

São Paulo - SP, As of April 27, 2017. Tarpon Investimentos S.A. ("Tarpon" or "the Company"), through its subsidiaries, conducts public and private equity investment activity through funds and managed accounts under its management ("Tarpon Funds"). The release was issued in accordance with accounting practices adopted in Brazil and with the IFRS.

STOCK MARKET

Ticker: TRPN3
O/S: 44.115 stocks
Stock Price (26/04/2017): R\$ 4.05
Market Cap: R\$ 178,6 million
Daily Volume LTM: 9,2 k stocks

IR contact

Phone: +55 (11) 3074-5800
ri@tarpon.com.br

Visit our IR website:
www.tarpon.com.br

1Q17 – Highlights

- ✓ **Assets under management:** R\$ 5.2 billion in the portfolio funds strategies and R\$ 2.2 billion in the co-investment strategy, amounting R\$ 7.4 billion of assets under management.
- ✓ **Performance:** Registered negative performance of R\$ 430 million and R\$218 million in the portfolio funds and co-investment funds, respectively.
- ✓ **Subscription and Redemptions:** Redemption of R\$ 94.8 million in the portfolio funds. There was no redemption in the co investment funds.
- ✓ **Gross Revenue:** Management fee amounted to R\$ 12.6 million in Q1-17.
- ✓ **Net Income:** Loss amounted R\$ 3.2 million in Q1-17.

About Tarpon Investimentos

Through its subsidiaries, Tarpon carries out the management of funds dedicated to investments in public and private companies, with the objective of achieving absolute long-term returns above the market.

Our business model is focused on generating value in companies in the long term, and our main investments involve controlling interests or as a relevant shareholder of such companies, with participation in their management. Within this model, we highlight our investments in BRF, Somos Educação, Omega Energia Renovável and Cremer.

In addition, we manage a portfolio dedicated to investments in the stock exchange, focusing on opportunities whose market value is substantially lower than our perception of intrinsic value.

Market Overview

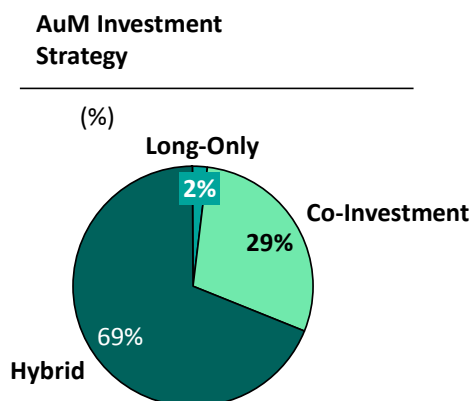
We believe that the cost of capital is the most important value lever for Brazilian stock prices. The direct and indirect impacts that the cost of capital has on Companies and the economy are very positive and should continue to sustain the positive background for Brazil to overcome the crisis that it has experienced in recent years.

The potential repercussions of lower interest rates on the real economy, such as increased sales and volumes from increased consumer and business confidence, can help to promote a stronger and longer positive cycle, considering that the economy remains relatively idle.

However, investors should be aware of possible obstacles along the way, such as the risk of deteriorating government support in Congress and, for example a shallower pension reform – and of course the uncertainties surrounding the upcoming presidential elections.

Investment strategy

We conduct our asset management activities through two main investment strategies: Portfolio Funds, divided in Long-Only Equity and Hybrid Equity and Co Investment Fund. In the chart below we present the AuM breakdown between strategies:



Portfolio Funds

The investment strategy at portfolio funds comprises fund that invest only in public company shares listed on stock exchange (Long-Only Equity) and funds held both stock market investments and illiquid investments/private equity (Hybrid Equity).

As of march 31st 2017, the AuM allocated to this strategy amounted R\$ 5.2 billion.

Co-Investment Strategies

The co-investment strategy consists of funds with the purpose to invest in a Company or in specific opportunities along other Tarpon Funds.

The strategy of these funds is to invest in companies in which the portfolio funds' already have exposure considered ideal, allowing us to increase the participation in certain invested Companies.

As of march 31st 2017, the AuM allocated to this strategy amounted R\$ 2.2 billion.

Investment performance

The Portfolio Funds Hybrid-Equity strategy posted on Q1-17 net returns of -8.3% in R\$ and 0.2% in US\$. Net annualized performance is -2.5% in R\$ and 5.5% in US\$ since launch.

