

NATURA COSMÉTICOS S.A.

Corporate Taxpayer's ID (CNPJ/MF) 71.673.990/0001-77

Publicly-held Company

Company's Register (NIRE) 35.300.143.183

Subscribed and Paid-in Capital: R\$401,166,387.64 – 430,028,699 common shares

Authorized Capital: up to 11,281,426 common shares

MINUTES OF THE EXTRAORDINARY GENERAL MEETING HELD ON AUGUST 5, 2009

I – Date, time and place: On August 5, 2009, at 10:00 AM, at the Company's headquarters, located in the city of Itapeperica da Serra, State of São Paulo, at Rodovia Régis Bittencourt, Km 293, s/nº., Edifício I, CEP 06882-700.

II – Call: Call notices were published in the Official Business Newspaper, on the July 21, 22 and 23, 2009 editions, on pages 27, 12 and 19, respectively, and in the Valor Econômico newspaper, on the July 20, 21 and 22, 2009 editions, on pages B6, B3 and C3, respectively, as per the provisions in Article 124, item II of Law 6,404/76.

III – Quorum: Shareholders of registered, book-entry, common shares, with no par value, issued by the Company, representing two thirds (2/3) of the capital stock attended the meeting, as per registry on the Shareholders' Attendance Book.

IV – Presiding Board: The meeting was chaired by Mister Pedro Luiz Barreiros Passos, who invited me, Lucilene Silva Prado, to be the secretary.

V - Agenda: **(i)** ratify the amendment to the wording of Article 5 and *main section* of Article 6 of the Company's By-Laws referring, respectively, to the value of the capital stock and the amount of Company's subscribed and paid-in shares and the limit of the authorized capital, deriving from the exercise of purchase or subscribe options of common shares issued by the Company from January 1, 2009 to June 30, 2009, by the management and employees of the Company, as well as by the managers and employees of companies directly and indirectly controlled by the Company, participants of the Addendum to Plans for the Granting of Call Option or Subscription of Common Shares Issued by the Company related to the Calendar Years of 2003, 2004, 2005 and 2006; **(ii)** amend the wording of Article 24 of the By-Laws, to define the duties and responsibilities of the Company's Officers, pursuant to Article 143, IV, of Law 6,404/76; **(iii)** adapt the wording of paragraph 1 of Article 27 of the Company's By-Laws to the provisions of Article 176 of Law 6,404/76, due to the amendments introduced by Law 11,638/07; **(iv)** amend the wording of the *main section* of Article 33 of the Company's By-Laws and its paragraphs 2, 6, 8 and 9, as well as the inclusion of paragraph 4 of the abovementioned article, with consequent renumbering of the subsequent paragraphs; and **(v)** vote on the proposal for consolidation of the Company's By-Laws.

VI - Resolutions: The following resolutions were taken by majority vote of the attending shareholders:

1. the ratification of the amendment to the wording of Article 5 and the *main section* of Article 6 of the Company's By-Laws referring, respectively, to the value of the capital stock and the amount of Company's subscribed and paid-in shares and the limit of the authorized capital, due to the subscription of nine hundred and forty-three thousand, nine hundred and fifty (943,950) non-par registered common shares, at the total payment price of nine million, seven hundred and forty-three thousand, eight hundred and sixty-four reais and forty centavos (R\$9,743,864.40), in 2009, by the company's managers and employees, as well as by the managers and employees of companies directly and indirectly controlled by the Company, participants of the Addendum to Plans for the Granting of Call Option or Subscription of Common Shares Issued by the Company related to the Calendar Years of 2003, 2004, 2005 and 2006.

Due to the subscription and payment of the shares described above, the Company's capital stock increased from three hundred and ninety-one million, four hundred and twenty-two thousand, five hundred and twenty-three reais and twenty-four centavos (R\$391,422,523.24) to four hundred and one million, one hundred and sixty-six thousand, three hundred and eighty-seven reais and sixty-four centavos (R\$401,166,387.64).

The amount of non-par registered common shares increased from four hundred and twenty-nine million, eighty-four thousand, seven hundred and forty-nine (429,084,749) non-par registered common shares to four hundred and thirty million, twenty-eight thousand, six hundred and ninety-nine (430,028,699) non-par registered common shares.

The limit of the authorized capital, on the other hand, decreased from twelve million, two hundred and twenty-five thousand, three hundred and seventy-six (12,225,376) non-par registered common shares to eleven million, two hundred and eighty-one thousand, four hundred and twenty-six (11,281,426) non-par registered common shares.

Accordingly, articles 5 and the *main section* of article 6 of the Company's By-Laws shall have the following wording:

"Article 5 – *The Company's subscribed and paid-in capital stock totals four hundred and one million, one hundred and sixty-six thousand, three hundred and eighty-seven reais and sixty-four centavos (R\$401,166,387.64), split in four hundred and thirty million, twenty-eight thousand, six hundred and ninety-nine (430,028,699) common shares, with no par value."*

"Article 6 – *The Company hereby becomes authorized to increase its capital stock up to eleven million, two hundred and eighty-one thousand, four hundred and twenty six (11,281,426) common shares, with no par value."*

The following resolutions were taken by unanimous vote of the attending shareholders:

2. The amendment to the wording of Article 24 of the By-Laws to define the duties and responsibilities of the Companies Executive Officers, pursuant to Article 143, IV, of Law 6,404/76.

Due to the abovementioned amendment, the wording of Article 24 of the Company's By-Laws shall be as follows:

"Article 24 – *In addition to performing the activities attributed to them by the Board of Directors, the Executive Officers shall:*

Paragraph 1 – *The Chief Financial Officer shall:*

(a) plan, implement and coordinate the Company's financial policy, in addition to organizing, preparing and controlling the Company's budget;

(b) prepare the financial statements, manage the Company's accounting and treasury departments to comply with the legal determinations in effect;

(c) guide the Company when making decisions that involve financial risks;

(d) prepare financial reports and provide information referring to his/her area to the Companies' agencies; and

(e) plan and execute management policies in his/her area.

Paragraph 2 – *The Chief Commercial Officer shall:*

(a) plan, define and manage commercial strategies;

(b) establish and manage sales structures and commercial relationship policies;

(c) guide the Company when making decisions that involve commercial risks;

(d) prepare commercial reports and provide information referring to his/her area to the Company's agencies; and

(e) plan and execute management policies in his/her area.

Paragraph 3 – *The Legal Officer shall:*

(a) organize, control, coordinate and supervise the Company's legal matters and activities, in their technical, operating and strategic aspects;

(b) advise the Company when making decisions that involve legal risks and implementing these decisions to comply with legal determinations in effect;

(c) hire and supervise legal services provided by outsourced professionals;

(d) prepare legal reports and provide information on his/her area to the Company's agencies; and

(e) plan and execute management policies in his/her area."

