São Paulo, October 20, 2010 – Natura Cosméticos S.A. (BM&FBovespa: NATU3) announces today its results for the third quarter of 2010 (3Q10). Except as otherwise indicated, the financial and operating information in this release is presented on a **consolidated basis**, in accordance with International Financial Reporting Standards (IFRS).

1. FINANCIAL PERFORMANCE

Natura posted excellent results in the third quarter, maintaining the pace of growth recorded in recent fiscal years. Consolidated net revenue increased 21.5% year on year to R$1,281.2 million, while EBITDA moved up by 18.0% to R$323.5 million, with a 25.3% margin. Earnings before income taxes increased 24.1%, while net income moved up by 0.8%, due to higher rates for taxed on income in 2010[1]

In the first nine months of the year, consolidated net revenue totaled R$3,579.2 million, 22.5% up year on year. EBITDA grew by 26.0% to R$898.8 million with a margin of 25.1%. Net income grew by 5.6% year on year to R$524.7 million in 9M10.

The innovation index[2] remained high and in line with our expectations, reaching 67.0%, versus 66.8% at the end of 9M09. Once again, in this third quarter we had successful product launches:

(i) New Amó line - Natura's largest fragrance launch of 2010 - which offers products inspired by Brazilian expressions of love that are invitations to inspire, nurture, spice and celebrate romantic relationships to put love in motion.

(ii) The second edition of Açaí products – part of the EKOS line – which in 2010 features body lotion, hand cream and liquid soap.

(iii) At the end of the quarter, we launched a new premium makeup line, UNA, that presents a new concept unifying sophistication, high performance and sustainability. The premium product portfolio offers innovative textures, anti-aging technology and renewable Brazilian plant-based active ingredients in sophisticated packaging.

[1] The effective income tax and social contribution rate in 2009 reflected the amortization of goodwill related to the corporate restructuring carried out in 2004, concluded in 2009.
[2] Percentage of new products in the company's revenues in the last 24 months.

In the third quarter, we launched 23 new products, which, together with the 52 products launched in the first half, total 75[3] products launched in 2010.

Our sales channel continues to grow vigorously. At the close of the quarter, our consolidated consultant base was up by 18.4% to 1,170.2 thousand. In Brazil, we reached 984,300 consultants, a 17.3% year-on-year increase. In this quarter, we can compare for the first time the fully operational Natura Super Consultant (CNO) model implemented in 3Q09. The number of consultants in international operations increased 24.6% to 185,800.

In Brazil, net revenue grew by 21.0% to R$1,184.2 million in the quarter and by 22.6% to R$3,317.4 million in 9M10. The quarterly EBITDA margin was 29.4% versus 29.3% in 3Q09 and 28.9% in 9M10, versus 28.5% a year earlier.

The new logistics model, as previously announced, is still under development and aims to improve service to our consultants and optimize costs and working capital, while also reducing environmental impacts. As planned, we opened two new distribution centers (DCs): one in Uberlândia, Minas Gerais State, and another in Castanhal, Pará State, which have been operational since the beginning of October.

Additional investments in the marketing mix since the beginning of the Action Plan in 2008 total R$350.5 million, financed by the R$404.9 million productivity gains in the same period.

Our international operations continue growing. Revenue in weighted local currency grew by 32.8% in the quarter and 39.6% in 9M10 year on year. EBITDA[4] represented a loss of R$24.4 million in 3Q10 and R$59.7 million in 9M10 due to the investments that are being made in the expansion of these operations.

Operations in consolidation (Argentina, Chile and Peru) posted revenue in weighted local currency that were up by 24.3% and 30.4% year on year in 3Q10 and 9M10, respectively. Third quarter revenues in weighted local currency of operations in implementation (Mexico and Colombia) grew by 55.7% in 3Q10 and 73.7% in 9M10 compared to same periods the year before.

[3] Does not include the UNA line
[4] Pro-forma EBITDA

As per our strategy, we continue to move toward more local operations in Latin America. According to our plan, in the fourth quarter we will begin outsourced local production in Argentina and will expand this model to other countries in 2011. We also announced that we have completed contracting of local leadership by hiring the general manager of international operations, who joined our office in Buenos Aires, Argentina at the beginning of October. These initiatives, together with our new commercial model that is under development for the region, leave us confident that we will continue expanding and consolidating our international operations, maintaining our value proposition of delivering financial, social and environmental results.

