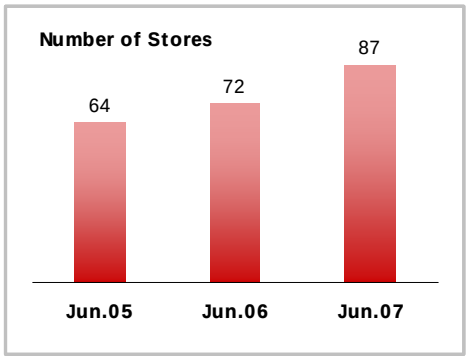
LOJAS RENNER ANNOUNCES EBITDA[1] GROWTH OF 49.7% AND AN INCREASE OF 76.8% IN NET INCOME

Porto Alegre, July 31 2007 – LOJAS RENNER S.A. (Bovespa: LREN3), one of the three largest apparel department store chains in Brazil, today announces its results for the second quarter 2007 (2Q07) and the accumulated first six months of the year (1S07). Except where indicated to the contrary, the following financial and operating information is consolidated according to Brazilian Corporate Law while the comparisons refer to the second quarter (2Q06) and the first semester (1S06) of 2006.

HIGHLIGHTS OF THE 2ND QUARTER 2007

- **Net Sales** reported a growth of 24.2%, increasing from R$ 357.7 million in 2Q06 to **R$ 444.4 million** in 2Q07. **Same store sales** recorded a growth of **9.6%** in the same period.



- **Gross Profit** reached **R$ 205.8 million** in 2Q07 and **Gross Margin** was **46.3%**. **EBITDA**[1] posted an increase of **49.7%** and reached **R$ 75.7million** in 2Q07, with an **EBITDA Margin of 17.0%** in the quarter.

- **Investments** in Fixed Assets in 2Q07 amounted to **R$ 24.2 million**. Of this amount, R$ 17.0 million was allocated to the conclusion of the 6 new stores opened during the 2Q07. Resources were also invested to the remodeling of existing installations and the modernization of IT systems and hardware. In late July, a new Distribution Center was also inaugurated in Palhoça – SC, replacing the existing operation in Porto Alegre – RS.

- The **Renner Card** accounted for **69.0% of total sales** reported in 2Q07. The Company has now issued a total of **11.0 million** store cards, the **average ticket** being **R$ 111.13** against R$ 108.01 registered in 2Q06. Credit sales financed through the **0+8 interest bearing installment plan**, represented **13.3% of total Company sales**, against 12.7% in 2Q06.

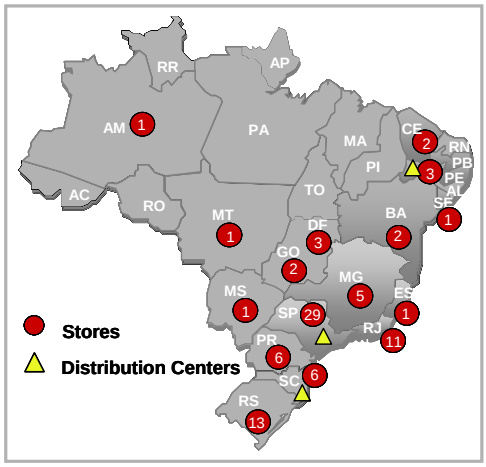
- On **June 30 2007**, the Company commemorated its **second year as a Corporation** and listing on Bovespa's Novo Mercado, contributing not only to the expansion of Lojas Renner, but also to the development of the Brazilian capital markets. In addition, Lojas Renner also celebrated **40 years as a listed company**, having been one of the pioneers in the South of Brazil in obtaining a stock exchange listing.

[1] EBITDA Earnings before Net Financial Expenses, Income Tax and Social Contribution, Depreciation, Amortization and Non-operating Results. EBITDA is not a measure used in Brazilian accounting practices and does not represent cash flow for the periods under review. It should not be considered as an alternative for net income, as an indicator of operating performance or as an alternative for cash flow in the form of an indicator of liquidity. EBITDA does not have a standardized meaning and the Company's definition of EBITDA may not be comparable with the adjusted EBITDA of other companies. While in accordance with accounting practices used in Brazil EBITDA does not provide a measure of operating cash flow, management uses it to measure operating performance. In addition, the Company understands that certain investors and financial analysts use EBITDA as an indicator of the operating performance of a company and/or its cash flow.