3. The amendment to the wording of paragraph 1 of Article 27 of the By-Laws referring to the preparation and disclosure of the financial statements, in order to adapt it to the provisions set forth in Article 176 of Law 6,404/76, due to the amendments introduced by Law 11,638/07. Due to the abovementioned amendment, paragraph 1 of Article 27 of the Company's By-Laws shall have the following new wording:

"Article 27 – *The fiscal year shall commence on January 1 and shall end on December 31 of each year.*

Paragraph 1 – *At the end of each fiscal year, the Board of Executive Officers shall prepare the following financial statements, in compliance with the relevant legal precepts:*

- (a) balance sheet;*
- (b) income statement for the year;*
- (c) statement of changes in the net worth position;*
- (d) statement of cash flows;*
- (e) statement of value added; and*
- (f) notes to the financial statements."*

4. the amendment to the *main section* of Article 33 of the By-Laws and paragraphs 6, 8 and 9 to increase the fifteen per cent (15%) percentage to twenty-five per cent (25%) of total non-par registered common shares. Accordingly, the *main section* of Article 33 of the By-Laws and its paragraphs 6, 8 and 9 shall have the following new wording:

"Article 33 - *Any Purchasing Shareholder (as defined in the paragraph 10 below), purchasing or becoming holder of the Company's shares, in quantity equal or in excess of twenty-five per cent (25%) of total of shares issued by the Company, within no later than sixty (60) days as of the acquisition date or event which resulted in the ownership of shares in quantity equal or in excess of twenty-five per cent (25%) of total of shares issued by the Company, shall carry out or request the registration, and depending on the case, a tender offer for the total shares issued by the Company ("tender offer"), in compliance with the provisions of CVM's (Brazilian Securities Commission) regulation applicable, BOVESPA's (São Paulo Stock Exchange) regulations and the terms of this Article."*

"Paragraph 6 – *Any Purchasing Shareholder (as defined in the paragraph 10 below), purchasing or becoming holder of other rights, including usufruct or trust, over shares issued by the Company, in quantity equal or in excess of twenty-five per cent (25%) of total shares issued by the Company, within no later than sixty (60) days as of the*

acquisition date or event which resulted in the ownership of these rights upon shares in quantity equal or in excess of twenty-five per cent (25%) of total of shares issued by the Company, shall carry out or request the registration, depending on the case, a tender offer, in compliance with the terms of this Article 33."

"Paragraph 8 - *The provision of this Article 33 shall not apply in the event of a person becoming holder of shares issued by the Company in quantity in excess of twenty-five per cent (25%) of the total of shares issued thereby as a result of (i) the incorporation of another corporation by the Company, (ii) the incorporation of another corporation's shares by the Company, or (iii) the subscription of the Company's shares made in a single maiden issue, approved by the Shareholders' General Meeting of the Company, called by its Board of Directors, and whose capital increase proposal determined the fixation of share issue prices based on the economic value obtained from a Company's economic-financial appraisal report prepared by a specialized institution or company with proven experience in the valuation of publicly-held corporations."*

"Paragraph 9 - *For the purposes of calculating the twenty-five per cent (25%) percentage of the total of shares issued by the Company outlined in the main section of this Article, the involuntary additions of equity interest resulting from the cancellation of treasury stocks or from the reduction in the Company's capital stock due to the cancellation of shares shall not be calculated."*

5. the amendment to the wording of paragraph 2 of Article 33 of the By-Laws to exclude the citation to the Award. Thus, paragraph 2 of Article 33 shall have the following wording:

"Paragraph 2 - *The acquisition price in the "tender offer" of each share issued by the Company may not be less than the result obtained with the application of the following formula:*

$$\text{"tender offer" price} = \text{Share Value}$$

Where:

'tender offer price' corresponds to the acquisition price of each share issued by the Company in the "tender offer" provided for by this Article.

The 'Share Value' corresponds to the largest amount between: (i) the largest unit quotation reached by the shares issued by the Company during a twelve (12)-month period prior to the "tender offer" performance at any stock exchange where the Company's shares were traded, (ii) the highest unit price paid by the Purchasing Shareholder, at any time, for one share or lot of shares issued by the Company; and (iii) the amount equivalent to twelve (12) times the Company's Average Consolidated EBITDA (as defined in the Paragraph 10 below) deducted from the Company's net consolidated indebtedness, divided by the total number of shares issued by the Company."

6. the inclusion of new paragraph 4 of Article 33 of the By-Laws to include the estimate for the realization of the tender offer provided for by the main section of article 33 of the Company's By-Laws can be waived by means of favorable vote of shareholders holding the majority of the capital stock at the Company's Extraordinary General Meeting especially called to resolve on the tender offer. Due to this resolution, the new wording of paragraph 4 of Article 33 of the Company's By-Laws, with consequent renumbering of the subsequent paragraphs, shall be as follows:

*"**Paragraph 4** – The performance of the 'tender offer' mentioned in the main section of this article may be waived upon favorable vote of shareholders representing the majority of the capital stock at the Company's Extraordinary Meeting especially called to resolve on the 'tender offer'."*

7. the consolidation of the wording of Article 33 of the Company's By-Laws, according to the transcription below:

*"**Article 33** - Any Purchasing Shareholder (as defined in the paragraph 10 below), purchasing or becoming holder of the Company's shares, in quantity equal or in excess of twenty-five per cent (25%) of total of shares issued by the Company, within no later than sixty (60) days as of the acquisition date or event which resulted in the ownership of shares in quantity equal or in excess of twenty-five per cent (25%) of total of shares issued by the Company, shall carry out or request the registration, and depending on the case, a tender offer for the total shares issued by the Company ("tender offer"), in compliance with the provisions of CVM's (Brazilian Securities Commission) regulation applicable, BOVESPA's (São Paulo Stock Exchange) regulations and the terms of this Article.*

***Paragraph 1** - The "tender offer" shall be (i) indistinctly addressed to all Company's shareholders; (ii) effective in auction to be carried out at the BOVESPA (São Paulo Stock Exchange), (iii) launched by the price determined according to the provisions in the paragraph 2 below, and (iv) paid in cash in local currency against the acquisition in the "tender offer" of shares issued by the Company.*

***Paragraph 2** - The acquisition price in the "tender offer" of each share issued by the Company may not be less than the result obtained with the application of the following formula:*

"tender offer" price = Share Value

Where:

'tender offer price' corresponds to the acquisition price of each share issued by the Company in the "tender offer" provided for by this Article.

The 'Share Value' corresponds to the largest amount between: (i) the largest unit quotation reached by the shares issued by the Company during a twelve (12)-month period prior to the "tender offer" performance at any stock exchange where the

Company's shares were traded, (ii) the highest unit price paid by the Purchasing Shareholder, at any time, for one share or lot of shares issued by the Company; and (iii) the amount equivalent to twelve (12) times the Company's Average Consolidated EBITDA (as defined in the Paragraph 10 below) deducted from the Company's net consolidated indebtedness, divided by the total number of shares issued by the Company.

Paragraph 3 - The "tender offer" performance mentioned in the main section of this Article shall not exclude the possibility of another Company's shareholder, or if this is the case, the own Company, to prepare a competing "tender offer", under the terms of regulation applicable.

Paragraph 4 - The performance of the "tender offer" mentioned in the main section of this article may be waived upon favorable vote of the shareholders representing the majority of the capital stock at the Company's Extraordinary General Meeting especially called to decide on the "tender offer".

Paragraph 5 - The Purchasing Shareholder shall be obliged to answer possible requests or requirements from the CVM (Brazilian Securities Commission) related to the "tender offer", within the maximum terms determined by the applicable regulation.

