São Paulo, Brazil, July 19, 2009 – Natura Cosméticos S.A. (BM&FBOVESPA: NATU3) announces today its results for the second quarter of 2009 (2Q09). The financial and operating information included in this report, except where otherwise indicated, is presented on a **consolidated basis**, in accordance with the Brazilian Corporation Law, Law 11,638/07

1. INTRODUCTION

The effects of our action plan, announced in the beginning of 2008, gained more visibility as of the second half of last year and continue to drive solid results during this year.

Consolidated net revenues totaled R$1,049.4 million, an increase of 18.8% versus the 2Q08, period when the results did not fully reflected the action plan. EBITDA grew 6.2% to R$248.1 million, with a margin of 23.6%. Excluding the non-recurring effect of untimely PIS and COFINS credits in the 2Q08, the EBITDA increase would have been 21.8%. Net income grew 19.3% to R$168.3 million.

Year to date (1S09) net revenue rose 22.1% to R$1,894.2 million when compared with the same period last year. EBITDA reached R$432.1 million, with an EBITDA margin of 22.8%, an increase of 17.7% over the same period in 2008. Net income was up 39.8% to R$307.1 million. We reaffirm our commitment to pursue an EBITDA margin floor of 23.0% for 2009 and 2010.

The target market, as measured by SIPATESP/ABIHPEC[1], grew 20.9% in the first 4 months of the year. Our market share in the period rose from 22.0% in 2008 to 22.8% in 2009.

The total number of available Natura Consultants – CN reached 938.8 thousand by the end of June, an increase of 23.2%, boosted by the growth in Latin American operations and leveraged by implementation of new Natura Super Consultant (CNO in Portuguese) sales model, whose supplementary Roll Out took place last May, through the nomination of 8.5

[1] Brazilian Personal Hygiene and Cosmetics Industry Association.

thousand CNOs. In Brazil the total number of Natura Consultants - CNs reached 798.7 thousand, up 20.9%, while international operations reached 140.1 thousand consultants, up 37.9%.

In the second quarter we opened three new “Casa Natura” in the São Paulo Metropolitan Area and two in Chile (Santiago and Viña del Mar).

By the end of June 2009, additional marketing investments in Brazil totaled R$147.9 million, financed by R$165.1 million from productivity gains, considering 2007 as basis. The resources remain the same: efficiency gains in raw materials purchasing; Natura magazine; loss reduction and migration of orders to the internet, which reached 68.6% of total orders in the 2Q09, versus 50% in the 2Q08.

The innovation index by the end of half-year period was stable compared to the first half-year of 2008, reaching 64.6% (65.2% in the 1S08).

We continue to make progress with the implementation of Regional Units and Business Units, aimed at activities in Brazil’s regions and per brand and product category.

Our international operations continue to deliver high growth rates. Gross revenues grew 41.6% in domestic currency in the 1S09, representing 6.6% of our total gross sales. For the third consecutive quarter operations in countries under consolidation (Argentina, Chile and Peru) have contributed with positive results, as measured by EBITDA.

We decided to terminate our operations in Venezuela during the second half of this year.

In line with our corporate behavior targeted at creating value in a sustainable manner, we continue to invest in improving public education, through the *Crer para Ver* program, in Brazil, and in our international operations (Argentina, Chile, Peru, Mexico and Colombia). In the 1S09, we have already confirmed the participation of 170 Brazilian cities in the *Trilhas de Leitura* project, whose goal is to provide 4- to 6-year old children with the access to child literature, and subsequently to the culture embedded in the written language. Likewise, our mobilization to face the climate change crisis involves the whole Company. The Carbon Neutral Project, whose mission is to reduce greenhouse gas emissions by 33% in our whole productive chain from 2007 to 2011, has met its goals: in the first years after the implementation, we have eliminated 9.0% of our emissions, and the result in the first four months of 2009 is in line with the goal set for the year.

> COSMETICS, FRAGRANCES, AND PERSONAL HYGIENE INDUSTRY IN BRAZIL

Below we present the accumulated data up to the first four months of 2009, when the target market of cosmetics, fragrances and personal hygiene products recorded growth of 20.9% in nominal terms (15.1% in real terms[2]), according to data by the SIPATESP/ABHIPEC[3]. The cosmetics and fragrances segment rose 20.0%, while personal hygiene products posted growth of 16.4%. In real terms, the figures were 14.2% and 15.8%, respectively.