OPERATING PERFORMANCE

Operating Data	2Q07	2Q06	1S07	1S06
Net Sales (R$ MM)	444.4	357.7	754.6	608.7
Net Sales *Nominal Growth over the Previous Year*	24.2%	28.1%	24.0%	27.6%
Increase in Same Store Sales [2] *Nominal Growth over the Previous Year*	9.6%	20.6%	9.3%	21.2%
Total Number of Stores *End of June*	87	72	87	72
Selling Area (in thousand m^2)[3] *End of June*	192.5	161.3	192.5	161.3
Net Sales per m^2 (R$ per m^2) *Net Sales per Average Selling Area*	2,348	2,250	4,110	3,914
Number of Employees *End of June*	8,382	6,689	8,382	6,689

The second quarter of the year is an important period for retail sector sales in general since there is a natural recovery in consumption following the first quarter which is traditionally weaker due to payments of purchases made during the year-end holidays, tax payments and the school vacation period. In the quarter, the entire sector and especially Lojas Renner, which has a strong focus on the female customer, benefits from the sales leading up to Mother's Day, the principal date of the year for the retail sector after the year-end holiday period, and St Valentine's Day (which in Brazil falls during the second quarter). In addition, May was also positively impacted by lower temperatures that boosted sales of winter products.



This quarter also represented the peak period for the Fall/Winter collection, and compared to the Spring/Summer collection, normally characterized by a higher average ticket. Lojas Renner successfully managed its inventory during this transitional period, maintaining markdowns and special offers at normal levels, thus minimizing the impact of the delay in the arrival of lower temperatures, normally an event which takes place early in the quarter, but this year beginning only in May.

The growth in **same store sales** was **9.6%** in 2Q07 and 9.3% in 1S07, a performance in line with Lojas Renner's initial forecasts for the current year.

Net Sales represented an increase of **24.2%** in the period due to the larger contribution of new units. In 1S07, sales reported an accumulated growth of 24.0%. Lojas Renner's performance exceeded the overall increase in nominal retail sales of apparel and footwear, which reported an accumulated growth of 13.1% up to May, according to figures published by the IBGE (the government statistics office). Macroeconomic factors continue to contribute favorably to results with continued growth in formal employment, improved total wages mass and increased disposable incomes.

During 2Q07, **investments** in fixed assets totaled **R$ 24.2 million,** covering the rollout of six units already scheduled for opening during the period: Florianópolis – SC, Rio de Janeiro – RJ, Piracicaba – SP, Salvador – BA, Aracajú – SE and Manaus – AM, the latter two being the first company stores in the states

[2] Stores are included in the comparable sales calculation beginning on the thirteenth month of their operations. Changes in comparable store sales between two periods are based on net sales of stores, which were in operation during both periods being compared. If a store is included in the calculation of comparable store sales for only a portion of one of the two periods being compared then that store will be included in the calculation for only the comparable portion of the other period. When the square meters of a store that is included in comparable store sales are increased or decreased, that store continues to be included in the comparable store sales calculation. When a store is closed, its sales are excluded from the calculation of comparable stores sales for the periods being compared.

[3] Total square meters at the end of a period includes only retail selling space, excluding stockroom and back office areas.

of Sergipe and Amazonas. In addition to the new stores, in late July Renner also inaugurated a new distribution center in Palhoça – SC replacing the operation in Porto Alegre – RS. In 1S07, accumulated investments totaled **R$ 35.8 million**.

The Company concluded the first semester of the year with consistent results by accelerating the pace of growth and expanding the selling area. A further **four** rollouts are currently scheduled for **2S07**: Minas Shopping in Belo Horizonte – MG, Balneário Camboriú Shopping Center in Balneário Camboriú – SC, Brasília Shopping in Brasília – DF and Santana Parque Shopping in São Paulo – SP.

RESULTS FOR 2Q07

Net Sales

Net Sales posted an increase in year on year sales of 24.2% in the quarter, up from R$ 357.7 million to **R$ 444.4 million**. **Same store sales** also registered a growth of **9.6%** compared with 2Q06. In the first six months of the year, Net Sales grew 24.0% from R$ 608.7 million in 1S06 to **R$ 754.6 million** in 1S07, while **same store sales** rose **9.3%** in the same period. This performance is mainly due to the process of gradually upgrading the efficiency levels at existing stores and the larger contribution of sales of stores opened more recently.