Paragraph 6 - In the event the Purchasing Shareholder does not comply with the obligations imposed by this Article, including referring to the compliance with the maximum terms (i) for the performance or application for the "tender offer" registration, or (ii) for the compliance with possible requests or requirements from the CVM, the Company's Board of Directors shall call an Extraordinary General Meeting, where the Purchasing Shareholder may not vote to resolve on the suspension of performance of rights of the Purchasing Shareholder who failed to comply with any obligation imposed by this Article, as provided by the Article 120 of Law No. 6.404, dated December 15, 1976.

Paragraph 7 - Any Purchasing Shareholder (as defined in the Paragraph 10 below), who acquires or becomes holder of other rights, including usufruct or trust over shares issued by the Company in quantity equal or in excess of twenty-five per cent (25%) of the total of shares issued by the Company shall be equally obliged to, within no later than sixty (60) days as of the date of said acquisition or event which resulted in the ownership of said rights over shares in quantity equal or in excess of twenty-five per cent (25%) of total of shares issued by the Company, carry out or request the registration, depending on the case of a "tender offer", under the terms outlined in this Article 33.

Paragraph 8 - The obligations included in the Article 254-A of Law No. 6.404/76 and Articles 30, 31 and 32 of these By-Laws do not exclude the Purchasing Shareholder's compliance with the obligations included in this Article.

Paragraph 9 - The provision of this Article 33 shall not apply in the event of a person becoming holder of shares issued by the Company in quantity in excess of twenty-five per cent (25%) of the total of shares issued thereby as a result of (i) the incorporation of another corporation by the Company, (ii) the incorporation of another corporation's

shares by the Company, or (iii) the subscription of the Company's shares made in a single maiden issue, approved by the Shareholders' General Meeting of the Company, called by its Board of Directors. A capital increase proposal shall determine the fixation of share issue prices based on the economic value obtained from a Company's economic-financial appraisal report prepared by a specialized institution or company with proven experience in the valuation of publicly-held corporations.

Paragraph 10 - For the purposes of calculating the twenty-five per cent (25%) percentage of the total of shares issued by the Company outlined in the main section of this Article, the involuntary additions of equity interest resulting from the cancellation of treasury stocks or from the reduction in the Company's capital stock due to the cancellation of shares shall not be calculated.

Paragraph 11 - For the purposes of these By-Laws, the terms below with initials in capital letters shall have the following meaning:

'Purchasing Shareholder' means any person (including but not limited to any individual or legal entity, investment fund, condominium, securities portfolio, worldwide rights or any other form of organization, resident, domiciled or headquartered in Brazil or overseas), or group of persons bound by a voting agreement with the Purchasing Shareholder and/or representing the same interest of the Purchasing Shareholding to subscribe and/or purchase the Company's shares. Amongst examples of a person representing the same interest of the Purchasing Shareholder we include any person (i) directly or indirectly controlled or administered by said Purchasing Shareholder, (ii) controlling or administering, under any form, the Purchasing Shareholder, (iii) directly or indirectly controlled or administered by any person who controls or administers, whether directly or indirectly said Purchasing Shareholder, (iv) in which the controller of said Purchasing Shareholder has directly or indirectly purchased an equity interest equal or in excess of 30% of the capital stock, (v) in which said Purchasing Shareholder has directly or indirectly purchased an equity interest equal or in excess of 30% of the capital stock, or (vi) who directly or indirectly holds an equity interest equal or in excess of 30% of the Purchasing Shareholder's capital stock.

The 'Company's Average Consolidated EBITDA' is the arithmetic average of the Company's Consolidated EBITDAs related to the two (2) fiscal years ended recently.

The 'Company's Consolidated EBITDA' is the Company's consolidated operating income before the net financial expenses, income tax and social contribution, depreciation, depletion and amortization, as obtained based on the consolidated and audited financial statements related to the end of more recent fiscal year and made available to the market by the Company.

Paragraph 12 - In the event the CVM's regulation applicable to the "tender offer" provided for in this Article determines the adoption of a criterion to calculate the fixation of acquisition price of each Company's share in "tender offer" resulting in an acquisition price higher than that determined under the terms of the paragraph 2 above, that

acquisition price calculated under the terms of CVM's regulation shall prevail in the effectiveness of the "tender offer" provided for in this Article."

8. In view of resolutions VI.1, VI.2, VI.3, VI.4 and VI.5 above mentioned and approved, the consolidation of the Company's By-Laws, which constitutes an integral part hereof as attachment I.

VII – Publication of the minutes: The attending shareholders approved, by unanimous vote, to publish these minutes with the omission of the signatures of the attending shareholders, as per Article 130, paragraph 2 of Law 6,404/76.

VIII – Closure: There being no further business to discuss, the Chairman thanked everyone for attending the meeting and adjourned the works for the time necessary to draw up these minutes, which, after being read, discussed and found in compliance were approved and signed by all attending shareholders, by me, the Secretary, and by the Chairman.

ROBERTO PEDOTE

Chief Financial Officer and Chief Investor Relations Officers

BY-LAWS OF
NATURA COSMÉTICOS S/A

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CHAPTER I

NAME, HEADQUARTERS, PURPOSE AND DURATION

Article 1 - NATURA COSMÉTICOS S/A is a publicly-held corporation ruled by the present By-Laws, applicable legislation and by the New Market Listing Regulations.

Article 2 - The Company headquarters and jurisdiction are located in the city of Itapeceirica da Serra, State of São Paulo, at Rodovia Régis Bittencourt, s/n.º, km 293, Bairro Potuverá, Edifício I, CEP 06882-700.

Paragraph 1 - The Company may install branches, agencies, warehouses, offices and any other establishments in the country by the Board of Executive Officers' resolution.

Article 3 - The Company's purposes are:

I. The exploration of trade, export and import of beauty, hygiene, toiletry products, cosmetics products, clothing articles, jewelry, costume jewelry, home articles, foods, nutritional supplements, software, books, publishing material, entertainment products, phonographic products, medicine, including phytotherapeutic and homeopathic drugs, pharmaceutical inputs and preparations destined to hygienization, and thus may practice all acts and carry out all operations related to its purposes.

II. The rendering of services of any nature, such as services related to esthetic treatments, marketing consulting, registration, planning and risk analysis.

III. The organization, interest and administration under any form in any company and business of any nature, in the capacity as partner or shareholder.

Article 4 - The Company duration is indeterminate.

CHAPTER II

CAPITAL STOCK, SHARES AND SHAREHOLDERS

Article 5 – the Company's subscribed and paid-in capital stock totals four hundred and one million, one hundred sixty-six thousand, three hundred eighty-seven reais and sixty-four centavos (R\$401,166,387.64), divided into four hundred thirty-million, twenty-eight thousand, six hundred ninety-nine (430,028,699) registered common shares, with no par value.

Article 6 – the Company hereby becomes authorized to increase its capital stock up to the limit of eleven million, two hundred eighty-one thousand, four hundred twenty-six (11,281,426) common shares, with no par value.