The table below also shows Natura's stake in both segments: cosmetics and fragrances, and personal hygiene. We closed the first four months of the year with an increase of 80 basis points in market share in the target market, up from 22.0% in 2008 to 22.8% in 2009.

> CF&T Core Market Net Revenues Breakdown and Natura's Market Share in Brazil

	Core Market (R$ million)			Market Share - Natura (%)		
	4M09	**4M08**	**Change %**	**4M09**	**4M08**	**Change %**
Cosmetics and Fragrances	2,082.8	1,736.1	20.0%	37.3%	35.7%	1.6
Toiletries	2,821.7	2,320.3	21.6%	12.0%	11.7%	0.3
Total	**4,904.6**	**4,056.4**	**20.9%**	**22.8%**	**22.0%**	**0.8**

Source: SIPATESP

[2] IPCA (Brazilian CPI): 5.90%
[3] Brazilian Personal Hygiene and Cosmetics Industry Association.

2. CONSOLIDATED RESULTS

> Consolidated Financial Summary (R$ million)

	2Q09	2Q08	Change %	6M09	6M08	Change %
Total Consultants - end of period* (in thousand)	938.8	762.1	23.2	938.8	762.1	23.2
Unit sold – items for resale (in million)	89.4	75.0	19.1	79.8	66.9	19.3
Gross Revenues	1,433.7	1,199.1	19.6	2,588.5	2,122.5	22.0
Net Revenues	1,049.4	883.1	18.8	1,894.2	1,551.1	22.1
COGS	316.8	266.7	18.8	589.4	493.1	19.5
Gross Profit	732.6	616.4	18.9	1304.7	1058.0	23.3
Gross Margin (%)	*69.8%*	*69.8%*	*0.0 pp*	*68.9%*	*68.2%*	*0.7 pp*
Sales Expenses	(365.1)	(307.0)	18.9	(661.3)	(545.6)	21.2
Administrative Expenses	(138.7)	(122.1)	13.6	(249.8)	(211.6)	18.0
Management compensation	(4.6)	(3.3)	42.0	(8.7)	(6.4)	36.4
Others Income / (Expenses), net	0.7	27.8	na	0.6	28.9	na
Financial Income / (Expenses), net	(16.8)	(11.6)	na	(5.8)	(14.0)	na
Operating Profit	208.0	200.1	4.0	379.6	309.2	22.8
Net Income	168.3	141.1	19.3	307.1	219.7	39.8
Net Margin (%)	*16.0%*	*16.0%*	*0.1 pp*	*16.2%*	*14.2%*	*2.1 pp*
EBITDA**	248.1	233.7	6.2	432.1	366.9	17.7
EBITDA Margin (%)	*23.6%*	*26.5%*	*-2.8 pp*	*22.8%*	*23.7%*	*-0.8 pp*

(*) Positon at the end of the 9th sales cycle in Brazil and the 8th sales cycle in International Operations.

(**) EBITDA = Income from operations before financial effects + depreciation & amortization.

Consolidated net revenues totaled $1,049.4 million in the 2Q09, an 18.8% increase compared to the 2Q08. Furthermore, we highlight the channel growth through the implementation of the CNO model as an important factor driving revenue progression. The action plan is still being used as an instrument to support product launches with media and the field to support our consultants. In the six-months of 2009, net revenue totaled R$1,894.2 million, an increase of 22.1% over the first half of 2008.

In Brazil, net revenue totaled R$975.2 million in the 2Q09, 17.0% above the 2Q08. In the half-year, net revenue in Brazil reached R$1,758.5 million, a 20.2% growth compared to the 1S08. The average productivity[4] of active consultants in the quarter decreased 2.2%, from R$2,988 to R$2,924, as a result of high rates of channel growth, since new consultants are generally less productive early in their careers.

Net revenue from international operations totaled R$74.2 million, 50.6% above the 2Q08 (40.7% in local weighted currency). In the 1S09, net revenue totaled R$135.6 million, an increase of 54,9% (41,7% in local weighted currency), representing 7.2% of consolidated net revenue, versus 5.6% in the first half-year of 2008, showing that our international strategy is evolving.

