São Paulo, July 21st, 2010 – Natura Cosméticos S.A. (BM&FBovespa: NATU3) announces today its results for the second quarter of 2010 (2Q10). Except where stated otherwise, the financial and operating information in this report is presented on a **consolidated basis**, in accordance with International Financial Reporting Standards (IFRS).

1. FINANCIAL PERFORMANCE

Natura posted good results in the second quarter of 2010. Consolidated net revenue grew by 24.1% to R$1,283.6 million. EBITDA achieved R$331.8 million, improving by 32.2% and margin of 25.9%, while net income came to R$191.5 million, up by 13.8%.

In the first half of the year, consolidated net revenue was R$2,298.0 million, 23.0% up on the same period in 2009. EBITDA amounted to R$575.3 million, 31.0% higher than in 2009, and margin of 25.0%. Net income was R$333.1 million in the first six months, up by 8.5% year on year.

The innovation index[1] remained high at 68.1% in the first six months (versus 64.6% in 1H09). The second quarter featured various important launches: a new perfume "Kaiak Pulso" set a sales record at 1.9 million units sold in the product launch cycle; relaunch of "Chronos" line, with a whole new way of differentiating skin care - in addition to chronological age, consumers can also select products based on the intensity of visible signs - accompanied by improvements in the product formulations; and "Tododia Inverno", which features six body and bath products that offer innovative moisturizing solutions. In all, 38 products were launched in the quarter, which, together with 14 products launched in 1Q10, represent a total of 52 new products in the first half of this year.

It is also important to note the solid execution of our strategies for Mother's Day and Valentine's Day, with strong marketing support for consultants and final consumers, which had positive impacts on sales.

Also on the subject of innovation and in line with our strategic guideline to continually lower the environmental impacts caused by our packaging, we recently announced a partnership with Braskem[2] for the launch of the first cosmetics product in Brazil with packaging made from green polyethylene, which is also known as green plastic. Made from sugarcane, a renewable source, this innovation will help to reduce greenhouse gases emission. Green polyethylene will be gradually rolled out on our refill packages, beginning last quarter this year.

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1 Percentage of new products in the company's revenues
2 Brazilian petrochemical and thermoplastic resins producer.

Our sales channel continued to growth vigorously. At the close of the quarter, our consolidated consultant base totaled 1,118,900, up 19.2% over the same period last year. In Brazil, we reached 941,900 consultants, 17.9% up, reflecting the full ramp-up and efficient operation of the Natura Super Consultant (CNO) sales model, which was fully implemented in May last year. The number of consultants in international operations increased by 26.3% to 177,000.

In Brazil, quarterly net revenue grew by 24.3% to R$ 1,190.8 million (growth of 23.4% to R$ 2,133.2 million in 1H10). The EBITDA margin in the quarter was 28.9%, versus 28.5% in 2Q09 (28.6% margin in 1H10, versus 28.0% a year earlier). Our market share in the target market was 23.7% in the first two months of 2010, up by 90 basis points, according to the São Paulo State Perfumery and Toiletry Association (SIPATESP) and the Brazilian Association for the Cosmetics, Toiletry and Fragrance Industry (ABIHPEC).

The additional investments made in the marketing mix since the Action Plan was initiated in 2008 totaled R$281.0 million, and were financed by the productivity gains of R$335.0 million until the first half this year.

Net revenue from current international operations recorded growth of 40.0% in weighted local currency between 2Q09 and 2Q10. In the six months to June 30th, this growth was 39.7% in local currency. Excluding Venezuelan operations, net revenue grew by 43.3% in 2Q10 and 43.1% in the first semester in weighted local currency. Operations in consolidation (Argentina, Chile and Peru) posted positive results, with EBITDA of R$5.4 million in the second quarter and R$1.8 million in the first six months. Operations in implementation (Mexico and Colombia) recorded negative results of R$6.4 million in 2Q10, compared with negative results of R$14.0 million in 2Q09. In 1H10, these losses totaled R$12.8 million.