Paragraph 1 - Within the limits authorized in this Article, the Company, by means of Board of Directors resolution, may increase the capital stock regardless of By-Laws amendment. The Board of Directors shall define the issue conditions, including price and term for payment of subscribed shares.

Paragraph 2 - Within the limit of capital authorized, the Board of Directors may resolve on the issue of subscription bonus.

Paragraph 3 – General Meeting, the Board of Directors may grant call option or share subscription, according to the Program for the Granting of Call Option or Subscription carried at General Meeting, to its administrators and employees, as well as to administrators and employees of other companies directly or indirectly controlled by the Company, without preemptive right of Company shareholders, at the moment of granting or exercise of call option, complying the balance of authorized capital limit at the date of granting of referred call option or subscriptions to shares.

Paragraph 4 - It is void to the Company issue Beneficiary Parties.

Article 7 - The capital stock shall be exclusively represented by common shares and each common share shall correspond to the right to one vote in shareholders' decisions.

Article 8 - All the Company shares shall be book-entry shares and in the name of its holders. They shall be maintained in a deposit account with a financial institution authorized by the Securities Commission.

Sole Paragraph - The transfer and registering costs, as well as cost of service related to the shares in custody may be directly charged from shareholder by a depositary institution, as to be defined in the custody agreement.

Article 9 - Upon the Board of Directors' discretion, the preemptive right in the issue of shares, debentures convertible into shares and subscription bonus may be excluded or reduced, the placement of which is made through the sale at stock exchange or through public subscription, or even by means of share swap in a takeover bid, under the terms set forth by law within the limit of authorized capital.

**CHAPTER III
COMPANY'S ADMINISTRATION
SECTION I
GENERAL MEETING**

Article 10 - The General Meeting shall meet on an ordinary basis once a year and on an extraordinary basis, when called under the terms of Law or of these By-Laws.

Paragraph 1 - General Meeting's resolutions shall be taken by majority vote.

Paragraph 2 - The General Meeting may only resolve on issues of the agenda, included in respective call notices.

Article 11 - The General Meeting shall be convened and presided over by shareholder chosen by those attending the meeting, who may appoint up to 2 secretaries.

Article 12 - It is incumbent on the General Meeting, in addition to attributions provided for by law:

- I. To elect and remove from office the Board of Directors' members;
- II. To define global fees of the Board of Directors and Board of Executive Officers' members, as well as the remuneration of Audit Committee's members to be installed;
- III. To confer stock dividends and decide over possible share splitting;
- IV. To approve programs for the granting of call option or shares subscription to its administrators and employees, as well as to administrators and employees of other companies directly or indirectly controlled by the Company;
- V. To resolve, according to the proposal submitted by the administration, over the allocation of income for the year and the distribution of dividends;
- VI. To elect the liquidator, as well as the Audit Committee, which shall operate during the liquidation period;
- VII. To resolve on the exit from the BOVESPA – São Paulo Stock Exchange ("BOVESPA") New Market ("New Market") –; and
- VIII. To choose a specialized institution or company liable for the preparation of an appraisal report of the Company's shares, in the event the registration as a publicly-held corporation is cancelled or in the event of exit from the New Market, as provided for by Chapter V hereof, amongst institution or companies appointed by the Board of Directors.

Sole Paragraph - The chairman of the General Meeting shall observe and comply with the provisions of shareholders agreements at the Company's headquarters, not allowing to counting votes issued contrary to the content of these agreements.

SECTION II
ADMINISTRATION DEPARTMENTS
Sub-Section I
General Provisions

Article 13 - The Company shall be administered by the Board of Directors and by the Board of Executive Officers.

Paragraph 1 - The installation of positions shall occur through terms drawn up in the company's records, signed by the administrator taking office, released from any management guarantee.

Paragraph 2 - The investiture of the members of Board of Directors and of the Board of Executive Officers is contingent to preliminary subscription of the Instrument of Agreement of the Directors, in order to the anticipated in the New Market Listing Regulations;

Paragraph 3 - The administrators shall remain in their positions until the installation of their deputies.

Article 14 - The meeting shall determine a global annual allowance for the distribution amongst administrators and it shall be incumbent upon the Board of Directors to carry out the distribution of allowance on an individual basis, in compliance with these By-Laws.

Article 15 - Any administration department validly meets with the attendance of the majority of its members and resolves on the vote of majority of those present at the meeting.

Sole Paragraph - The previous call of meeting is only exempted as a condition for its validity, if all its members attend the meeting, accepting for this purpose the votes issued by delegation granted to another member or in writing.

Sub-Section II Board of Directors

Article 16 - The Board of Directors shall be composed of, at least, five (5) and, at most, seven (7) members, all shareholders, elected by the General Meeting, for a two-years term, re-election being permitted

Paragraph 1 - At less twenty per cent (20%) of the members of the Board of Directors should be independent councilmember, according to definition at the New Market Listing Regulations.

Paragraph 2 - In the Annual General Meeting, shareholders shall resolve upon the number of Board of Directors' members.

Paragraph 3 - Board of Directors' members shall be invested in their positions by signing declaration drawn up in the company's records. The Board of Directors' members shall remain in their positions and in the performance of their duties until their deputies are elected, unless resolved otherwise by the Shareholders' General Meeting.

Paragraph 4 - The Board of Directors' member shall have a solid reputation, and may not be elected, except for release from the General Meeting, who (i) occupies positions in companies which may be deemed as company's competitors; or (ii) who has or represents conflicting interests with the company; voting shares may not be exercised by the Board of Directors' member if same impediment factors are characterized thereafter.

Paragraph 5 - It is void, under the form of Article 115, paragraph 1 of Law No. 6.404/76, the exercise of voting shares, in the election of Board of Directors' members, under circumstances characterizing conflict of interests with Company.

Paragraph 6 - The Board of Directors' member may not have access to information or participate in the Board of Directors meetings, related to matters which have or represent conflicting interests with the Company.

Paragraph 7 - The Board of Directors, for a better understanding of its attributes, may create committees or work groups with defined purposes being composed of persons designated by it among members of administration and/or persons directly or indirectly related to the Company.

Article 17 - At the election of the Board of Directors' members, the General Meeting shall firstly determine by majority vote the number of Board members to be elected. If multiple vote process is not requested as required by law, the Meeting shall vote through a list of candidates previously registered on the board of elections, which shall ensure to shareholders holding, individually or in block, fifteen per cent (15%) or more of Company's common shares the right to appoint one member, in compliance with the limit of main section of Article 16. The board of elections may not accept the registration of any list breaching the provision of this Article.

Article 18 - The Board of Directors shall have two (2) Co-Chairmen, who shall be elected by majority vote of its members, at the first Board of Directors meeting taking place immediately after the investiture of these members, or whenever resignation or vacancy occurs in these positions.

Paragraph 1 - It shall be incumbent upon the Board of Directors' members, at their first meeting to appoint among their Co-Chairmen who shall chair the Board of Directors' meetings during all management term of office of its members.

Paragraph 2 - In the Board of Directors' resolutions, the casting vote shall not be attributed to any of the Co-chairmen, in the event of tie vote.

Paragraph 3 - In the event of impediment or vacancy in the position of member of the Board of Directors, the Board of Directors shall call a General Meeting to occupy respective position.

