



2009 - Earnings Release

Conference Call in English

February 23rd, 2010

Time:

11:30 (Brasilia)

09:30 (USA East)

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Founded in 2002, Tarpon is a Brazilian independent asset manager dedicated to value-oriented investments in public and private equity. On each of its portfolio companies, the Company seeks to share its expertise in capital allocation, strategic management and corporate governance, among others. Tarpon's shares are traded on the Novo Mercado segment at the BM&FBOVESPA under the ticker TRPN3.

FY2009 Highlights

Tarpon's financial highlights during the fiscal year ended on December 31, 2009 are:

- Tarpon's assets under management (AuM) as of Dec. 31st, 2009 amounted to R\$ 3,959.4 million, an increase of 55% compared to Dec. 31st, 2008 and of 17% compared to Sept. 30th, 2009
 - The increase in AuM is primarily a result of the net positive performance of funds and managed accounts under Tarpon's management ("Tarpon Funds") during the year, combined with net subscriptions of R\$166.5 million into the Tarpon Funds
- The Tarpon Funds received R\$478.2 million in new commitments during FY2009
 - By the end of FY2009, foreign investors accounted for 84% of Tarpon Funds overall AuM
- The Tarpon Funds posted significant performance during the year:
 - Fundo Tarpon (*Long-Only Equity*): 76% (in R\$)
 - Tarpon Fund (*Long-Only Equity*): 126% (in US\$)
 - Tarpon All Equities Fund (*Hybrid Equity*): 128% (in US\$)
- Total revenues, comprised of management and performance fees, amounted to R\$42.8 million during the year
- Tarpon reported an adjusted net income of R\$19.2 million in FY2009 (the adjusted net income considered the reversion of the R\$3.2 million in stock option plan expenses, which has no-cash impact)
- On February 10th, 2010, Tarpon's Board of Directors approved the proposal to distribute dividends in the amount of R\$6.8 million. The proposed dividends, together with the R\$8.4 million of interim dividends already distributed during FY2009, will amount to R\$15.2 million, equivalent to a 95% dividend payout.

Tarpon's business overview

Tarpon conducts the asset management business through the management of third party funds and managed accounts. As of December 31st, 2009, Tarpon reported R\$3,959.4 million of assets under management (AuM).

The Company's revenues derive from management fees, which are based on the amount of Tarpon Funds' assets, and performance fees, which are based on the performance of the Tarpon Funds.

Comments on the year's performance

2009 was a challenging year for Tarpon and for the financial environment. Even in a year embedded by the global economic and financial instability, Tarpon's solid business performance was reflected on positive returns delivered by the Tarpon Funds together with the new capital commitments to the funds by institutional investors.

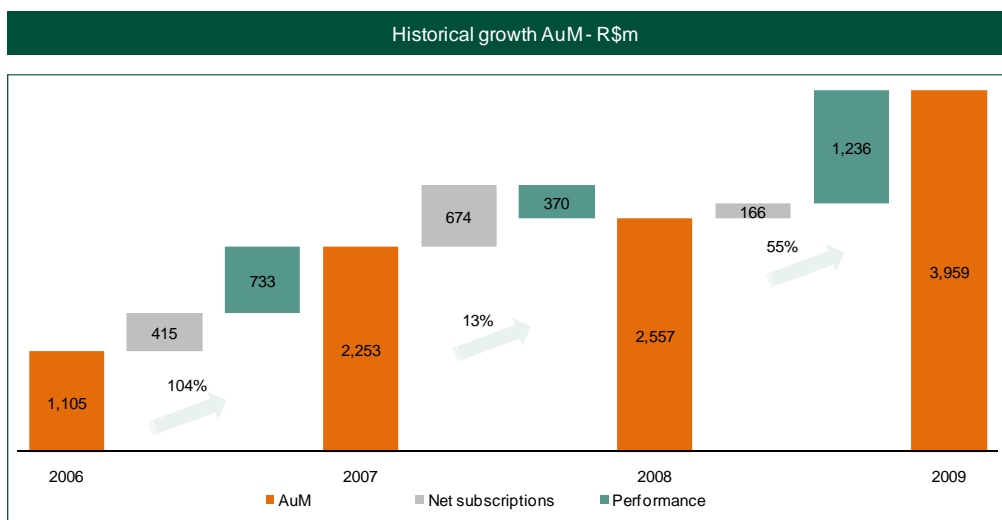
On the corporate side, 2009 stood as a milestone in Tarpon's business model transformation. In March 2009, the Company's ceased to be a subsidiary of TIG Holding Ltd. ("TIG"), which resulted in the segregation of the asset management business from the proprietary investment activity. After such segregation, TIG remains as important source of permanent capital for the Company.