As previously announced, we are increasing customization in our Latin America operations. In order to sustainably accelerate our growth in these markets, we have been increasing our efforts to localize concepts and products, adapting them to local consumers. These measures include the implementation of a sales model (CNO) adjusted to the local culture expected for 2011 and 2012; and the beginning of outsourced local production of some items of our portfolio, leading to economic benefits, costs reductions, and environmental gains due to lower greenhouse gas emissions from transportation. The model will focus on local products, instead of own manufacturing. We plan to begin production in at least one country by December 2010 and intensify these actions next year.

International operations are defined as our business in Argentina, Chile, Peru, Mexico, Colombia and France, distributors in Bolivia and Central America and corporate expenditures with our structure, currently based in Argentina, and with projects dedicated to these initiatives. In these operations, 177,700 consultants are managed by 833 sales supervisors, meaning 213 consultants per sales supervisor in 2Q10, a 26.7% increase over 2Q09.

At the close of the quarter, our total debt was R$637.5 million, already including the R$350 million non convertible debentures launched last May, designed to extend our debt profile. Demand for the debentures was more than double the offer.

Standard & Poor's assigned "brAAA" ratings to Natura Cosméticos and its debentures issuance. This was the first time Natura was subject to this rating. As a result of the transaction, two-thirds of the company's debt is currently long term. Net debt ended the quarter at R$181.5 million, which corresponds to 0.2x LTM EBITDA.

2. SOCIAL AND ENVIRONMENTAL PERFORMANCE

Over the years, we have established clear commitments to improve our performance indicators, as part of our effort to continually optimize our sustainability management. We currently monitor 16 indicators, which make up what we call the social and environmental budget and which are related to priority sustainability issues: Biodiversity, Greenhouse Gases, Education, Impact of Products (solid waste) and Quality Relationships.

In the second quarter of 2010, we reduced relative greenhouse gas emissions sharply by 4.1%, thanks to improvements in the logistics process, especially the transportation of products to final consumers and exports to international operations. In addition, we have exceeded the annual target for collections for the "Crer par Ver" (Believing is Seeing) program, which aims to improve the quality of public education in Brazil, confirming the ability of our sales team to mobilize in favor of education, a key sustainability issue.

Indicator	2009 Commitment	2009 Results	2010 Commitment	1H10 Results
Greenhouse gases	Reduce greenhouse gas emissions by 33% by 2011, considering the inventory we conducted in 2006.	-5,20%	Reduce greenhouse gas emissions by 33% by 2011, considering the inventory we conducted in 2006.	-4,10%
Water consumption	None	0.527 liter/unit billed	Reduce water consumption per unit billed by 10%.	0.515 liter/unit billed
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$ 6.153 million

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

The target market for cosmetics, fragrances and personal care products in Brazil continues to perform well. According to data from SIPATESP/ABIHPEC[3], the target market posted growth of 12.7% in the first two months of this year, with the cosmetics & fragrances segment growing by 18.4% and the personal care segment expanding by 8.8% in the same period. Our market share in the first two months of 2010 was 23.7%, up from 22.8% in the same period a year earlier.

The table below shows Natura's share in both the cosmetics & fragrances and personal care segments.

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

	Core Market (R$ million)			Market Share - Natura (%)		
	2M10	**2M10**	**Change %**	**2M10**	**2M10**	**Change %**
Cosmetics and Fragrances	1.011,9	854,5	18,4%	38,7%	37,3%	1,4
Toiletries	1.383,8	1.271,6	8,8%	12,7%	12,0%	0,6
Total	**2.395,7**	**2.126,1**	**12,7%**	**23,7%**	**22,8%**	**0,9**

Source: SIPATESP

According to 2009 data from EUROMONITOR[4], the total cosmetics & fragrance and personal care segments (CF&T) grew by 14.7% in Brazil. Natura increased its leadership position in the total CF&T market (first achieved in 2005), with a market share of 13.2%, up by 30 basis points in the year.