In Q1-17, the Portfolio Funds Long-Only Equity strategy posted net returns of -3.5% in R\$ and -5.7% in US\$. The accumulated annualized returns of this strategy, net of taxes and expenses, is 18.4% in R\$ and 13.3% in US\$.

For illustrative purposes, during the year, Ibovespa and IBrX Indexes posted returns of 7.9% and 8.1%, respectively (both in R\$). Returns in US\$ were 2.8% and 2.1% for Ibovespa and IBrX, respectively:

Strategy	Lauch	Performance ¹				
		1Q17	YTD	2 years	5 years	Since Lauch (annualized)
Long Only Equity (R\$)	may 2002	-3,5%	-10,6%	-34,0%	-24,1%	18,4%
Long Only Equity (US\$)	may 2002	-5,7%	-5,3%	-38,2%	-59,7%	13,3%
Hybrid Equity (R\$)	sep 2011	-8,3%	-9,2%	-29,8%	-19,6%	-2,5%
Hybrid Equity (US\$)	oct. 2006	0,2%	9,6%	-27,8%	-52,1%	5,5%

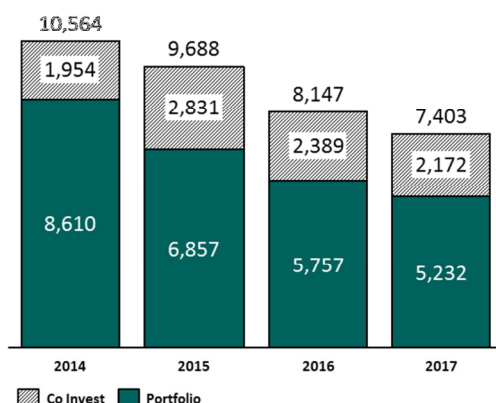
(1) Performance net of fees.

Assets under management

Our assets under management ("AuM") amounted to R\$ 7.4 billion as of March 31st, 2017, a decrease of 13.4% when compared to the same period of the prior year due.

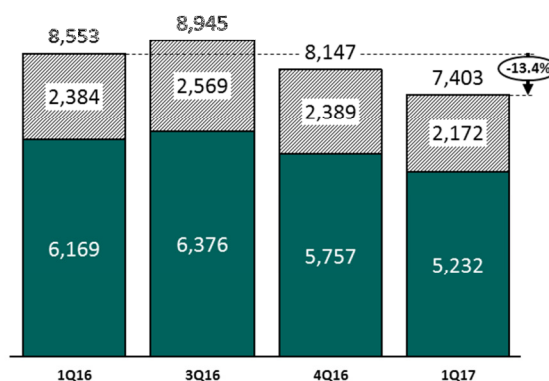
AuM Evolution - Annual

(R\$ MM)



AuM Evolution - Quarter

(R\$ MM)

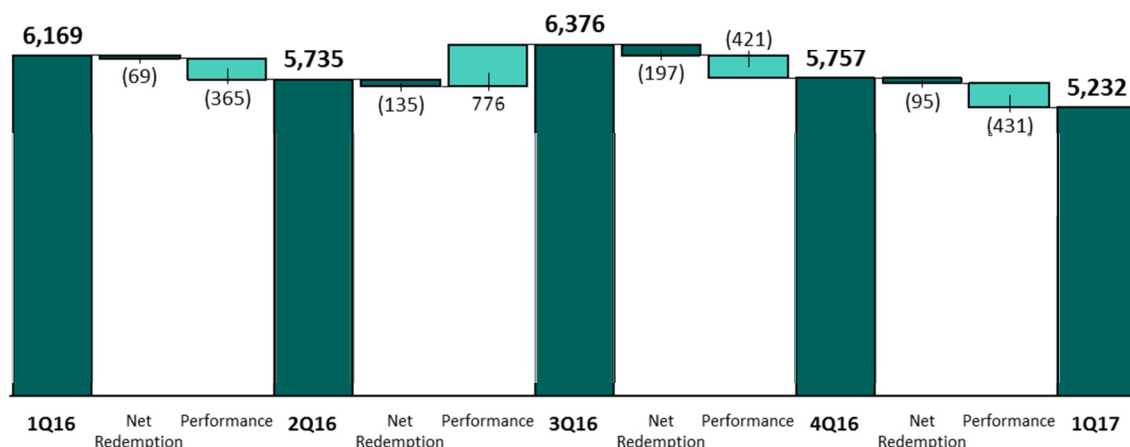


AuM Portfolio Funds

The Portfolio Funds, for 1Q17, registered net redemptions of R\$ 94.8 million and gross negative performance of R\$ 430.6 million.