At the close of September, debt remains low. Loans and financing totaled R$702.3 million, with two thirds of this amount maturing in the long term. Net debt at the end of the period totaled R$327.6 million, which corresponds to 0.3x LTM EBITDA.

We also highlight the expressive 98.3% year-on-year increase in cash flow in the period to R$514.2 million as a result of improved working capital management and significant improvements in the resolution of pending tax credits.

We were pleased to be recognized for the sixth time as the "Most Admired Company in Brazil in 2010" by *Carta Capital* magazine in partnership with InterScience.

2. SOCIAL AND ENVIRONMENTAL PERFORMANCE

In this quarter, we launched a new line of refills for Todo Dia brand products that reduce greenhouse gas emissions by 77% compared to the previous refill and contain 83% less plastic than regular packaging. This is one of the strategies that, in addition to the green plastic packaging of the Erva Doce line, helps reduce our environmental impact.

We reduced our water consumption per billed unit by 8.4% compared to 2009. However, we are still below our 2010 target of 10%. This divergence is chiefly due to increased water consumption by outsourced producers and isolated internal losses that have already been identified and resolved.

We have raised R$8.2 million in our Crer para Ver (Believing is Seeing) Program in Brazil, exceeding our annual goal and demonstrating the ability of our sales team to mobilize people in favor of education.

Indicator	2009 Commitment	2009 Results	2010 Commitment	9M10 Results
Greenhouse gases	Reduce greenhouse gas emissions by 33% by 2011, considering the inventory we conducted in 2006.	-5.2% (over 2008)	Reduce gas emissions by 2.7% (over 2009)	3.7% reduction (mediation 1st half 2010)
Water consumption	None	0.527 liter/unit billed	Reduce water consumption per unit billed by 10%.	0.504 liter/unit billed (8,4 reduction)
Collections CPV	Collect R$ 3.744 million from the sales of products	R$ 3.768 million	Collect R$ 6 million from the sales Crer Para Ver line.	R$ 8.22 million

3. THE COSMETICS, FRAGRANCES AND PERSONAL CARE INDUSTRY IN BRAZIL

The Brazilian Association for the Cosmetics, Toiletry and Fragrance Industry (ABIHPEC) has not disclosed official market data for the 2nd and 3rd bimesters of 2010 due to the lack of information from some members, which makes it impossible for us to disclose current market share data. However, with the 22.6% increase in revenues in 9M10, we believe that our market share will prove to have expanded consistently in the period.

4. CONSOLIDATED RESULTS

> Consolidated Financial Summary (R$ million)

	3Q10	3Q09	Change %	9M10	9M09	Change %
Total Consultants - end of period* (in thousands)	1.170,1	988,1	18,4	1.170,1	988,1	18,4
Units sold – items for resale (in million)	104,9	99,9	4,9	297,7	262,3	13,5
Gross Revenues	1.731,0	1.450,7	19,3	4.848,7	4.003,3	21,1
Net Revenues	1.281,2	1.054,9	21,5	3.579,2	2.922,8	22,5
Gross Profit	916,8	740,8	23,8	2.503,0	2.045,3	22,4
Gross Margin (%)	*71,6%*	*70,2%*	*1,3 pp*	*69,9%*	*70,0%*	*0,0 pp*
Sales Expenses	(441,0)	(368,7)	19,6	(1.203,6)	(1.042,3)	15,5
General and Administrative Expenses	(164,3)	(120,6)	36,2	(441,6)	(352,4)	25,3
Management compensation	(3,4)	(3,2)	4,4	(10,2)	(10,8)	-5,1
Other Operating Income / (Expenses), net	(1,0)	4,8	(120,0)	(14,1)	5,4	-360,6
Financial Income / (Expenses), net	(15,5)	(18,0)	-14,1	(34,9)	(30,8)	13,1
Earnings Before Taxes	291,7	235,0	24,1	798,7	614,4	30,0
Net Income (Losses)	191,7	190,1	0,8	524,7	497,1	5,6
Net Margin (%)	*15,0%*	*18,0%*	*-3,1 pp*	*14,7%*	*17,0%*	*-2,3 pp*
EBITDA**	323,5	274,2	18,0	898,8	713,3	26,0
EBITDA Margin (%)	*25,3%*	*26,0%*	*-0,7 pp*	*25,1%*	*24,4%*	*0,7 pp*

(*) Positon at the end of the 13th sales cycle

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

Consolidated net revenue totaled R$1,281.2 million in 3Q10, up by 21.5% on 3Q09, and R$3,579.2 million in 9M10, up by22.5% on 9M09. In Brazil, net revenue grew by 21.0% to R$1,184.2 million in 3Q10 and by 22.6% to R$3,317.4 million in 9M10 versus the same periods the year before.

