

*(Convenience Translation into English from
the Original Previously Issued in Portuguese)*

Saraiva S.A.
Livreiros Editores

*Interim Financial Statements for the
Quarter Ended June 30, 2010 and
Independent Accountants' Review Report*

Deloitte Touche Tohmatsu Auditores Independentes

(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Shareholders and Board of Directors of
Saraiva S.A. Livreiros Editores
São Paulo - SP

1. We have reviewed the accounting information included in the accompanying interim financial statements of Saraiva S.A. Livreiros Editores (the "Company") and subsidiary, for the quarter ended June 30, 2010, consisting of the individual (Company) and consolidated balance sheets, the related statements of income, changes in shareholders' equity, cash flows and value added, the related notes and the performance report, prepared under the responsibility of the Company's Management.
2. Our review was conducted in accordance with specific standards established by the Brazilian Institute of Independent Auditors (IBRACON), together with the Brazilian Federal Accounting Council (CFC), and consisted, principally, of: (a) inquiries of and discussions with certain officials of the Company and its subsidiary who have responsibility for accounting, financial and operating matters about the criteria adopted in the preparation of the interim financial statements; and (b) review of the information and subsequent events that have, or might have had, material effects on the financial position and results of operations of the Company and its subsidiary.
3. Based on our review, we are not aware of any material modifications that should be made to the accounting information included in the interim financial statements referred to in paragraph 1 for them to be in conformity with Brazilian accounting standard and standards issued by the Brazilian Securities Commission (CVM), specifically applicable to the preparation of the interim financial statements.
4. As mentioned in note 4, during 2009, CVM approved several technical pronouncements, interpretations and instructions issued by the Accounting Pronouncements Committee (CPC), mandatory for adoption in 2010, which changed the accounting practices adopted in Brazil. As permitted by CVM Resolution 603/09, the Company's Management elected to present its interim financial statements in accordance with the accounting standards effective in Brazil through December 31, 2009, rather than early adopting the standards effective for fiscal years ending before 2010. As required by CVM Resolution 603/09, the Company disclosed the basis of presentation of its interim financial statements in note 4, including a summary of the main changes that might impact its financial statements at yearend, as well as estimates of possible effects on shareholders' equity and net income.

Deloitte Touche Tohmatsu

5. The accompanying interim financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, August 13, 2010

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Maurício Pires de Andrade Resende
Engagement Partner

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BRAZILIAN SECURITIES AND EXCHANGE COMMISSION (CVM)
INTERIM FINANCIAL STATEMENTS (ITR) - 06/30/2010
COMMERCIAL, INDUSTRIAL AND OTHER COMPANIES

Corporate Law

REGISTRATION WITH THE CVM DOES NOT IMPLY ANY ANALYSIS OF THE COMPANY. COMPANY'S MANAGEMENT IS RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION PROVIDED.

01.01 - IDENTIFICATION

1 - CVM CODE 001047-2	2 - COMPANY'S NAME SARAIVA S.A. LIVREIROS EDITORES	3 - Federal Corporate Taxpayers' Registration Number (CNPJ) 60.500.139/0001-26
4 - State Registration Number (NIRE) 35300025300		

01.02 - HEAD OFFICE

1 - ADDRESS Rua Henrique Schaumann, 270 - 10º andar		2 - SUBURB OR DISTRICT Cerqueira Cesar		
3 - POSTAL CODE 05413-909	4 - MUNICIPALITY São Paulo		5 - STATE SP	
6 - AREA CODE 011	7 - TELEPHONE 3613-3000	8 - TELEPHONE -	9 - TELEPHONE -	10 - TELEX
11 - AREA CODE 011	12 - FAX 3611-3308	13 - FAX -	14 - FAX -	
15 - E-MAIL http://www.saraivari.com.br				

01.03 - INVESTOR RELATIONS OFFICER (Company Mail Address)

1 - NAME João Luís Ramos Hopp				
2 - ADDRESS Rua Henrique Schaumann, 270 - 5º andar		3 - SUBURB OR DISTRICT Cerqueira Cesar		
4 - POSTAL CODE 05413-909	5 - MUNICIPALITY São Paulo		6 - STATE SP	
7 - AREA CODE 011	8 - TELEPHONE 3613-3263	9 - TELEPHONE	10 - TELEPHONE	11 - TELEX
12 - AREA CODE 011	13 - FAX 3619-3062	14 - FAX -	15 - FAX -	
16 - E-MAIL jlhopp@saraiva.com.br				

01.04 - GENERAL INFORMATION / INDEPENDENT ACCOUNTANT

CURRENT YEAR		CURRENT QUARTER			PRIOR QUARTER		
1 - BEGINNING	2 - END	3 - QUARTER	4 - BEGINNING	5 - END	6 - QUARTER	7 - BEGINNING	8 - END
01/01/2010	12/31/2010	2	04/01/2010	06/30/2010	1	01/01/2010	03/31/2010
9 - INDEPENDENT ACCOUNTANT Deloitte Touche Tohmatsu Auditores Independentes					10 - CVM CODE 00385-9		
11 - PARTNER RESPONSIBLE Maurício Pires de Andrade Resende					12 - INDIVIDUAL TAXPAYERS' REGISTRATION NUMBER OF THE PARTNER RESPONSIBLE 603.835.426-34		