Assets under management (AuM)

Tarpon's assets under management as of December 31st, 2009 amounted to R\$ 3,959.4 million, a 55% increase compared to the R\$ 2,556.9 million as of December 31st, 2008. Compared to Sep. 30th 2009, the AuM increased by 17%.

During the year, Tarpon's AuM increase was driven by:

- **Performance of the funds:** the net positive performance posted by the Tarpon Funds contributed to a R\$1.2 billion increase in the AuM base.
- **New commitments:** net subscriptions during the year amounted to R\$166.5 million (balance between the amount raised in new commitments, offset by the redemptions of the period). In 2009, the Tarpon Funds received R\$478.2 million in new capital commitments.



The historical AuM indicated includes committed but uncalled capital.

Tarpon's investment strategies

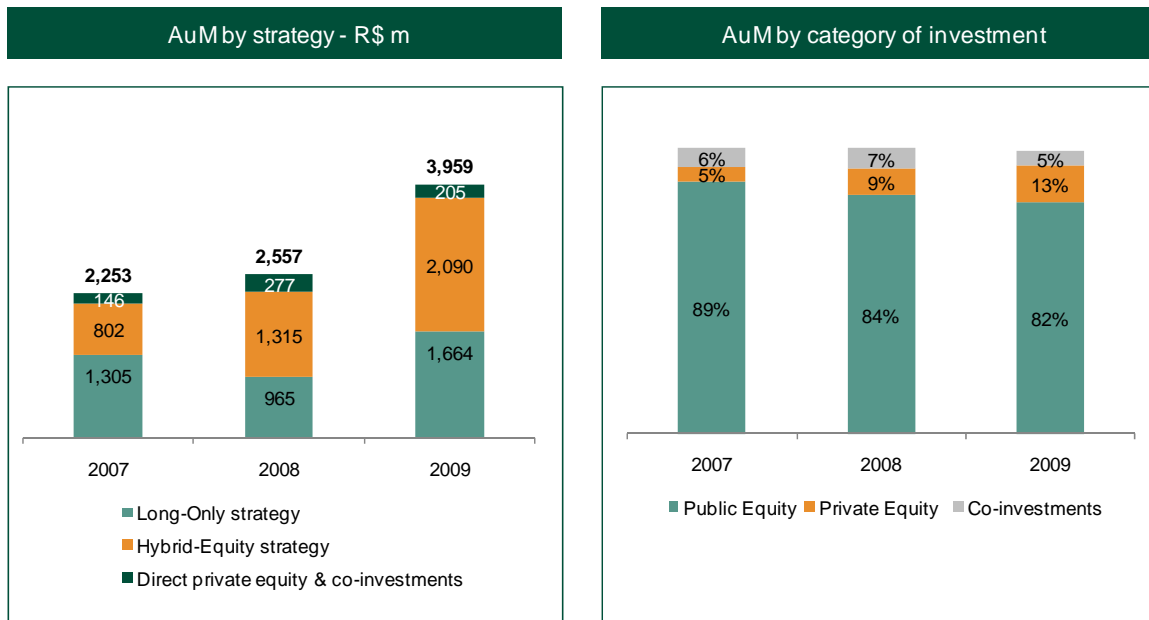
Tarpon conducts the asset management activity through its two main investment strategies:

Long-Only Equity

The Long-Only Equity strategy comprises the funds and segregated accounts that invest exclusively in Brazilian publicly traded companies listed on the BM&FBOVESPA. This strategy is pursued by the Fundo Tarpon, denominated in R\$ and dedicated to qualified Brazilian investors, and by the Tarpon Fund, denominated in US\$ and dedicated to foreign qualified investors.