Net revenue from international operations totaled R$97.0 million in 3Q10, up by 26.8% in Brazilian currency and 32.8% in weighted local currency year on year. In 9M10, net revenue totaled R$261.8 million, increasing 21.2% and 39.6% in Brazilian currency and weighted local currency, respectively. International operations accounted for 7.6% of consolidated net revenue in the quarter, versus 7.3% in 3Q09. In 9M10, this figure was 7.3%.

Our consultant base continues to grow vigorously and was up by 18.4% at the close of September of 2010. In Brazil, our consultant base grew a substantial 17.3% to 984.3 thousand at the close of the quarter, while the total number of consultants in international operations was up by 24.6% to 185.8 thousand at the end of September.

Cost of Goods Sold (COGS) decreased from 29.8% of consolidated net revenue in 3Q09 to 28.4% in 3Q10, representing an increase of 140 basis points in gross profit, impacted by the positive performance of input costs and a more efficient promotional strategy. In 9M10, COGS remained practically stable at 30.1%.

The table below presents the main components of COGS:

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

	3Q10	3Q09	9M10	9M09
RM/PM*	23,2	24,0	24,7	24,1
Labor	2,3	2,3	2,4	2,4
Depreciation	0,9	1,0	1,0	1,1
Others	2,0	2,5	2,0	2,4
Total	**28,4**	**29,8**	**30,1**	**30,0**

(*) Raw material and packaging material

Sales expenses fell by 60 basis points in the quarter from 35.0% of net revenue in 3Q09 to 34.4%. Marketing expenditures increased once again, but were offset by greater logistics efficiency and dilution of sales team costs. In 9M10, selling expenses fell by 210 basis points from 35.7% in 9M09 to 33.6%. It is worth noting that investments in marketing remain hefty, with an emphasis on supporting new product launches, as well as training and events for the sales team, as discussed in the analysis of the previous half.

General and administrative expenses increased from 11.4% of net revenue in 3Q09 to 12.8% in 3Q10 due to expenses with projects and increased investments in innovation, as well as the adaptation of our personnel structure. In 9M10, these expenses increased from 12.0% to 12.4% of net revenue.

Earnings before income tax and social contribution stood at R$291.7 million in 3Q10, increasing 24.1% year-on-year. The **consolidated net income** of R$191.7 million in the quarter was up by 0.8% from the R$190.1 million recorded in 3Q09. In 9M10, consolidated net income reached R$524.7 million, growing 5.6% over 9M09. In 2009, effective income tax and social contribution rates were lower due to the accelerated goodwill amortization in the period, a benefit that expired in that year. This year, the effective applicable tax rate is 34.3%.

Consolidated EBITDA was R$323.5 million in 3Q10, 18.0% up on the R$274.2 million recorded in 3Q09, while the EBITDA margin dipped from 26.0% in 3Q09 to 25.3% in 3Q10. In 9M10, EBITDA reached R$898.8 million, 26.0% up year on year, while the EBITDA margin grew from 24.4% to 25.1% in the period.

> EBITDA (R$ million)

	3Q10	3Q09	Change %	9M10	9M09	Change %
Net Revenues	1.281,2	1.054,9	21,5	3.579,2	2.922,8	22,5
(-) Cost of Sales and Expenses	974,0	801,8	21,5	2.745,7	2.277,6	20,6
EBIT	**307,2**	**253,1**	**21,4**	**833,5**	**645,3**	**29,2**
(+) Depreciation/Amortization	16,3	21,1	-22,9	65,3	68,0	-3,9
EBITDA	**323,5**	**274,2**	**18,0**	**898,8**	**713,3**	**26,0**

> EBITDA *pro-forma* by areas of operation (R$ million)

	3Q10	3Q09	Change %	9M10	9M09	Change %
Brazil	347,9	287,1	21,2	958,6	770,3	24,4
Argentina, Chile and Peru	2,8	4,5	(37,6)	4,6	9,7	(52,2)
Mexico and Colombia	(11,8)	(6,8)	72,5	(24,6)	(32,3)	(23,7)
France and USA	(15,4)	(10,6)	45,5	(39,8)	(34,5)	15,2
Total	**323,5**	**274,2**	**18,0**	**898,8**	**713,3**	**26,0**