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01.05 - CAPITAL

NUMBER OF SHARES (THOUSANDS)	1 - CURRENT QUARTER 06/30/2010	2 - PRIOR QUARTER 03/31/2010	3 - SAME QUARTER IN PRIOR YEAR 03/30/2009
Paid-up Capital			
1 - Common	9,622	9,622	9,622
2 - Preferred	18,974	18,974	18,974
3 - Total	28,596	28,596	28,596
Treasury Shares			
4 - Common	0	0	0
5 - Preferred	251	251	251
6 - Total	251	251	251

01.06 - CHARACTERISTICS OF THE COMPANY

1 - TYPE OF COMPANY Commercial, Industrial and Other Companies
2 - SITUATION Operating
3 - NATURE OF OWNERSHIP Domestic Private
4 - ACTIVITY CODE 1100 - Printing and Publishing House
5 - MAIN ACTIVITY Publishing and printing of books
6 - TYPE OF CONSOLIDATION Full
7 - TYPE OF REPORT OF INDEPENDENT ACCOUNTANT Unqualified

01.07 - COMPANIES EXCLUDED FROM THE CONSOLIDATED FINANCIAL STATEMENTS

1 - ITEM	2 - CNPJ	3 - NAME
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01.08 - DIVIDENDS APPROVED AND/OR PAID DURING AND AFTER THE QUARTER

1 - ITEM	2 - EVENT	3 - DATE OF APPROVAL	4 - TYPE	5 - BEGINNING OF PAYMENT	6 - TYPE OF SHARE	7 - AMOUNT PER SHARE
01	Annual Shareholders' Meeting	04/20/2010	Interest on Capital	04/30/2010	Registered common	0.7341020900
02	Annual Shareholders' Meeting	04/30/2010	Interest on Capital	04/30/2010	Registered preferred	0.7341020900

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01.09 - SUBSCRIBED CAPITAL AND ALTERATIONS IN THE CURRENT YEAR

1 - ITEM	2 - DATE OF ALTERATION	3 - CAPITAL (In thousands of Brazilian reais - R\$)	4 - AMOUNT OF THE ALTERATION (In thousands of Brazilian reais - R\$)	5 - NATURE OF ALTERATION	7 - NUMBER OF SHARES ISSUED (Thousands)	8 - SHARE PRICE ON ISSUE DATE (Brazilian reais - R\$)
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01.10 - INVESTORS RELATIONS OFFICER

1 - DATE 08/13/2010	2 - SIGNATURE
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01047-2	SARAIVA S.A. LIVREIROS EDITORES	60.500.139/0001-26

02.01 - BALANCE SHEET - ASSETS (In thousands of Brazilian reais - R\$)

1 - Code	2 - Description	3 - 06/30/2010	4 - 03/31/2010
1	Total assets	507,454	566,454
1.01	Current assets	179,325	240,343
1.01.01	Cash and cash equivalents	1,434	28,624
1.01.02	Receivables	49,039	107,201
1.01.02.01	Trade accounts receivable	37,534	96,501
1.01.02.02	Other receivables	11,505	10,700
1.01.02.02.01	Dividends receivable from subsidiary	-	-
1.01.02.02.02	Recoverable taxes	5,950	4,946
1.01.02.02.03	Deferred income and social contribution taxes	71	180
1.01.02.02.04	Loans to subsidiary	-	-
1.01.02.02.05	Receivables for sale of property, plant and equipment	1,601	4,632
1.01.02.02.07	Copyrights advances	2,635	-
1.01.02.02.08	Other	1,248	942
1.01.03	Inventories	113,964	103,235
1.01.04	Other	14,888	1,283
1.01.04.01	Deferred advertising expenses	14,859	1,211
1.01.04.02	Prepaid expenses	29	72
1.02	Noncurrent assets	328,129	326,111
1.02.01	Long-term assets	41,594	35,328
1.02.01.01	Other receivables	-	-
1.02.01.02	Intercompany receivables	30,759	24,496
1.02.01.02.01	Affiliates	-	-
1.02.01.02.02	Subsidiaries	30,759	24,496
1.02.01.02.03	Other related parties	-	-
1.02.01.03	Other	10,835	10,832
1.02.01.03.01	Escrow deposits	8,504	8,516
1.02.01.03.02	Deferred income and social contribution taxes	700	720
1.02.01.03.03	Receivables for sale of property, plant and equipment	1,601	1,566
1.02.01.03.04	Other	30	30
1.02.02	Permanent assets	286,535	290,783
1.02.02.01	Investments	246,307	250,606
1.02.02.01.01	In affiliates	-	-
1.02.02.01.02	In affiliates - goodwill	-	-
1.02.02.01.03	In subsidiaries	245,876	250,175
1.02.02.01.04	In subsidiaries - goodwill	23	23
1.02.02.01.05	Other investments	408	408
1.02.02.02	Property, plant and equipment	18,269	18,374
1.02.02.03	Intangible assets	21,959	21,803
1.02.02.04	Deferred charges	-	-

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02.02 - BALANCE SHEET - LIABILITIES (In thousands of Brazilian reais - R\$)

