Hypermarcas Reports Adjusted Net Income* of R$64.0 million, or R$0.40 per share in the 2Q08

São Paulo, August 12th, 2008 – Hypermarcas S.A. (Bovespa: HYPE3; Reuters: HYPE3.SA; Bloomberg: HYPE3 BZ) announced today its results for the second quarter of 2008 (2Q08). The results are presented on a consolidated basis, in accordance with Brazilian Corporate Law.

- Hypermarcas' **IPO** was concluded with gross proceeds of R$612.4 million, which will be used, according to the final prospectus of the IPO, to acquire new companies, assets and brands, and to invest in the marketing of new products and brands.
- **Adjusted net income*** of R$64.0 million, representing a margin of 24.1% over net revenues or R$ 0.40 per share.
- **Adjusted EBITDA **** of R$69.6 million, accompanied by a margin of 26.2% over net revenues.
- **Gross margin** of 60.1% over Net Revenues.
- **Net debt** of R$207.8 million on June 30, 2008, including R$596.9 million of notes payables (acquisition installments).
- **Leverage (Net Debt / Adjusted EBITDA)** of 0.7x the adjusted EBITDA of the last four quarters totaled R$280.5 million.

(R$ thousand)	2007	2Q07	2Q08	1H08
Net Income	58,833	36,429	26,682	22,716
Adjusted Net Income	117,238	28,471	63,957	122,630
Adjusted Net Income Margin	*14.0%*	*15.3%*	*24.1%*	*25.2%*
Adjusted EBITDA	206,075	51,005	69,621	140,724
Adjusted EBITDA Margin	*24.6%*	*27.4%*	*26.2%*	*28.9%*
Gross Profit	479,497	102,424	159,495	294,153
Gross Profit Margin	*57.3%*	*55.1%*	*60.1%*	*60.3%*
Net Debt	979,548	1,068,224	207,791	207,791
Adjusted Earnings per Share		0.23	0.40	

The 2Q08 is not fully comparable to 2Q07 or full year 2007 due to the acquisition of DM, in June 2007.
Latest acquisitions' results (Farmasa and men's personal care brands) will only be consolidated as of the 3Q08

** Adjusted Net Income =net income (R$26.7 million) + goodwill amortization expenses (R$68.4 million) + IPO and restructuring expenses (R$35.9 million) – exchange rate variation (R$67.0 million).*

*** Adjusted EBITDA = EBITDA + non-recurring expenses + Estimated Fomentar tax benefits+ marketing investments in new products (Marpex)*

Operational Environment

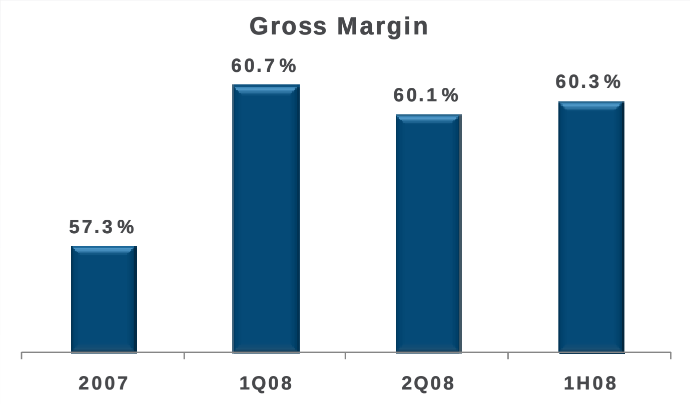
In this quarter, our gross revenues reflected the recovery of sales in the personal care segment, affected by tax changes in the first quarter, higher steel wool sales on account of weaker competition environment for the segment and stronger sales of the Zero-Cal sweetener, which prices rose in the first quarter due to the hike in saccharine prices.

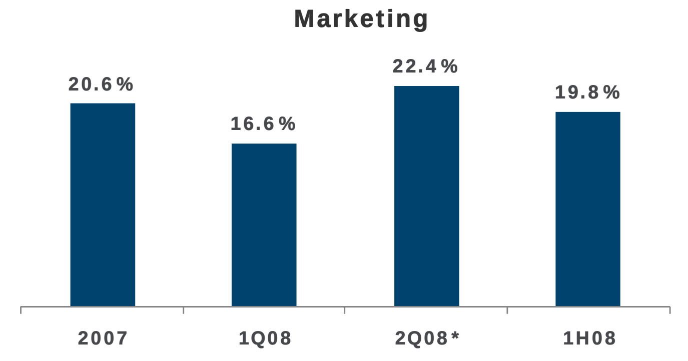
The gross margin remained in line with the first quarter and higher than in 2007, grantedby the operating improvements implemented by Hypermarcas after the acquisition of DM.