Gross Profit

Gross Profit for the quarter recorded an increase of **24.4%** compared with the same period in 2006, rising from R$ 165.5 million to **R$ 205.8 million**. **Gross Margin** reported stability at **46.3%** in both periods. In 1S07, **Gross Profit** grew 23.7% from R$ 282.9 million in 1S06, to **R$ 349.9 million**, with **Gross Margin** registering a slight dip of 0.1 percentage point from 46.5% to **46.4%**. Gains in efficiency from improvements in procurement and inventory management processes during the periods under review were neutralized by higher temperatures in April, accentuating demand for products from the summer collection, which had already been marked down, and by one-off promotions in the period immediately after Mother's Day.

Selling, General and Administrative Expenses

Selling Expenses registered a growth of **14.8%** from R$ 89.6 million in 2Q06 to **R$ 102.9 million** in 2Q07. In relation to Net Sales, Selling Expenses recorded a reduction of 1.9 percentage points from 25.1% to **23.2%**. For the accumulated six month period, these expenses rose from R$ 160.2 million, representing 26.3% of Net Sales to **R$ 188.3 million**, and representing **24.9%** of Net Sales. In both periods, the lower expenses in relation to sales are related to the greater contribution of sales at stores rolled out during 2006 as well as scale gains resulting from the expansion in the business, which gradually dilute stores fixed operating costs.

General and Administrative Expenses increased by 15.3%, totaling **R$ 37.3 million** in 2Q07 against R$ 32.4 million reported in the same period 2006. As a percentage of Net Sales, this item fell from 9.0% in 2Q06 to **8.4%** in 2Q07. This reduction reflects the effects of Company efforts in the diluting and control of expenses. For the full six month period, these expenses rose from R$ 56.6 million in 1S06, representing 9.3% of Net Sales to **R$ 70.8 million**, **9.4%** of Net Sales in 1S07. This small increase is principally due to expenses associated with the capture and activation of Renner Card accounts and the increase in logistics expenses, which rose pari passu with the Company's expansion into new markets. It is worth pointing out that the regular supply of nine new stores located in the North and the Northeast, in the states of Bahia, Pernambuco, Ceará, Sergipe and Manaus, makes any comparison of logistic costs between the periods difficult.

Financial Services Result

Income from Financial Services (R$ MM)	2Q07	2Q06	1S07	1S06
1 – Revenue from Recovery of Receivables (Retail)	21.5	19.5	38.3	34.5
2 – Losses on Receivables, Net (Retail)	(13.2)	(11.1)	(20.7)	(19.1)
3 – Revenue from Financial Services, Net of Losses on Receivables	11.0	2.6	22.7	3.2
a) Revenue from Financial Services	25.0	3.6	45.4	4.4
b) Losses on Receivables, Net (Financial Services)	(14.0)	(1.0)	(22.7)	(1.2)
4 – Operating Expenses (Renner Card & Financial Services)	(7.0)	(4.2)	(12.1)	(7.2)
Total	**12.3**	**6.8**	**28.2**	**11.4**
% of EBITDA	16.0%	13.5%	24.4%	14.6%

The **Financial Services Result** posted a significant increase from R$ 6.8 million in 2Q06 to **R$ 12.3 million** in 2Q07. In 1S07, this result was **R$ 28.2 million**, equivalent to a growth of 147.4% over 1S06. This increase is due principally to stronger results generated from the new Financial Services that include credit sales under the 0+8 interest bearing installment plan and the intermediation of Personal Loans and Capitalization Bonds (Annuities).

Credit Losses, Net of Recoveries, on the 0+5 interest free installment credit plan reported stability in relation to Net Sales. Losses on the 0+8 interest bearing installment plan are in line with Company forecasts and the revenue generated from this method of finance adequately covers the additional losses arising from this form of payment.

With respect to Personal Loans, the provisions for losses on credits are constituted on the basis of classification of risk of the operations similar to the classification criteria for credit operations laid down by the Central Bank of Brazil, the same policy as adopted by the financial institutions. Provisions are based on a classification of risk stipulated by the Central Bank. At the highest level of risk, this considers the entire amount including the portion still not due, and not merely the amount overdue (Dragging Method, where customer debt with different installments of different contracts, distributed across the portfolio, is transferred to a worst case overdue classification, consolidated and accrued). The percentage reserved gradually increases as payment delay increases with the outstanding amount in excess of 180 days being 100% accrued.