1 - Code	2 - Description	3 - 06/30/2010	4 - 03/31/2010
2	Total liabilities and shareholders' equity	507,454	566,454
2.01	Current liabilities	45,740	83,364
2.01.01	Financing	5,693	7,534
2.01.02	Debentures	-	-
2.01.03	Trade accounts payable	23,579	16,399
2.01.04	Taxes payable	13,081	24,913
2.01.04.01	Income and social contribution taxes	3,516	15,138
2.01.04.02	Taxes payable	1,219	1,400
2.01.04.03	Social contributions	8,346	8,375
2.01.05	Dividends payable	44	20,724
2.01.05.01	Interest on capital	44	20,724
2.01.05.02	Dividends	-	-
2.01.06	Provisions	2,255	1,473
2.01.07	Intercompany payables	-	-
2.01.08	Other	1,088	12,321
2.01.08.01	Copyrights payable	-	7,238
2.01.08.02	Contract for acquisition of subsidiary	-	-
2.01.08.03	Payable commission	536	537
2.01.08.04	Management profit sharing	-	4,065
2.01.08.05	Other payables	552	481
2.02	Noncurrent liabilities	68,975	68,320
2.02.01	Long-term liabilities	68,975	68,320
2.02.01.01	Financing	59,205	58,418
2.02.01.02	Debentures	-	-
2.02.01.03	Provisions	9,669	9,783
2.02.01.03.01	Reserve for contingencies	1,185	1,181
2.02.01.03.02	Deferred income and social contribution taxes	7,787	7,775
2.02.01.03.03	Taxes payable	697	827
2.02.01.05	Advances to future capital increase	-	-
2.02.01.06	Other	101	119
2.03	Deferred income	-	-
2.05	Shareholders' equity	392,739	414,770
2.05.01	Capital	190,978	190,978
2.05.02	Capital reserves	-	-
2.05.03	Revaluation reserves	-	-
2.05.03.01	Owned assets	-	-
2.05.03.02	Subsidiaries/affiliates	-	-
2.05.04	Profit reserves	181,461	178,520
2.05.04.01	Legal reserve	21,977	21,977
2.05.04.02	Statutory reserve	-	-
2.05.04.03	Reserve for contingencies	-	-
2.05.04.04	Unrealized profit reserve	-	-
2.05.04.05	Profit retention reserve	-	-
2.05.04.06	Special reserve for undistributed dividends	-	-

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02.02 - BALANCE SHEET - LIABILITIES (In thousands of Brazilian reais - R\$)

1 - Code	2 - Description	3 - 06/30/2010	4 - 03/31/2010
2.05.04.07	Other profit reserves	159,484	156,543
2.05.04.07.01	Reserve for future capital increase	158,591	156,840
2.05.04.07.02	Treasury shares	(1,965)	(2,870)
2.05.04.07.03	Stock option plan	2,858	2,573
2.05.05	Valuation adjustments to equity	-	-
2.05.05.01	Adjustment of securities	-	-
2.05.05.02	Accumulated translation adjustment	-	-
2.05.05.03	Business combination adjustment	-	-
2.05.06	Retained earnings/accumulated deficit	20,300	45,272
2.05.07	Advances for future capital increase	-	-

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03.01 - STATEMENT OF INCOME (In thousands of Brazilian reais - R\$)

1 - Code	2 - Description	3 - 04/01/2010 to 06/30/2010	4 - 01/01/2010 to 06/30/2010	5 - 04/01/2009 to 06/30/2009	6 - 01/01/2009 to 06/30/2009
3.01	Gross revenue from sales and/or services	23,066	164,797	22,760	154,727
3.02	Deductions	(13)	(28)	(22)	(75)
3.03	Net revenue from sales and/or services	23,053	164,769	22,738	154,652
3.04	Cost of products and/or services	(8,203)	(39,925)	(7,996)	(35,195)
3.05	Gross profit	14,850	124,844	14,742	119,457
3.06	Operating (expenses) income	(48,767)	(92,711)	(35,382)	(75,451)
3.06.01	Selling expenses	(26,623)	(62,822)	(24,214)	(55,842)
3.06.02	General and administrative expenses	(15,433)	(27,973)	(15,123)	(27,138)
3.06.02.01	Management compensation	(1,437)	(2,910)	(1,416)	(2,807)
3.06.02.02	Other	(13,996)	(25,063)	(13,707)	(24,331)
3.06.03	Financial	(1,750)	(3,890)	(1,137)	(1,020)
3.06.03.01	Financial income	1,259	2,301	752	2,854
3.06.03.02	Financial expenses	(3,009)	(6,191)	(1,889)	(3,874)
3.06.04	Other operating income	546	630	10,203	10,276
3.06.05	Other operating expenses	(1,208)	(2,382)	(1,241)	(2,385)
3.06.05.01	Depreciation and amortization	(1,202)	(2,323)	(1,234)	(2,362)
3.06.05.02	Other	(6)	(59)	(7)	(23)
3.06.06	Equity in subsidiary	(4,299)	3,726	(3,870)	658
3.07	Income (loss) from operations	(33,917)	32,133	(20,640)	44,006
3.08	Nonoperating income (expenses)	-	-	-	-
3.08.01	Income	-	-	-	-
3.08.02	Expenses	-	-	-	-
3.09	Income before taxes and profit sharing	(33,917)	32,133	(20,640)	44,006
3.10	Provision for income and social contribution taxes	9,868	(8,932)	5,795	(13,717)
3.11	Deferred income tax	(141)	(646)	(342)	(1,069)