The **Cost of Products Sold** (CPV) remained at 30.2%, with a gross margin of 69.8% in the two quarters compared (2Q08 and 2Q09). In this half-year, CPV had a lightly drop, reaching 31.1% of net revenue in the 1S09, while in the 1S08 it was 31.8%. Consequently, gross margin increased from 68.2% in the 2H08 to 68.9% in the 2H09.

The table below shows cost broken down into its main components:

> Composition of Cost of Good Sold
(% Net Revenues)

	2Q09	2Q08	6M09	6M08
RM/PM*	24.8	24.0	25.3	25.0
Labor	2.4	2.6	2.6	2.9
Depreciation	1.0	1.2	1.1	1.4
Others	2.0	2.4	2.1	2.5
Total	**30.2**	**30.2**	**31.1**	**31.8**

(*) Raw material and packaging material

Selling expenses as a percentage of net revenue also remained stable at 34.8% in the two quarters. Year to date (1S09), these expenses dropped from 35.2% in 2H08 to 34.9% in the 2H09. In the Brazilian operations, we finished the implementation of the CNO model. Our share in total investments in media, measured by Ibope Monitor Evolution, remains at the same level as last year, maintaining the competitiveness recovered in 2008. In international operations, we had an increase in expenses due to the expansion of sales channel. These

[4] Productivity measured at retail prices

expenses were offset mainly by reducing unitary cost of the Natura catalogue and an increase in orders sold via the internet.

Administrative expenses in the 2Q09 recorded a slight decrease, in relation to net revenue, when compared to the 2Q08, from 13.9% to 13.2%. Year to date (1S09), the expenses dropped from 13.6% to 13.2%. Additional expenses with the U.S. project's discontinuance and operation in Venezuela mitigated partially the savings made through the overhead maintenance in Brazil.

Consolidated net income reached R$168.3 million in the 2Q09 versus R$141.1 million in the 2Q08, an increase of 19.3%. In the half-year period, net income totaled R$307.1 million, with a growth of 39.8% over the same period of 2008 (R$219.7 million).

The main reasons in the half-year period for this increase were: (i) growth in the company's operating result; (ii) positive net financial result due to mark-to-market operations with derivatives whose only purpose is to protect the company's equity against foreign exchange variations; (iii) reduction in the effective Income Tax rate this half-year, down from 29.0% to 19.1% (appropriation of the tax benefit generated by the statement of interest on shareholder's equity for 2008, and the advanced amortization of the goodwill resulting from the 2004 corporate restructuring.); and (iv) appropriation of untimely PIS and COFINS credits accounted for in the 2Q08. We point out that, as of 2010, the effective Income Tax and Social Contribution rate will not be benefitted by goodwill amortization.

Consolidated EBITDA totaled R$248.1 million in the 2Q09, versus R$233.7 million in the 2Q08, an increase of 6.2%. The EBITDA margin dropped from 26.5% in the 2Q08 to 23.6% in the 2T09. This growth is affected by the nonrecurring revenue of an untimely credit accounted for in the 2Q08. Excluding this effect, the growth was 21.8%.

> EBITDA (R$ million)

	2Q09	2Q08	Change %	6M09	6M08	Change %
Net Revenues	1,049.4	883.1	18.8	1,894.2	1,551.1	22.1
(-) Cost of Sales and Expenses	824.6	671.4	22.8	1,508.7	1,227.9	22.9
EBIT	**224.8**	**211.7**	**6.2**	**385.5**	**323.2**	**19.2**
(+) Depreciation/Amortization	23.3	21.9	6.2	46.6	43.7	6.6
EBITDA	**248.1**	**233.7**	**6.2**	**432.1**	**366.9**	**17.7**

> CASH FLOW

> Consolidated cash flow – *pro-forma* (R$ million)

	6M09	6M08	Change %
Net income	**307.1**	**219.7**	**39.8**
(+) Depreciation and amortization	46.6	43.7	6.6
Internal cash generation	**353.7**	**263.4**	**34.3**
Operating working capital*	(37.8)	(8.2)	
Other assets and liabilities**	(42.6)	(52.8)	
Operating cash generation	**273.4**	**202.4**	**35.1**
Capex	(46.5)	(30.1)	
Free cash flow* **	**226.9**	**172.3**	**31.7**

(*) Assets - Accounts receivable, inventories, and short-term recoverable taxes. Liabilities - Suppliers, payrolls, profit sharing and social charges, tax liabilities, provisions, and freight payable.