[3] São Paulo State Perfumery and Toiletry Industry Trade Union / Brazilian Association for the Cosmetics, Toiletry and Fragrance Industry.
[4] Euromonitor mesures companies market share over retail prices in total CFT market.

4. CONSOLIDATED RESULTS

> Consolidated Financial Summary (R$ million)

	2Q10	2Q09	Change %	1H10	1H09	Change %
Total Consultants - end of period* (in thousand)	1.118,9	938,8	19,2	1.118,9	938,8	19,2
Unit sold – items for resale (in million)	98,5	89,4	10,2	98,5	89,4	10,2
Gross Revenues	1.736,2	1.412,8	22,9	3.117,7	2.552,6	22,1
Net Revenues	1.283,6	1.034,3	24,1	2.298,0	1.867,9	23,0
Gross Profit	883,6	732,5	20,6	1586,3	1304,6	21,6
Gross Margin (%)	*68,8%*	*70,8%*	*-2,0 pp*	*69,0%*	*69,8%*	*-0,8 pp*
Sales Expenses	(413,8)	(365,1)	13,3	(762,6)	(661,3)	15,3
General and Administrative Expenses	(150,4)	(137,0)	9,8	(277,4)	(244,0)	13,7
Management compensation	(2,8)	(3,5)	na	(6,8)	(7,5)	na
Other Operating Income / (Expenses), net	(12,4)	0,7	na	(13,2)	0,6	na
Financial Income / (Expenses), net	(12,8)	(19,7)	-34,9	(19,4)	(12,8)	51,3
Earnings Before Taxes	291,5	208,0	40,1	506,9	379,5	33,6
Net Income (Losses)	191,5	168,3	13,8	333,1	307,0	8,5
Net Margin (%)	*14,9%*	*16,3%*	*-1,4 pp*	*14,5%*	*16,4%*	*-1,9 pp*
EBITDA**	331,8	250,9	32,2	575,3	439,1	31,0
EBITDA Margin (%)	*25,9%*	*24,3%*	*1,6 pp*	*25,0%*	*23,5%*	*1,5 pp*

Consolidated net revenue was R$1,283.6 million in 2Q10, up by 24.1% from 2Q09 (R$2,298.0 million in 1H10, 23.0% up). In Brazil, net revenue came to R$1,190.8 million in the quarter, 24.3% more than in the same quarter a year ago (R$2,133.2 million in 1H10, 23.4% up).

Total international operations recorded net revenue of R$92.8 million in 2Q10, up by 21.8% from 2Q09 and 40.0% in weighted local currency (R$164.8 million in 1H10, for growth of 18.2% and 39.7% in Brazilian currency and weighted local currency, respectively). International operations accounted for 6.9% of net revenue in the quarter, versus 7.0% in 2Q09. In the first half of the year their contribution to net revenue stood at 6.9%.

In Brazil our consultant base posted strong growth of 17.9%, driven by the CNO model. Productivity[5] in the first half of the year grew by 2.5% (R$4,498 in 2010, versus R$4,386 in the previous year), reflecting the more consistent policy for price increases, good launches in the period and successful strategies for Mother's Day and Valentine's Day.

Cost of Goods Sold (COGS) increased from 29.2% of net revenue in 2Q09 to 31.2% in 2Q10, squeezing gross income by 200 basis points. This variation is explained by the higher volume of losses resulting from the policy of increasing inventories in 2009, the higher share of Mother's Day’s and Valentine's Day’s kits in sales, and the unfavorable currency translation impact on international operations. In the first half of the year, COGS totaled 31%, versus 30.2% in 1H09, due to the same reasons.