AuM Evolution Portfolio - Quarter

(R\$ MM)



(1) The market value for illiquid investments are measured with bases in quarterly internal valuations, according with accounting practices applicable to investment funds

As of March 31st, 2017, the AuM for portfolio funds allocated to investments classified as liquid represented 52.6% of the total AuM of portfolio funds. Investments classified as illiquid (represented mainly by investments in Somos Educação, Omega Energia and Cremer), valued at market value⁽¹⁾, corresponded to 47.4% of the AuM of the portfolio funds.

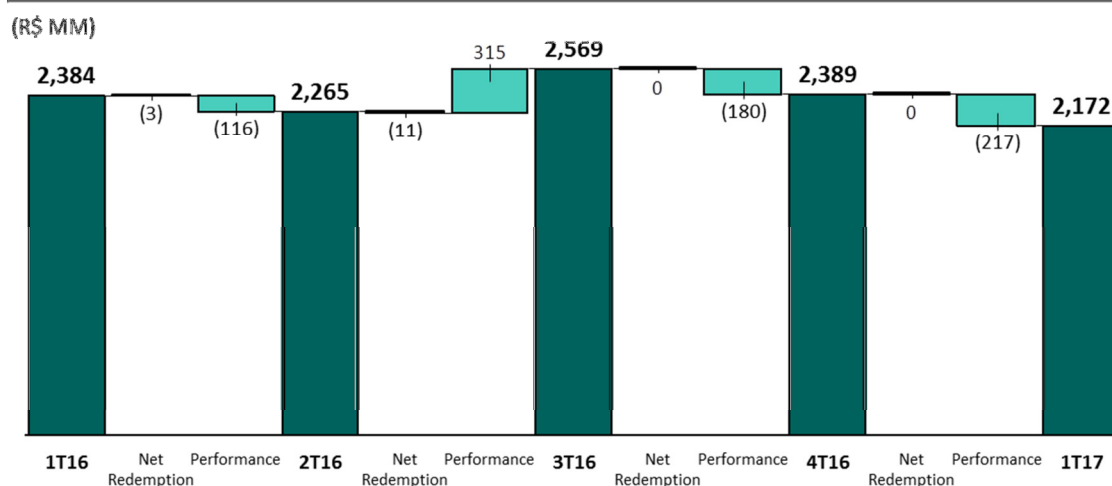
Approximately 84.5% of assets portfolio funds belong to the "family funds" Tarpon Partners, whose terms of liquidity are more restrictive than the other portfolio funds. The investor Tarpon Partner can redeem quarterly to 1/12 of the balance of net investments, so that period of payment of a full redemption will be in three years. The illiquid investments may be held by the fund for an indefinite period, obligating Tarpon to do a public offering or transfer each illiquid investment/private equity to the stock investment account until the 8th anniversary (with extensions) of the respective investment.

The expected redemptions to be paid on the end of next quarter (2Q17), no considering any variation on the funds net carry amount since March 31st, 2017, equivalent of 6.9% of the total liquid investment funds.

AuM for Co investment Funds

There was no redemption or subscription in the Co-Investment Fund's during 4Q16. The funds registered gross negative performance of R\$ 217,7 million.

