) and R\$ 18,296 (consolidated).

f. Capital increase

As of July 29, 2013, the Board of Directors approved, within the authorized capital limit, the issue of 594,626 thousand shares, arising from the exercise of stock options granted under the Company's stock option plan. Of the exercise price, in the amount of R\$ 1,954,246.69, R\$ 195,424.67 was allocated to capital stock and R\$ 1,758,822.02 to the capital reserve. Accordingly, the Company's capital increased from R\$ 6,288 to R\$ 6,483 (R\$ 6,216 as of December 31, 2012), represented by 46,150 thousand common shares, with no par value (47,849 thousand common shares as of December 31, 2012).

* * *

Executive Board

President and Director of Investor Relations

Pedro de Andrade Faria

Accountant

Caroline Miranda
CRC 1SSP-255926/O-6