(**) Assets - Advance to employees and suppliers, short-term deferred income and social contribution taxes, other credits, and long-term assets. Liabilities - Other short and long-term accounts payable and provisions for tax, civil, and labor losses.

(***) (Internal cash generation) +/- (changes in working capital and long-term assets and liabilities) – (acquisitions of property, plants, and equipment).

Internal cash flow generation[5] in the 1S09 was of R$353.7 million, an increase of 34.3% versus R$263.4 million in the 1S08. To this total, R$37.8 million were invested in operating working capital.

The increase in 2009 results from greater investments in inventories resulting from the physical decentralization and larger coverage of International Operations. It is worth mentioning that we had an extraordinary effect of R$122.0 million in 2008, due to a more flexible credit policy adopted for Christmas sales in 2007, resulting in a working capital reduction for that year.

In 2009, CAPEX totaled R$46.5 million, mainly allocated to information technology, leasehold improvements and expansion of productive capacity.

Free cash flow generation totaled R$226.9 million in the 1S09, versus R$294.3 million in the 1S08. If we exclude the extraordinary effect of Christmas sales credit policy in 2007, the generation of free cash flow would increase 31.7%.

[5] (Net income for the period) + (depreciation and amortization)

3. Pro-Forma Statements of Income

The profit margin from exports from Brazil to international operations was subtracted from the COGS of the respective operations, showing the actual impact of these subsidiaries[6] on the company's consolidated result. Thus, the pro-forma Statement of Income for the Brazilian operations shows only the result of local market sales.

3.1 BRAZILIAN OPERATIONS – pro-forma Statement of Income

> Financial Highlights - Brazil (R$ million)

	2Q09	2Q08	Change %	6M09	6M08	Change %
Total Consultants - end of period* (in thousand)	798.7	660.5	20.9	798.7	660.5	20.9
Unit sold – items for resale (in million)	82.2	69.5	18.3	155.9	131.6	18.5
Gross Revenues	1,340.0	1,136.8	17.9	2,416.7	2,011.5	20.1
Net Revenues	975.2	833.8	17.0	1,758.5	1,463.6	20.2
COGS	294.2	248.0	18.6	545.5	460.2	18.5
Gross Profit	681.0	585.8	16.2	1,213.0	1,003.3	20.9
Gross Margin (%)	*69.8%*	*70.3%*	*-0.4 pp*	*69.0%*	*68.6%*	*0.4 pp*
Sales Expenses	(312.3)	(270.7)	15.4	(564.4)	(479.9)	17.6
Administrative Expenses	(114.1)	(107.7)	6.0	(205.4)	(185.9)	10.5
Management compensation	(4.6)	(3.3)	40.7	(8.7)	(6.4)	35.8
Others Income / (Expenses), net	1.0	27.8	(96.3)	1.4	28.9	(95.1)
Financial Income / (Expenses), net	(17.5)	(9.8)	79.8	(5.7)	(13.3)	(57.1)
Operating Profit	233.3	222.1	5.0	430.2	346.8	24.0
Net Income	197.1	164.4	19.9	363.6	260.4	39.7
EBITDA	272.7	253.0	7.8	479.7	402.1	19.3
EBITDA Margin (%)	28.0%	30.3%	*-2.4 pp*	27.3%	27.5%	*-0.2 pp*

(*) Number of consultants by the end of the cycle 9 of sales

[6] This is fully adjusted, for 100% of these subsidiaries' capital is held by Natura Cosméticos S.A.

- The number of consultants in Brazil reached 798.7 thousand by the end of the 2Q09, an increase of 20.9% versus the 2Q08. Again, this increase reflects the impact of the implementation of the CNO model, completed in May.

- Among the productivity gains in this quarter, we can highlight the increase in online orders, which accounted for 68.6% of the orders in the 2Q09; a reflex of implementation of the Voice Response Unit (VRU) at Natura's Call Center; gains in manufacturing processes and savings made with the renovation of the Natura Magazine.

- We went on with the implementation of the Business Units and Regional Units, which will boost activities in Brazil's regions and per brand and product category.