The table below presents the main components of COGS:

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

	2Q10	2Q09	1H10	1H09
RM/PM*	26,2	23,9	25,5	24,2
Labor	2,2	2,1	2,4	2,5
Depreciation	0,9	1,0	1,0	1,1
Others	1,9	2,1	2,0	2,4
Total	**31,2**	**29,2**	**31,0**	**30,2**

(*) Raw material and packaging material

Selling expenses corresponded to 32.2% of net revenue in 2Q10, down by 310 basis points from 35.3% in 2Q09. In the first six months of the year, selling expenses corresponded to 33.2% of net revenues, or 220 basis points down from the 35.4% recorded in 1H09. Investments in marketing remain robust, with an emphasis on supporting new product launches, as well as training and events for the sales team, which should intensify in the second half of the year. More efficient logistics and lower costs with our catalog, combined with dilution of international expenses, also favored by impacts from currency translation, reduced these expenses as a percentage of net revenue.

General and administrative expenses also recorded a dilution of 140 basis points in the quarter (13.1% of net revenue in 2Q09, versus 11.7% in 2Q10) and 90 basis points in the first six months (13.0% in 1H09 and 12.1% in 1H10).

[5] Productivity measured at retail prices

Other operating expenses/revenue amounted to R$12.4 million in 2Q10 and R$13.2 million in 1H10, due to complement for employees under the post-retirement healthcare plan, increasing actuarial liabilities and the physical counting performed in the plant and distribution centers, according to the prevailing policy.

Consolidated net income before income tax and social contribution was R$291.5 million in 2Q10, an increase of 40.1% from a year earlier. **Consolidated net income** was R$191.5 million in the quarter, up by 13.8% from R$168.3 million in 2Q09. In the first six months, consolidated net income came to R$333.1 million, 8.5% up on 1H09. In 2009, income tax and social contribution effective rates were lower due to the accelerated amortization of goodwill in the period, a benefit that expired that year. This year, the effective tax rate applied is 34.3%.

Consolidated EBITDA was R$331.8 million in 2Q10, up by 32.2% from R$250.9 million in 2Q09. Margin expanded from 24.3% in 2Q09 to 25.9% in 2Q10. In the first half of the year, EBITDA was R$575.3 million, 31.0% up year on year, while margin improved from 23.5% in 1H09 to 25.0% in 1H10. We reiterate our commitment to maintaining EBITDA margin at a minimum of 23.0% for 2010.

> **EBITDA** (R$ million)

	2Q10	2Q09	Change %	1H10	1H09	Change %
Net Revenues	1.283,6	1.034,3	24,1	2.298,0	1.867,9	23,0
(-) Cost of Sales and Expenses	979,4	806,6	21,4	1.771,7	1.475,7	20,1
EBIT	**304,3**	**227,6**	**33,7**	**526,3**	**392,3**	**34,2**
(+) Depreciation/Amortization	27,6	23,3	18,3	49,0	46,8	4,8
EBITDA	**331,8**	**250,9**	**32,2**	**575,3**	**439,1**	**31,0**

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

	2Q10	2Q09	Change %	1H10	1H09	Change %
Brazil	343,8	273,2	25,8	610,7	483,2	26,4
Argentina, Chile and Peru	5,4	3,7	45,7	1,8	5,2	(64,6)
Mexico, Venezuela and Colombia	(6,4)	(14,0)	(54,1)	(12,8)	(25,4)	(49,6)
France and USA	(10,8)	(11,9)	(8,7)	(24,4)	(25,6)	(4,9)
Total	**331,8**	**250,9**	**32,3**	**575,4**	**437,4**	**31,5**

> CASH FLOW

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

	2Q10	2Q09	Var %
Net income	**333,1**	**307,0**	**8,5**
(+) Depreciation and amortization	49,0	46,8	4,8
Internal cash generation	**382,1**	**353,8**	**8,0**
Cashflow (Increase) / Decrease	60,6	(58,9)	(203,0)
(+) Non-cash	4,5	(21,1)	(121,3)
Operating cash generation	**447,2**	**273,9**	**63,3**
Capex	(63,0)	(46,6)	35,3
Free cash flow*	**384,2**	**227,3**	**69,1**

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

Internal cash flow was R$ 382.1 million in 1H10, up by 8.0%, reflecting net income growth of 8.5% due to the end of the tax benefits from goodwill amortization in 2009. This total included a reduction of R$60.6 million in working capital as well as investments of R$63.0 million in fixed assets. As a result, free cash flow grew by 69.1% to R$384.2 million in 2010.

