

**International Conference Call
Tarpon Investimentos
2nd Quarter 2011 Earnings Results
August 3, 2011**

Operator: Good morning ladies and gentlemen, welcome to Tarpon Investimentos 2nd Quarter 2011 Earnings Results conference call. Thank you for standing by. Today's live webcast and presentation may be accessed through Tarpon's website at www.ccall.com.br/tarpon/2Q11.htm.

We would like to inform you that this event is recorded and all participants will be in listen-only mode during the company's presentation. After Tarpon's remarks there will be a Question & Answer session. At that time further instructions will be given. Should any participant need assistance during this call please press star zero (*0) to reach the operator.

Before proceeding let me mention that this presentation may contain forward-looking statements which are based on the beliefs and assumptions of Tarpon's Management and on information currently available to the Company. They involve risks and uncertainties and actual results may differ materially from those expressed in such forward-looking statements.

Now I will turn the conference over to Mr. Rafael Sonder, Tarpon's Investor Relations Officer. You may now begin sir.

Mr. Rafael Sonder: Thank you. Good morning everyone, thanks for attending this call.

Bom dia a todos, obrigado por participar do call de resultados da Tarpon. Iremos conduzir este call em inglês, porém todas as informações aqui divulgadas são parte da nossa divulgação de resultado que se encontra em nosso website.

We are very glad to present our consistent operating and financial performance for 2Q11. On page 3 where we look at the quarter's highlights. Assets under management amounted to 5.9 billion as of June 30, 2011, a 19% increase when compared to 2Q10. As of June 30, 2011 the hybrid strategy posted net returns of 10.9% for the year and the long-only equity strategy posted returns of 2% versus the return of -3.9% from the Ibovespa index. All these figures are in US dollars.

Gross revenues amounted to 218.4 million for 1Q of the year, an increase of 33% when compared to the same period of 2010. Net income was 94.6 million in the first half.

It is also worth mentioning that on July 28, 2011 the board approved a dividend distribution of the entire profit for the first half of the year amounting to R\$ 1.98/share to be paid out to shareholders on August 5. We will cover these topics in more details in the next slides.

Now I would like to move to page 4 where we can find our AuM composition. It is always important to mention that we aim to attract and retain a sophisticated investor base that is aligned with our investment philosophy and with a long-term investment profile such as endowments, foundations, sovereign wealth funds and pension funds. This investors base is of great importance as they provide the necessary reliability of capital allowing us to pursue the best investment opportunities in the long run.

Also I would like to highlight that our AuM is comprised of 12% of proprietary capital, which comprises TIG's employees and executives. This is very important as the management of Tarpon are extremely relevant investors of the funds we manage.

On page 5 we briefly show our three main investment vehicles. As you know our activities are conducted under three investment vehicle formats: the long-only equity strategy which comprises only investments in public companies; the hybrid equity strategy which comprises public and private investments; and the co-investment strategy which comprises public and private co-investment in specific special opportunities. These co-investment vehicles are very important as they allow us to grow our ownership and level of influence in the companies that we invest without diluting the returns for investors that are exposed to our portfolio funds.

All these vehicles are managed following our single-investment philosophy of concentration, contrarian view of the market, high conviction, long-term horizon for investment, deep value and positive influence.

Now I would like to move to page 6. As indicated at the top of the chart, our AuM amounted to 5.9 billion as of June 30, 2011, a 19% increase when compared to the same period of 2010 and a slight decrease when compared to March 2011. In the chart at the bottom of the page we find AuM growth breakdown by performance gains and net inflows.

During the quarter the net negative performance of the total funds contributed to a 357 million AuM decrease in 2Q11. The AuM growth in connection with net inflows was equivalent to R\$ 85 million. It is important to mention that the current strategy of Tarpon's fund-raising efforts is based on the concept of capital recycling where we work to replace potential redemptions with new subscriptions of similar sizes.

Now I would like to move to page 7. In the chart on the left-hand side of the page we present the AuM breakdown by investment strategy and also the respective amount of called and uncalled capital. As you can see the total amount of uncalled capital totals 623 million as of June 30, 2011.

It is worth highlighting that before the launch of the special opportunities fund designed to conduct specific co-investment opportunities we conducted these co-investments in segregated structures. At the end of the quarter these structures amounted to R\$ 123 million.

Our strategy now is now to concentrate co-investment commitments to the Tarpon special opportunities fund. As of June 2011 the AuM of this vehicle amounted to 570 million, out of which 187 million was committed but uncalled.

In the chart at the right-hand side of the page we can see the AUM breakdown by public and private equity. As of June 30 Tarpon's exposure to public equities corresponded to 86% of our called capital; private equity investment corresponded to 14%.

