São Paulo, July 20, 2011 – Natura Cosméticos S.A. (BM&FBovespa: NATU3) announces today its results for the second quarter of 2011 (2Q11).

Introduction

Natura's consolidated net revenue in the second quarter of 2011 was R$1,393.6 million, up 8.6%. EBITDA was down 1.4% year-on-year to R$327.3 million with a margin of 23.5%, and net income was R$188.1 million.

In the first half of the year, consolidated net revenue was R$2,539.5 million, up 10.5%. EBITDA was R$591.3 million, up 2.8% year-on-year, with a margin of 23.3% and net income was at R$338.6 million.

In Brazil, Natura gained 46 basis points in market share in its core market during the first four months of the year, reaching a 25.4 % share, its highest level.

In our international operations, for the first six months of the year, gross revenues increased 36.6% year-on-year in weighted local currency. The operating results of operations in consolidation (Argentina, Chile and Peru) went up to R$9.5 million (R$1.8 million in 2010) and we keep on investing on the operations in implementation (Mexico and Colombia).

Our consultant base showed consistent growth rates. In Brazil we reached about 1.1 million consultants, up 15.6% by the end of the semester, while in international operations we reached 217 thousand consultants. The total consolidated number of consultants added up to 1.3 million in the period.

The Cosmetics, Fragrances and Personal Care (CFT) market, despite significant growth, has grown less than in 2010. According to data from Sipatesp/Abiphec[1], our core market grew 9.5% in the first four months of the year, as compared to 13.5% in the same period last year. In this context, the market became even more dynamic and competitive.

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[1] ABIHPEC/SIPATESP – core market of cosmetics, fragrances and personal care market in Brazil and Natura's market share

Decelerating economic and CFT market growth rates, as well as our performance below expectations, prompted us to adopt corrective measures necessary to maintain adequate profitability for the company this year, adjusting expenses and focusing on productivity gains, which should happen progressively throughout the second half of the year. Investments in transformative medium- and long-term projects and initiatives such as innovation, logistics infrastructure, information systems and leadership development will be maintained.

Simultaneously, we are planning marketing campaigns and important product launches. We began the second half with the launch of a new concept and subsidiary brand, “VôVó,” and the re-launch of the entire Ekos line, including more ingredients from Brazilianbiodiversity and new packaging. Our marketing investment plan for the second half is aligned to CFT market momentum.

The more competitive environment and the entrance of new players stimulate growth in our business and the continuous efforts to increase efficiency. Natura will stand on its solid foundations, exceptional culture and values, its top-performing leadership team, a strong and admired brand, opportunities in new categories and price ranges and a sales team that continues to grow significantly.

Innovation is our chief means of distinction and long-term growth vector. We will continue to invest in research and development of products and concepts and, in particular, we plan to increase our efforts for commercial innovation with emphasis on digital means, based on the believe that our direct sales model offers a major opportunity to increase service quality both for the sales team and the final consumer.

We reaffirm our confidence that we will continue to grow above the market and to expand our operations both in Brazil and abroad.

Cosmetics, Fragrances and Personal Care Market

Natura expanded its market share in the first four months of 2011. According to data from Sipatesp/Abihpec, our core market grew 9.5% in the period while Natura gained 46 basis points in market share in this segment.

- **ABIHPEC/SIPATESP – core market of cosmetics, fragrances and personal care in Brazil and Natura's market share**

	Core Market (R$ million)			Market Share - Natura (%)		
	4M11	**4M10**	**Change %**	**4M11**	**4M10**	**Change %**
Cosmetics and Fragrances	2,704.2	2,489.7	8.6%	39.6%	38.2%	1.5
Toiletries	3,262.4	2,958.7	10.3%	13.7%	13.9%	(0.2)
Total	**5,966.6**	**5,448.4**	**9.5%**	**25.4%**	**25.0%**	**0.5**

Source: SIPATESP

SOCIAL AND ENVIRONMENTAL PERFORMANCE

In this quarter, we highlight the launch of the *Programa Amazônia* ("Amazon Program"), created to generate new business and serve as a catalyst for knowledge, ideas and initiatives. Natura's challenge with this program is to contribute to the sustainable development of the Amazon through science, technology and innovation, growing productive chains in the region. One innovation joins several groups and knowledge in a broad network of exchange – energy, materials and information – so that these people and find solutions based on products and services related to the social and biodiversity of the region to unmask the excellent business potential in the Amazon.