AuM Evolution Co Investment - Quarter

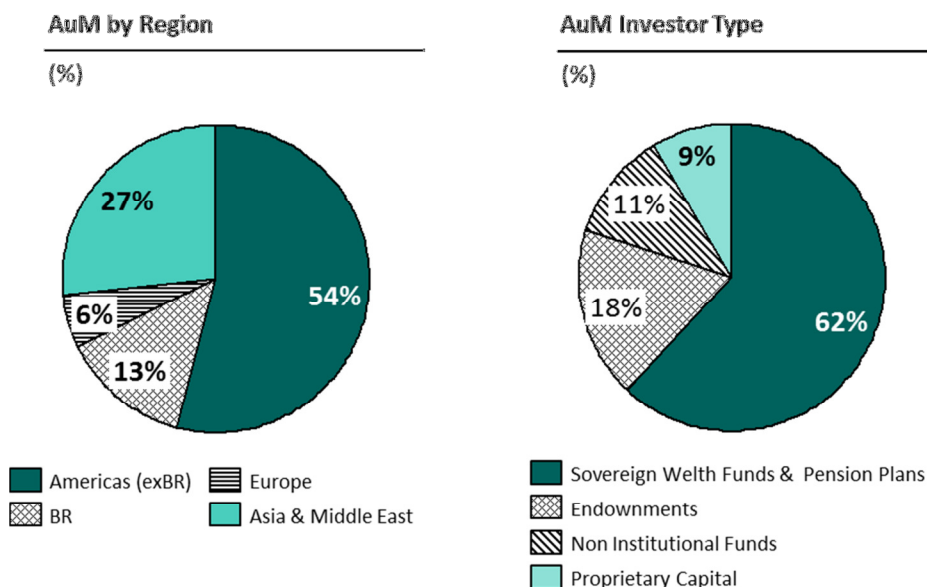


In the 2Q17, one of co-investment funds, which the AuM on March 31st 2017 was R\$ 813 million, will be closed by distributing the respective assets to quota holders of that investment funds. Such fund would not be chargeable for administration fee and no performance fee will be collected at the closing of the fund due of performance below its minimum hurdle rate.

From the total AuM amount of co investment funds, excluding the fund to be closed as described above, 70.4% are not subject to management fee and the performance fee is charged only on the divestment of the fund. The remainder is subject to a quarterly collection of management fee and annual performance fee calculation.

Investor base

As of March 31st, 2017, institutional investors, mainly endowments, foundations, pension funds and sovereign wealth funds, accounted for 80.1% of total AuM. The invested proprietary capital represented 8.7% of total assets.

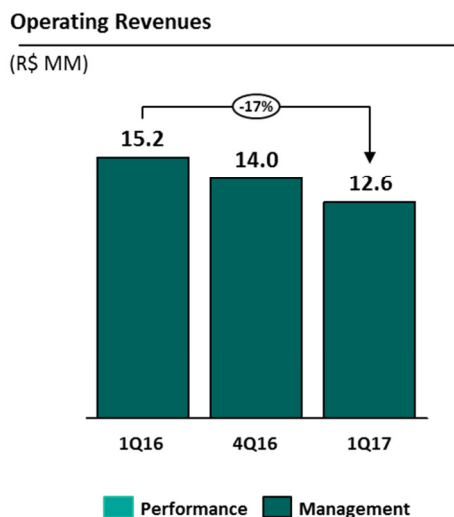


Financial Highlights

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.

During the 1Q17, the gross operating revenues amounted R\$ 12.6.0 million, a decrease of 17.1% when compared to 1Q16. This reduction is consequence from the decrease of AuM Tarpon fund on 1Q17, compared to 1Q16.



Revenues related to management fees

Management fees are charged on the Tarpon Funds based on the amount of invested capital. Gross revenues related to management fees amounted to R\$ 12.6 million in 1Q17, equivalent to 100% of the operating revenues of the period.

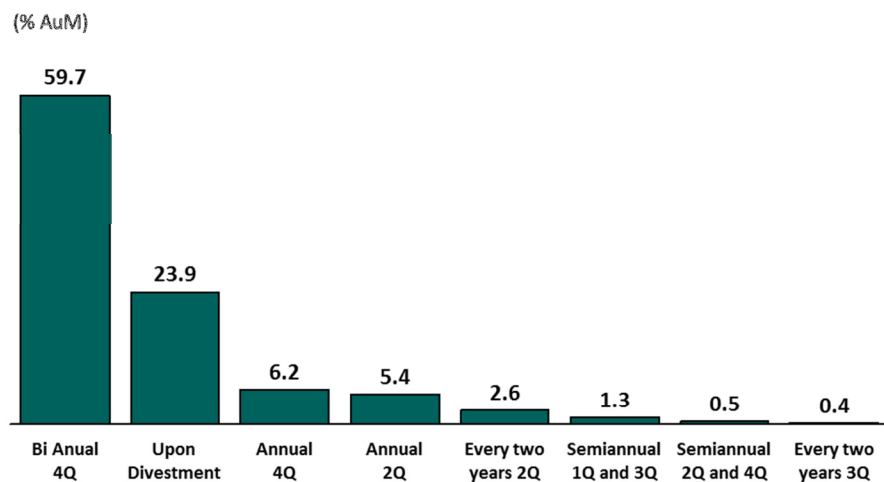
Revenues related to performance fees

Performance fees are payable when the Tarpon Funds' performance exceeds certain hurdle rates. The hurdles primarily are inflation index plus 6.0% 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 fund exceeds the NAV of the previous performance fee collection date, adjusted by the hurdle rate.