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3.12	Profit sharing/contributions	(782)	(2,255)	(1,416)	(2,807)
3.12.01	Profit sharing	(782)	(2,255)	(1,416)	(2,807)
3.12.02	Contributions	-	-	-	-
3.13	Reversal of interest on capital	-	-	-	-
3.15	Net income (loss)	(24,972)	20,300	(16,603)	26,413
	NUMBER OF SHARES, EX-TREASURY (THOUSANDS)	28,345	28,345	28,345	28,345
	EARNINGS PER SHARE (BRAZILIAN REAIS - R\$)	-	0.71618	-	0.93184
	LOSS PER SHARE (BRAZILIAN REAIS - R\$)	(0.88100)	-	(0.58575)	-

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04.01 - STATEMENT OF CASH FLOWS - INDIRECT METHOD (In thousands of Brazilian reais - R\$)

1 - Code	2 - Description	3 - 04/01/2010 to 06/30/2010	4 - 01/01/2010 to 06/30/2010	5 - 04/01/2009 to 06/30/2009	6 - 01/01/2009 to 06/30/2009
4.01	Net cash from operating activities	(23,193)	(19,937)	(18,836)	(34,622)
4.01.01	Net cash provided by operating activities	(16,920)	23,124	(20,376)	16,211
4.01.01.01	Net income	(24,972)	20,300	(16,603)	26,413
4.01.01.02	Depreciation and amortization	1,273	2,459	1,290	2,474
4.01.01.03	Deferred income and social contribution taxes	141	646	342	1,069
4.01.01.04	Allowance for doubtful accounts	421	1,033	(272)	165
4.01.01.05	Equity in subsidiary	4,299	(3,726)	3,870	(658)
4.01.01.06	Result on sale of property, plant and equipment	(17)	(13)	(10,052)	(10,099)
4.01.01.07	Financial charges on loans and liabilities	1,269	2,429	(178)	(1,746)
4.01.01.08	Stock option plan	285	652	237	474
4.01.01.09	Other operating provisions	381	(656)	990	(1,881)
4.01.02	Decrease in assets and liabilities	(6,273)	(43,061)	1,540	(50,833)
4.01.02.01	Trade accounts receivable	48,216	24,280	45,540	28,166
4.01.02.02	Receivables from subsidiary - sale of goods	10,330	127	7,281	(398)
4.01.02.03	Dividends - subsidiary	-	-	-	-
4.01.02.04	Inventories	(10,729)	(11,185)	(3,913)	(5,497)
4.01.02.05	Other receivables	(17,706)	(18,048)	(12,942)	(11,744)
4.01.02.06	Trade accounts payable	7,180	(12,076)	3,360	(33,045)
4.01.02.07	Income and social contribution taxes	(11,622)	2,813	(7,350)	3,642
4.01.02.08	Payment of interest on financing	(407)	(867)	(643)	(1,140)
4.01.02.09	Debt payment on interest on capital	(20,680)	(20,680)	(19,733)	(19,733)
4.01.02.10	Other operating liabilities	(10,855)	(7,425)	(10,060)	(11,084)
4.01.03	Other	-	-	-	-
4.02	Net cash used in investing activities	1,787	3,457	(224)	(2,960)
4.02.01	Purchase of property, plant and equipment	(1,471)	(2,857)	(872)	(3,848)

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4.02.02	Receipts from sales of property, plant and equipment items	3,258	6,349	648	888
4.02.03	Acquisition of shares from minority shareholders	-	(35)	-	-
4.03	Net cash used in financing activities	(5,784)	(12,149)	18,746	7,085
4.03.02	Loans and financing	-	13,658	17,648	29,299
4.03.03	Loans granted - subsidiary	(5,649)	(22,874)	3,892	(16,625)
4.03.04	Amortization of loans and financing	(2,791)	(5,589)	(2,794)	(5,589)
4.03.05	Disposal of Treasury Shares	2,656	2,656	-	-
4.04	Exchange variation on cash and cash equivalents	-	-	-	-
4.05	Decrease in cash and cash equivalents	(27,190)	(28,629)	(314)	(30,497)
4.05.01	Cash and cash equivalents at beginning of year	28,624	30,063	1,547	31,730
4.05.02	Cash and cash equivalents at end of year	1,434	1,434	1,233	1,233

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 COMMERCIAL, INDUSTRIAL AND OTHER COMPANIES

Corporate Law

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY'S NAME	3 - Federal Corporate Taxpayers' Registration Number (CNPJ)
01047-2	SARAIVA S.A. LIVREIROS EDITORES	60.500.139/0001-26

05.01 - STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FROM 04/01/2010 TO 06/30/2010 (In thousands of Brazilian reais - R\$)