As announced, inventory coverage days continued to decline. We are continuing to work on structural measures to increase the flexibility and integration of the supply chain, improve the continuous planning process and optimize the distribution network in the medium and long term.

Recoverable taxes returned to the levels recorded at the end of 2009, reflecting the effectiveness of our negotiations with the government, which should reduce the balance even further in the coming quarters.

For 2010, we are maintaining our Capex estimate of R$250 million, which will be concentrated in logistics capacity and information systems.

5. Pro-Forma Income Statements

The profit margin of Brazilian exports to international operations was subtracted from the COGS of the respective operations in order 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)

	2Q10	2Q09	Change %	1H10	1H09	Change %
Total Consultants - end of period* (in thousand)	941,9	798,7	17,9	941,9	798,7	17,9
Unit sold – items for resale (in million)	88,5	82,2	7,6	174,8	155,9	12,1
Gross Operating Revenues	1.618,9	1.317,1	22,9	2.909,8	2.376,9	22,4
Net Operating Revenues	1.190,8	958,0	24,3	2.133,2	1.728,4	23,4
Gross Profit	827,5	680,5	21,6	1.488,1	1.211,7	22,8
Gross Margin (%)	*69,5%*	*71,0%*	*-1,5 pp*	*69,8%*	*70,1%*	*-0,3 pp*
Sales Expenses	(363,8)	(312,4)	16,5	(666,7)	(564,4)	18,1
General and Administrative Expenses	(132,0)	(114,5)	15,3	(204,6)	(174,3)	17,4
Management compensation	(2,8)	(3,5)	(18,0)	(6,8)	(7,5)	(9,1)
Other Operating Income / (Expenses), net	(11,3)	1,0	(1207,0)	(11,2)	1,4	(883,6)
Financial Income / (Expenses), net	(12,4)	(20,4)	(39,0)	(17,7)	(12,7)	39,8
Earnings Before Taxes	305,2	230,8	32,2	546,6	426,5	28,1
Net Income (Losses)	207,5	194,6	6,6	376,8	360,0	4,7
EBITDA	343,8	273,2	25,8	610,7	483,2	26,4
EBITDA Margin (%)	28,9%	28,5%	*0,4 pp*	28,6%	28,0%	*0,7 pp*

- The number of consultants in Brazil achieved 941,900 at the close of 2Q10, 17.9% more than in 2Q09, reflecting the full implementation of the CNO model beginning May 2009. In 2Q09, the CNO model was implemented in Brazil's North and South regions as well as in the city of São Paulo.

- As a result of the action plan implemented in 2008, we continue to observe an increase in orders placed over the Internet, which accounted for 84.0% of all orders in the quarter, versus 68.6% in 2009.