The program is base don three major initiatives: i) Science, Technology and Innovation (ST&I); ii) Sustainable Production Chains; and iii) Institutional Fortification. In its first stage, from 2011 to 2013, the program will focus on expanding the company's operations in the CFT segment through investments in science, technology and innovation. This will be achieved through the creation of a Knowledge Center in Manaus, Amazonas State and the expansion of the Industrial Unit in Benevides, Pará State, with the installation of a modern soap factory.

In our ecoefficiency indicators, we saw a significant decrease in greenhouse gas (GHG) emissions in the first quarter. We reduced relative emissions by 5.8%. This is primarily due to a favorable sales mix in which emissions from packaging played a major role in the decline. Other GHG sources fell as well, such as exports and support materials.

The table below shows some of our commitments for 2011:

Indicator	2010 Commitment	2010 Results	2011 Commitment	2Q11 Results
Greenhouse gases	Reduce greenhouse gas emissions by 33% by 2013, considering the inventory we conducted in 2006.	-7,3% (21.2% Throughout the year)	Reduce gas emissions by 2.7% (over 2009)	-5,8% (25.8% Throughout the year)
Water consumption	Reduce water consumption per unit billed by 10%.	0.47 liter/unit billed (10% reduction)	Reduce water consumption per unit billed by 10%.	0.58 liter/unit billed
Collections CPV	Collect R$ 6 million from the sales Crer Para Ver line.	R$ 10 million	Collect R$ 6 million from the sales Crer Para Ver line.	R$ 2.9 million

**Obs. Refers to 1Q11*

***Obs. Refers to May*

2. CONSOLIDATED RESULTS

(R$ million)	2Q11	2Q10	Change %	6M11	6M10	Change %
Total Consultants - end of period* (in thousands)	1,296.1	1,111.5	*16.6*	1,296.1	1,111.5	*16.6*
Units sold – items for resale (in million)	113.3	98.6	*14.9*	213.4	193.3	*10.4*
Gross Revenues	1,885.1	1,736.2	*8.6*	3,441.2	3,117.7	*10.4*
Net Revenues	1,393.6	1,283.6	*8.6*	2,539.5	2,298.0	*10.5*
Gross Profit	980.6	883.6	*11.0*	1,783.2	1,586.3	*12.4*
Sales Expenses	(486.4)	(413.8)	*17.5*	(909.3)	(762.6)	*19.2*
General and Administrative Expenses	(192.3)	(150.3)	*28.0*	(343.3)	(277.3)	*23.8*
Management compensation	(3.7)	(2.8)	*29.7*	(6.9)	(6.8)	*0.6*
Other Operating Income / (Expenses), net	3.0	(12.4)	*n/a*	16.8	(13.2)	*n/a*
Financial Income / (Expenses), net	(21.1)	(12.8)	*64.7*	(31.3)	(19.4)	*61.5*
Earnings Before Taxes	280.1	291.5	*-3.9*	509.2	506.9	*0.4*
Net Income (Losses)	188.1	191.5	*-1.8*	338.6	333.1	*1.7*
EBITDA**	327.3	331.8	*-1.4*	591.3	575.3	*2.8*
Gross Margin	*70.4%*	*68.8%*	*1.5 pp*	*70.2%*	*69.0%*	*1.2 pp*
Sales Expenses/Net Revenues	*34.9%*	*32.2%*	*2.7 pp*	*35.8%*	*33.2%*	*2.6 pp*
General and Admin. Expenses/Net Revenues	*13.8%*	*11.7%*	*2.1 pp*	*13.5%*	*12.1%*	*1.5 pp*
Net Margin	*13.5%*	*14.9%*	*-1.4 pp*	*13.3%*	*14.5%*	*-1.2 pp*
EBITDA Margin	*23.5%*	*25.9%*	*-2.4 pp*	*23.3%*	*25.0%*	*-1.8 pp*

(*) Positon at the end of the 8th sales cycle

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

Consolidated net revenue in 2Q11 was R$1,393.6 million, up 8.6% as compared to 2Q10 and up 10.5% to R$2,539.5 million in 1H11. **In Brazil,** net revenue grew 7.1% year-on-year to R$1,274.8 million, growing 9.1% to R$2,327.3 million in the half. **International operations** posted net revenue of R$118.8 million, growing 36.0% in local weighted currency and 28.0% in reais over 2Q10, while in the half this figure reached R$212.2 million, up 36.0% in local weighted currency and 28.7% in reais.