1 - Code	2 - Description	3 - Capital	4 - Capital reserves	5 - Revaluation reserves	6 - Profit reserves	7 - Retained earnings/accumulated deficit	8 - Valuation adjustments to equity	9 - Total shareholders' equity
5.01	Opening balance	190,978	0	0	178,520	45,272	0	414,770
5.02	Prior year adjustments	0	0	0	0	0	0	0
5.03	Adjusted balance	190,978	0	0	178,520	45,272	0	414,770
5.04	Net income (loss)	0	0	0	0	(24,972)	0	(24,972)
5.05	Allocations of income	0	0	0	0	0	0	0
5.05.01	Dividends	0	0	0	0	0	0	0
5.05.02	Interest on capital	0	0	0	0	0	0	0
5.05.03	Other	0	0	0	0	0	0	0
5.05.03.01	Legal reserve	0	0	0	0	0	0	0
5.06	Recognition of earnings reserve	0	0	0	0	0	0	0
5.07	Valuation adjustments to equity	0	0	0	0	0	0	0
5.07.01	Adjustments of securities	0	0	0	0	0	0	0
5.07.02	Accumulated translation adjustment	0	0	0	0	0	0	0
5.07.03	Business combination adjustments	0	0	0	0	0	0	0
5.08	Capital increase/decrease	0	0	0	0	0	0	0
5.09	Recognition/realization of capital reserves	0	0	0	0	0	0	0
5.10	Treasury shares	0	0	0	0	0	0	0
5.11	Other capital transactions	0	0	0	0	0	0	0
5.12	Other	0	0	0	2,941	0	0	2,941
5.12.01	Stock option plan	0	0	0	285	0	0	285
5.12.02	Disposal of Treasury Shares	0	0	0	2,656	0	0	2,656
5.13	Ending balance	190,978	0	0	178,520	20,300	0	392,739

(Convenience Translation into English from the Original Previously Issued in Portuguese)

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 BRAZILIAN SECURITIES AND EXCHANGE COMMISSION (CVM)
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01047-2	SARAIVA S.A. LIVREIROS EDITORES	60.500.139/0001-26

05.02 - STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FROM 01/01/2010 TO 06/30/2010 (In thousands of Brazilian reais - R\$)

1 - Code	2 - Description	3 - Capital	4 - Capital reserves	5 - Revaluation reserves	6 - Profit reserves	7 - Retained earnings/accumulated deficit	8 - Valuation adjustments to equity	9 - Total shareholders' equity
5.01	Opening balance	190,978	0	0	178,153	0	0	369,131
5.02	Prior year adjustments	0	0	0	0	0	0	0
5.03	Adjusted balance	190,978	0	0	178,153	0	0	369,131
5.04	Net income (loss)	0	0	0	0	20,300	0	20,300
5.05	Allocations of income	0	0	0	0	0	0	0
5.05.01	Dividends	0	0	0	0	0	0	0
5.05.02	Interest on capital	0	0	0	0	0	0	0
5.05.03	Other	0	0	0	0	0	0	0
5.06	Recognition of earnings reserve	0	0	0	0	0	0	0
5.07	Valuation adjustments to equity	0	0	0	0	0	0	0
5.07.01	Adjustments of securities	0	0	0	0	0	0	0
5.07.02	Accumulated translation adjustment	0	0	0	0	0	0	0
5.07.03	Business combination adjustments	0	0	0	0	0	0	0
5.08	Capital increase/decrease	0	0	0	0	0	0	0
5.09	Recognition/realization of capital reserves	0	0	0	0	0	0	0
5.10	Treasury shares	0	0	0	0	0	0	0
5.11	Other capital transactions	0	0	0	0	0	0	0
5.12	Other	0	0	0	3,308	0	0	3,308
5.12.01	Stock option plan	0	0	0	652	0	0	652
5.12.02	Disposal of Treasury Shares	0	0	0	2,656	0	0	2,656
5.13	Ending balance	190,978	0	0	181,461	20,300	0	392,739

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FEDERAL PUBLIC SERVICE
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08.01 - CONSOLIDATED BALANCE SHEET - ASSETS (In thousands of Brazilian reais - R\$)

1 - Code	2 - Description	3 - 06/30/2010	4 - 03/31/2010
1	Total assets	807,490	902,211
1.01	Current assets	557,565	661,426
1.01.01	Cash and cash equivalents	4,312	31,364
1.01.02	Receivables	245,232	331,821
1.01.02.01	Trade accounts receivable	183,604	281,315
1.01.02.02	Other receivables	61,628	50,506
1.01.02.02.01	Recoverable taxes	44,819	31,029
1.01.02.02.02	Deferred income and social contribution taxes	7,757	9,582
1.01.02.02.03	Receivables for sale of property, plant and equipment	1,601	4,632
1.01.02.02.04	Copyrights advances	2,710	74
1.01.02.02.05	Other	4,741	5,189
1.01.03	Inventories	292,886	296,866
1.01.04	Other	15,135	1,375
1.01.04.01	Deferred advertising expenses	15,059	1,216
1.01.04.02	Prepaid expenses	76	159
1.02	Noncurrent assets	249,925	240,785
1.02.01	Long-term assets	44,897	39,958
1.02.01.01	Other receivables	-	-
1.02.01.02	Intercompany receivables	-	-
1.02.01.02.01	Affiliates	-	-
1.02.01.02.02	Subsidiaries	-	-
1.02.01.02.03	Other related parties	-	-
1.02.01.03	Other	44,897	39,958
1.02.01.03.01	Deferred income and social contribution taxes	24,242	19,530
1.02.01.03.02	Escrow deposits	10,002	10,009
1.02.01.03.03	Receivables for sale of property, plant and equipment	1,601	1,566
1.02.01.03.04	Recoverable taxes	9,010	8,811
1.02.01.03.05	Other	42	42
1.02.02	Permanent assets	205,028	200,827
1.02.02.01	Investments	566	566
1.02.02.01.01	In affiliates	-	-
1.02.02.01.02	In subsidiary	23	23
1.02.02.01.03	Other investments	543	543
1.02.02.02	Property, plant and equipment	105,511	103,655
1.02.02.03	Intangible assets	98,951	96,606
1.02.02.04	Deferred charges	-	-