In 2Q07, the **Financial Services Result** increased to **16.0% of the EBITDA**, compared with 13.5% recorded in 2Q06, when credit sales under the 0+8 interest bearing installment plan represented 12.7% of total sales and Personal Loans were still at an incipient stage. For the accumulated period from January to June 2007, this same result represented **24.4% of the EBITDA** with a significant increase compared to the 14.6% reported in 1S06.

Following the reclassification of Collection Expenses in 4Q06, the Financial Services Result is now made up of the following items:

1- Revenue from Recovery of Receivables: registers revenues arising from the collection of delayed credit payments associated to the retailing operation (in up to five installments and partially with respect to sale of merchandise in 0+8 installments).

2- Losses on Receivables, Net: this item records the provision for losses on credits associated with the retailing operation (in up to five installments and partially with respect to sale of merchandise in 0+8 installments), based on historical data, less recoveries of losses written off in prior periods.

3- Revenue from Financial Services, Net of Losses on Receivables: registers financial services revenues, already net of additional losses on credits associated with the 0+8 interest-bearing plan, and to total losses on Personal Loans.

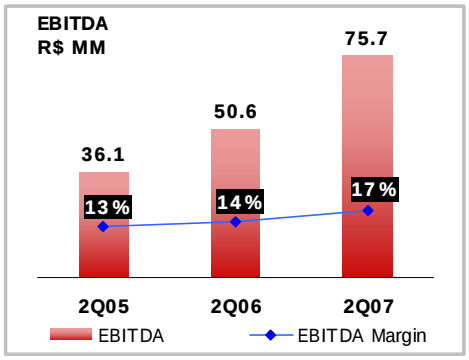
3.a) Revenue from Financial Services: recognizes revenues generated through the intermediation of credit sales under the 0+8 interest bearing installment plan, Personal Loans and Capitalization Bonds (Annuities). Revenues are shown net of taxes and funding costs.

3.b) Losses on Receivables, Net: records losses generated through the intermediation of Personal Loans and the additional losses generated under the 0+8 interest bearing installment plan, less recoveries of losses written off in prior periods.

4- Operating Expenses: covers expenses related to operating financial services business, including all costs arising from this business, as well as collection expenses incurred with Financial Services and the Renner Card, both with respect to the 0+5 interest free and the 0+8 interest bearing installment plans.

EBITDA

EBITDA Reconciliantion (R$ MM)	2Q07	2Q06	1S07	1S06
Net Income	**40.4**	**22.9**	**57.2**	**36.3**
(+) Income and Social Contribution Taxes & Participations	18.4	11.3	25.8	18.3
(+) Non-Operating Income	0.6	1.8	0.5	2.1
(+) Financial Income (Expenses), Net	4.2	5.2	7.3	3.5
(+) Depreciation and Amortization	12.1	9.4	23.8	18.1
EBITDA	**75.7**	**50.6**	**114.6**	**78.3**



EBITDA grew 49.7% from R$ 50.6 million in 2Q06 to **R$ 75.7 million** in the same period of 2007 with an **EBITDA Margin** reaching **17.0%** in 2Q07 against 14.1% for 2Q06. In 1S07, EBITDA reached **R$ 114.6 million**, an increase of 46.4% against R$ 78.3 million posted in 1S06, with the EBITDA margin increasing from 12.9% to **15.2%** in the current semester. This improvement represents better sales performance, mainly due to the greater contribution of the recently opened stores and the dilution of operating expenses. Improved results generated from the financial services business also contributed to this performance.

Net Financial Result

The **Net Financial Result** was negative in **R$ 4.2 million** in 2Q07 against a negative result of R$ 5.2 million in 2Q06. This improvement basically reflects a structural change in the operation for financing delinquent customers made during 2Q06, distorting the comparison between periods. The average monthly balance for financial investments was R$ 32.6 million in 2Q07 (excluding income originating from the financing of delinquent customers). For the semester, this result was a negative **R$ 7.3 million** against a negative result of R$ 3.5 million in 1S06.

