

TARPON
INVESTIMENTOS

2012 EARNINGS RESULTS

January 30th, 2013

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2012 highlights

2012
Results

AUM

Assets under management (“AuM”) amounted to R\$8.3 billion as of December 31st 2012, (+21% over 4Q11)

Fund's Performance

Absolute returns in 4Q12:

- Portfolio Fund's Long Only Equity: 8.7% (R\$) and 7.8% (US\$)
- Portfolio Fund's Hybrid Equity: 9.0% (R\$) and 6.9% (US\$)
- Ibovespa Index: 3.0% (R\$) and 4.9 % (US\$)

Fees business

Gross revenues related to our fee business: R\$18.8 million in the 4Q12 and R\$100.1 million in the year (-13% over 3Q12 and -11% over 4Q11)

Net Income

Net income in 4Q12 amounted to R\$8.5 million and R\$40.7 million in 2012.

Tarpon Partners

In September 2012 we launched the Tarpon Partners, which has reached approximately R\$4.7 billion of AuM as of December 31st, 2012.

Highlights – Tarpon Partners

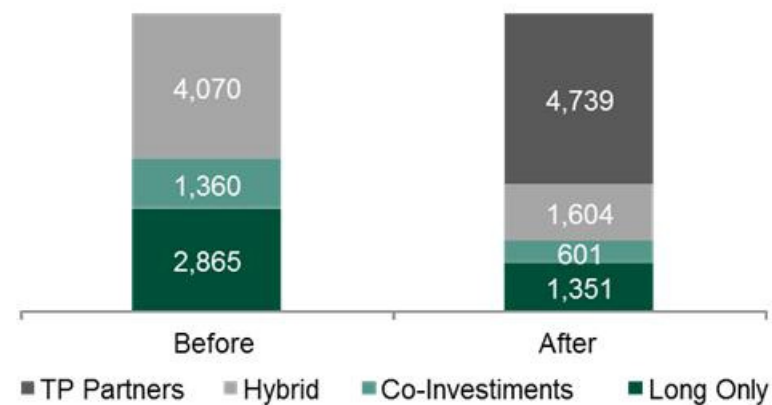
In September 2012, we launched the Tarpon Partners which has reached approximately R\$ 4.7 billion, including the migration of existing investments (portion of such migration is in the final stages of implementation) and new commitments.

The Tarpon Partners has a hybrid mandate with a limit for allocation in private equity investments equivalent to up to 75% of fund's assets.

In the liquidity terms of Tarpon Partners, investor withdrawals from the liquid investment pool may be paid in up to 12 quarterly installments, for a total payment period of three years. For private equity investments, privately-held securities or transfer of illiquid investments to the liquid pool may be done until the 8th anniversary (including extensions) of each investment.

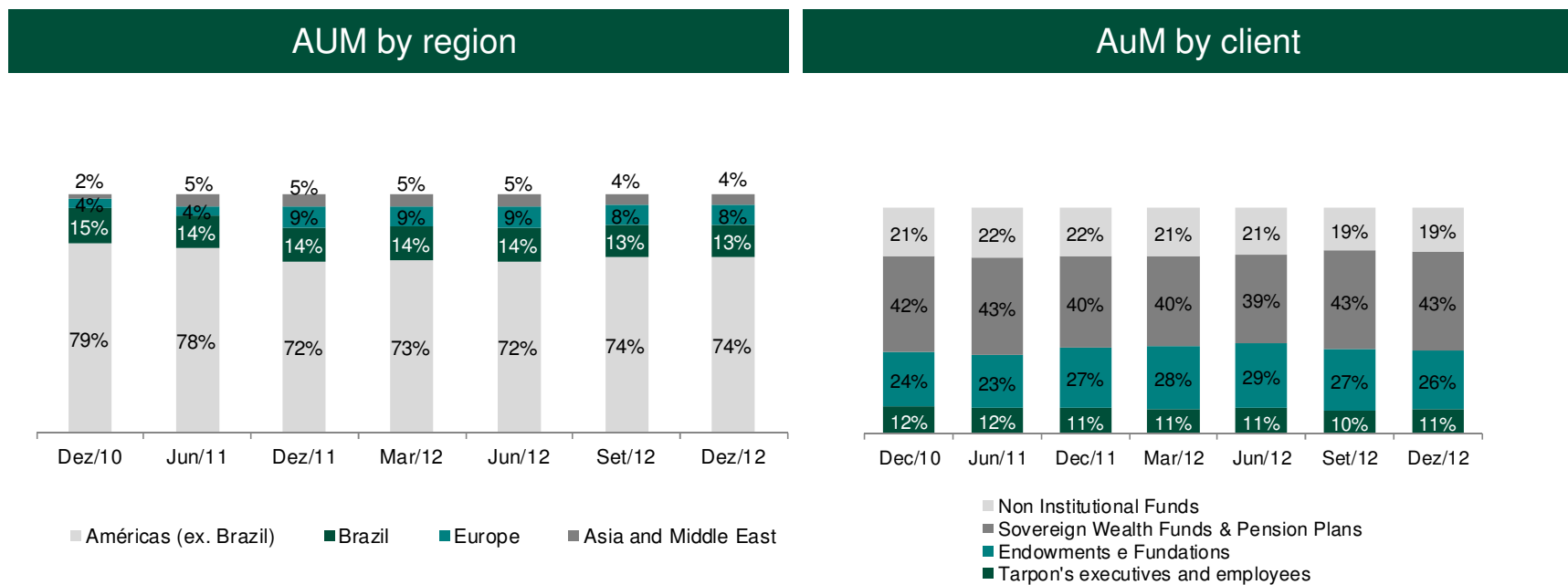
Tarpon Partners' management fee is 0.75% per annum. Consistent with the fund's liquidity profile, the performance fee will be charged at the rate of 20% over IPCA+6% per annum, beginning in June 2013 and thereafter every 2 years.