The Tarpon funds are entitled to collect performance fees on distinct dates. Below is the current distribution of our AuM by performance collection period:

Distribution of the performance fee collection



There was no performance fee during 1Q17.

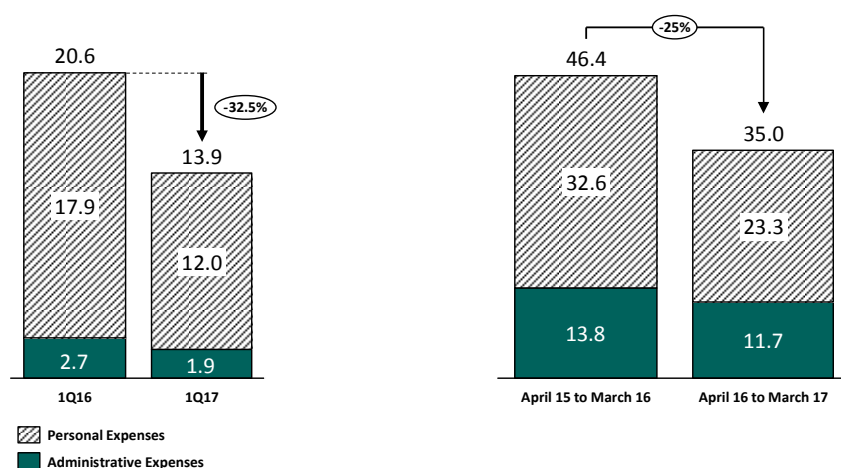
Operating expenses

Operating expenses is comprised of general and administrative expenses, payroll, and other expenses related to depreciation, travel expenses, provisions for profit sharing program, stock option plans (with no cash effect) and variable remuneration.

In 1Q17, operating expenses totaled R\$ 13.9 million, a decrease of 32.5% when compared to the same period of 1Q16.

Operating Expenses

(R\$ MM)



The calculated amounts of PLR and variable remuneration refer to the period of accounting competence between April 1st, 2016 to March 31st, 2017.

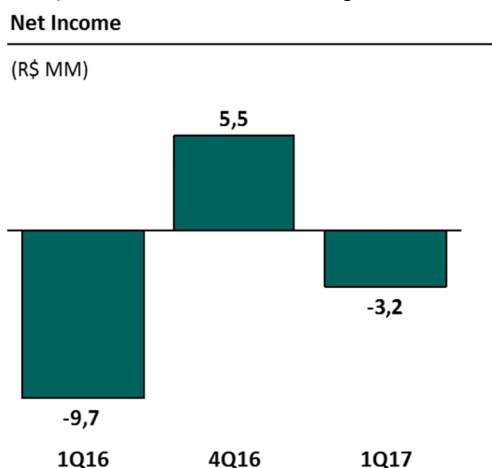
As recommended by the Company's Compensation Committee (decision exclusively made by independent counselors), the Company's Chief Executive Officer did not receive any variable remuneration related to this period.

Taxes

Income taxes and social contribution amounted to R\$ 2.0 million in 1Q17.

Net Income

Tarpon registered a net loss of R\$ 3.2 million in the 1Q17.



Corporate Governance

Our shares are traded on the Novo Mercado segment of BM&FBOVESPA under the ticker TRPN3. Tarpon has Fiscal Counsel and Audit Committee.

Considering date price of R\$ 4.05, the company's market value is R\$ 178.6 million.