Article 19 - The Board of Directors shall meet on an ordinary basis, four times a year, and on an extraordinary basis, whenever called by the Co-Chairman appointed under the terms of Paragraph 1 of the Article 18 or by the majority of its members. The Board meetings may be exceptionally held via conference call, video conference, electronic mail or by any other media.

Paragraph 1 - Calls for meetings shall be made at least seventy-two (72) hours in advance.

Paragraph 2 - All the Board of Directors' resolutions shall be included in Minutes drawn up in the respective Board's book and signed by the Board members attending the meeting.

Paragraph 3 - At the Board of Directors meetings, the vote by means of delegation made in favor of another Board member, a written and anticipated vote and vote issued by fax, electronic mail or any other means of communication are accepted, counting as present those members voting.

Article 20 - It is incumbent upon the Board of Directors, in addition to other attributions required by laws or By-Laws:

I. To perform normative functions of the Company's activities, and may attribute to its examination and resolution any issue not comprised in the private incumbency of the General Meeting or the Board of Executive Officers;

II. To define the Company's business general guidance;

III. To elect and remove from office the Company's Officers;

IV. To attribute to Officers respective duties, including designating the Investor Relations Director, in compliance with provisions hereof;

V. To resolve on the call for a General Meeting, when deemed convenient, or in the case of Article 132 of Corporations Law (Law no. 6404/76);

VI. To inspect Officers management, examining at any time, the Company's books and papers and requesting information about agreements entered into or about to be executed and any other acts;

VII. To assess quarterly results of the Company's operations;

VIII. To choose and remove independent auditors;

IX. To call independent auditors to provide clarifications deemed necessary;

X. To assess the Management Report and the Board of Executive Officers' accounts and resolve on its submission to the General Meeting;

XI. To approve annual and multi-annual budgets, strategic plans, expansion projects and investment programs, as well as to follow-up their execution;

XII. To approve the creation and suspension of subsidiary and the Company's interest in other companies' capital, on a domestic or international basis, as well install branches, agencies, warehouses, offices and any other establishments in the country or oversea;

XIII. To determine the performance of inspections, audit or examination of accounts of the Company's subsidiaries, controlled or affiliated companies, as well as foundations sponsored thereby;

XIV. To previously manifest on any matter to be submitted to the General Meeting;

XV. To authorize the issue of the Company's shares under the limits authorized in Article 6 hereof, by determining issue conditions, including price and payment term for subscribed shares, and may also exclude or reduce the preemptive right in the issue of shares, subscription bonus and convertible debentures, placement of which is made through sale at stock exchange or by means of a public subscription or in a takeover bid, under the terms established by law;

XVI. To resolve on the Company's acquisition of shares issued by itself for the maintenance in treasury and/or further cancellation or disposal;

XVII. To resolve on the issue of subscription bonus, as provided by Paragraph 2 of the Article 6 of these By-Laws;

XVIII. To grant call option or share subscription, according to the Program for the Granting of Call Option or Subscription carried at General Meeting, to its administrators and employees, as well as to administrators and employees of other companies directly or indirectly controlled by the Company, without preemptive right for the shareholders, complying the balance of authorized, at the moment of granting or exercise of call option, capital limit at the date of granting of referred call option or subscriptions to shares.

XIX. To establish the amount of profit sharing related to Company's officers, managers and employees;

XX. To resolve on the issue of simple debentures, not convertible into shares and non-secured guarantee;

XXI. To authorize the Company to render guarantees to third parties' liabilities;

XXII. To establish area of the Board of Executive Officers' authority in the disposal or encumbrance of permanent assets and in cases defined by thereby, it may require a prior authorization from the Board of Directors as a condition of validity of action;

XXIII. To determine area of the Board of Executive Officers' authority in the acquisition of permanent assets and other financial commitments related to projects in which the Company intends to invest. In cases defined thereby, it may require a prior authorization from the Board of Directors as a condition of validity of action;

XXIV. To establish area of the Board of Executive Officers' authority to contract any funding and the issue of any credit instruments, such as bonds, notes, commercial papers, and others, commonly used in the market, also resolving on their conditions of issue and redemption, and in cases defined thereby, it may require a prior authorization from the Board of Directors as a condition of validity of action;

XXV. To define a three-name list of institution or companies specialized in companies' economic valuation in order to prepare an appraisal report of the Company's shares, in the event the registration of publicly-held corporation is cancelled or in the event of exit from the New Market;

XXVI. To approve the contracting of a depository institution, rendering book-entry shares services; and

XXVII. To provide, in compliance with rules of these By-Laws and legislation in force, the order of its works and adopt or enact ruling standards for its operation.

Sub-Section III Board of Executive Officers

Article 21 - The Board of Executive Officers, members of which shall be elected and removed from office at any time by the Board of Directors, shall be composed of one Chief Executive Officer, one Trade Officer, one Legal Officer, one Financial Officer with a 3-year term of office, re-election being permitted.

Paragraph 1 - The election of the Board of Executive Officers shall preferably occur on the same date the Annual General Meeting is held and the investiture of those elected may coincide with the expiration of their predecessors' term of office.

Paragraph 2 - In the event of impediment or temporary absence, the Chief Executive Officer shall be replaced by the Finance Officer, who in case of vacancy shall cumulatively assume the Presidency until the first meeting following the Board of Directors meeting, which shall designate a deputy for the rest of term of office.

Paragraph 3 - Other Officers shall be replaced in cases of absence or temporary impediment by another Officer chosen by the Board of Executive Officers. This in

case of vacancy shall provide a provisional deputy until the Board of Directors elects its definitive deputy for the rest of term of office.

Article 22 - The Board of Executive Officers shall have all powers to practice acts necessary to execute the company's purpose, no matter how special they are, including to dispose and encumber permanent assets, waive rights, compromise and agree, in compliance with related legal or statutory provisions, as well as resolutions adopted by the General Meeting and by the Board of Directors. It is incumbent thereupon to manage the Company's business, especially:

I. To comply with and make these By-Laws and resolutions of the Board of Directors and Shareholders' General Meeting observed;

II. To prepare and submit to the Board of Directors, every year, the Company's strategic plan, the annual review and general budget to the Board of Directors, being responsible for the respective executions;

III. To resolve the creation, transfer and discontinuance of branches, agencies, warehouses, offices and any other Company's establishments in the country;

IV. To decide, until the limit of authority established by the Board of Directors, on the acquisition, disposal and/or encumbrance of permanent assets and financial commitments connected to projects in which the Company intends to invest;

V. To submit on an annual basis to the appreciation of the Board of Directors, the Management Report and the Board of Executive Officers' accounts, accompanied by the independent auditors' report, as well as proposal for application of profits earned in the previous year; and

VI. To submit on a quarterly basis to the Board of Directors, the economic-financial trial balance and a detailed trial balance sheet of the Company and its controlled companies.