Bellow you find the segregation of AuM after the migration:



Tarpon's AuM composition

Major portion of our assets under management coming from long-standing clients.
Capital from our employees and executives represented 11% of AuM as of December 31st, 2012.



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

Portfolio Funds Strategy

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

Launched in May/2002

Co-investment strategy

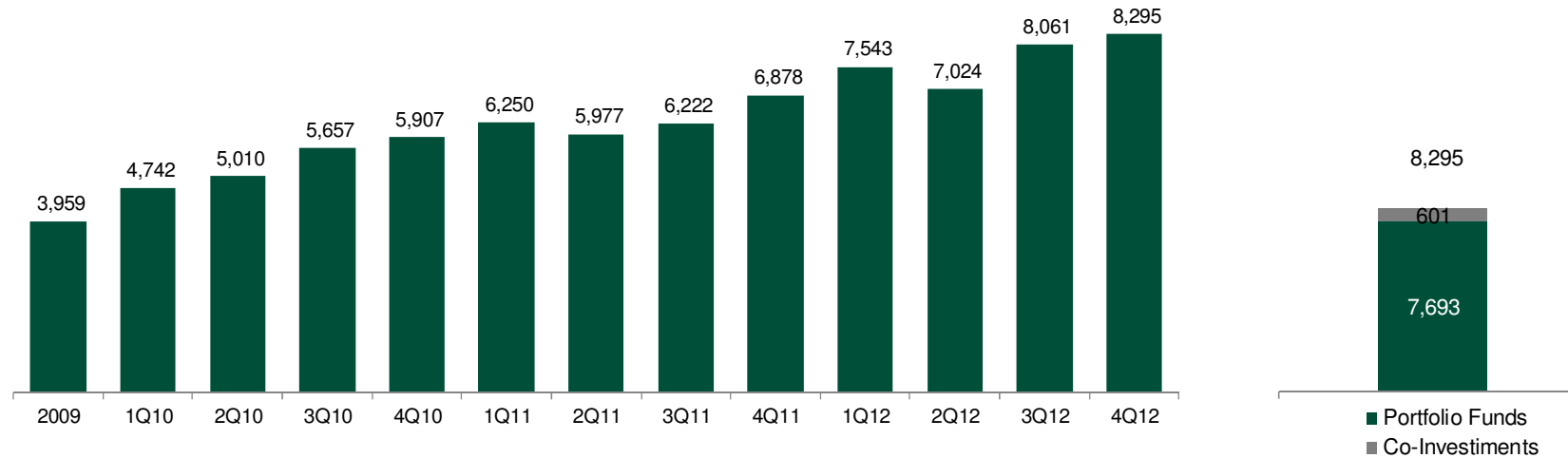
The Co-investment strategy serves as a sidecar/co-investment structure whose primary objective is to increase Tarpon's exposure to selected invested companies.