Now let us move ahead to page 8 where we talk about the funds' performance. On 2Q the long-only strategy posted net returns of -6.2% in reais and -3.5 in dollars. Since the launch the accumulated returns annualized for this strategy were 33.5 in reais and 35.4 in US dollars.

The hybrid equity strategy posted net returns of 1% in dollars during the quarter. Since the launch this strategy posted annualized net positive performance of 33%.

It is important to highlight that we do not follow any stock market index as a performance benchmark; however, for illustrative purposes during 2Q11 the Ibovespa and IBX indexes posted negative returns of 9% and 7.3% respectively, both in reais.

Moving ahead to page 9 we will now discuss Tarpon's financial highlights. On this page we present our operating revenues. As seen on the top-left chart, management fees are charged on the Tarpon funds on a monthly or quarterly basis calculated over the amount of assets under management. We do not charge fees on capital that is committed but uncalled.

During this quarter gross revenues related to management fees amounted to 60 million. The year-over-year increase in results reflects the AuM increase. In the first two quarters of the year management fee collection amounted to R\$ 31 million.

Now regarding performance fees during this quarter we collected performance fees totaling R\$ 110 million. In the first half of the year total performance fee collection amounted to R\$ 187 million, an increase of 42% when compared to last year. Just to remember these fees are collected based on the performance of the funds when a certain hurdle rate is surpassed in our charge on the same date of the year depending on the characteristics of the funds.

In addition, as of June 30, 2011 the uncollected potential performance fees amounted to R\$ 921,000. This amount is based on the net asset of the funds that were above high water mark as of such date (41% of Tarpon's total AuM). It is important to make clear, however, that we cannot guarantee that this potential amount will be owed to Tarpon at any future date. The amount presented may differ substantially from the actually realized amount.

Lastly on the bottom-right hand side of the chart we see the performance fee payment schedule. This chart is a result of the collection date contracted for the different vehicles we manage. For illustrative purposes on 2Q of the year Tarpon collected a performance on investment vehicles that accounted for 58% of our total assets under management.

Now moving on to page 10 total gross operating revenues amounted to R\$ 218.5 million and net revenues amounted to R\$ 206.4 million. Operating expenses amounted to 58.2 million resulting in an operating margin for the first half of the year of 72% calculated over net revenues.

In the chart at the bottom of the page we can find the operating expenses segregated by recurring and nonrecurring expenses. The recurring portion of operating expenses is comprised of general, administrative and payroll expenses. Year-over-year increases is mainly due to increased headcount; costs related to the larger office facilities we moved to in September of last year and costs related to monitoring of our invested companies.

From January to June 2011 the nonrecurring operating expenses amounted to R\$ 47.3 million. That amount includes variable compensation and profit-sharing paid out to employees and senior management and provisions for our stock option plan with no cash impact. The increase in this line is attributed to the very positive performance collection that was recorded during the period.

Now moving to page 11. First it is important to note that as previously reported due to the size of the revenues that Tarpon has achieved it is now operating under the *lucro real* regime of Brazilian tax legislation. This in turn results in an effective tax rate for 2Q11 of 33.7% including all taxes compared to 18.6 % in the same period of last year. Therefore net income in 2Q11 amounted to R\$ 40.9 million and in the

first six months to R\$ 94.6 million. Net income for these first six months is 10% lower than in the same period of last year due to, as mentioned previously, the increase in the taxes that were recorded.

At last on page 12 we have some details on TRPN3's performance. Since May 26, 2009 our shares are traded in the *Novo Mercado* segment of BOVESPA, which holds the highest standards of corporate governance. As of yesterday Tarpon's shares were up 11.4% for the year based on yesterday's share price and Tarpon's market cap is R\$ 791 million.

Well, I would like to thank you all and open the floor for questions.

Q&A Session

Operator: Ladies and gentlemen we will now begin the Question and Answer session. If you have a question please press the star key followed by the one key (*1) on your touch-tone phone now. If at any time you would like to remove yourself from the questioning queue press star two (*2).

Ladies and gentlemen as a reminder, if you would like to pose a question please press the star key followed by the one key (*1) on your touchtone phone now. Again, to pose a question please press the star key followed by the one key (*1) on your touchtone phone.

I would like to invite Mr. Rafael Sonder to proceed with his closing statements. Please go ahead sir.

Mr. Sonder: Thank you very much. I would like to thank everyone for attending this call and please feel free to contact us if you have any further questions after this call. Thank you very much.

Operator: That does conclude the Tarpon Investimentos 2Q11 earnings results conference call. Thank you very much for your participation and have a good day.