Hybrid-Equity

The Hybrid Equity strategy is adopted by the Tarpon All Equities Fund (TAEF) and is dedicated to foreign qualified investors. This strategy has the flexibility to invest in publicly traded companies and private equity in Brazil or other South American countries.

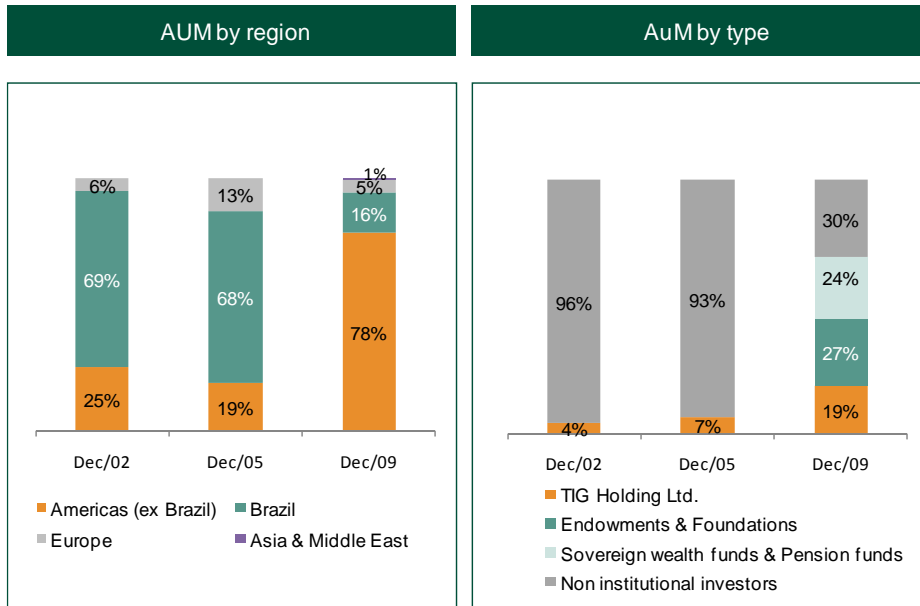


Together with the Long-Only Equity and Hybrid Equity strategies, Tarpon also conducts investments through co-investment structures which provide additional funding for investment opportunities alongside the Tarpon Funds.

Investor base

A substantial amount of the new commitments into the Tarpon Funds is originated in house. The Company maintains the focus towards institutional investors, especially endowments, foundations and pension funds. This approach guarantees an important alignment between the Company's philosophy and its investors, which contributes to a greater asset base stability and allows Tarpon to seek the best investment opportunities even during distressed financial scenarios.

As of December 31st, 2009, TIG's capital represented 19% of the AuM, which together with the institutional investor's capital base, represented 70% of the overall asset base.



Tarpon Funds investment performance

During 2009, the Long-Only Equity investment strategy pursued by Fundo Tarpon and Tarpon Fund posted net returns of 76% (in R\$) and 126% (in US\$) respectively. In the same period, the Hybrid Equity strategy pursued by the Tarpon All Equity Fund posted net returns of 128% (in US\$).

In the year, Ibovespa and IBX Indexes posted returns of 83% (145% in US\$) and 72% (131% in US\$) respectively.