Marketing expenses rose in the quarter due to the seasonality of investments given the proximity of winter and the company's needs to increase winter-related products' exposure.

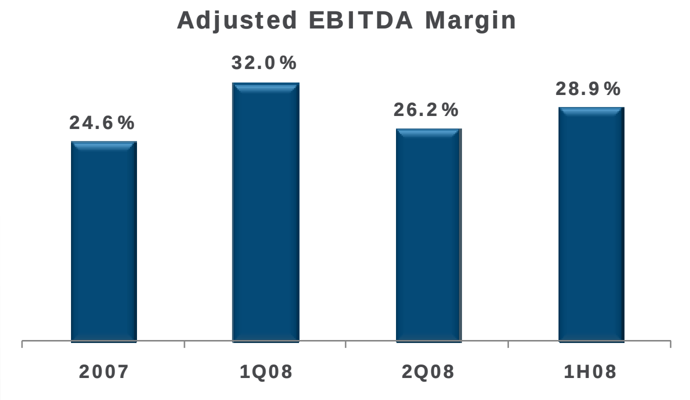
Operating expenses, excluding non-recurring expenses related to the public offering of Hypermarcas shares, remained in line with the first quarter and in line with the company's resizing after the acquisition of DM.

Operating cash flow generation (adjusted EBITDA) recorded a margin of 26.2% even after the increase in marketing expenses in the quarter. The year-to-date result was higher than in the same period of 2007, reaching an average of 28.9% over Net Revenues.





* Excluding 2.9% of Marketing investments in new Products (Marpex)



Financial Indicators

Hypermarcas main financial results in the quarter were as follows:

INCOME STATEMENT *(R$ thousand)*	2007	% NR	2Q07	% NR	2Q08	% NR
Gross Revenue	1,102,404	131.6%	244,341	131.5%	349,335	131.5%
Net Revenue	837,442	100.0%	185,836	100.0%	265,585	100.0%
Gross Profit	479,497	57.3%	102,424	55.1%	159,495	60.1%
Operational Expenses	(405,288)	-48.4%	(58,836)	-31.7%	(122,374)	-46.1%
Sales Expenses	(98,240)	-11.7%	(21,042)	-11.3%	(27,629)	-10.4%
Marketing Expenses	(172,468)	-20.6%	(30,655)	-16.5%	(67,347)	-25.4%
General,Fiscal and Administrative Expenses	(48,531)	-5.8%	(11,375)	-6.1%	(45,935)	-17.3%
Goodwill Amortization	(163,218)	-19.5%	(24,858)	-13.4%	(68,407)	-25.8%
Net Financial Expenses	78,819	9.4%	29,318	15.8%	88,160	33.2%
Other Operational Net Expenses	(1,650)	-0.2%	(224)	-0.1%	(1,216)	-0.5%
Income Tax and CSLL	(16,576)	-2.0%	(8,084)	-4.4%	(10,456)	-3.9%
Net Profit	58,833	7.0%	36,429	19.6%	26,682	10.0%
Ajusted Net Profit	117,238	14.0%	28,471	15.3%	63,957	24.1%
Ajusted Net Profit per Share			**0.23**	-	**0.40**	-

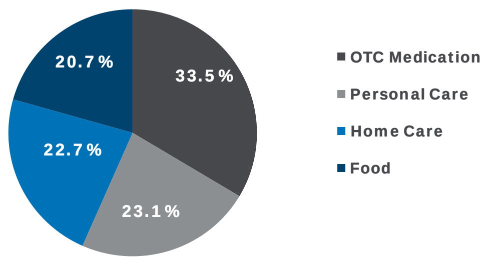
GROSS REVENUE

Gross revenue totaled R$349.3 million, 43% higher then the R$244.3 million gross revenue recorded in 2Q07.