Launched in Mar/2010

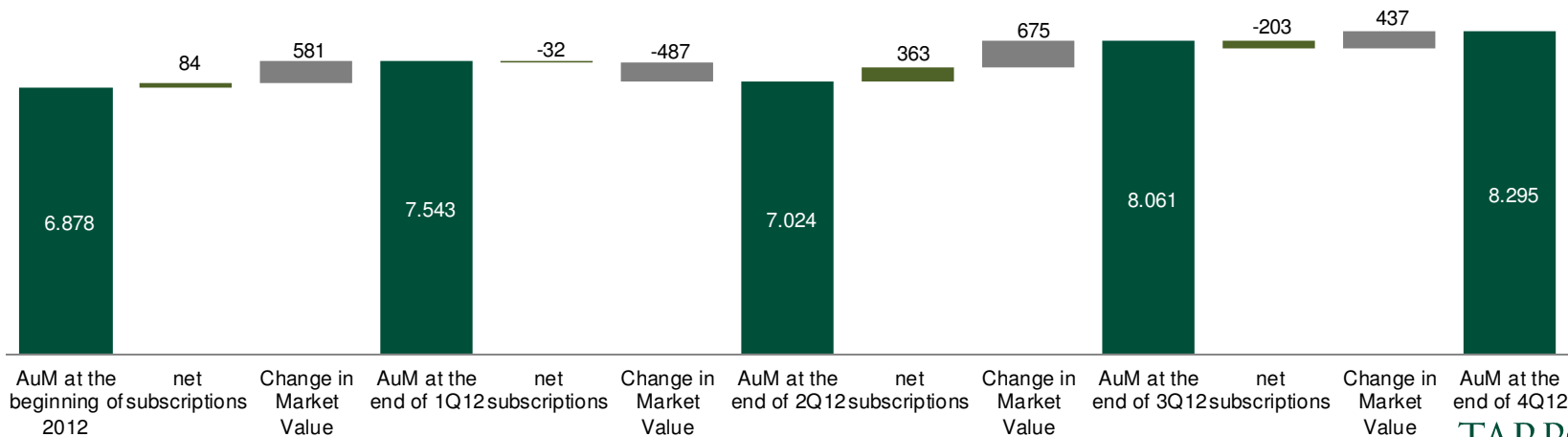
Assets under Management

2012
Results

Total Historical AuM - R\$ million



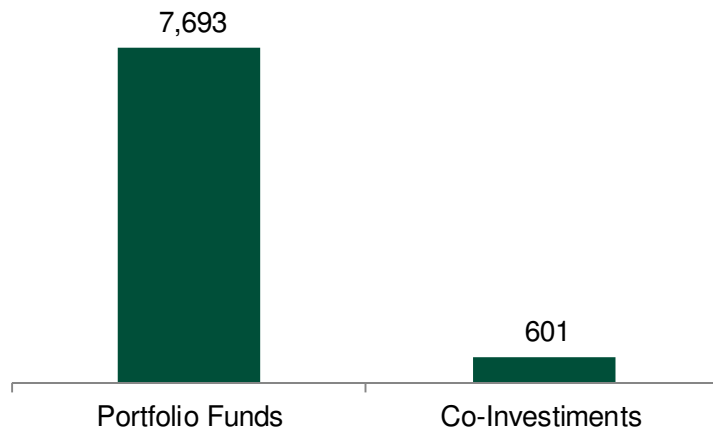
AuM growth: performance & net commitments - R\$ million



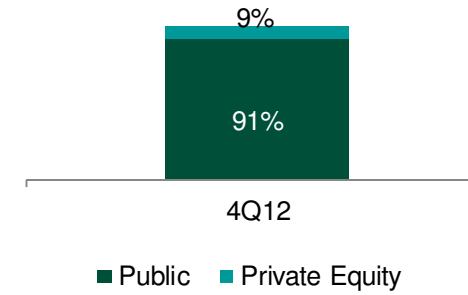
AuM by investment strategy & asset class