Cost of Goods Sold (COGS) decreased from 31.2% of net revenue in 2Q10 to 29.6% in 2Q11, representing an improvement of 160 bps in gross margin. Price increases and our supplier management, together with the real's appreciation against the dollar, were the main drivers of this decrease. In the half, COGS declined 120 bps from 31.0% in 1H10 to 29.8% in 1H11.

The table below presents the main components of COGS:

> Composition of Cost of Good Sold

	2Q11	2Q10	6M11	6M10
RM/PM*	82.0	84.2	81.1	82.3
Labor	10.6	9.0	10.0	9.0
Depreciation	1.6	2.9	2.5	3.2
Others	5.8	3.9	6.4	5.4
Total	**100.0**	**100.0**	**100.0**	**100.0**

(*) Raw material and packaging material

Selling expenses represented 34.9% of net revenue in 2Q11, compared to 32.2% in the same period of the previous year. In this quarter, we saw reduced dilution in fixed logistics and sales team costs due to increased costs with warehousing and our opening of new distribution centers (DCs), as well as intensified expansion of super consultant (CNO) groups, especially in smaller cities. In the half, selling expenses increased from 33.2% in 2010 to 35.8% in 2011, following the same trend.

General and administrative expenses accounted for 13.8% of net revenue in 2Q11 over 11.7% in 2Q10 due to investments in innovation and strategic projects that will permit future growth, as we have previously reported. In the half, these expenses represented 13.5% of net revenue in 2011, as compared to 12.1% in 2010.

Other operating revenues and expenses totaled R$3.0 million, reflecting the non-recurring effects of the recognition of a one-off PIS and COFINS credit on storage. In the half, the revenue of R$16.8 million is also a reflection of the non-recurring effect of the recognition of a contingent PIS and COFINS credit on capital gains taxes.

Net income before income tax and social contribution in 2Q11 was R$280.1 million, as compared to the R$291.5 million in 2Q10. In 1H11, this line reached R$509.2 million, compared to R$506.9 million in 2010. **Consolidated net income** was R$188.1 million in 2Q11, down 1.8% over the R$191.5 million in 1Q10.

Consolidated EBITDA was R$327.3 million in 2Q11, 1.4% lower than the R$331.8 million posted in 2Q10, with EBITDA margin at 23.5% (25.9% in 2Q10). In 1H11, EBITDA totaled R$591.3 million, up 2.8% over the R$575.3 million in 1H10. EBITDA margin was 23.3% in 1H11 and 25.0% in 1H10.

> EBITDA (R$ million)

(R$ million)	2Q11	2Q10	Change %	6M11	6M10	Change %
Net Revenues	1,393.6	1,283.6	*8.6*	2,539.5	2,298.0	*10.5*
(-) Cost of Sales and Expenses	1,092.4	979.4	*11.5*	1,999.0	1,771.7	*12.8*
EBIT	**301.2**	**304.3**	***-1.0***	**540.5**	**526.3**	***2.7***
(+) Depreciation/Amortization	26.1	27.6	*-5.4*	50.8	49.0	*3.7*
EBITDA	**327.3**	**331.8**	***-1.4***	**591.3**	**575.3**	***2.8***

The table below shows the reconciliation of consolidated EBITDA by operating segment:

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

(R$ million)	2Q11	2Q10	Change %	6M11	6M10	Change %
Brazil	341.0	343.8	*(0.8)*	628.6	610.7	*2.9*
Argentina, Chile and Peru	8.2	5.3	*52.7*	9.5	1.8	*414.9*
Mexico and Colombia	(6.7)	(6.4)	*3.9*	(13.4)	(12.8)	*4.8*
Others Investments	(15.2)	(10.8)	*40.0*	(33.3)	(24.4)	*36.3*
Total	**327.3**	**331.8**	***-1.4***	**591.3**	**575.3**	**2.8**

➢ CASH FLOW (Pro-forma)

(R$ million)	6M11	6M10	Var %
Net income	**338.6**	**333.1**	***1.7***
(+) Depreciation and amortization	50.8	49.0	*3.7*
Internal cash generation	**389.4**	**382.1**	***1.9***
Cashflow (Increase) / Decrease	(109.4)	60.6	*na*
(+) Non-cash	(18.5)	4.1	*na*
Operating cash generation	**261.5**	**446.9**	***(41.5)***
Capex	(100.7)	(63.0)	*59.8*
Free cash flow*	**160.9**	**383.9**	***(58.1)***

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

Internal cash flow was up 1.9% to R$389.4 million in 1H11, slightly above the 1.7% increase in net income. Of this total, R$109.4 million was invested in working capital and R$100.7 million in fixed assets. With this, free cash flow was R$160.9 million, down 58.1% compared to 1H10.