> PRO-FORMA CASH FLOW

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

	9M10	9M09	Var %
Net income	**524,7**	**497,1**	**5,6**
(+) Depreciation and amortization	65,3	68,0	(3,9)
Internal cash generation	**590,1**	**565,1**	**4,4**
Cashflow (Increase) / Decrease	58,0	(187,3)	(130,9)
(+) Non-cash	5,0	(41,6)	(112,0)
Operating cash generation	**653,0**	**336,2**	**94,3**
Capex	(138,8)	(76,8)	80,7
Free cash flow*	**514,2**	**259,4**	**98,3**

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

Internal cash flow was up by 4.4% in the period to R$590.1 million due to the 5.6% increase in net income. Of this total, there was a R$58.0 million reduction in working capital and a R$138.8 million investment in fixed assets. Free cash flow that was up by 98.3% in 2010 to R$514.2 million.

Working capital management has proven to be more efficient. Inventory days of supply have been gradually falling as a result of the structural measures we began adopting last year. At the same time, the term for payment to suppliers has been extended. With respect to recoverable taxes, we continue to work closely and successfully with the government, which will provide an expressive reduction of this balance by the end of the year.

5. PRO-FORMA INCOME STATEMENTS

The profit margin of Brazilian exports to international operations was subtracted from the COGS of the respective operations to show the actual impact of these subsidiaries on the company's consolidated result. Thus, the pro-forma Income Statement for the Brazilian operations presents only domestic sales figures.

5.1 BRAZILIAN OPERATIONS – PRO-FORMA INCOME STATEMENT

> Financial Highlights - Brazil (R$ million)

	3Q10	3Q09	Change %	9M10	9M09	Change %
Total Consultants - end of period* (in thousands)	984,3	838,9	17,3	984,3	838,9	17,3
Units sold – items for resale (in million)	93,6	91,4	2,4	268,4	247,3	8,5
Gross Operating Revenues	1.608,2	1.353,9	18,8	4.518,0	3.730,8	21,1
Net Operating Revenues	1.184,2	978,4	21,0	3.317,4	2.706,8	22,6
Gross Profit	858,6	692,2	24,0	2.346,7	1.903,9	23,3
Gross Margin (%)	*72,5%*	*70,8%*	*1,8 pp*	*70,7%*	*70,3%*	*0,4 pp*
Sales Expenses	(380,6)	(321,0)	18,6	(1.047,2)	(897,7)	16,7
General and Administrative Expenses	(141,5)	(103,7)	36,4	(379,7)	(293,3)	29,4
Management compensation	(3,4)	(3,2)	4,4	(10,2)	(10,8)	(5,1)
Other Operating Income / (Expenses), net	0,1	2,8	(96,8)	(12,0)	4,3	(382,4)
Financial Income / (Expenses), net	(15,8)	(18,2)	(12,9)	(33,6)	(30,9)	8,8
Earnings Before Taxes	317,5	249,0	27,5	864,0	675,5	27,9
Net Income (Losses)	219,8	207,2	6,1	596,6	567,2	5,2
EBITDA	347,9	287,1	21,2	958,6	770,3	24,4
EBITDA Margin (%)	29,4%	29,3%	*0,0 pp*	28,9%	28,5%	*0,4 pp*

(*) Number of consultants by the end of the 13th cycle of sales

- The highlight of Brazilian operations in 3Q10 was the gross margin, which reached 72.5%, versus 70.8% in the same period of 2009.
- As a result of the action plan implemented in 2008, we continue to see an increase in orders placed via Internet, which accounted for 87.3% of all orders in the quarter, versus 74.4% in 2009.
- Productivity[5] in 9M10 increased 1.6% from R$6,748 of the previous year to R$6,855.