2012
Results

AuM by investment strategy - R\$ million



AuM by asset class



Tarpon Funds' performance

2012
Results

Strategy	Inception	Performance ^{(1) (2)}				
		4Q12	2012	2 years	5 years	Since launch (annualized)
Portfolio Funds Long-Only Equity (R\$)	May 2002	8.66%	19.84%	26.13%	121.40%	31.23%
Portfolio Funds Long-Only Equity (US\$)	May 2002	7.78%	9.43%	-1.30%	84.24%	29.33%
Portfolio Funds Hybrid-Equity (R\$)	Oct. 2011	8.95%	12.11%	-	-	9.14%*
Portfolio Funds Hybrid-Equity (US\$)	Oct. 2006	6.87%	6.12%	2.74%	90.32%	22.68%
Stock market index		4Q12	2012	2 years	5 years	
Ibovespa (R\$)		3.00%	7.40%	-12.05%	-4.59%	
IBX (R\$)		4.85%	11.55%	-1.16%	2.08%	
Ibovespa (US\$)		2.35%	-1.42%	-28.29%	-17.30%	
IBX (US\$)		4.19%	2.40%	-19.41%	-11.52%	

(1) - Performance net of fees.

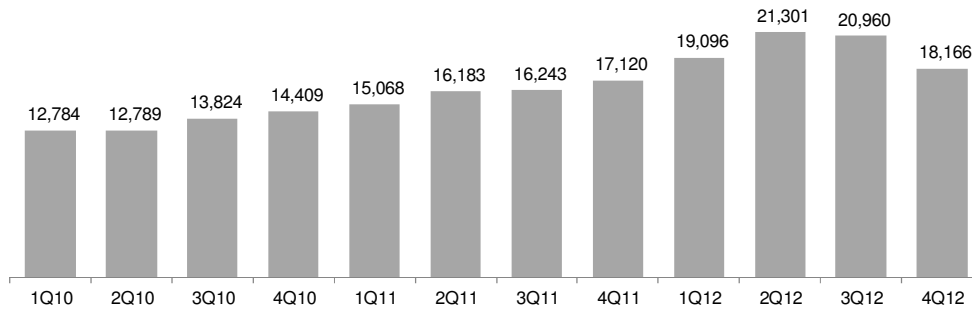
(2) - Performance up to September 31st, 2012.

* - Performance calculated since the beginning of the strategy, October 26th, 2011