(Convenience Translation into English from the Original Previously Issued in Portuguese)

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08.02 - CONSOLIDATED BALANCE SHEET - LIABILITIES (In thousands of Brazilian reais - R\$)

1 - Code	2 - Description	3 - 06/30/2010	4 - 03/31/2010
2	Total liabilities and shareholders' equity	807,490	902,211
2.01	Current liabilities	252,527	334,738
2.01.01	Financing	66,515	68,083
2.01.02	Debentures	-	-
2.01.03	Trade accounts payable	143,131	179,312
2.01.04	Taxes payable	24,034	37,161
2.01.04.01	Income and social contribution taxes	3,516	15,138
2.01.04.02	Taxes payable	2,577	3,366
2.01.04.03	Social contributions	17,941	18,657
2.01.05	Dividends payable	44	20,724
2.01.05.01	Interest on capital	44	20,724
2.01.05.02	Dividends	-	-
2.01.06	Provisions	7,016	6,375
2.01.06.01	Management profit sharing	2,255	1,473
2.01.06.02	Customer Loyalty Program	4,761	4,902
2.01.07	Intercompany payables	-	-
2.01.08	Other	11,787	23,083
2.01.08.01	Copyrights payable	711	7,950
2.01.08.02	Contract for acquisition of subsidiary	5,244	5,779
2.01.08.03	Payable commission	-	-
2.01.08.04	Freight and commissions payable	-	-
2.01.08.05	Commercial assignment	1,013	1,078
2.01.08.06	Advances from customers	3,687	3,286
2.01.08.07	Management profit sharing	-	4,065
2.01.08.08	Other payables	1,132	925
2.02	Noncurrent liabilities	162,173	152,651
2.02.01	Long-term liabilities	162,173	152,651
2.02.01.01	Financing	131,099	122,210
2.02.01.02	Debentures	-	-
2.02.01.03	Provisions	25,690	24,889
2.02.01.03.01	Deferred income and social contribution taxes	23,431	22,559
2.02.01.03.02	Reserve for contingencies	1,562	1,503
2.02.01.03.03	Taxes payable	697	827
2.02.01.04	Intercompany payables	-	-
2.02.01.05	Advances to future capital increase	-	-
2.02.01.06	Other	5,384	5,552
2.02.01.06.01	Payables to former shareholders	4,888	4,875
2.02.01.06.02	Other	496	677
2.03	Deferred income	-	-
2.04	Minority interest	51	52
2.05	Shareholders' equity	392,739	414,770
2.05.01	Capital	190,978	190,978
2.05.02	Capital reserves	-	-
2.05.03	Revaluation reserves	-	-
2.05.03.01	Owned assets	-	-
2.05.03.02	Subsidiaries/affiliates	-	-

(Convenience Translation into English from the Original Previously Issued in Portuguese)

FEDERAL PUBLIC SERVICE
BRAZILIAN SECURITIES AND EXCHANGE COMMISSION (CVM)
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1 - Code	2 - Description	3 - 06/30/2010	4 - 03/31/2010
2.05.04	Profit reserves	181,461	178,520
2.05.04.01	Legal reserve	21,977	21,977
2.05.04.02	Statutory reserve	-	-
2.05.04.03	Reserve for contingencies	-	-
2.05.04.07	Other profit reserves	159,484	156,543
2.05.04.07.01	Reserve for future capital increase	158,591	156,840
2.05.04.07.02	Treasury shares	(1,965)	(2,870)
2.05.04.07.03	Stock option plan	2,858	2,573
2.05.05	Valuation adjustments to equity	-	-
2.05.05.01	Adjustment of securities	-	-
2.05.05.02	Accumulated translation adjustment	-	-
2.05.05.03	Business combination adjustment	-	-
2.05.06	Retained earnings/accumulated deficit	20,300	45,272
2.05.07	Advances for future capital increase	-	-

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01047-2	SARAIVA S.A. LIVREIROS EDITORES	60.500.139/0001-26

09.01 - CONSOLIDATED STATEMENT OF INCOME (In thousands of Brazilian reais - R\$)