[5] Productivity measured at retail prices

5.2 OPERATIONS IN CONSOLIDATION (Argentina, Chile and Peru)

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

	3Q10	3Q09	Change %	9M10	9M09	Change %
Total Consultants - end of period* (in thousand)	129,4	108,1	19,7	129,4	108,1	19,7
Unit sold – items for resale (in million)	6,8	5,2	32,1	20,1	9,7	108,6
Gross Revenues	89,2	74,6	19,6	238,6	206,5	15,5
Net Revenues	67,8	57,1	18,7	181,9	158,0	15,1
Gross Profit	42,2	36,1	16,9	111,1	103,9	6,9
Gross Margin (%)	*62,2%*	*63,2%*	*-1,0 pp*	*61,1%*	*65,8%*	*-4,7 pp*
Sales Expenses	(33,6)	(26,7)	25,7	(90,6)	(80,6)	12,5
General and Administrative Expenses	(6,0)	(6,7)	(9,8)	(16,4)	(16,6)	(1,7)
Others Income / (Expenses), net	(0,8)	1,0	(172,5)	(1,8)	1,4	(230,4)
Financial Income / (Expenses), net	0,1	0,4	(66,7)	(0,1)	0,1	(223,0)
Earnings Before Taxes	2,0	4,1	(52,0)	2,1	8,2	(74,2)
Net Income (Losses)	0,4	2,4	(84,4)	(2,7)	2,4	(212,0)
EBITDA	2,8	4,5	(37,6)	4,6	9,7	(52,2)
EBITDA Margin (%)	4,1%	7,9%	*-3,7 pp*	2,6%	6,2%	*-3,6 pp*

(*) Number of consultants by the end of the 11th cycle of sales

- Net revenue from operations in consolidation was R$67.8 million in 3Q10 and R$181.9 million in 9M10, year-on-year increases in weighted local currency of 24.3% and 30.4%, respectively.

- In the third quarter, these operations recorded positive results with EBITDA of R$2.8 million versus R$4.5 million in 3Q09. In 9M10, EBITDA was R$4.6 million, compared to R$9.7 million in 2009. The gross margin rose to 62.2% in 3Q10 from 60.4% in 1H10, with a lesser foreign exchange impact. We significantly expanded investments in marketing to support major product launches and brand-building.

- We remain enthusiastic and optimistic regarding the improved results from operations in consolidation.

5.3 OPERATIONS IN IMPLEMENTATION (Mexico, Colombia)

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

	3Q10	3Q09	Change %	9M10	9M09	Change %
Total Consultants - end of period* (in thousand)	54,5	40,0	36,2	54,5	40,0	36,2
Unit sold – items for resale (in million)	3,0	1,9	53,1	9,1	5,3	71,2
Gross Revenues	28,9	19,8	46,4	79,2	55,9	41,6
Net Revenues	25,0	17,2	45,1	68,2	48,8	40,0
Gross Profit	13,6	10,9	25,3	38,5	31,8	21,2
Gross Margin (%)	*54,5%*	*63,1%*	*-8,6 pp*	*56,4%*	*65,1%*	*-8,7 pp*
Sales Expenses	(22,0)	(17,5)	26,0	(54,1)	(52,7)	2,6
General and Administrative Expenses	(3,8)	(1,7)	126,5	(10,4)	(12,6)	(17,7)
Others Income / (Expenses), net	(0,3)	1,0	(131,6)	(0,3)	(0,2)	43,4
Financial Income / (Expenses), net	0,2	(0,2)	(234,0)	(1,1)	(0,1)	n/a
Earnings Before Taxes	(12,3)	(7,5)	63,2	(27,4)	(33,8)	(19,1)
Net Income (Losses)	(13,0)	(8,5)	53,0	(29,0)	(36,5)	(20,5)
EBITDA	(11,8)	(6,8)	72,5	(24,6)	(32,3)	(23,7)
EBITDA Margin (%)	-47,3%	-39,8%	*-7,5 pp*	-36,1%	-66,2%	*30,1 pp*

(*) Number of consultants by the end of the 11th cycle of sales

- Net revenue from operations in implementation totaled R$25.0 million in 3Q10, up by 55.7% year on year in weighted local currency. In 9M10, this figure was R$68.2 million, an increase of 73.6% in local currency.

- These operations posted negative EBITDA of R$11.8 million in 3Q10, compared to the negative R$6.8 million in 3Q09. In 9M10, EBITDA was up from the previous year's negative R$32.3 million to negative R$24.6 million. The gross margin was impacted by greater losses in these operations.

5.4 OTHER INTERNATIONAL INVESTMENTS

Other international investments recorded losses of R$15.4 million in 3Q10 compared to losses of R$10.6 million in 3Q09. In 9M10, these investments represented losses of R$39.8 million, compared to losses of R$34.5 million in 9M09.