Article 23 - It is incumbent upon the Chief Executive Officer in addition to coordinate the Officers' actions and direct the execution of activities related to the Company's general planning:

I. To call and preside the Board of Executive Officers' meetings;

II. To maintain the Board of Directors' members informed about the Company's activities as well as the progress of its operations;

III. To propose to the Board of Directors, without initiative exclusivity, the duties attribution to the Officers; and

IV. To perform other attributions conferred to him by the Board of Directors.

Article 24 - In addition to performing the activities attributed to them by the Board of Directors, the Executive Officers shall:

Paragraph 1 - The Chief Financial Officer shall:

- (a) plan, implement and coordinate the Company's financial policy, in addition to organizing, preparing and controlling the Company's budget;
- (b) prepare the financial statements, manage the Company's accounting and treasury departments to comply with the legal determinations in effect;
- (c) guide the Company when making decisions that involve financial risks;
- (d) prepare financial reports and provide information referring to his/her area to the Companies' agencies; and
- (e) plan and execute management policies in his/her area.

Paragraph 2 – The Chief Commercial Officer shall:

- (a) plan, define and manage commercial strategies;
- (b) establish and manage sales structures and commercial relationship policies;
- (c) guide the Company when making decisions that involve commercial risks;
- (d) prepare commercial reports and provide information referring to his/her area to the Company's agencies; and
- (e) plan and execute management policies in his/her area.

Paragraph 3 – The Legal Officer shall:

- (a) organize, control, coordinate and supervise the Company's legal matters and activities, in their technical, operating and strategic aspects;
- (b) advise the Company when making decisions that involve legal risks and implementing these decisions to comply with legal determinations in effect;
- (c) hire and supervise legal services provided by outsourced professionals;
- (d) prepare legal reports and provide information on his/her area to the Company's agencies; and
- (e) plan and execute management policies in his/her area.

Article 25 - As a rule and except for the cases purposes of subsequent paragraphs, the Company is bound whenever represented by two (2) Board of Executive Officers' members or by one (1) Board of Executive Officers' member and one (1) attorney-in-fact, or two (2) attorneys-in-fact, under the limit of the respective powers of attorney.

Paragraph 1 - The actions for which these present By-Laws require the Board of Directors' prior authorization may only be practiced once met said condition.

Paragraph 2 - The Company may be represented by only one (1) Officer or one (1) attorney-in-fact in the following events:

(a) when the act to be practiced imposes a single representation, the company shall be represented by any Officer or attorney-in-fact holding special powers; and

(b) when receiving and settling amounts due to the Company, issuing and negotiating, including to endorse and discount bills related to its sales, as well as in the event of correspondence which does not create obligations for the Company and the practice of acts of simple administrative routine, including those practiced with public agencies, mixed corporations, the Federal Revenue Service, State Treasuries, Local Treasuries, Boards of Trade, Labor Court, INSS (Brazilian Social Security Institute), FGTS (Government Severance Indemnity Fund for Employees) and collection banks and others of identical nature and the Brazilian Agency for Health Surveillance.

Paragraph 3 - The Board of Directors may authorize the practice of other acts binding the Company by only one of the Board of Executive Officers' members or one attorney-in-fact, or also by the adoption of incumbency limitation criteria, to restrict in certain cases, the Company's representation to only one Officer or one attorney-in-fact.

Paragraph 4 - In the constitution of the attorneys-in-fact, the following rules shall be observed:

(a) all powers of attorney shall be granted jointly by any two (2) Officers;

(b) when the purpose of the power of attorney is the practice of acts depending on the Board of Directors' prior authorization, its granting shall be expressly subjected to obtaining the referred authorization, which shall be mentioned in its wording.

Paragraph 5 - The acts practiced in non-compliance with the provisions of this Article shall neither be valid nor bind the Company.

SECTION III AUDIT COMMITTEE

Article 26 - The Company's Audit Committee having attributions set forth by law shall be composed of three (3) members and equal number of deputies.

Paragraph 1 - The Audit Committee shall not operate on a permanent basis and shall only be installed by means of shareholders' call, pursuant to legal provisions.

Paragraph 2 - The in-company regulation applicable to the Audit Committee shall be set forth by the Shareholders' General Meeting requesting its installation.

Paragraph 3 - The investiture of the members of the Board of Auditors is conditioned to the Preliminary subscription of the instrument of agreement of the members of Board of Auditors, as anticipated at New Market Listing Regulations.

CHAPTER IV PROFITS ALLOCATION

Article 27 – The fiscal year shall commence on January 1 and shall end on December 31 of each year.

Paragraph 1 – At the end of each fiscal year, the Board of Executive Officers shall prepare the following financial statements, in compliance with the relevant legal precepts:

- (a) balance sheet;
- (b) income statement for the year;
- (c) statement of changes in the net worth position;
- (d) statement of cash flows;
- (e) statement of value added; and
- (f) notes to the financial statements.

Paragraph 2 - Together with financial statements for the year, the Board of Directors shall submit to the Annual General Meeting a proposal about the destination to be given to the net income, in compliance with provisions of these By-Laws and Law.

Article 28 - The shareholders shall be entitled to receive in each year as a dividend a minimum mandatory percentage of thirty per cent (30%) over the net income, with the following adjustments:

I. the addition of amounts resulting from the reversal in the year of reserves for contingencies previously formed;

II. the decrease of amounts destined in the year for the constitution of legal reserve and reserves for contingencies.

III. whenever the amount of minimum mandatory dividend exceeds the portion realized of net income for the year, the administration may propose and the General Meeting may approve, to destine the remaining to the constitution of realizable profit reserve (Article 197 of Law No. 6.404/76, with wording given by the Law No. 10.303/01).

Paragraph 1 - The Meeting may attribute to the Administrators a sharing in the profits, in compliance with relevant legal limits. The attribution to shareholders of mandatory dividend to which this Article refers is a condition for the payment of this profit sharing. Whenever a half-year balance sheet is drawn up, and based thereon, interim dividends are paid in an amount, at least equal to thirty per cent (30%) over the net income for the year, calculated under the terms of this Article. By resolution of the Board of Directors, a share in the half-year period profit may be paid to the Administrators, subject to approval of the General Meeting.

Paragraph 2 - The Meeting may resolve at any moment to distribute dividends on account of pre-existing profit reserves or retained earnings of previous years then maintained by force of meeting decision, after attributing to the shareholders in each year the mandatory dividend to which this Article refers.

Paragraph 3 - The Company may draw up interim or semiannual balance sheets. The Board of Directors may resolve on the distribution of dividends at debit on the account of profits earned in those balance sheets. The Board of Directors may also declare interim dividends at debit on the retained earnings account or profit reserves existing in those balance sheets or in the last annual balance sheet.

Paragraph 4 - Dividends not claimed within three years become time-barred in favor of the Company.

Paragraph 5 - The Board of Directors may pay or credit interest on equity capital, subject to approval of the Annual General Meeting, examining financial statements related to the fiscal year in which this interest was paid or credited.

Article 29 - The General Meeting may resolve on the capitalization of reserves set forth in interim or semi-annual balance sheets.

**CHAPTER V
SALE OF SHARE CONTROL,
CANCELLATION OF PUBLICLY-HELD CORPORATION'S REGISTRATION AND
EXIT FROM THE NEW MARKET**

Article 30 - The sale of Company's share control both by means of a single operation and by means of successive operations shall be contracted under a condition, whether precedent or dissolving, that the purchaser of control shall undertake, to carry out a tender offer of other shareholders, in compliance with the terms and conditions anticipated in the prevailing legislation and at the New Market Listing Regulations, in such manner to ensure them a treatment equal to the seller.