Financial Income (Expenses), Net (R$ MM)	2Q07	2Q06	1S07	1S06
Financial Income	3.3	5.7	8.1	12.7
Financial Expenses	(4.6)	(3.7)	(9.5)	(8.4)
CPMF (tax on banking transactions)	(2.8)	(2.2)	(5.9)	(4.2)
Other Financial Income	(1.8)	(1.5)	(3.6)	(4.2)
Cost of Financing Delinquent Customers, Net	(2.9)	(7.2)	(5.9)	(7.8)
Financial Income (Expenses), Net	**(4.2)**	**(5.2)**	**(7.3)**	**(3.5)**

Net Income

In the light of the factors mentioned above, the Company reported a **Net Income** of **R$ 40.4 million** for 2Q07, 76.8% higher than R$ 22.9 million recorded in the same period last year. The **Net Margin** was **9.1%** in 2Q07 against 6.4% posted for the same period in 2006. Between January and June, the Company's **Net Income** was **R$ 57.2 million**, 57.5% up on the same period for the preceding year. The **Net Margin** for the semester was **7.6%** against 6.0% in 1S06.

CASH, CASH EQUIVALENTS AND DEBT

Cash, Cash Equivalents and Indebtedness (R$ MM)	Jun.07	Mar.07	Jun.06
Cash & Cash Equivalents	220.8	168.5	219.9
Short Term Borrowing and Financing	(106.2)	(100.9)	(93.9)
Cash, Cash Equivalents and Indebtedness	**114.6**	**67.6**	**126.0**

On June 30 2007, Lojas Renner recorded total **Borrowing and Financing** of **R$ 106.2 million** in short term lines of credit, slightly more than the R$ 100.9 million in March 2007. Compared with June 2006, there was an increase in outstanding under this item of 13.1%.

The Company's **Cash and Cash Equivalents** at the end of the period amounted to **R$ 220.8 million**, an increase of 31.0% in relation to the R$ 168.5 million as of March 2007. Compared with June 2006, Cash and Cash Equivalents were virtually unchanged.

As a result, Lojas Renner closed the quarter with a **Net Cash Position** of **R$ 114.6 million**, an increase of 69.5% compared with March 2007 and a reduction of 9.0% in relation to June 2006.

CAPITAL EXPENDITURES (CAPEX)

Capital Expenditures (R$ MM)	2Q07	2Q06	1S07	1S06
New Stores	17.0	22.5	25.4	32.4
Remodeling of Installations	3.4	4.8	4.1	7.9
IT Equipment & Systems	2.2	3.9	3.5	7.4
Others	1.6	1.6	2.8	1.8
Total	**24.2**	**32.8**	**35.8**	**49.5**

In 2Q07, Lojas Renner's **Investments** in fixed assets amounted to **R$ 24.2 million**. Of this amount, R$ 17.0 million was allocated to the rollout of six new stores, R$ 3.4 million was invested in the remodeling of installations and R$ 2.2 million in the modernization of IT systems and hardware. For the accumulated period from January to June 2007, investments amounted to **R$ 35.8 million**, R$ 25.4 million of which was dedicated to new stores.

As part of the continued expansion strategy, the Company opened six new stores during the quarter, three in the South and Southeast and three in the North and Northeast:

	City	Location	Total Area	Date
01	Florianópolis – SC	Shoping Iguatemi	2,680 m^2	April.17, 2007
02	Piracicaba – SP	Shopping Center Piracicaba	2,303 m^2	April.24, 2007
03	Rio de Janeiro – RJ	Shopping Tijuca	2,558 m^2	April.27, 2007
04	Manaus – AM	Amazonas Shopping	3,250 m^2	May.03, 2007
05	Aracaju – SE	Shopping Jardins	3,235 m^2	May.10, 2007
06	Salvador – BA	Salvador Shopping	4,679 m^2	May.22, 2007

On July 30, the Company concluded the replacement of the Distribution Center in Porto Alegre – RS with a new unit located in Palhoça, state of Santa Catarina.

Depreciation and Amortization increased 28.9% from R$ 9.4 million in 2Q06 to **R$ 12.1 million** in 2Q07, reflecting the increase of investments in fixed assets by the Company in line with its strategy of expanding the store network. In 1S07, **Depreciation and Amortization** amounted to **R$ 23.8 million**, against R$ 18.0 million in 1S06.