Gross revenue of R$349.3 million break-down were as follows:

R$ thousand	2Q08
OTC Medication	117.136
Personal Care	80.789
Home Care	79.263
Food	72.148

2Q08 Gross Revenue Distribution



In this quarter, gross revenue from personal care recovered from the delay in sales in the first quarter due to the changes in Tax Replacement Mechanism (Substituição Tributária). Home Care division also recovered volume on steel wool thanks to Assolan Econômica's sales and a more favorable competitive environment. In the Foods division, Zero-Cal sales volume returned to the levels recorded before the first quarter's price increase originated by the hike in saccharine prices.

GROSS PROFIT

Gross profit stood at R$159.5 million in the 2Q08, accompanied by a gross margin of 60.1%, versus an average gross margin of 57.3% in 2007.

SELLING EXPENSES

Selling expenses totaled R$27.6 million, accounting for 10.4% over net revenues. In year-to-date terms, this line accounted for 10.7% over net revenue, 1 p.p. lower then the 11.7% recorded in 2007.

MARKETING EXPENSES

Marketing expenses stood at R$67.4 million, or 25.4% over net revenues. Of this amount, R$59.6 million, or 22.4% over net revenue were spent among Hypermarcas brands' portfolio. Additionally, according to the objectives set by our management on account of the public offering of Hypermarcas' shares, investments in the marketing of new products totaled R$7.8 million or 2.9% over net revenue with the launch of advertising campaigns of the Monange and Leite de Colônia deodorabts and the Mirador analgesic.

GENERAL, ADMINISTRATIVE AND TAX EXPENSES

General, administrative and tax expenses totaled R$45.9 million. Of this amount, R$11.8 or 4.4% over net revenue were expenses related to the quarter, in line with the 4.6% spent in the first quarter. In addition, there were also non-recurring expenses of R$34.1 million or 12.9% of net revenue related to Hypermarcas' IPO.

ADJUSTED NET INCOME

Net income before goodwill amortization, IPO expenses and exchange gains totaled R$64.0 million and was accompanied by a net margin of 24.1%, as shown in the table below:

INCOME STATEMENT *(R$ thousand)*	**2007**	***% NR***	**2Q07**	***% NR***	**2Q08**	***% NR***
Net Profit	58,833	*7.0%*	36,429	*131.5%*	26,682	*10.0%*
(+) Goodwill amortizations	163,218	*19.5%*	24,858	*100.0%*	68,407	*25.8%*
(+) non-recurring expenses	4,509	*0.5%*	516	*100.0%*	35,868	*13.5%*
(-) Resultados de variação cambial	109,322	*13.1%*	33,332	*55.1%*	67,000	*25.2%*
Adjusted Net Profit	117,238	*14.0%*	28,471	*15.3%*	63,957	*24.1%*
Adjusted Net Profit per share			**0.23**	**-**	**0.40**	**-**

Adjusted net earnings per share (based on a total of 158.9 million shares) were of R$0.40 in the 2Q08, versus R$0,23 in the 2Q07.

OPERATING RESULT

Adjusted EBITDA totaled R$69.6 million in the quarter, accompanied by a 26.2% margin over net revenue as shown below. In year-to-date terms, Hypermarcas' adjusted EBITDA totaled R$140.7 million, or 28.9% over net revenue, 4.3 p.p. higher than in the same period in 2007.

EBITDA RECONCILIATION (R$ thousand)	2007	% NR	2Q07	% NR	2Q08	% NR
Operational Result	74,209	8.9%	43,588	23.5%	37,121	14.0%
(+) Net Goodwill amortizations/negative goodwill	163,218	19.5%	24,858	13.4%	68,407	25.8%
(+) Depreciations and other amortizations	25,078	3.0%	5,375	2.9%	7,197	2.7%
(+) Net financial expenses	(78,819)	-9.4%	(29,318)	-15.8%	(88,160)	-33.2%
(+) Non-recurring expenses	13,337	1.6%	3,594	1.9%	35,561	13.4%
(+) Fomentar estimate	9,052	1.1%	2,908	1.6%	1,736	0.7%
(+) Marketing investments in new products – Marpex	0	0.0%	0	0.0%	7,759	2.9%
Adjusted EBITDA	206,075	24.6%	51,005	27.4%	69,621	26.2%

In this quarter, non-recurring expenses included costs associated with termination of employment contracts and severance costs, as well as those related to the public offering of Hypermarcas shares. The EBITDA calculation also took into account the R$7.8 million investments in marketing with the launch of advertising campaigns for new products: the Monange and Leite de Colônia deodorants and the Mirador analgesic. Estimated *Fomentar* tax benefits were also included in the EBITDA calculation to reflect the Company's cash flow.