5.2 OPERATIONS IN CONSOLIDATION (Argentina, Chile and Peru)

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

	2Q10	2Q09	Change %	1H10	1H09	Change %
Total Consultants - end of period* (in thousand)	123,7	101,0	22,5	123,7	101,0	22,5
Unit sold – items for resale (in million)	6,8	5,2	32,1	12,4	9,7	28,2
Gross Revenues	85,0	71,2	19,3	149,3	131,9	13,2
Net Revenues	64,9	54,7	18,5	114,0	100,9	13,0
Gross Profit	40,1	37,9	5,9	68,8	67,8	1,5
Gross Margin (%)	*61,8%*	*69,2%*	*-7,4 pp*	*60,4%*	*67,2%*	*-6,8 pp*
Sales Expenses	(29,8)	(29,7)	0,2	(57,1)	(53,9)	5,9
General and Administrative Expenses	(4,6)	(5,3)	(11,7)	(9,4)	(10,0)	(6,0)
Others Income / (Expenses), net	(1,1)	0,2	-	(2,0)	0,3	-
Financial Income / (Expenses), net	(0,6)	0,5	-	(0,3)	(0,2)	-
Earnings Before Taxes	4,0	3,6	10,7	0,1	4,1	(96,7)
Net Income (Losses)	2,2	1,0	122,7	(3,0)	(0,0)	11093,6
EBITDA	5,4	3,7	45,7	1,8	5,2	(64,6)
EBITDA Margin (%)	8,3%	6,7%	*1,5 pp*	1,6%	5,2%	*-3,6 pp*

- Net revenue from operations in consolidation was R$64.9 million in 2Q10, up by 34.3% in weighted local currency on 2Q09, and R$114.0 million in 1H10, up by 32.7% in weighted local currency.

- The number of consultants increased by 23.3% to 123,700 at the end of 2Q10.

- In the second quarter, operations in consolidation recovered to once again posted positive results, with EBITDA of R$5.4 million in 2Q10, versus R$3.7 million in 2Q09, and R$1.8 million in 1H10, versus R$5.2 million in 1H09. The gross margin narrowed in 2Q10, the increase in prices being insufficient to offset the depreciation of the currency basket, although this was mitigated by the dilution of selling and administrative expenses and the postponement of marketing expenses.

5.3 OPERATIONS IN IMPLEMENTATION (Mexico, Colombia and Venezuela)

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

	2Q10	2Q09	Change %	1H10	1H09	Change %
Total Consultants - end of period* (in thousand)	52,1	38,1	37,0	52,1	38,1	37,0
Unit sold – items for resale (in million)	3,0	1,9	53,1	5,7	3,5	63,7
Gross Revenues	27,7	20,2	37,4	50,2	36,1	39,0
Net Revenues	23,9	17,6	36,0	43,3	31,6	37,2
Gross Profit	13,4	11,8	13,8	24,9	20,9	19,1
Gross Margin (%)	*56,2%*	*67,2%*	*-11,0 pp*	*57,5%*	*66,2%*	*-8,7 pp*
Sales Expenses	(17,1)	(18,9)	(9,9)	(32,1)	(35,3)	(9,0)
General and Administrative Expenses	(3,4)	(6,9)	(51,2)	(6,5)	(10,9)	(40,1)
Financial Income / (Expenses), net	0,2	0,3	-	(1,4)	0,1	-
Earnings Before Taxes	(6,8)	(14,3)	(52,8)	(15,1)	(26,3)	(42,6)
Net Income (Losses)	(7,2)	(15,2)	(52,3)	(16,0)	(28,0)	(42,8)
EBITDA	(6,4)	(14,0)	(54,1)	(12,8)	(25,4)	(49,6)
EBITDA Margin (%)	-26,9%	-79,8%	*52,9 pp*	-29,6%	-80,6%	*50,9 pp*

- Net revenue from operations in implementation totaled R$23.9 million in 2Q10, 62.5% up in weighted local currency (excluding Venezuela in 2009); in 1H10, this figure increased by 67.0% to R$ 43.3 million.
- The number of consultants increased by 37.0% to 52,100 at the end of 2Q10.
- These operations recorded EBITDA loss of R$6.4 million in 2Q10, versus EBITDA loss of R$14.0 million in 2Q09. In the first six months, EBITDA loss was R$12.8 million, versus EBITDA loss of R$25.4 million in 1H09, when results were impacted by the discontinuation of our operations in Venezuela. The gross margin narrowed in the quarter due to the devaluation of the currency basket.