Strategy	Vehicle	Inception date	AUM ⁽¹⁾⁽²⁾⁽³⁾	Performance ⁽⁴⁾				Annualized returns (since launch)
				4Q09	LTM	3yrs	5yrs	
Long - Only Equities	Fundo Tarpon*	May 2002	R\$522m	13.1%	76.0%	68.2%	129.8%	35.8%
Long - Only Equities	Tarpon Fund**	May 2002	R\$1,143m	12.3%	126.0%	98.8%	204.2%	37.2%
Hybrid - Equity	Tarpon All Equities Fund**	Oct. 2006	R\$2,090m	13.8%	127.8%	97.0%	-	30.3%

(1) As of December 31st, 2009

(2) Includes committed but uncalled capital. Management and performance fees are not collected over the uncalled capital.

(3) Direct private equity investments (BrasilAgro) are not included

(4) The performance indicated is net of fees

* The strategy's performance is indicated in R\$

** The strategy's performance is indicated in US\$

Tarpon's business model

By rendering services related to the management of third party funds and segregated accounts, Tarpon is remunerated based on the management and performance fees payable by the Tarpon Funds.

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

Revenues related to performance fees: remuneration calculated based on the performance of the fund when a hurdle rate is exceeded. Once the fund's performance exceeds the applicable hurdle, a performance fee is collected over the profits exceeding the hurdle. This remuneration is payable on distinct dates for each of the funds.

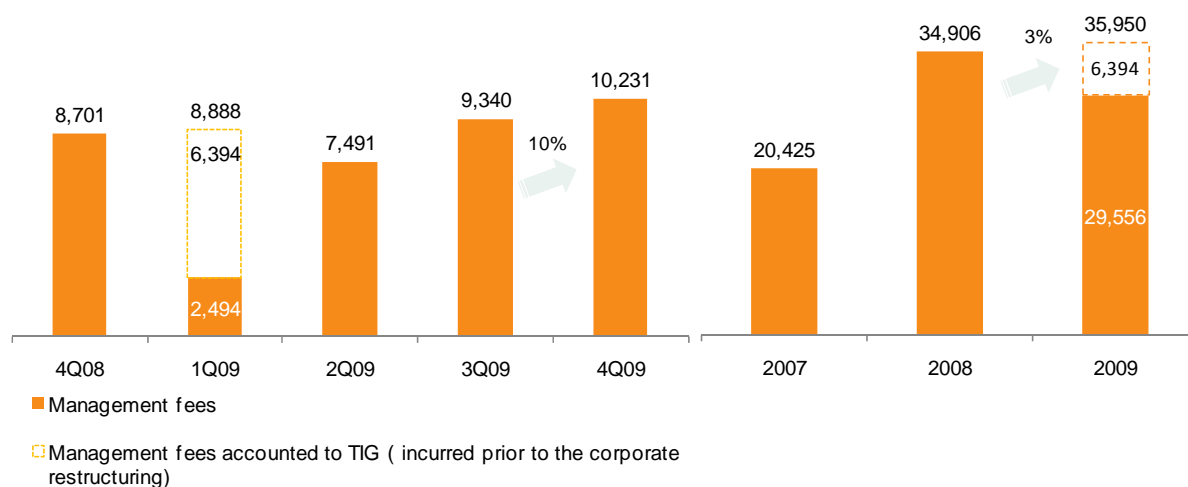
Financial highlights

Revenues related to management fees

For comparison purposes, the information related to revenues herein presented assumes that the Company has been conducting the asset management activities in relation to all of the Tarpon Funds during all of 2007, 2008 and 2009 including those funds under TIG's management prior to the corporate restructuring approved on March 10th, 2009.