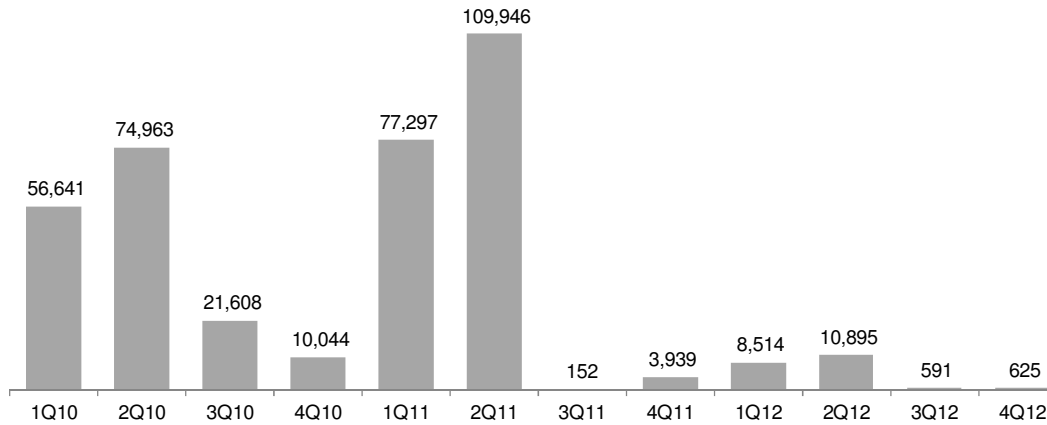
Financial highlights – R\$ million

2012
Results

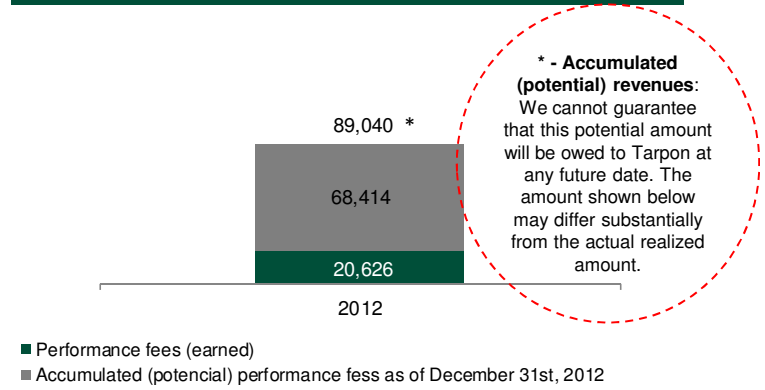
Revenues related to management fees



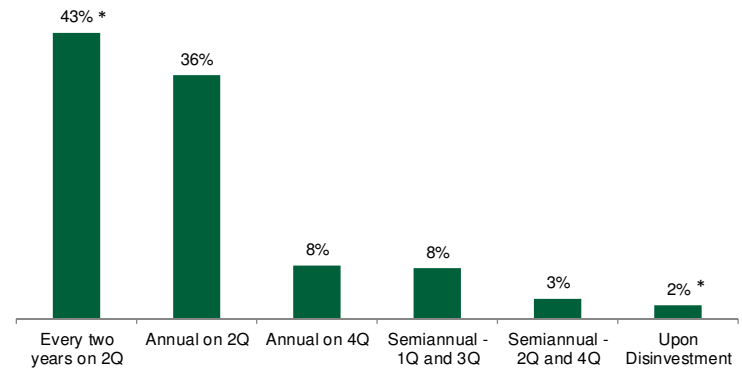
Revenues related to performance fees



Potential performance revenues



Fee Payment Schedule

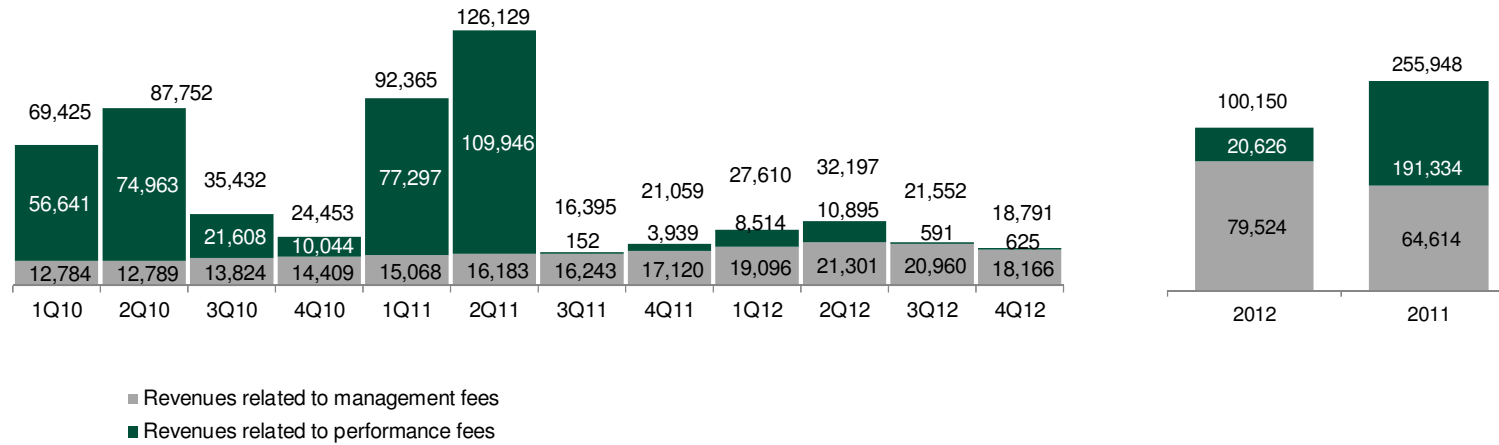


* On 4Q 2012, certain investors migrated from a co-investment mandate to the Tarpon Partners and their performance fee, which was previously calculated at the time of disinvestment will now be calculated every two years