3.2 OPERATIONS UNDER CONSOLIDATION (Argentina, Chile e Peru)

> Financial Highlights - Operations under Consolidation (Argentina, Chile and Peru) (R$ million)

	2Q09	2Q08	Change %	6M09	6M08	Change %
Total Consultants - end of period* (in thousand)	101.0	78.3	29.0	101.0	78.3	29.0
Unit sold – items for resale (in million)	5.2	4.3	19.9	9.7	8.1	19.0
Gross Revenues	71.2	49.5	43.8	131.9	88.6	49.0
Net Revenues	54.7	38.2	43.4	100.9	68.2	48.0
COGS	16.9	14.2	18.6	33.1	25.1	32.1
Gross Profit	37.9	23.9	58.2	67.8	43.1	57.3
Gross Margin (%)	*69.2%*	*62.7%*	*6.5 pp*	*67.2%*	*63.2%*	*4.0 pp*
Sales Expenses	(29.6)	(20.7)	43.0	(53.7)	(36.4)	47.6
Administrative Expenses	(5.1)	(4.3)	17.3	(10.3)	(8.6)	20.5
Others Income / (Expenses), net	0.2	(0.0)	-	0.3	(0.0)	-
Financial Income / (Expenses), net	0.5	(1.6)	-	(0.2)	(0.5)	-
Operating Profit	3.9	(2.8)	(238.6)	3.8	(2.5)	(255.3)
Net Income	1.4	(3.4)	(141.2)	(0.2)	(4.4)	(96.5)
EBITDA	3.9	(0.7)	(634.7)	5.2	(1.1)	(556.9)
EBITDA Margin (%)	7.2%	-1.9%	*9.1 pp*	5.1%	-1.7%	*6.8 pp*

(*) Number of consultants by the end of the cycle 8 of sales

- Net revenues from operations under consolidation totaled R$54.7 million in the 2Q09, an increase of 43.4% (32.0% in local weighted currency) compared to the 2Q08. In the 1S09, results were as follows: Net Revenue of R$100.9 million in the 1S09 versus R$68.2 million, in the 1S08 with an increase of 48.0% (33% in local weighted currency).

- Gross profit margin was positively influenced by the effect of the Real devaluation in relation to the currency basket of our operations by the end of last year.

- The number of consultants in operations under consolidation grew 29%, reaching 101 thousand by the end of the 2Q09.

- These operations recorded positive EBITDA of R$3.9 million in the 2Q09 versus negative EBITDA of R$0.7 in the 2Q08. In the 1S09, EBITDA reached a positive R$5.2 million while in the 1S08, a loss of R$1.1 million was recorded.

- We highlight the opening of two more Casas Natura in Chile (Santiago and Viña Del Mar) reaching a total of 10 Casas in operation in Latin America excluding Brazil.

3.3 OPERATIONS UNDER IMPLEMENTATION (México, Colombia, and Venezuela)

> Financial Highlights - Operations under Implementation (Mexico, Venezuela and Colombia) (R$ million)

	2Q09	2Q08	Change %	6M09	6M08	Change %
Total Consultants - end of period* (in thousand)	38.1	23.0	65.8	38.1	23.0	65.8
Unit sold – items for resale (in million)	1.9	1.2	68.7	3.5	2.1	62.5
Gross Revenues	20.2	11.7	72.5	36.1	20.4	77.2
Net Revenues	17.6	10.2	72.8	31.6	17.7	77.9
COGS	5.4	4.3	24.6	10.3	7.6	35.9
Gross Profit	12.2	5.8	108.7	21.3	10.2	109.2
Gross Margin (%)	*69.2%*	*57.3%*	*11.9 pp*	*67.4%*	*57.3%*	*10.1 pp*
Sales Expenses	(19.1)	(11.9)	61.0	(35.4)	(22.1)	60.4
Administrative Expenses	(7.0)	(3.1)	128.0	(10.9)	(6.2)	74.5
Others Income / (Expenses), net	(0.5)	(0.0)	-	(1.2)	0.0	-
Financial Income / (Expenses), net	0.3	(0.2)	-	0.1	(0.1)	-
Operating Profit	(14.2)	(9.3)	52.7	(26.1)	(18.3)	42.4
Net Income	(15.0)	(9.9)	51.4	(27.8)	(19.3)	44.0
EBITDA	(13.9)	(8.9)	56.0	(25.2)	(17.7)	42.1
EBITDA Margin (%)	-78.9%	-87.5%	*8.5 pp*	-79.8%	-99.9%	*20.1 pp*

(*) Number of consultants by the end of the cycle 8 of sales

- Net revenues from operations under implementation totaled R$17.6 million in the 2Q09, an increase of 72.8% (69.4% in local weighted currency) versus the 2Q08. In the half-year, revenue reached R$31.6 million, an increase of 77.9% (72.2% in local weighted currency).