RENNER CARD

The **Renner Card** accounted for **69.0% of sales** during 2Q07 against 72.8% in the same period a year earlier. This reduced share is largely due to the significant number of store rollouts during 2006 and 2007. Such openings translate into a larger number of new customers that initially opt to settle their purchases using other forms of payment, thus diluting sales through the Renner Card. The **average ticket** for transactions using the store card increased to **R$ 111.13** in 2Q07, against R$ 108.01 in 2Q06, a 2.9% improvement. Accumulated card sales for the semester accounted for 68.0% of total sales, an average ticket of R$ 103.71 and a year on year rise of 3.6%.

The **0+8 interest bearing installment plan** continues to favorably impact the Company's results, reporting growth in the share of total sales and accounting for **13.3%** in 2Q07 against 12.7% in 2Q06. The alternative 0+5 interest free installment plan accounted for 55.7% in 2Q07 against 60.1% in the

same period for 2006. For the semester as a whole, the 0+8 interest bearing plan represented 13.3% of total sales for 1S07 while the 0+5 interest free plan accounted for 54.7%.

In 2Q07, Lojas Renner issued 375,800 new cards, reaching the **11.0 million mark in cards** in June 2007.

FINANCIAL SERVICES

Lojas Renner continues to expand its loan portfolio, which currently amounts to **R$ 89.9 million**, including interest charges (R$ 64.6 million adjusted to present value). Customer receptivity of the credit products, both for the Saque Rápido (Easy Withdrawal) as well as Personal Loans, is extremely positive. Operations have an average ticket of **R$ 530.00** (principal), an average term of **7 months** at an interest rate of **9.9% p.m.** In November 2006, the Company signed an agreement with Porto Seguro S.A. for the sale of insurance policies through the store network. The launch of these products should begin during the second semester 2007, thus expanding the range of financial services currently offered. Initially, the following types of insurance cover will be launched: Unemployment Insurance covering Renner Card payables, Unemployment Insurance covering Personal Loans and Loss and Theft of the Renner Card for the initial launch phase, all of these services being offered to Renner Card holders only. At the present time, these insurance products are being tested and are expected to be available at all stores before the end of 3Q07. Household and Personal Accident will be available from all Lojas Renner's stores as from November of this year.

UPCOMING EVENTS

Conference Call on 2Q07 Results

In English

Date: **August 1st 2007**
Time: 12:00 pm (US-ET) / 01:00 pm (Brazil)
Phone: +1 (973) 935 8893
Toll Free: 800 418 6854 (US and Canada)
International Toll Free: 0800 891 3951 (Brazil)
International Toll Free: 0800 032 3836 (UK)
Replay: +1 (973) 341 3080
Code: 8982759

In Portuguese

Date: August 1st 2007
Time: 10:00 am (US-ET) / 11:00 am (Brazil)
Phone: +55 (11) 2101 4848

Replay: +55 (11) 2101 4848
Code: Lojas Renner

The Conference Call presentation will be available for download from the www.lojasrenner.com.br/ri *website*

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ABOUT LOJAS RENNER

Lojas Renner is one of the three largest apparel department store chains in Brazil with 87 stores, 80 of them installed in shopping malls and a further 7 stand-alone stores in downtown city areas, located in the South, Southeast, Midwest, North and Northeast of Brazil. The Company develops and sells quality women's, men's, teen and children's apparel, footwear and underwear through 11 private brands, of which six represent the Lifestyle concept, each brand targeting a specific style and way of dressing. Lojas Renner also sells fashion accessories and cosmetics through two proprietary brands while offering third-party branded merchandise in certain product categories.

The Company's principal target customers are women between the ages of 18 and 39 who are in the middle and upper-middle levels of the Brazilian purchasing power spectrum. Lojas Renner offers its customers fashionable, high quality merchandise at competitive prices in a shopping environment which is practical and agreeable. The Lifestyle concept of merchandising makes it easier for the customers to combine individual items of apparel into a complete outfit with a consistent style according to each one of the brands.

Lojas Renner seeks to maintain its merchandise continuously fresh by always introducing new designs to keep pace with and help to shape the style preferences of its customers. The mission of each one of the employees is not merely to satisfy but to enchant our customers by exceeding their expectations.

From August 2005, Lojas Renner began to offer financial services, such as interest bearing credit sales, personal loans and capitalization bonds (annuities). During 2007, the Company will also begin to sell insurance policies through the store network.