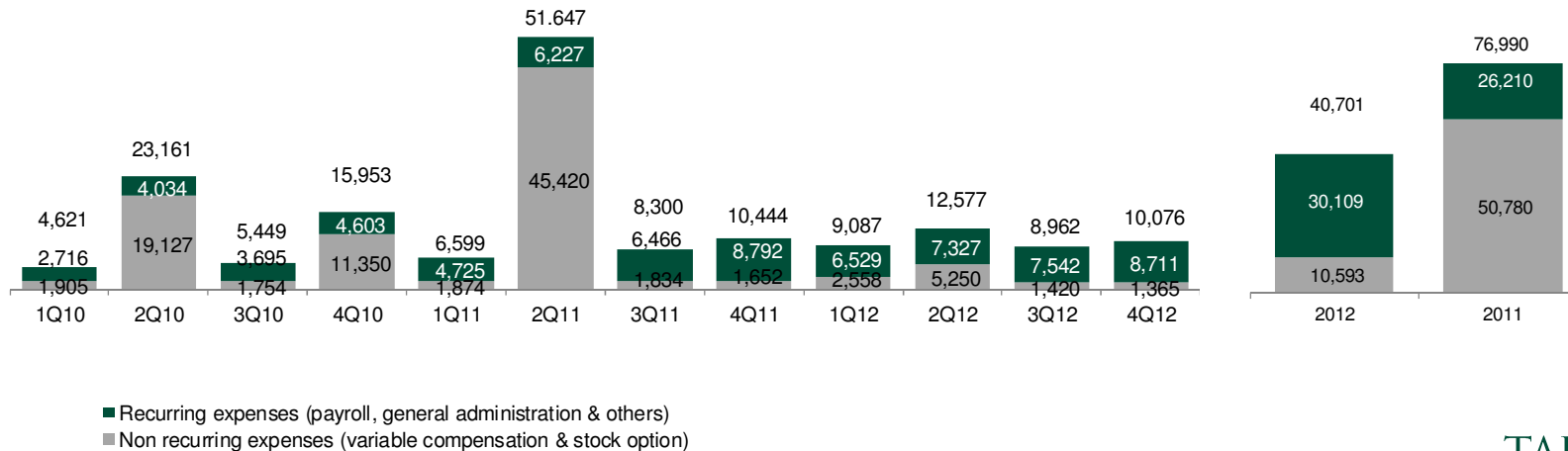
Financial highlights – R\$ million

2012
Results

Total revenues



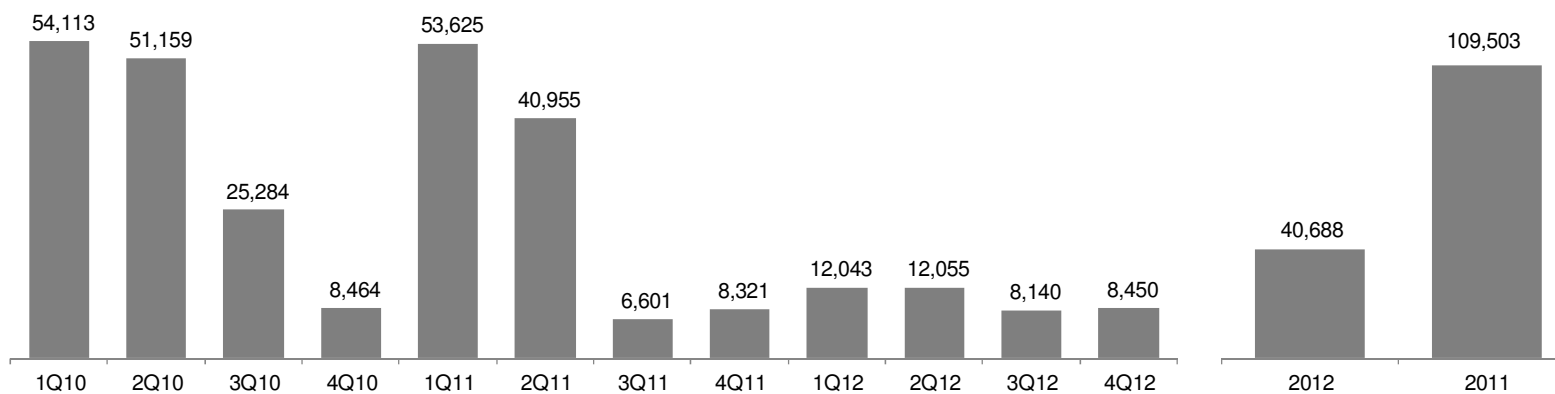
Total operating expenses



Financial highlights – R\$ million

2012
Results

Net income



2012
Results

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Appendix

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TRPN3 performance

2012
Results

Tarpon Investimentos S.A.