Recent Events

On May 16, 2008, Hypermarcas concluded its Public Share Offering raising a gross amount of R$612.4 million with the issuance of 36,023 thousand shares, including the greenshoe. Proceeds will be used to acquire new companies, assets and brands, and to develop and market new products as described in the final prospectus of the IPO (in "Use of Proceeds" section).

Subsequent Events

(i) On June 1st, 2008, Hypermarcas and Laboratório Americano de Farmacoterapia S/A – Farmasa, pursuant to article 252 of Law 6.404/76, entered into a Share Merger Agreement for the exchange of 39,720 thousand new common shares issued by Hypermarcas on July 1st, for 100% of the capital of Farmasa' shares. With this transaction, Hypermarcas has consolidated its position as Brazil's largest OTC company, with a 11% market share and becoming the 5th largest national laboratory.

(ii) On July 28th, 2008, Hypermarcas acquired Ceil Comércio e Distribuidora Ltda for R$163.5 million, Brazil's subsidiary of Revlon, owning the brands Bozzano and Campos do Jordão on hair gel, shaving lotion and shaving cream and other men's segments besides Juvena and Aquamarine shampoo brands.

(iii) On July 28th, 2008, Hypermarcas acquired the leading hair gel brand NY Looks and the brand Radical. It will pay R$60.0 million, R$12.0 million of which will be paid cash, R$12 million will be deposited in an escrow account and the remaining sum will be paid in five years in annual installments of R$7.2 million adjusted by the dollar variation and no interes bearing.

These two acquisitions will enable Hypermarcas to expand its footprint in the men's personal care segments, where it already operates with the Avanço and Trés de Marchand brands, to razors, shampoos, conditioners, shaving creams, after-shaving lotions and other products.

2Q08 Conference Call	2Q08 Conference Call	IR Contact
Portuguese	English	Martim Prado Mattos
Date: 08/13/2008	Date: 08/13/2008	Investor Relations Director
Time: 03:30 pm (02:30 pm NY)	Time: 02:00 pm (01:00 pm NY)	Phone: +55 (11) 4166-1050
Telephone: +55 (11) 2188-0188	Telephone: +1 (973) 935-8893	ri@hypermarcas.com.br
Code: Hypermarcas	Code: 46867679	www.hypermarcas.com.br/ir

Income Statement

	Controlling Company				Consolidated			
	2Q08	1H08	2Q07	1H07	2Q08	1H08	2Q07	1H07
Gross sales revenues								
Local market	346,035	634,132	154,997	278,263	346,350	636,463	241,793	367,953
Foreign market	2,985	5,302	2,548	4,262	2,985	5,302	2,548	4,262
Sales deductions	-83,624	-153,866	-37,846	-70,078	-83,750	-154,286	-58,505	-91,305
Net sales revenue	265,396	485,568	119,699	212,447	265,585	487,479	185,836	280,910
Cost of sales	-106,034	-192,622	-60,715	-110,830	-106,090	-193,326	-83,412	-132,252
Gross profit	159,362	292,946	58,984	101,617	159,495	294,153	102,424	148,658
Operating income (expenses)								
Selling and marketing expenses	-93,937	-154,100	-33,167	-65,244	-94,976	-156,479	-51,697	-84,245
Administrative, general and tax expenses	-45,828	-55,971	-7,063	-13,617	-45,935	-56,220	-11,375	-18,111
Investment in subsidiary company	-1,308	-2,235	3,726	6,099				
Amortization of goodwill/negative goodwill, net	-68,407	-137,826	-9,992	-15,343	-68,407	-137,826	-24,858	-30,209
Financial expenses	58,607	55,437	24,495	25,087	58,319	54,630	23,570	24,083
Financial income	29,848	32,505	5,265	5,850	29,841	32,498	5,748	6,465
Other operating income (expenses), net	-1,216	-3,191	-144	-330	-1,216	-3,191	-224	-556
Total operating expenses	37,121	27,565	42,104	44,119	37,121	27,565	43,588	46,085
Non-operating income								
Non-operating revenue	20	20	48	48	20	20	54	54
Non-operating expenses	-3	-3	-12	-12	-3	-3	-12	-12
Profit before income tax and social contribution	37,138	27,582	42,140	44,155	37,138	27,582	43,630	46,127
Income tax and current social contribution			-784	-1,035			-3,157	-3,790
Income tax and deferred social contribution	-10,456	-4,866	-4,927	-4,751	-10,456	-4,866	-4,927	-4,751
	-10,456	-4,866	-5,711	-5,786	-10,456	-4,866	-8,084	-8,541
Profit (loss) before minority interest	26,682	22,716	36,429	38,369	26,682	22,716	35,546	37,586
Minority interest in subsidiaries							883	783
Net Profit / Loss	26,682	22,716	36,429	38,369	26,682	22,716	36,429	38,369
Number of shares (thousand)	158,881	158,881						
Earnings per share – R$	0.16794	0.14297						