1 - Code	2 - Description	3 - 04/01/2010 to 06/30/2010	4 - 01/01/2010 to 06/30/2010	5 - 04/01/2009 to 06/30/2009	6 - 01/01/2009 to 06/30/2009
3.01	Gross revenue from sales and/or services	284,466	742,304	235,009	609,772
3.02	Deductions	(18,677)	(37,758)	(13,641)	(28,443)
3.03	Net revenue from sales and/or services	265,789	704,546	221,368	581,329
3.04	Cost of products and/or services	(166,622)	(388,876)	(131,864)	(300,106)
3.05	Gross profit	99,167	315,670	89,504	281,223
3.06	Operating (expenses) income	(135,240)	(281,530)	(112,026)	(235,330)
3.06.01	Selling expenses	(92,278)	(198,316)	(83,808)	(175,172)
3.06.02	General and administrative expenses	(31,019)	(57,525)	(30,842)	(56,088)
3.06.02.01	Management compensation	(2,466)	(5,169)	(2,608)	(4,744)
3.06.02.02	Other	(28,553)	(52,356)	(28,234)	(51,344)
3.06.03	Financial	(7,355)	(14,563)	(3,974)	(6,990)
3.06.03.01	Financial income	809	1,710	690	1,508
3.06.03.02	Financial expenses	(8,164)	(16,273)	(4,664)	(8,498)
3.06.04	Other operating income	2,249	3,225	11,669	13,247
3.06.05	Other operating expenses	(6,837)	(14,351)	(5,071)	(10,327)
3.06.05.01	Depreciation and amortization	(6,707)	(12,899)	(5,073)	(9,282)
3.06.05.02	Other	(130)	(1,452)	2	(1,045)
3.06.06	Equity in subsidiary	-	-	-	-
3.07	Income (loss) from operations	(36,073)	34,140	(22,522)	45,893
3.08	Nonoperating income (expenses)	-	-	-	-
3.08.01	Income	-	-	-	-
3.08.02	Expenses	-	-	-	-
3.09	Income before taxes and profit sharing	(36,073)	34,140	(22,522)	45,893
3.10	Provision for income and social contribution taxes	9,868	(8,932)	5,795	(14,606)
3.11	Deferred income tax	2,015	(2,652)	1,538	(2,067)

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01047-2	SARAIVA S.A. LIVREIROS EDITORES	60.500.139/0001-26

09.01 - CONSOLIDATED STATEMENT OF INCOME (In thousands of Brazilian reais - R\$)

1 - Code	2 - Description	3 - 04/01/2010 to 06/30/2010	4 - 01/01/2010 to 06/30/2010	5 - 04/01/2009 to 06/30/2009	6 - 01/01/2009 to 06/30/2009
3.12	Profit sharing/contributions	(782)	(2,255)	(1,416)	(2,807)
3.12.01	Profit sharing	(782)	(2,255)	(1,416)	(2,807)
3.12.02	Contributions	-	-	-	-
3.13	Reversal of interest on capital	-	-	-	-
3.14	Minority interest	-	(1)	2	-
3.15	Net income (loss)	(24,972)	20,300	(16,603)	26,413
	NUMBER OF SHARES, EX-TREASURY (THOUSANDS)	28,345	28,345	28,345	28,345
	EARNINGS PER SHARE (BRAZILIAN REAIS - R\$)	-	0.71618	-	0.93184
	LOSS PER SHARE (BRAZILIAN REAIS - R\$)	(0.88100)	-	(0.58575)	-

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10.01 - CONSOLIDATED STATEMENT OF CASH FLOWS - INDIRECT METHOD (In thousands of Brazilian reais - R\$)

1 - Code	2 - Description	3 - 04/01/2010 to 06/30/2010	4 - 01/01/2010 to 06/30/2010	5 - 01/01/2009 to 06/30/2009	6 - 01/01/2009 to 06/30/2009
4.01	Net cash from operating activities	(24,933)	(41,001)	(40,580)	(51,590)
4.01.01	Net cash provided by operating activities	(12,770)	50,357	(20,380)	29,915
4.01.01.01	Net income	(24,972)	20,300	(16,603)	26,413
4.01.01.02	Depreciation and amortization	7,093	13,635	5,361	9,794
4.01.01.03	Deferred income and social contribution taxes	(2,015)	2,652	(1,538)	2,067
4.01.01.04	Allowance for doubtful accounts	866	1,751	(47)	478
4.01.01.05	Result on sale of property, plant and equipment	49	129	(10,753)	(10,836)
4.01.01.06	Financial charges on loans and liabilities	2,636	4,999	816	994
4.01.01.07	Stock option plan	285	652	237	474
4.01.01.08	Other provisions	3,289	6,251	2,149	531
4.01.01.09	Realization of goodwill from company acquisition	-	-	-	-
4.01.01.10	Minority interest - subsidiary	(1)	(12)	(2)	-
4.01.01.11	Equity in subsidiary	-	-	-	-
4.01.02	Decrease in assets and liabilities	(12,163)	(91,358)	(20,200)	(81,505)
4.01.02.01	Trade accounts receivable	96,845	30,976	75,352	52,439
4.01.02.02	Inventories	3,980	4,711	(15,080)	(24,096)
4.01.02.03	Other receivables	(33,416)	(40,089)	(22,311)	(27,397)
4.01.02.04	Trade accounts payable	(36,181)	(54,720)	(26,070)	(58,612)
4.01.02.05	Income and social contribution taxes	(11,622)	2,813	(7,350)	3,642
4.01.02.06	Payment of interest on financing	(1,978)	(4,478)	(1,275)	(2,244)
4.01.02.07	Debt payment on interest on capital	(20,680)	(20,680)	(19,733)	(19,733)
4.01.02.08	Other payables	(9,111)	(9,891)	(3,733)	(5,504)
4.01.03	Other	-	-	-	-
4.02	Net cash used in investing activities	(8,248)	(12,922)	(14,980)	(30,826)
4.02.01	Purchase of property, plant and equipment	(11,534)	(19,276)	(16,328)	(32,453)
4.02.02	Business acquisition	-	(23)	-	-