O/S: 46,387,332

Stockmarket: BM&F Bovespa / Novo Mercado

Ticker: TRPN3

Listing: 05/26/2009

Share Price 01/28/2013: 15.89

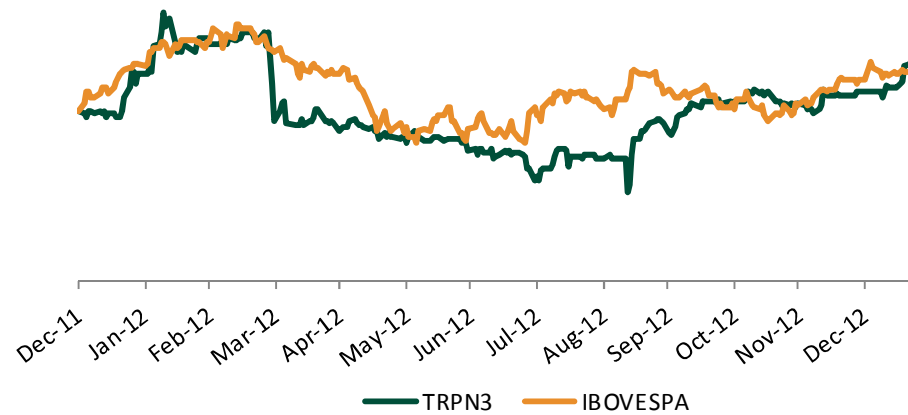
Market Cap: R\$737.1 million

Share Performance:

4Q12: 7.48%

2012: 4.55%

LTM (January 28th): 0.58%



Income statement

2012
Results

<i>In R\$'000</i>	2012	2011
Net revenues	96,904	241,457
Personnel expenses	(14,321)	(12,015)
Stock option	(6,429)	(7,155)
Administrative expenses	(14,554)	(14,320)
Variable compensation	(3,975)	(43,625)
Other income/(expense)	(1,422)	135
Results from operating activities	56,204	164,477
Financial income / (expense)	5,978	10,222
Profit before income tax	62,181	174,699
Income tax and social contribution	(21,493)	(65,196)
Net income	40,688	109,503

Cash Flow

2012
Results

<i>In R\$'000</i>	2012	2011
Net income	40,688	109,503
Depreciation	503	301
Stock Option plan	6,429	7,155
Change in translation reserve	4	-
Deferred taxes	(4,229)	-
Changes in derivative financial assets	(1,977)	-
Adjusted net income	41,418	116,959
Working capital	(23,542)	12,324
Trade receivables	(6,808)	19,636
Net cash provided by (used in) operating activities	11,068	148,919
Change in permanent assets	(369)	(1,118)
Change in financial assets	51,651	(38,813)
Adjustment of Conversion	528	133
Dividends paid	(16,408)	(128,293)
Exercise of stock option plan	5,121	19,357
Treasury shares	(48,753)	-
Net cash provided by (used in) financing activities	(8,230)	(148,734)
Net increase (decrease) in cash and cash equivalents	2,838	185
Cash and cash equivalents at the beginning of the quarter/year	479	294
Cash and cash equivalents at the end of quarter/year	3,317	479

Balance Sheet

2012
Results

In R\$'000	2012	2011
Assets		
Cash and cash equivalents	3,317	479
Financial assets measured at fair value through profit and loss	32,379	84,030
Financial assets derivatives	1,977	-
Trade receivables *	15,766	8,958
Deferred taxes	4,229	-
Other assets	18,956	30,955
Total current assets	76,624	124,422
Property, plants and equipments	1,980	2,253
Total non-current assets	1,980	2,253
Total assets	78,604	126,675
Current liabilities		
Accounts payable	792	592
Current tax liabilities	28,726	64,349
Payroll accruals	2,042	1,984
Dividends payable	21,510	8,451
Total current liabilities	53,070	75,376
Accounts payable	15	191
Total non-current liabilities	15	191
Equity		
Share capital	6,216	6,116
Capital reserve	-	26,507
Statutory reserve	3,052	6,116
Legal reserve	1,223	1,223
Treasury shares	-	-
Equity adjustments	(4)	-
Adjustment of Conversion	528	133
Stock option	14,503	11,013
Retained earnings	-	-
Total equity	25,518	51,108
Total equity and liabilities	78,604	126,675

* As of January 28th, 2012, 100% of the trade receivables were paid.

Contact Details

2012
Results

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