5.4 OTHER INTERNATIONAL INVESTMENTS

Other investments in international operations recorded loss (EBITDA) of R$10.8 million in 2Q10, versus a loss of R$11.9 million in 1Q09. In 1H10, this figure was a loss of R$24.4 million, versus a loss of R$24.2 million in 1H09.

In 2010, these investments consist of our French operations and projects and expenses relating to our Latin America corporate office in Buenos Aires, whose team is still being formed. In 2009, investments include our French operations and expenses with the deactivation of the U.S. operations.

6. DIVIDENDS

On July 21st, 2010, the Board of Directors approved the management's proposal, *ad referendum* of the Annual Shareholder's Meeting to be held in 2011, for the payment, on August 12th, 2010, of dividends related to net income recorded in the first half of 2010 and interest on equity related to the period from January to July, 2010, in the amounts of R$253.9 million and R$35.4 million (R$30.1 million, net of withholding tax), respectively.

Jointly, dividends and interest on equity related to the first six months of 2010 will represent a net payment of R$0.6597 per share to be paid on August 12th, 2010 to shareholders on July 27th, 2010, from July, 28th our shares will be traded "ex" dividends and "ex" interest on equity. Interest on equity will be recorded on July 31st, 2010.

> CONFERENCE CALL & WEBCAST

Portuguese: **Friday, July 23rd, 2010**
10:00 a.m. – Brasília time

English: **Friday, July 23rd, 2010**
12:00 pm – Brasília time

Brazilian callers: +55 11 4688-6341
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> INVESTOR RELATIONS

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> Consolidated summary income statement for the year

R$ million	2Q10	2Q09	1H10	1H09
NET REVENUES	**1.283,6**	**1.034,3**	**2.298,0**	**1.867,9**
Cost of sales	(400,1)	(301,8)	(711,8)	(563,4)
GROSS PROFIT	**883,6**	**732,5**	**1.586,2**	**1.304,6**
Operating expenses	(566,9)	(505,6)	(1.046,8)	(912,9)
Financial income (expenses), net	(12,8)	(19,7)	(19,4)	(12,8)
Other operating income (expenses), net	(12,4)	0,7	(13,2)	0,6
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	**291,5**	**207,9**	**506,9**	**379,5**
Income tax and social contribution	(100,0)	(39,7)	(173,9)	(72,5)
NET INCOME FOR THE YEAR FROM CONTINUING OPERATIONS	**191,5**	**168,2**	**333,1**	**307,0**
Attributable to:				
Shareholders	191,5	168,2	333,1	307,0
Non-controllers	-	-	-	-
EARNINGS PER SHARE - R$				
Basic	0,4448	0,3915	0,7738	0,7146
Diluted	0,4428	0,3907	0,7704	0,7133

> Consolidated summary balance sheet as of 6/30/2010 and 12/31/2009

ASSETS	2Q10	4Q09
CURRENT ASSETS		
Cash and cash equivalents	456,0	500,3
Trade accounts receivable	437,1	452,9
Inventories	541,0	509,6
Recoverable taxes	146,6	191,2
Other receivables	59,2	62,5
Total current assets	**1.639,9**	**1.716,4**
NONCURRENT ASSETS		
Recoverable taxes	112,7	63,9
Deferred income tax and social contribution	160,7	146,1
Escrow deposits	278,9	232,4
Other financial assets	8,2	7,4
Property, plant and equipment	488,3	492,3
Intangible assets	87,2	82,7
Total noncurrent assets	**1.135,9**	**1.024,9**
TOTAL ASSETS	**2.775,8**	**2.741,2**