FORWARD LOOKING STATEMENTS

This release contains forward-looking statements relating to the prospects of the business, estimates for operating and financial results, and those related to growth prospects of Lojas Renner S.A. These are merely projections and, as such, are based exclusively on the expectations of the Company's management concerning the future of the business. Such forward-looking statements depend substantially on changes in market conditions, the performance of the Brazilian economy, the sector and the international markets, and are therefore subject to change without prior notice.

FINANCIAL STATEMENT

Income Statement (in R$ '000)	2Q07	2Q06	Var %	1S07	1S06	Var %
Gross Revenue	**602,910**	**486,121**	**24.0%**	**1,013,997**	**818,685**	**23.9%**
Deductions	(158,555)	(128,412)	23.5%	(259,349)	(209,982)	23.5%
Net Revenue	**444,355**	**357,709**	**24.2%**	**754,648**	**608,703**	**24.0%**
Costs of Goods Sold	(238,600)	(192,247)	24.1%	(404,713)	(325,822)	24.2%
Gross Profit	**205,755**	**165,462**	**24.4%**	**349,935**	**282,881**	**23.7%**
Operating (Expenses) Income	**(146,375)**	**(129,477)**	**13.1%**	**(266,498)**	**(226,173)**	**17.8%**
Selling Expenses	(102,902)	(89,648)	14.8%	(188,259)	(160,216)	17.5%
General and Administrative Expenses	(37,328)	(32,367)	15.3%	(70,774)	(56,598)	25.0%
Management Compensation	(1,470)	(884)	66.3%	(2,646)	(1,740)	52.1%
Taxes	(3,184)	(2,353)	35.3%	(5,815)	(4,848)	19.9%
Depreciation and Amortization	(12,100)	(9,384)	28.9%	(23,803)	(18,026)	32.0%
Financial Services Result	12,274	6,815	80.1%	28,232	11,413	147.4%
Other Operating Income, Net	2,530	3,543	-28.6%	3,880	7,377	-47.4%
Financial Income (Expenses), Net	(4,195)	(5,199)	-19.3%	(7,313)	(3,535)	1.07
Operating Income	**59,380**	**35,985**	**65.0%**	**83,437**	**56,708**	**47.1%**
Non Operating Expenses	(520)	(1,777)	-70.7%	(458)	(2,094)	(0.78)
Income Before Income and Soc. Cont. Taxes	**58,860**	**34,208**	**72.1%**	**82,979**	**54,614**	**51.9%**
Income and Social Contribution Taxes	(18,414)	(11,335)	62.5%	(25,756)	(18,272)	41.0%
Net Income	**40,446**	**22,873**	**76.8%**	**57,223**	**36,342**	**57.5%**
Earnings per Share - R$	**0.33266**	**0.18831**	**0.0%**	**0.47065**	**0.29920**	**76.7%**
Number of shares (in thousands)	**121,582**	**121,462**	**0.0%**	**121,582**	**121,462**	0.0%

** For comparison purposes "Earnings per Share", is adjusted according to the number of shares as per the stock split of October 03, 2006*

BALANCE SHEET

Balance Sheet (in R$ '000)			
Assets	**Jun.07**	**Mar.07**	**Jun.06**
TOTAL ASSETS	**1,093,191**	**1,058,047**	**954,478**
Current Assets	**753,974**	**732,942**	**692,532**
Cash & Cash Equivalents	21,075	22,165	15,964
Short Term Investments	199,725	146,343	203,898
Trade Accounts Receivable	349,982	322,984	304,940
Inventories	127,446	174,524	116,212
Recoverable Taxes	14,683	34,818	16,893
Other Accounts Receivable	6,593	4,908	8,998
Deferred Income and Social Contribution Taxes	31,960	24,275	23,953
Prepaid Expenses	2,510	2,925	1,674
Not Current Assets	**339,217**	**325,105**	**261,946**
Long-Term Assets	**47,500**	**44,854**	**29,457**
Judicial Deposits	2,182	2,232	2,106
Recoverable Taxes	14,676	13,965	11,791
Other Accounts Receivable	6,542	5,368	1,467
Deferred Income and Social Contribution Taxes	24,100	23,289	14,093
Permanent Assets	**291,717**	**280,251**	**232,489**
Investments	63	63	63
Property and Equipment - Net	252,846	240,716	194,615
Intangible - Net	38,808	39,472	37,811
Liabilities and Shareholders' Equity	**Jun.07**	**Mar.07**	**Mar.07**
TOTAL LIABILITIES	**1,093,191**	**1,058,047**	**954,478**
Current Liabilities	**439,605**	**446,721**	**375,082**
Loans and Financing	106,188	100,884	93,907
Suppliers	159,145	158,469	146,969
Taxes and Contributions Payable	58,797	29,735	53,705
Accrued Salaries and Vacations Payable	28,458	34,201	19,939
Rent Payable	10,757	9,575	8,293
Statutory Liabilities	138	37,817	78
Reserve for civil and labor risks	7,495	8,125	7,098
Other Accounts Payable	68,627	67,915	45,093
Not Current Liabilities	**52,397**	**50,583**	**25,475**
Long-Term Liabilities	**52,397**	**50,583**	**25,475**
Taxes and Contibutions Payable	5,451	5,661	6,234
Reserve for tax and civil risks	43,646	41,322	14,741
Other Accounts Payable	3,300	3,600	4,500
Shareholders' Equity	**601,189**	**560,743**	**553,921**
Capital	399,820	399,820	398,138
Capital Reserve	118,165	118,165	118,165
Profit Reserve	25,981	25,981	1,276
Retained Earnings	57,223	16,777	36,342