- The number of consultants grew 65.8%, reaching 38 thousand by the end of the 2Q09.

- These operations recorded negative EBITDA of R$13.9 million in the 2Q09 versus negative EBITDA of R$8.9 million in the 2Q08, reflecting, in addition to large investments in marketing and sales channel, one-time charges from the discontinuance of Venezuela´s operations. Year to date (1S09), negative EBITDA totaled R$25.2 million compared to R$17.7 million in the 1S08.

Other investments in the international area totaled R$14.7 million in the 2Q09 versus R$9.7 million in the 2Q08. Year to date (1S09), losses accounted for R$27.6 million compared to R$16.3 million in the 1S08. These investments are basically comprised of our operation in France and one time charges to discontinue the U.S. project.

> DIVIDENDS

On July 19, 2009, the Board of Directors approved, subject to approval at the Annual General Meeting to be held in 2010, the payment, on August 12, 2009, of dividends related to the results recorded in the first half of 2009, and interest on equity related to the period between January and July 2009, in the amount of R$215.2 million and R$25.0 million (R$21.3 million net of withholding income tax), respectively, accounting for 104.2% of the free cash generation in the 1S09, and 77.0% of the net income for the same period.

The total of dividends and interest on equity will be equivalent to a net remuneration of R$0.55 per share to shareholders on July 31, 2009. Interest on equity will be accounted for on July 31, 2009.

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> Consolidated Income Statement

R$ million	2Q09	2Q08 (Restated)	6M09	6M08 (Restated)
GROSS SALES				
Gross sales to domestic market	1,337.2	1,134.4	2,411.8	2,007.3
Gross sales to foreign market	96.1	64.4	176.1	114.5
Other sales	0.3	0.4	0.6	0.6
GROSS OPERATING REVENUES	**1,433.7**	**1,199.1**	**2,588.5**	**2,122.5**
Taxes on sales, returns and rebates	(384.3)	(316.1)	(694.4)	(571.4)
NET OPERATING REVENUES	**1,049.4**	**883.1**	**1,894.2**	**1,551.1**
Cost of sales	(316.8)	(266.7)	(589.4)	(493.1)
GROSS PROFIT	**732.6**	**616.4**	**1,304.7**	**1,058.0**
OPERATING (EXPENSES) INCOME				
Selling	(365.1)	(307.1)	(661.3)	(545.6)
General and administrative	(138.7)	(122.1)	(249.8)	(211.6)
Management compensation	(4.6)	(3.3)	(8.7)	(6.4)
Other operating income (expenses), net	0.7	27.8	0.6	28.9
INCOME FROM OPERATIONS BEFORE FINANCIAL EFFECTS	**224.8**	**211.7**	**385.5**	**323.2**
Financial expenses	(46.3)	(17.3)	(71.4)	(42.6)
Financial income	29.5	5.7	65.5	28.6
INCOME BEFORE TAXES ON INCOME	**208.0**	**200.1**	**379.6**	**309.3**
Income tax and social contribution - current	(57.6)	(76.7)	(91.1)	(106.1)
Income tax and social contribution - deferred	17.9	17.7	18.5	16.6
NET INCOME	**168.3**	**141.1**	**307.1**	**219.7**

> Consolidated balance sheet on June 30, 2009 and March 31, 2009

ASSETS	2Q09	1Q09
CURRENT ASSETS		
Cash, Banks and cash investments	295.6	438.5
Trade accounts receivable	373.9	365.4
Inventories	425.8	390.9
Recoverable taxes	129.0	117.4
Deferred income and social contribution taxes	76.9	64.3
Allowance for gains on swap and forward transactions	4.0	26.0
Advances to employees and suppliers	5.6	6.1
Other receivables	77.3	64.5
Total current assets	**1,388.2**	**1,473.0**
NONCURRENT ASSETS		
Long-term assets:		
Cash investments	5.5	5.4
Recoverable taxes	70.9	56.2
Deferred income and social contribution taxes	56.1	50.3
Escrow deposits	49.5	47.3
Advances to suppliers	1.8	4.8
Property, plant and equipment	455.9	464.0
Intangible assets	82.2	75.6
Total noncurrent assets	**721.9**	**703.4**
TOTAL ASSETS	**2,110.0**	**2,176.5**