LIABILITIES AND SHAREHOLDERS' EQUITY	2Q10	4Q09
CURRENT LIABILITIES		
Loans and financing	155,8	569,4
Trade and other payables	260,2	255,5
Payroll, profit sharing and related taxes	127,1	130,8
Taxes payable	452,8	341,3
Reserve for tax, civil and labor contingencies	-	1,5
Derivatives	2,2	8,7
Other payables	38,8	30,0
Total current liabilities	**1.037,0**	**1.337,1**
NONCURRENT LIABILITIES		
Loans and financing	481,7	135,0
Reserve for tax, civil and labor contingencies	117,8	120,0
Other payables	16,0	9,3
Total noncurrent liabilities	**615,5**	**264,3**
SHAREHOLDERS' EQUITY		
Capital	409,8	404,3
Capital reserves	144,9	143,0
Earnings reserves	256,3	253,7
Treasury shares	(0,0)	(0,0)
Proposed additional dividends	-	357,6
Retained earnings	332,3	-
Other comprehensive income (expenses)	(20,0)	(18,7)
Shareholders' equity attributable to controlling shareholders	**1.123,3**	**1.139,8**
NON-CONTROLLING INTERESTS	-	-
Total shareholders' equity	**1.123,3**	**1.139,8**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2.775,8**	**2.741,2**

> Consolidated summary cash flow statement

R$ million	1H10	1H09
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the quarter	**333,1**	**307,0**
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	49,0	46,7
Reserve for losses on swap and forward derivative contracts	(7,9)	(6,0)
Reserve for tax, civil and labor contingencies	(1,4)	8,3
Deferred income tax and social contribution	(14,5)	(18,5)
Loss on sale of property, plant and equipment and intangible assets	11,5	5,5
Interest and exchange rate changes on loans and financing and other liabilities	(1,0)	(5,6)
Expenses on stock option plans	3,8	1,6
Allowance for doubtful accounts	2,8	2,4
Allowance for losses on inventories realization	21,8	(2,3)
Subtotal	**397,2**	**339,0**
(INCREASE) DECREASE IN ASSETS		
Current:		
Trade accounts receivable	13,0	98,9
Inventories	(53,3)	(94,5)
Recoverable taxes	44,6	-
Other receivables	3,3	(6,3)
Noncurrent:		
Escrow deposits	(46,6)	(4,0)
Recoverable taxes	(48,8)	(49,1)
Other receivables	(0,7)	2,1
Subtotal	**(88,4)**	**(52,9)**
INCREASE (DECREASE) IN LIABILITIES		
Current:		
Trade accounts payable	4,8	33,3
Payroll, profit sharing and related taxes	(3,7)	(20,4)
Taxes payable	190,8	48,0
Other payables	8,8	(9,3)
Noncurrent:		
Other payables	4,4	(9,5)
Subtotal	**205,1**	**42,2**
OTHER CASH FLOWS FROM OPERATING ACTIVITIES		
Payments of income tax and social contribution	(79,3)	(69,2)
Payments of derivative transactions	1,4	9,0
Payments of interest on loans and financing	(19,2)	(9,2)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**416,8**	**258,9**
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and intangible assets	(63,0)	(46,6)
Proceeds from sale of property, plant and equipment and intangible assets	2,1	-
NET CASH USED IN INVESTING ACTIVITIES	**(60,9)**	**(46,6)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of loans and financing - principal	(546,0)	(254,3)
Funds of loans and financing	497,6	280,3
Payment of dividends and interest on capital	(357,6)	(303,1)
Capital increase through subscription of shares	5,5	9,7
NET CASH USED IN INVESTING ACTIVITIES	**(400,5)**	**(267,4)**
Effects of exchange rate changes on cash and banks	0,3	0,1
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(44,3)**	**(54,9)**
Cash, banks and cash investments at beginning of quarter	500,3	350,5
Cash, banks and cash investments at end of quarter	456,0	295,6
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(44,3)**	**(54,9)**

EBITDA is not used in the accounting practices adopted in Brazil, and thus it does not represent the cash flow for the periods. Also, it must not be deemed as an alternative to net income as an indicator of the 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 eventually not be comparable to the 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 they are not audited. This report is updated up to the present date and Natura does not undertake to update it in the event of new information and/or future events.

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