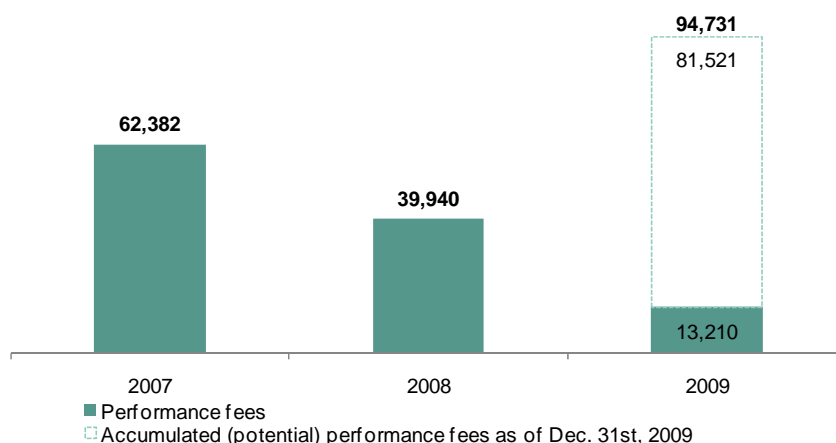
In 2009, revenues related to management fees amounted to R\$36.0 million, an increase of 3% compared to 2008. This increase derived from the increase of the average AuM base of the Tarpon Funds during the period.

On a quarterly basis comparison, the revenues related to management fees in the 4Q09 amounted to R\$10.2 million, a 10% increase compared to the 3Q09 and 18% increase compared to the 4Q08.



Revenues related to performance fees

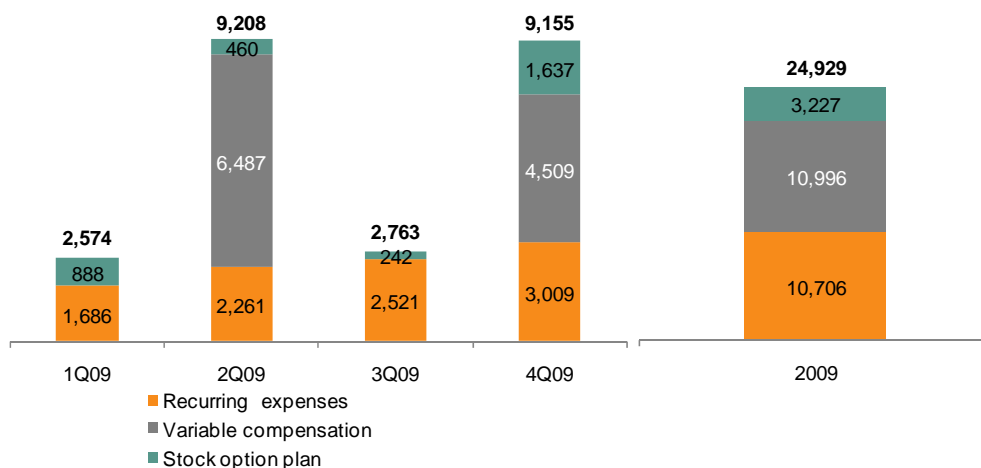
Revenues related to performance fees amounted to R\$13.2 million in 2009. As of December 31st, 2009, the accumulated amount of performance fees to be (potentially) collected based on the net asset of the Tarpon Funds as of such date was R\$ 81.5 million. As the net asset value of the Tarpon Fund are volatile, there can be no assurance that by the payment date such amounts will be effectively collected.



Operating expenses

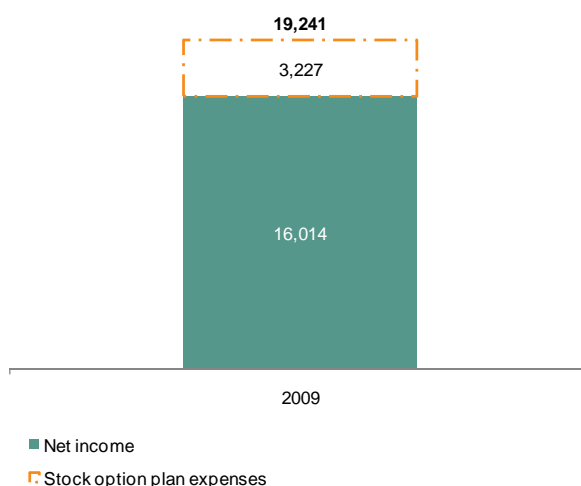
The recurring operating expenses, comprised of personnel expenses (payroll, benefits and social security contributions) and administrative expenses amounted to R\$10.7 million in 2009, representing 43% of the total operating expenses. As of December 31st, 2009, Tarpon had 32 employees.