In the period we saw increased inventory coverage, mitigated by lower accounts receivable due to lower than expected sales.

We also saw an increased in recoverable taxes due to a Pis/Cofins credit over financial income and an ICMS credit due to the increase in inventories. We have a coherent action plan to significantly reduce this amount in the second half.

In 2010, working capital was benefited mainly by recovery of taxes due to an alteration in the policy for income tax and social contribution payment.

3. Pro-forma INCOME STATEMENTS

The profit margin of Brazilian exports for international operations was subtracted from the COGS of the respective operations to show the actual impact of these subsidiaries[2] on the company's consolidated result. Thus, the pro-forma Income Statement for the Brazilian operations presents only domestic sales figures.

[2] This adjustment is fully applied as 100% of the capital of these subsidiaries is held by Natura Cosméticos S.A.

3.1 BRAZILIAN OPERATION
(Pro-forma Income Statement)

(R$ million)	2Q11	2Q10	Change %	6M11	6M10	Change %
Total Consultants - end of period* (in thousands)	1,079.1	933.8	*15.6*	1,079.1	933.8	*15.6*
Units sold – items for resale (in million)	97.6	88.5	*10.3*	187.7	174.8	*7.4*
Gross Operating Revenues	1,735.5	1,618.9	*7.2*	3,174.2	2,909.8	*9.1*
Net Operating Revenues	1,274.8	1,190.8	*7.1*	2,327.3	2,133.2	*9.1*
Gross Profit	907.5	827.5	*9.7*	1,654.8	1,488.1	*11.2*
Sales Expenses	(422.6)	(363.8)	*16.2*	(791.5)	(666.7)	*18.7*
General and Administrative Expenses	(168.6)	(132.0)	*27.7*	(293.9)	(239.1)	*22.9*
Management compensation	(3.7)	(2.8)	*29.7*	(6.9)	(6.8)	*0.6*
Other Operating Income / (Expenses), net	3.7	(11.3)	*n/a*	18.4	(11.2)	*n/a*
Financial Income / (Expenses), net	(21.9)	(12.4)	*76.2*	(31.7)	(17.7)	*78.9*
Earnings Before Taxes	294.5	305.2	*-3.5*	549.1	546.6	*0.5*
Net Income (Losses)	204.8	207.5	*-1.3*	383.6	376.8	*1.8*
EBITDA	341.0	343.8	*-0.8*	628.6	610.7	*2.9*
Gross Margin	*71.2%*	*69.5%*	*1.7 pp*	*71.1%*	*69.8%*	*1.3 pp*
Sales Expenses/Net Revenues	*33.2%*	*30.6%*	*2.6 pp*	*34.0%*	*31.3%*	*2.8 pp*
General and Admin. Expenses/Net Revenues	*13.2%*	*11.1%*	*2.1 pp*	*12.6%*	*11.2%*	*1.4 pp*
Net Margin	*16.1%*	*17.4%*	*-1.4 pp*	*16.5%*	*17.7%*	*-1.2 pp*
EBITDA Margin	*26.7%*	*28.9%*	*-2.1 pp*	*27.0%*	*28.6%*	*-1.6 pp*

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

- The number of consultants in Brazil reached 1,079 thousand at the end of 2Q11, growing 15.6% compared to 2Q10. The productivity[3] of our consultants in the half declined 6.1% from R$4,498 in 1H10 to R$4,224 in 1H11.
- The innovation index remains in adequate levels, reaching 61.1% by the end of the first semester.