Article 31 - The public offering referred to in the previous Article shall also be carried out:

I. in cases in which there is an onerous granting of share subscription rights and other credit instruments or rights related to securities convertible into shares, which may result in the sale of Company's control; and

II. in the event of sale of control of the Company that have the control power of the Company, and, at this case the controlling shareholder seller shall be obliged to declare to BOVESPA (São Paulo Stock Exchange) the amount attributed to the Company in the referred sale and attach the documentation evidencing this value.

Article 32 - The shareholder already holding Company's shares and to purchase the share control power, in view of a private instrument for the purchase of shares entered into with the controlling shareholder, involving any quantity of shares shall undertake to:

I. carry out the public offering referred to in the Article 30 hereof; and

II. indemnify the shareholders from whom Company's shares were purchased at the stock exchange within six (6) months prior to the date of transfer of shares representing the Company's control, and shall pay them possible difference between the price paid to controlling shareholder seller for the shares representing control and amount paid at the stock exchange for the Company's shares in the same period, duly updated until the payment of shares by IPCA (Amplified Consumer Price Index), calculated by the Brazilian Institute of Geography and Statistic.

Article 33 - Any Purchasing Shareholder (as defined in the paragraph 10 below), purchasing or becoming holder of the Company's shares, in quantity equal or in excess of twenty-five per cent (25%) of total of shares issued by the Company, within no later than sixty (60) days as of the acquisition date or event which resulted in the ownership of shares in quantity equal or in excess of twenty-five per cent (25%) of total of shares

issued by the Company, shall carry out or request the registration, and depending on the case, a tender offer for the total shares issued by the Company ("tender offer"), in compliance with the provisions of CVM's (Brazilian Securities Commission) regulation applicable, BOVESPA's (São Paulo Stock Exchange) regulations and the terms of this Article.

Paragraph 1 - The "tender offer" shall be (i) indistinctly addressed to all Company's shareholders; (ii) effective in auction to be carried out at the BOVESPA (São Paulo Stock Exchange), (iii) launched by the price determined according to the provisions in the paragraph 2 below, and (iv) paid in cash in local currency against the acquisition in the "tender offer" of shares issued by the Company.

Paragraph 2 - The acquisition price in the "tender offer" of each share issued by the Company may not be less than the result obtained with the application of the following formula:

$$\text{"tender offer" price} = \text{Share Value}$$

Where:

'tender offer price' corresponds to the acquisition price of each share issued by the Company in the "tender offer" provided for by this Article.

The 'Share Value' corresponds to the largest amount between: (i) the largest unit quotation reached by the shares issued by the Company during a twelve (12)-month period prior to the "tender offer" performance at any stock exchange where the Company's shares were traded, (ii) the highest unit price paid by the Purchasing Shareholder, at any time, for one share or lot of shares issued by the Company; and (iii) the amount equivalent to twelve (12) times the Company's Average Consolidated EBITDA (as defined in the Paragraph 10 below) deducted from the Company's net consolidated indebtedness, divided by the total number of shares issued by the Company.

Paragraph 3 - The "tender offer" performance mentioned in the main section of this Article shall not exclude the possibility of another Company's shareholder, or if this is the case, the own Company, to prepare a competing "tender offer", under the terms of regulation applicable.

Paragraph 4 - The performance of the "tender offer" mentioned in the main section of this article may be waived upon favorable vote of the shareholders representing the majority of the capital stock at the Company's Extraordinary General Meeting especially called to decide on the "tender offer".

Paragraph 5 - The Purchasing Shareholder shall be obliged to answer possible requests or requirements from the CVM (Brazilian Securities Commission) related to the "tender offer", within the maximum terms determined by the applicable regulation.

Paragraph 6 - In the event the Purchasing Shareholder does not comply with the obligations imposed by this Article, including referring to the compliance with the maximum terms (i) for the performance or application for the "tender offer" registration, or (ii) for the compliance with possible requests or requirements from the CVM, the Company's Board of Directors shall call an Extraordinary General Meeting, where the Purchasing Shareholder may not vote to resolve on the suspension of performance of rights of the Purchasing Shareholder who failed to comply with any obligation imposed by this Article, as provided by the Article 120 of Law No. 6.404, dated December 15, 1976.

Paragraph 7 - Any Purchasing Shareholder (as defined in the Paragraph 10 below), who acquires or becomes holder of other rights, including usufruct or trust over shares issued by the Company in quantity equal or in excess of twenty-five per cent (25%) of the total of shares issued by the Company shall be equally obliged to, within no later than sixty (60) days as of the date of said acquisition or event which resulted in the ownership of said rights over shares in quantity equal or in excess of twenty-five per cent (25%) of total of shares issued by the Company, carry out or request the registration, depending on the case of a "tender offer", under the terms outlined in this Article 33.

Paragraph 8 - The obligations included in the Article 254-A of Law No. 6.404/76 and Articles 30, 31 and 32 of these By-Laws do not exclude the Purchasing Shareholder's compliance with the obligations included in this Article.

Paragraph 9 - The provision of this Article 33 shall not apply in the event of a person becoming holder of shares issued by the Company in quantity in excess of twenty-five per cent (25%) of the total of shares issued thereby as a result of (i) the incorporation of another corporation by the Company, (ii) the incorporation of another corporation's shares by the Company, or (iii) the subscription of the Company's shares made in a single maiden issue, approved by the Shareholders' General Meeting of the Company, called by its Board of Directors. A capital increase proposal shall determine the fixation of share issue prices based on the economic value obtained from a Company's economic-financial appraisal report prepared by a specialized institution or company with proven experience in the valuation of publicly-held corporations.

Paragraph 10 - For the purposes of calculating the twenty-five per cent (25%) percentage of the total of shares issued by the Company outlined in the main section of this Article, the involuntary additions of equity interest resulting from the cancellation of treasury stocks or from the reduction in the Company's capital stock due to the cancellation of shares shall not be calculated.

Paragraph 11 - For the purposes of these By-Laws, the terms below with initials in capital letters shall have the following meaning:

'Purchasing Shareholder' means any person (including but not limited to any individual or legal entity, investment fund, condominium, securities portfolio, worldwide rights or any other form of organization, resident, domiciled or headquartered in Brazil or overseas), or group of persons bound by a voting agreement with the Purchasing Shareholder and/or representing the same interest of the Purchasing Shareholding to subscribe and/or purchase the Company's shares. Amongst examples of a person representing the same interest of the Purchasing Shareholder we include any person (i) directly or indirectly controlled or administered by said Purchasing Shareholder, (ii) controlling or administering, under any form, the Purchasing Shareholder, (iii) directly or indirectly controlled or administered by any person who controls or administers, whether directly or indirectly said Purchasing Shareholder, (iv) in which the controller of said Purchasing Shareholder has directly or indirectly purchased an equity interest equal or in excess of 30% of the capital stock, (v) in which said Purchasing Shareholder has directly or indirectly purchased an equity interest equal or in excess of 30% of the capital stock, or (vi) who directly or indirectly holds an equity interest equal or in excess of 30% of the Purchasing Shareholder's capital stock.