Attachments - Reports

Consolidated Income Statement

Financial highlights - R\$ million

Income Statement	1Q17	1Q16	Var.%
Gross revenues	12.6	15.2	-17%
Management fees	12.6	15.2	-17%
Net revenues	12.4	14.9	-17%
Operating Expenses			
Personal Expenses	(12.0)	(17.9)	-33%
Administrative Expense and others	(1.9)	(2.7)	-30%
Net Income after Operating Expenses	(1.5)	(5.7)	-73%
<i>Gross margin</i>	-12%	-38%	
Finance Income	0.3	(3.0)	-111%
Income tax and social contribution	(2.0)	(1.0)	106%
Net Income	(3.2)	(9.7)	-67%
<i>Net margin</i>	-26%	-65%	
Earnings per share (R\$/share)	(0.07)	(0.21)	-65%
O/S	44,115	46,197	-5%
AuM (end of period)	7,411	8,835	-16%

Consolidated Balance Sheet

Financial highlights - R\$ thousands

Assets	1Q17	2016
Cash and cash equivalents	33,276	25,742
Financial assets measured at fair value through profit and loss	19,008	18,982
Receivables	1,232	395
Recoverable taxes	3,331	3,867
Other assets	1,817	5,200
Current assets	58,664	54,186
Fixed Assets	306	443
Intangible Assets	179	182
Non-current assets	485	625
Total assets	59,149	54,811
Liabilities		
Accounts payable	434	648
Financial assets derivatives	758	456
Current tax liabilities	1,879	2,152
Payroll accruals and Dividends payable	15,051	3,176
Current liabilities	18,122	6,432
Deferred Tax	218	187
Non-current liabilities	218	187
Share capital	7,085	7,085
Capital reserve	1,968	1,968
Legal reserve	1,415	1,415
Profit reserve	1,268	1,268
Cumulative translation adjustment	11,233	12,236
Stock options	21,049	20,758
Additional dividends proposed	-	3,462
Net Loss	(3,209)	-
Equity	40,809	48,192
Total liabilities and equity	59,149	54,811

Consolidated Cash Flow

Financial highlights - R\$ thousands

Cash Flow	1Q17	1Q16
Net income / (Loss)	(3,209)	(9,735)
Depreciation	80	306
Stock Options	291	536
Deffered Tax	31	-
Derivatives	302	3,672
Income Tax and Social Contribution Provision	1,958	-
Adjusted net income	(547)	(5,221)
Receivables	(916)	(36)
Other Assets and Liabilities	3,240	1,852
Taxes	(31)	(1,442)
Accounts Payable	(260)	(153)
Payroll Accruals and Dividends payable	8,656	8,800
Derivative Financial Instrument	-	(3,412)
Income tax and social contribution paid	(1,664)	-
Cash used/provided by operating activities	8,478	389
Disposal of financial assets at fair value through income	(26)	12,457
write-off in fixed asset	59	
(Acquisitions)/write-off in intangible assets	-	(59)
Cash provided by investing activities	33	12,398
Dividends paid	(243)	(1,957)
Capital Raise/Exercise of stock option plan	-	706
Purchase of treasure shares	-	(10,444)
Cash used in financing activities	(243)	(11,695)
Net decrease in cash and cash equivalents	8,268	1,091
Cash and cash equivalents at the beginning of period	25,742	34,740
Exchange rate changes on cash and cash equivalents	(734)	(3,142)
Cash and cash equivalents at the end of period	33,276	32,689

Contact:

Tarpon Investimentos S.A.

www.tarpon.com.br

E-mail: ri@tarpon.com.br

Phone.: +55 (11) 3074-5800

Disclaimer

This document may contain forward-looking statements. Such forward-looking statements are and will be subject to many risks and uncertainties relating to factors that are beyond the Company's ability to control or estimate precisely, such as future market conditions, competitive environment, currency and inflation fluctuations, changes in governmental and regulatory policies and other factors relating to the operations of the Company, which may cause actual future results of the Company to differ materially from those expressed or implied in such forward-looking statements.

The readers are advised not to make decisions exclusively on the basis of these projections and estimates. The projections and estimates do not represent and should not be interpreted as guarantees of future performance. The Company does not undertake to publish any revisions and does not undertake to update the projections and estimates with regards to any future events or circumstances that may occur after the date of this document.

This document may contain operational information and other information that are not derived from the financial reporting of the Company. Such data has not been subject to any revision by the independent auditors of the Company and may involve management's estimates and assumptions.

This document does not constitute an offer, or invitation, or solicitation of an offer, to subscribe for or purchase any securities.