[3]Productivity measured at retail prices

3.2 OPERATIONS IN CONSOLIDATION (Argentina, Chile and Peru) Pro-forma Income Statement

	2Q11	2Q10	Change %	6M11	6M10	Change %
Total Consultants - end of period (in thousand)	142.6	123.7	*15.3*	142.6	123.7	*15.3*
Unit sold – items for resale (in million)	10.8	6.8	*57.8*	16.2	12.2	*32.2*
Gross Revenues	101.6	85.0	*19.5*	180.4	149.3	*20.8*
Net Revenues	77.3	64.9	*19.1*	137.4	114.0	*20.5*
Gross Profit	48.1	40.1	*19.9*	84.5	68.8	*22.7*
Sales Expenses	(35.0)	(29.8)	*17.3*	(65.0)	(57.1)	*13.9*
General and Administrative Expenses	(5.6)	(4.6)	*21.1*	(10.8)	(9.4)	*14.9*
Others Income / (Expenses), net	(0.2)	(1.1)	*-84.5*	(0.9)	(2.0)	*-53.0*
Financial Income / (Expenses), net	0.8	(0.6)	*n/a*	0.7	(0.3)	*n/a*
Earnings Before Taxes	8.2	4.0	*105.7*	8.5	0.1	*6732.1*
Net Income (Losses)	6.4	2.2	*184.2*	4.5	(3.0)	*n/a*
EBITDA	8.2	5.3	*52.7*	9.5	1.8	*414.9*
Gross Margin	*62.2%*	*61.8%*	*0.4 pp*	*61.5%*	*60.4%*	*1.1 pp*
Sales Expenses/Net Revenues	*45.2%*	*45.9%*	*-0.7 pp*	*47.3%*	*50.0%*	*-2.8 pp*
General and Admin. Expenses/Net Revenues	*7.3%*	*7.2%*	*0.1 pp*	*7.8%*	*8.2%*	*-0.4 pp*
Net Margin	*8.2%*	*3.4%*	*4.8 pp*	*3.3%*	*-2.7%*	*5.9 pp*
EBITDA Margin	*10.6%*	*8.2%*	*2.3 pp*	*6.9%*	*1.6%*	*5.3 pp*

- Net revenue from operations in consolidation was R$77.3 million in 2Q11, for year-on-year increases of 30.0% in weighted local currency and 19.1% in reais. Net revenue in 1H11 was R$137.4 million, up 30.4% and 20.5% respectively.
- The number of consultants grew 15.3%, reaching 143 thousand at the end of 2Q11.
- These operations presented positive EBITDA of R$8.2 million in 2Q11 and R$9.5 million in the half. The increased marketing investments were offset by the dilution of our administrative and sales team expenditures and more efficient logistics due to more orders being made via internet, which now represent more than 70% of all operations.

3.3 OPERATIONS IN IMPLEMENTATION (Mexico and Colombia)

Pro-forma Income Statement

	2Q11	2Q10	Change %	6M11	6M10	Change %
Total Consultants - end of period (in thousand)	71.4	52.1	*36.9*	71.4	52.1	*36.9*
Unit sold – items for resale (in million)	4.6	3.2	*46.9*	9.0	6.0	*50.0*
Gross Revenues	42.2	27.7	*52.0*	76.7	50.2	*52.7*
Net Revenues	36.4	23.9	*52.1*	66.1	43.3	*52.7*
Gross Profit	22.5	13.4	*67.2*	39.2	24.9	*57.5*
Sales Expenses	(25.1)	(17.1)	*47.4*	(45.4)	(32.1)	*41.4*
General and Administrative Expenses	(3.9)	(3.4)	*15.3*	(7.6)	(6.5)	*15.8*
Others Income / (Expenses), net	(0.6)	0.2	*n/a*	(0.7)	(0.0)	*n/a*
Financial Income / (Expenses), net	(0.0)	0.2	*n/a*	(0.3)	(1.4)	*n/a*
Earnings Before Taxes	(7.1)	(6.8)	*5.5*	(14.7)	-15.1	*-2.6*
Net Income (Losses)	(7.6)	(7.2)	*5.2*	(15.7)	(16.0)	*-1.7*
EBITDA	(6.7)	(6.4)	*3.9*	(13.4)	(12.8)	*4.8*
Gross Margin	*61.8%*	*56.2%*	*5.6 pp*	*59.3%*	*57.5%*	*1.8 pp*
Sales Expenses/Net Revenues	*69.1%*	*71.3%*	*-2.2 pp*	*68.7%*	*74.2%*	*-5.5 pp*
General and Admin. Expenses/Net Revenues	*10.7%*	*14.1%*	*-3.4 pp*	*11.4%*	*15.1%*	*-3.6 pp*
Net Margin	*n/a*	*n/a*	-	*n/a*	*n/a*	-
EBITDA Margin	*n/a*	*n/a*	-	*n/a*	*n/a*	-