CASH FLOW

Statement of Cash Flows (in R$ '000)	1Q07	1Q06	1S07	1S06
Cash Flow from Operating Activities				
Net Income for the Period	**40,446**	**22,873**	**57,223**	**36,342**
Adjust. to Reconcile Net Income to Net Cash Provided from Oper. Activities				
Depreciation and Amortization	12,071	9,355	23,745	17,968
Amortization of Goodwill	29	29	58	58
Result on From Sale or Write-Off of Permanent Assets	519	192	475	526
Accrued Interest, Net of Interest Paid	(1,387)	(4,553)	2,579	4,579
Changes in Assets and Liabilities				
(Increase) decrease in Trade Accounts Receivable	(26,998)	405	52,138	76,648
Decrease (increase) in Inventories	47,078	13,335	(4,424)	(23,958)
Decrease (Increase) in Other Current Assets	18,865	(7,809)	11,279	(3,982)
(Increase) decrease in Deferred Income and Social Contribution Taxes	(8,496)	(5,385)	(4,681)	1,486
(Increase) in Long-Term Assets	(1,835)	(859)	(2,226)	(809)
Increase (Decrease) in Trade Accounts Payable	676	(5,243)	(61,127)	(71,986)
(Decrease) in Accrued Salaries and Vacations	(5,743)	(3,207)	(10,029)	(8,840)
Increase (decrease) in Taxes Payable	28,852	33,545	(72,994)	(43,341)
Increase (decrease) Increase in Other Liabilities	412	23,905	(1,359)	26,950
Increase (decrease) in Rent Payable	1,182	190	(2,397)	(2,575)
(Decrease) in Liabilities Established by Bylaws	(37,679)	(1)	(53,795)	(45,130)
Increase in Reserve for Tax, Civil and Labor Risks	1,694	2,096	24,450	2,706
Net Cash Generated (Used in) Operating Activities	**69,686**	**78,868**	**(41,085)**	**(33,358)**
Cash Flow from Investing Activities				
Purchases of Property, Plant and Equipment and Intangible Assets	(24,195)	(32,765)	(35,752)	(49,520)
Proceeds from Disposal of Permanent Assets	111	10	191	64
Net Cash (Used in) Investing Activities	**(24,084)**	**(32,755)**	**(35,561)**	**(49,456)**
Cash Flow from Financing Activities				
Borrowings	53,870	41,671	90,660	77,220
Repayments of Loans	(47,180)	(35,009)	(80,417)	(51,073)
Net Cash Provided by Financing Activities	**6,690**	**6,662**	**10,243**	**26,147**
Increase (decrease) in Cash & Cash Equivalents and Short-Term Investments	**52,292**	**52,775**	**(66,403)**	**(56,667)**
At the Beggining of Period	168,508	167,087	287,203	276,529
At the End of Period	220,800	219,862	220,800	219,862
Supplementary Cash Flow Disclosure				
Cash (Paid) Received During the Period:				
Interest and Other Financial Expenses, Net	(12,785)	(18,867)	(20,666)	(18,933)
Financial Income (Temporary Cash Investments and Other)	7,203	9,116	15,933	19,978
Income and Social Contribution Taxes	(20,624)	(66)	(62,683)	(27,321)