Total operating expenses in the year amounted to R\$24.9 million, of which R\$11.0 million (44%) are related to semi-annual variable compensation (bonus) and R\$3.2 million (13%) related to non-cash stock option compensation to the employees and executives.



Adjusted net income

Tarpon's FY2009 adjusted net income, considering the reversion of the stock option plan provision of R\$3.2 million in the period, amounted to R\$19.2 million.

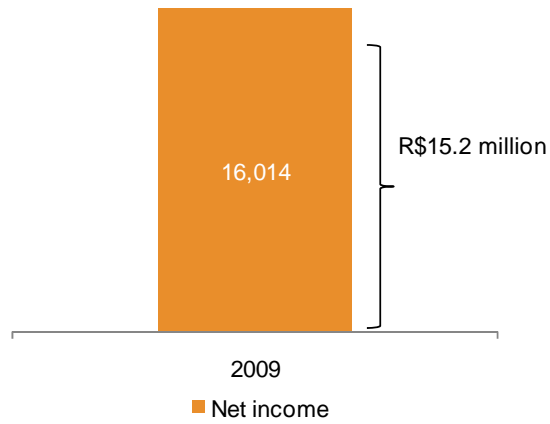


In accordance with the accountability method adopted by Tarpon (BR GAAP), the provision for expenses from the granting of stock option plans for the administrators and employees must be recorded in the company's results.

Dividends

On February 10th, 2010, Tarpon's Board of Directors approved the proposal to distribute dividends in the amount of R\$6.8 million. The proposed dividends, together with the R\$8.4 million of interim dividends already distributed during FY2009, will amount to R\$15.2 million, equivalent to a 95% dividend payout.

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Financial Statements

Income Statement – consolidated

For the year ended on <i>In R\$'000</i>	2009 December 31st
Continuing operations	
Net Revenues	40,551
Personnel expenses	(17,807)
Stock option	(3,227)
Administrative expenses	(3,895)
Financial income / (expense)	2,762
Share of profit of equity accounted investees	4,215
Other income/(expense)	297
Results from operating activities	(17,655)
Profit before income tax	22,896
Income tax and social contribution	(4,774)
Minorities	(2,108)
Net income	16,014

Cash Flow – consolidated

For the year ended on <i>In R\$'000</i>	2009 December 31st
Operating Activities	
Net revenues	18,122
(+) Depreciation	110
(-) Profit from equity accounted investees	(4,215)
(+) Stock Option plan	3,227
(=) Adjusted net revenues	17,244
(+/-) Working capital	8,297
(+/-) Trade receivables	(9,356)
(-) Capex	(24)
(=) Free cash flow to firm (FCF)	(1,083)
(+/-) Change in financial assets	(8,464)
(-) Dividends received	2,850
(-) Dividends paid	(10,538)
(=) Net cash from / (used in) financing activities	(16,152)
Net increase (decrease) in cash and cash equivalents	9
Cash and cash equivalents at the beginning of the peric	33
Cash and cash equivalents at the end of the year	42

Balance Sheet – consolidated

For the year ended on <i>In R\$'000</i>	2009 December 31st
Assets	
Cash and cash equivalents	42
Financial assets measured at fair value through profit and los:	14,958
Trade receivables	9,984
Available for sale financial assets	106
Other assets	539
Total current assets	25,629
Investments in equity accounted investees	255
Property, plants and equipments	256
Total non-current assets	511
Total assets	26,140
Current liabilities	
Accounts payable	808
Current tax liabilities	2,469
Payroll accruals	5,812
Dividends payable	6,838
Total current liabilities	15,927
Equity	
Share capital	4,004
Stock option	3,227
Legal reserve	801
Statutory reserve	30
Adjustment available for sale financial assets	5
Capital reserve	2,019
Total equity	10,086
Minority interest in equity	127
Total Equity and current liabilities	26,140

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