In 2010, these investments consist of our French operations and projects and expenses relating to our Latin American corporate office in Buenos Aires for which the team is practically complete. In 2009, investments included our French operations and expenses with the deactivation of the U.S. project.

> CONFERENCE CALL & WEBCAST

Portuguese:	**Friday, October 22, 2010** **10:00 A.M. - Brasília time**
English:	**Friday, October 22, 2010** **12:00 P.M. - Brasília time**

Calling from Brazil: +55 11 4688-6341
Calling from the U.S.: Toll Free 1 (800) 860-2442
Calling from other countries: +1 (412) 858-4600
Access code: Natura

Live webcast at: www.natura.net/investidor

> INVESTOR RELATIONS

Telephone: (11) 4196-1421
Helmut Bossert, helmutbossert@natura.net
Patrícia Anson, patriciaanson@natura.net
Bruno Caloi, brunocaloi@natura.net
Bruno Compagnoli, brunocompagnoli@natura.net

IBOVESPA
Índice de Ações com Governança Corporativa Diferenciada IGC
Índice Brasil 50 IBRX 50
Índice de Ações com Tag Along Diferenciado ITAG
NATU3 NOVO MERCADO BM&FBOVESPA
Índice de Sustentabilidade Empresarial ISE 2009-2010

> Condensed consolidated income statement

R$ million	3Q10	3Q09	9M10	9M09
NET REVENUES	**1.281,2**	**1.054,9**	**3.579,2**	**2.922,8**
Cost of sales	(364,4)	(314,2)	(1.076,2)	(877,6)
GROSS PROFIT	**916,8**	**740,7**	**2.503,0**	**2.045,2**
Operating expenses	(608,6)	(492,6)	(1.655,3)	(1.405,4)
Financial income (expenses), net	(15,5)	(18,0)	(34,9)	(30,8)
Other operating income (expenses), net	(1,0)	4,8	(14,1)	5,4
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	**291,8**	**234,9**	**798,7**	**614,4**
Income tax and social contribution	(100,1)	(44,9)	(274,0)	(117,3)
NET INCOME	**191,7**	**190,1**	**524,7**	**497,1**
Attributable to:				
Shareholders	191,7	190,1	524,7	497,1
Non-controllers	-	-	-	-
EARNINGS PER SHARE - R$				
Basic	0,4451	0,4420	1,2188	1,1570
Diluted	0,4424	0,4407	1,2128	1,1543

> Condensed consolidated balance sheet as of 9/30/2010 and 12/31/2009

ASSETS	Sep/10	Dec/09
CURRENT ASSETS		
Cash and cash equivalents	374,6	500,3
Trade accounts receivable	427,6	452,9
Inventories	623,5	509,6
Recoverable taxes	220,5	191,2
Other receivables	68,7	62,5
Total current assets	**1.715,0**	**1.716,4**
NONCURRENT ASSETS		
Recoverable taxes	61,5	63,9
Deferred income tax and social contribution	171,7	146,1
Escrow deposits	301,7	232,4
Other financial assets	9,9	7,4
Property, plant and equipment	525,3	492,3
Intangible assets	100,5	82,7
Total noncurrent assets	**1.170,7**	**1.024,9**
TOTAL ASSETS	**2.885,7**	**2.741,2**

LIABILITIES AND SHAREHOLDERS' EQUITY	Sep/10	Dec/09
CURRENT LIABILITIES		
Loans and financing	230,3	569,4
Trade and other payables	319,5	255,5
Payroll, profit sharing and related taxes	166,3	130,8
Taxes payable	471,1	341,3
Reserve for tax, civil and labor contingencies	-	1,5
Derivatives	9,9	8,7
Other payables	46,0	30,0
Total current liabilities	**1.243,2**	**1.337,1**
NONCURRENT LIABILITIES		
Loans and financing	472,0	135,0
Reserve for tax, civil and labor contingencies	119,9	120,0
Other payables	17,1	9,3
Total noncurrent liabilities	**609,0**	**264,3**
SHAREHOLDERS' EQUITY		
Capital	416,0	404,3
Capital reserves	147,3	143,0
Earnings reserves	258,1	253,7
Treasury shares	(0,0)	(0,0)
Proposed additional dividends	-	357,6
Retained earnings	234,9	-
Other comprehensive losses	(22,7)	(18,7)
Shareholders' equity attributable to controlling shareholders	**1.033,6**	**1.139,8**
NON-CONTROLLING INTERESTS	-	-
Total shareholders' equity	**1.033,6**	**1.139,8**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2.885,7**	**2.741,2**