- Operations in implementation posted net revenue of R$36.4 million in 2Q11, growing 56.2% in weighted local currency and 52.1% in reais. Net revenue in 1H11 was R$66.1 million, up 56.2% and 52.7%, respectively.
- The number of consultants grew 36.9%, reaching 71 thousand at the end of 2Q11.
- These operations had negative EBITDA of R$6.7 million in 2Q11, compared to the negative R$6.4 million in 2Q10.
- In April, we introduced in Mexico a new commercial model called the “Red de Relaciones Sustentables” (Sustainable Relationships Network), a multilevel model that offers career paths and economic, social and environmental indicators. Our sales team received this

new model very positively; however we are still in a period of adaptation and adjustments. We are confident that the initiative will be successful in Mexico and will help us expand our sales team and strengthen our brand in that country.

Other international investments, which include our French operation and expenditures with corporate structuring and projects related to international operations, posted losses (EBITDA) of R$15.2 million in 2Q11, R$33.3 million in 1H11 (R$10.8 million and R$24.4 million in 2010, respectively). In 2011, the non-recurring expenses related to the new Mexican commercial model totaled R$6.8 million.

4. DIVIDENDS

In a meeting held on July 20, 2011, the Company's Board of Directors approved the proposal for payment on August 12 2011 of dividends relative to the earned income for the first half of 2011 and interest on equity relative to the period between January 1 and July 20 of 2011 in the amount of R$295.3 million and R$37.5 million (R$31.9 million net of withholding income tax), respectively.

These dividends and interest on capital relative to the first half of 2011 together represent net remuneration of R$0.758 per share to be paid on August 12 2011 to shareholders based on positions as of July 26 2011. As of July 27 2011, the Company's shares will be traded ex-dividends and ex-interest on equity. Interest on equity will be calculated on July 2011.

5. SHARE REPURCHASE

In a meeting held on July 20, 2011, the Company's Board of Directors approved a Share Repurchase Program, to be held in treasury for the exercise of shares purchase options by the beneficiaries of Option Granting Plans or Subscription of Common Shares approved by the Company, at the limit of four million common shares, representing 2.3% of the total outstanding shares.

Acquisition operations will be done at market prices in BM&FBOVESPA's bidding, with intermediation of the following financial institutions: BTG Pactual and Morgan Stanley CTVM, no later than 365 days, counting from August 1 2011 to July 31 2012, while the Board is due to set the dates for the repurchase to be effectively executed.

CONFERENCE CALL & WEBCAST

Portuguese: **Friday, July 22, 2011**
10:00 A.M. - Brasília time

English: **Friday, July 22, 2011**
12:00 P.M. - Brasília time

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> Balance Sheets on June 30 2011 and December 31 2010

ASSETS	Jun/11	Dez/10
CURRENT ASSETS		
Cash and cash equivalents	622.4	560.2
Trade accounts receivable	437.2	570.3
Inventories	675.3	571.5
Recoverable taxes	159.0	101.5
Other receivables	96.2	66.4
Total current assets	**1,990.1**	**1,869.9**
NONCURRENT ASSETS		
Recoverable taxes	102.4	109.3
Deferred income tax and social contribution	218.8	180.3
Escrow deposits	379.9	337.0
Other noncurrent assets	46.6	44.9
Property, plant and equipment	587.1	560.5
Intangible assets	135.5	120.1
Total noncurrent assets	**1,470.3**	**1,352.0**
TOTAL ASSETS	**3,460.4**	**3,221.9**