The 'Company's Average Consolidated EBITDA' is the arithmetic average of the Company's Consolidated EBITDAs related to the two (2) fiscal years ended recently.

The 'Company's Consolidated EBITDA' is the Company's consolidated operating income before the net financial expenses, income tax and social contribution, depreciation, depletion and amortization, as obtained based on the consolidated and audited financial statements related to the end of more recent fiscal year and made available to the market by the Company.

Paragraph 12 - In the event the CVM's regulation applicable to the "tender offer" provided for in this Article determines the adoption of a criterion to calculate the fixation of acquisition price of each Company's share in "tender offer" resulting in an acquisition price higher than that determined under the terms of the paragraph 2 above, that acquisition price calculated under the terms of CVM's regulation shall prevail in the effectiveness of the "tender offer" provided for in this Article.

Article 34 - Any Purchasing Shareholder having subscribed and/or purchased shares issued by the Company, in quantity equal or in excess of thirty per cent (30%) of the total number of shares outstanding (as defined in the paragraph 2 below) of the Company and intending to carry out a new acquisition of shares issued by the Company at the Stock Exchange shall be obliged, previously to each new acquisition, communicate in written to the Company and to the officer of the trading session of the BOVESPA (São Paulo Stock Exchange), through brokerage company through which intends to purchase the shares, its intention of acquiring other shares issued by the Company, at least, three (3) business days in advance to the date foreseen for the performance of new share acquisition, in such manner that the Officer may previously call an auction to purchase to be carried out in BOVESPA trading session and where intervening third parties and/or possibly the own company may participate, always in compliance with the terms of legislation in force, the applicable CVM's regulation and BOVESPA's regulations.

Paragraph 1 - In the event the Purchasing Shareholder does not comply with the obligations imposed by this Article, the Company's Board of Directors shall call an

Extraordinary General Meeting, in which the Purchasing Shareholder may not vote to resolve on the suspension of exercise of the rights of Purchasing Shareholder who did not comply with the obligation imposed by this Article, as provided for in the Article 120 of Law No. 6.404, dated December 15, 1976.

Paragraph 2 - For the purposes of this Article, the following terms with initials in capital letters shall have the following meaning: "Shares Outstanding" means all shares issued by the Company except for those (i) directly or indirectly owned by the Controlling Shareholder and/or persons bound thereto; (ii) in the Company's treasury; (iii) held by a corporation controlled by the Company; and (iv) directly or indirectly held by the Company's administrators. "Controlling Shareholder" has the meaning attributed thereto in the Article 116 of Law No. 6.404, dated December 15, 1976.

Article 35 - In the tender offer to be carried out by the controlling shareholder or by the Company for the cancellation of registration of the Company's publicly-held corporation, the minimum price to be offered shall correspond to the economic value verified in an appraisal report.

Article 36 - In the event the shareholders in an Extraordinary General Meeting resolve on the Company's exit from the New Market, for the Company's shares being registered for negotiation out of the New Market or because the Corporate Reorganization operation, where the Company's shares resulting of the reorganization don't be accepted for trading at New Market, the shareholders or group of shareholders, that have the controlling power of the Company will have to carry out takeover bid, that the low price to be offered should correspond to the economic value found in valuation report.

Article 37 - The appraisal report mentioned in the Articles 35 and 36 of these By-Laws shall be prepared by a specialized institution or company, having proven experience and independent about the power of decisions from the Company, its administrators and controllers. This report shall also observe requirements of the Paragraph 1 of Article 8 of Law No. 6.404/76 and contain the responsibility provided for in the Paragraph 6 of same Article of Law No 6.404/76.

Paragraph 1 - The choice of a specialized institution or company responsible for the determination of the Company's economic value is privative incumbent upon the General Meeting, from the moment the Board of Directors submits a three-name list, and the respective resolution, without effect the blank votes, shall be taken by majority vote of shares outstanding, presents at that meeting, that if installed at first call should have the presence of at less shareholders representing twenty per cent (20%) of total shares outstanding, or that, if installed at second call, may have the presence of any number of shareholders representing the shares outstanding.

Paragraph 2 - The costs to prepare the appraisal report shall be fully borne by the offering.

Article 38 - The Company will not register any transfer of shares for the buyer of controlling power, or for that who came to have the controlling power, while this one don't subscribe the Instrument of Agreement of the Controllers, like anticipated at the New Market Listing Regulations. The Company will not register to the shareholders' agreement that say about the exercise of Controlling Power while the signatories don't subscribe the instrument of agreement of the controllers.

Article 39 - Contingency not covered by law herein shall be resolved by the General Meeting and governed according to the precepts of Law No. 6.404, dated December 15, 1976.

CHAPTER VI ARBITRATION COURT

Article 40 - The Company, its shareholders, directors, and the members of the Board of Auditors are compelled to solve, by arbitration, all and any dispute or disagreement that may appear among them, related or deriving, in special, of application, validity, effectiveness, interpretation, violation, and its effects, of the dispositions at the Law No. 6.404/76, at the Company's By-law, at the rules edited by the National Monetary Advice, by the Brazilian Central Bank and by the Securities Commission, as well at other rules applicable to the working of the capital market in general, beyond of those constant of the New Market Listing Regulations, of the New Market Participation Agreement and the rules of arbitration of the Market Chamber of Arbitration.

CHAPTER VII COMPANY'S LIQUIDATION

Article 41 - The Company shall go into liquidation in cases determined by Law, and it is incumbent upon the General Meeting to elect the liquidator or liquidators, as well as the Audit Committee, which shall operate during this period, in compliance with legal formalities.

CHAPTER VIII FINAL AND TEMPORARY PROVISIONS

Article 42 - The Company shall comply with the shareholders' agreements filed at its headquarters, being expressly void to the members of the presiding board of the General Meeting or Board of Directors to accept declaration of vote from any shareholder, undersigned of the shareholders' agreement duly filed at the headquarters, rendered in disagreement with what was covenanted in said agreement and it shall also be expressly void to the Company to accept and carry out the transfer of shares and/or encumbrance and/or assignment of preemptive right to the shares subscription and/or other securities not complying with provision and regulations of the shareholders' agreement.

Article 43 - It is void to the Company to grant financing or guarantees of any kind to third parties, under any mode for business unfamiliar to the corporate interests.

Sole Paragraph - It's prohibited to the Company to award funding or guarantee of any case, under any modality, for the controller shareholders.

Article 44 - The provisions of Article 33 of these By-Laws shall not apply to the current shareholders already holding fifteen per cent (15%) or more of the total of shares issued by the Company and its successors, including and especially to the Company's controlling shareholders, undersigned of the Shareholders' Agreement dated April 26, 2004 and filed at the Company's headquarters, under the terms of the Article 118 of Law No. 6.404, dated December 15, 1976, exclusively applying to those investors purchasing shares and becoming Company's shareholders after obtaining publicly-held corporation registration

with the CVM and the start of Company's shares trading at the BOVESPA. We certify that these By-Laws were consolidated in the Minutes of the Extraordinary General Meeting as of 04.26.2004.

Roberto Pedote

Chief Financial Officer and Chief Investor Relations Officer