Balanço Patrimonial

Assets	Controlling Company 06/30/2008	Controlling Company 03/31/2008	Consolidated 06/30/2008	Consolidated 03/31/2008
Short-term assets				
Cash and banks	620,085	144,394	620,175	144,644
Trade accounts receivable	218,894	176,780	218,965	178,257
Inventories	125,177	122,837	125,208	123,870
Sundry advances	3,674	2,295	3,786	2,295
Tax recoverable	7,345	6,240	7,680	6,436
Fiscal credits	7,478	4,716	7,478	4,716
Other credit	239	333	239	376
Prepaid expenses	11,942	18,676	11,942	18,676
	994,834	**476,271**	**995,473**	**479,270**
Non-current assets				
Long term assets				
Related companies	748	45	46	45
Tax credits	49,303	39,963	49,303	39,963
Tax recoverable	1,584	1,850	1,584	1,850
Judicial deposits and others	4,001	4,193	4,001	4,193
Prepaid expenses	6,740	7,318	6,740	7,318
	62,376	**53,369**	**61,674**	**53,369**
Permanent assets				
Investments				
In Controlled companies	18,670	21,064	18,137	19,273
Other investments	296	296	296	296
Goodwill on mergers	1,139,319	1,206,640	1,139,319	1,206,640
Fixed assets	101,841	104,549	102,206	104,890
Intangible	45,325	46,552	45,561	46,788
Deferred charges	13,244	14,120	13,526	14,426
	1,318,695	**1,393,221**	**1,319,045**	**1,392,313**
Total Assets	**2,375,905**	**1,922,861**	**2,376,192**	**1,924,952**

Liabilities and Shareholders Equity	Controlling Company 06/30/2008	Controlling Company 03/31/2008	Consolidated 06/30/2008	Consolidated 03/31/2008
Short-term				
Suppliers	48,836	38,830	48,880	39,191
Loans and financing	63,356	86,870	63,356	88,170
Payroll and social charges	14,808	11,551	14,816	11,839
Income tax and social contribution	7,478	4,716	7,478	4,716
Taxes payable	16,236	20,465	16,471	20,521
Accounts payable	54,825	36,975	54,825	37,061
Notes payable	108,738	145,932	108,738	145,932
	314,277	**345,339**	**314,564**	**347,430**
Non-current liabilites				
Loans and financing	167,737	182,563	167,737	182,563
Income tax and social contribution	53,008	33,212	53,008	33,212
Notes payable	488,135	639,802	488,135	639,802
Other accounts payable	23,952	32,210	23,952	32,210
Allowance for contingencies	2,361	2,372	2,361	2,372
	735,193	**890,159**	**735,193**	**890,159**
Shareholders equity				
Capital	718,731	410,650	718,731	410,650
Capital reserve	544,509	240,200	544,509	240,200
Profit reserve	40,479	40,479	40,479	40,479
Accumulated profit/loss	22,716	-3,966	22,716	-3,966
	1,326,435	**687,363**	**1,326,435**	**687,363**
Total liabilities and shareholders' equity	**2,375,905**	**1,922,861**	**2,376,192**	**1,924,952**