LIABILITIES AND SHAREHOLDERS' EQUITY	Jun/11	Dez/10
CURRENT LIABILITIES		
Borrowings and financing	347.8	226.6
Trade and other payables	315.2	366.5
Payroll, profit sharing and related taxes	154.3	162.7
Taxes payable	407.9	366.0
Derivatives	20.9	4.1
Other payables	57.1	64.7
Total current liabilities	**1,303.3**	**1,190.7**
NONCURRENT LIABILITIES		
Borrowings and financing	664.5	465.1
Taxes payable	231.2	215.1
Provision for tax, civil and labor risks	67.7	73.8
Provision for healthcare plan	21.6	19.7
Total noncurrent liabilities	**985.0**	**773.7**
SHAREHOLDERS' EQUITY		
Capital	427.0	418.1
Capital reserves	153.7	149.6
Earnings reserves	284.1	282.9
Accumulated income	339.1	-
Proposed additional dividend	-	430.1
Other comprehensive losses	(31.6)	(23.2)
Total equity attributable to owners of the Company	**1,172.1**	**1,257.5**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**3,460.4**	**3,221.9**

> Accounting Demonstrations of the Results for Quarters ending on June 30 2011 and 2010

R$ million	6M11	6M10
NET REVENUE	**2,539.5**	**2,298.0**
Cost of sales	(756.3)	(711.8)
GROSS PROFIT	**1,783.2**	**1,586.2**
OPERATING (EXPENSES) INCOME		
Selling	(909.3)	(762.6)
Administrative and general	(343.0)	(277.3)
Management compensation	(7.2)	(6.8)
Other operating (expenses) income, net	16.8	(13.2)
INCOME FROM OPERATIONS BEFORE FINANCIAL (EXPENSES) INCOME	**540.5**	**526.3**
Financial expenses	(81.1)	(57.1)
Financial income	49.8	37.7
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	**509.2**	**506.9**
Income tax and social contribution	(170.6)	(173.9)
NET INCOME	**338.6**	**333.1**

>Accounting Demonstrations of Cash Flows for Quarters ending on June 30 2011 and 2010

R$ million	6M11	6M10
CASH FLOW FROM OPERATING ACTIVITIES		
Net income	**338.6**	**333.1**
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	50.8	49.0
Provision for losses on swap and forward contracts	23.8	(7.9)
Provision for tax, civil and labor contingencies	(5.0)	(1.4)
Interest and inflation adjustment of escrow deposits	(11.9)	(10.1)
Income tax and social contribution	170.6	173.9
(Gain) Loss on sale on property, plant and equipment and intangible assets	5.2	11.5
Interest and exchange rate change on borrowings and financing and other liabilities	14.1	(1.0)
Stock options plans expenses	5.6	3.8
Provision for discount on assignment of ICMS credits	0.1	0.5
Allowance for doubtful accounts	(1.1)	2.8
Allowance for inventory losses	27.1	(27.8)
Provision for healthcare plan	1.8	6.7
Recognition of tax credits related to lawsuit	(16.9)	-
	602.9	**533.0**
INCREASE / DECREASE IN ASSETS AND IN LIABILITIES		
Trade accounts receivable	134.1	13.0
Inventories	(130.9)	(3.7)
Recoverable taxes	(33.9)	(4.1)
Other assets	(31.5)	2.2
Domestic and foreign suppliers	(51.3)	4.8
Payroll, profit sharing and related taxes, net	(8.5)	(3.7)
Taxes payable	27.6	2.4
Other payables	(7.7)	8.8
Provision for tax, civil and labor contingencies	(1.1)	(2.3)
Subtotal	**(103.1)**	**17.4**
OTHER CASH FLOWS FROM OPERATING ACTIVITIES	**499.9**	**550.3**
Payments of income tax and social contribution	(178.7)	(79.3)
Payments of derivatives	(6.9)	1.4
Payment of interest on borrowings and financing	(29.0)	(19.2)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**285.2**	**453.2**
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and intangible assets	(100.7)	(63.0)
Proceeds from sale of property, plant and equipment and intangible assets	2.6	2.1
Escrow deposits	(31.0)	(36.4)
NET CASH USED IN INVESTING ACTIVITIES	**(129.1)**	**(97.3)**
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of borrowings and financing - principal	(106.0)	(546.0)
Proceeds from borrowings and financing	432.9	497.6
Payment of dividends and interest on capital	(430.1)	(357.6)
Capital increase through subscription of shares	8.9	5.5
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**(94.3)**	**(400.5)**
Gains (losses) on translation of foreign-currency cash and cash equivalents	0.3	0.3
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**62.2**	**(44.3)**

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 the Brazilian LAJIDA or to EBITDA as defined by other companies. Although, according to the accounting practices adopted in Brazil, EBTIDA does not provide 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 companies.

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.