> Condensed consolidated cash flow statement

R$ million	9M10	9M09
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	**524,7**	**497,1**
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	65,3	68,0
Reserve for losses on swap and forward derivative contracts	4,3	(1,0)
Reserve for tax, civil and labor contingencies	1,2	(1,1)
Interest and inflation adjustment of escrow deposits	(12,5)	(9,2)
Income tax and social contribution	274,0	117,3
Gain on sale on property, plant and equipment and intangible assets	14,7	5,2
Interest and exchange rate change on borrowings and financing and other liabilities	5,1	(4,6)
Expenses on stock options plans	8,3	2,9
Allowance for doubtful accounts	2,8	(0,8)
Allowance for inventory losses	21,2	3,4
Subtotal	**909,0**	**677,1**
(INCREASE) DECREASE IN ASSETS		
Current:		
Trade accounts receivable	22,5	35,3
Inventories	(135,2)	(196,4)
Recoverable taxes	(29,3)	(15,3)
Other receivables	(6,2)	(2,6)
Noncurrent:		
Recoverable taxes	2,4	(75,2)
Other receivables	(2,5)	6,2
Subtotal	**(148,4)**	**(248,0)**
INCREASE (DECREASE) IN LIABILITIES		
Current:		
Domestic and foreign suppliers	64,1	36,6
Payroll, profit sharing and related charges, net	35,6	6,2
Taxes payable, net	4,4	(14,8)
Other payables	15,9	(3,4)
Noncurrent:		
Reserve for tax, civil and labor contingencies	(2,7)	(1,0)
Other payables	7,8	(11,7)
Subtotal	**125,0**	**11,9**
OTHER CASH FLOWS FROM OPERATING ACTIVITIES		
Payments of income tax and social contribution	(174,1)	(106,6)
Proceeds from (payments of) derivative instruments	(3,0)	12,3
Payment of interest on borrowings and financing	(21,6)	(15,8)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**686,9**	**330,9**
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and intangible assets	(138,8)	(76,8)
Proceeds from sale of property, plant and equipment and intangible assets	7,9	4,3
Escrow deposits	(56,9)	0,9
NET CASH USED IN INVESTING ACTIVITIES	**(187,7)**	**(71,6)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of loans and financing - principal	(643,3)	(330,3)
Proceeds from borrowings and financing	657,6	496,0
Payment of dividends and interest on capital	(647,0)	(551,9)
Capital increase through subscription of shares	11,7	10,7
NET CASH USED IN FINANCING ACTIVITIES	**(620,9)**	**(375,5)**
Gains on translation of foreign-currency cash and cash equivalents	(3,9)	(2,6)
DECREASE IN CASH AND CASH EQUIVALENTS	**(125,7)**	**(118,7)**
Cash and cash equivalents at beginning of period	500,3	350,5
Cash and cash equivalents at end of period	374,6	231,8
DECREASE IN CASH AND CASH EQUIVALENTS	**(125,7)**	**(118,7)**

EBITDA is not used in the accounting practices adopted in Brazil, and thus it does not represent the cash flow for the periods. It should also not be considered an alternative to net income as an indicator of operating performance or as an alternative to cash flow as an indicator of liquidity. EBITDA does not have a standardized meaning and its definition by the company may not be comparable to Brazilian LAJIDA or to EBITDA as defined by other companies. Although EBITDA does not provide, according to the accounting practices adopted in Brazil, a measure of cash flow, the Management utilizes it to measure the Company's operating performance. Furthermore, we understand that certain investors and financial analysts utilize EBITDA as an indicator of the operating performance and/or cash flow of a company.

This report contains forward-looking statements. This information represents not only historical facts, but also reflects the wishes and expectations of Natura's management. The words "anticipate," "wish," "expect," "forecast," "intend," "plan," "predict," "project," "aim" and similar terms identify statements that necessarily involve known and unknown risks. Known risks include uncertainties that are not limited to the impact of price and product competition, product acceptance in the market, product transitions of the Company and its competitors, regulatory approval, currencies, currency fluctuation, supply and production difficulties and changes in product sales, among other risks. This report also contains "pro forma" information prepared by the Company to be used exclusively for information and reference purposes, since it is not audited. This report is current up to the present date and Natura does not undertake to update it in the event of new information and/or future events.