LIABILITIES AND SHAREHOLDERS' EQUITY	2Q09	1Q09
CURRENT LIABILITIES		
Loans and financing	325.4	315.0
Domestic suppliers	211.4	201.0
Foreign suppliers	7.5	2.6
Salaries, profit sharing and related charges	109.6	85.2
Taxes payable	181.6	186.5
Dividends	215.3	303.2
Accrued freight	26.9	22.4
Reserve for tax, civil and labor contingencies	17.8	17.3
Other payables	25.3	26.2
Total current liabilities	**1,120.8**	**1,159.3**
NONCURRENT LIABILITIES		
Loans and financing	143.3	122.0
Reserve for tax, civil and labor contingencies	57.5	49.5
Other payables	-	9.4
Total noncurrent liabilities	**200.8**	**181.0**
SHAREHOLDERS' EQUITY		
Capital	401.2	393.3
Capital reserves	142.0	141.1
Profit reserves	160.8	161.7
Valuation adjustments to shareholders' equity	(7.5)	1.6
Treasury shares	(0.0)	(0.4)
Retained earnings	92.0	138.8
Total shareholders' equity	**788.4**	**836.2**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,110.0**	**2,176.5**

> Consolidated Cash Flow Statement

R$ million	6M09	6M08 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	307,1	219,7
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	46,6	43,7
Inflation and exchange rate fluctuations, except those related to tax, civil and labor contingencies	(21,2)	4,9
Allowance for losses on swap and forward contracts	(6,0)	13,8
Reserve for tax, civil and labor contingencies, including adjustment for inflation	8,3	(0,0)
Deferred income tax and social contribution	(18,5)	(16,7)
Proceeds from sale and disposal of property, plant and equipment and intangible assets	2,6	6,0
Interest on loans	15,7	11,4
Expenses on stock options plans	1,6	4,2
Subtotal	**336,2**	**287,0**
(INCREASE) DECREASE IN ASSETS		
Current assets:		
Trade accounts receivable	96,5	222,6
Inventories	(92,2)	(52,8)
Other receivables	(6,3)	(16,9)
Noncurrent assets (long-term assets):		
Escrow deposits	(4,0)	8,1
Recoverable taxes	(50,1)	(4,6)
Other receivables	2,1	1,3
Subtotal	**(54,0)**	**157,6**
INCREASE (DECREASE) IN LIABILITIES		
Current liabilities:		
Suppliers	33,3	(8,5)
Salaries, profit sharing and related charges, net	(20,4)	(0,6)
Taxes payable, net	(21,3)	(79,3)
Other payables	(9,3)	2,4
Noncurrent liabilities (long-term liabilities):		
Other payables	(16,0)	1,9
Subtotal	**(33,6)**	**(84,1)**
NET CASH PROVIDED BY OPERATING ACTIVITIES	**248,6**	**360,4**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and intangible assets	(36,0)	(32,6)
NET CASH USED IN INVESTING ACTIVITIES	**(36,0)**	**(32,6)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of loans and financing - principal	(254,3)	(378,5)
Repayments of loans and financing - interest	(9,2)	(8,9)
Funding - loans and financing	280,3	185,8
Payments of swap and forward contracts	9,0	(6,5)
Payment of dividends and interest on capital	(303,1)	(237,7)
Capital increase	9,7	0,3
Acquisition of treasury shares	-	(21,1)
Sale of treasury shares due to exercise of stock options	-	2,6
NET CASH USED IN INVESTING ACTIVITIES	**(267,5)**	**(464,0)**
INCREASE (DECREASE) IN CASH AND BANKS	**(54,9)**	**(136,1)**
Cash and banks at beginning of year	350,5	405,4
Cash and banks at end of quarter	295,6	269,3
INCREASE (DECREASE) IN CASH AND BANKS	**(54,9)**	**(136,1)**