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10.01 - CONSOLIDATED STATEMENT OF CASH FLOWS - INDIRECT METHOD (In thousands of Brazilian reais - R\$)

1 - Code	2 - Description	3 - 04/01/2010 to 06/30/2010	4 - 01/01/2010 to 06/30/2010	5 - 01/01/2009 to 06/30/2009	6 - 01/01/2009 to 06/30/2009
4.02.03	Receipts from sales of property, plant and equipment items	3,286	6,377	1,348	1,627
4.03	Net cash used in financing activities	6,129	19,473	57,651	50,154
4.03.01	Obtained loans and financing	8,116	36,114	61,855	82,983
4.03.02	Amortization of loans and financing	(4,643)	(19,297)	(4,204)	(32,829)
4.03.03	Disposal of Treasury Shares	2,656	2,656	-	-
4.04	Exchange variation on cash and cash equivalents	-	-	-	-
4.05	Decrease in cash and cash equivalents	(27,052)	(34,450)	2,091	(32,262)
4.05.01	Cash and cash equivalents at beginning of year	31,364	38,762	3,470	37,823
4.05.02	Cash and cash equivalents at end of year	4,312	4,312	5,561	5,561

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11.01 - CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FROM 04/01/2010 TO 06/30/2010 (In thousands of Brazilian reais - R\$)

1 - Code	2 - Description	3 - Capital	4 - Capital reserves	5 - Revaluation reserves	6 - Profit reserves	7 - Retained earnings/accumulated deficit	8 - Valuation adjustments to equity	9 - Total shareholders' equity
5.01	Opening balance	190,978	0	0	178,520	45,272	0	414,770
5.02	Prior year adjustments	0	0	0	0	0	0	0
5.03	Adjusted balance	190,978	0	0	178,520	45,272	0	414,770
5.04	Net income (loss)	0	0	0	0	(24,972)	0	(24,972)
5.05	Allocations of income	0	0	0	0	0	0	0
5.05.01	Dividends	0	0	0	0	0	0	0
5.05.02	Interest on capital	0	0	0	0	0	0	0
5.05.03	Other	0	0	0	0	0	0	0
5.06	Recognition of earnings reserve	0	0	0	0	0	0	0
5.07	Valuation adjustments to equity	0	0	0	0	0	0	0
5.07.01	Adjustments of securities	0	0	0	0	0	0	0
5.07.02	Accumulated translation adjustment	0	0	0	0	0	0	0
5.07.03	Business combination adjustments	0	0	0	0	0	0	0
5.08	Capital increase/decrease	0	0	0	0	0	0	0
5.09	Recognition/realization of capital reserves	0	0	0	0	0	0	0
5.10	Treasury shares	0	0	0	0	0	0	0
5.11	Other capital transactions	0	0	0	0	0	0	0
5.12	Other	0	0	0	2,941	0	0	2,941
5.12.01	Stock option plan	0	0	0	285	0	0	285
5.12.02	Disposal of Treasury Shares	0	0	0	2,656	0	0	2,656
5.13	Ending balance	190,978	0	0	178,520	20,300	0	392,739

(Convenience Translation into English from the Original Previously Issued in Portuguese)

FEDERAL PUBLIC SERVICE
 BRAZILIAN SECURITIES AND EXCHANGE COMMISSION (CVM)
 INTERIM FINANCIAL STATEMENTS (ITR) - 06/30/2010
 COMMERCIAL, INDUSTRIAL AND OTHER COMPANIES

Corporate Law

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY'S NAME	3 - Federal Corporate Taxpayers' Registration Number (CNPJ)
01047-2	SARAIVA S.A. LIVREIROS EDITORES	60.500.139/0001-26

11.02 - CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FROM 01/01/2010 TO 06/30/2010 (In thousands of Brazilian reais - R\$)

1 - Code	2 - Description	3 - Capital	4 - Capital reserves	5 - Revaluation reserves	6 - Profit reserves	7 - Retained earnings/accumulated deficit	8 - Valuation adjustments to equity	9 - Total shareholders' equity
5.01	Opening balance	190,978	0	0	178,153	0	0	369,131
5.02	Prior year adjustments	0	0	0	0	0	0	0
5.03	Adjusted balance	190,978	0	0	178,153	0	0	369,131
5.04	Net income (loss)	0	0	0	0	20,300	0	20,300
5.05	Allocations of income	0	0	0	0	0	0	0
5.05.01	Dividends	0	0	0	0	0	0	0
5.05.02	Interest on capital	0	0	0	0	0	0	0
5.05.03	Other	0	0	0	0	0	0	0
5.06	Recognition of earnings reserve	0	0	0	0	0	0	0
5.07	Valuation adjustments to equity	0	0	0	0	0	0	0
5.07.01	Adjustments of securities	0	0	0	0	0	0	0
5.07.02	Accumulated translation adjustment	0	0	0	0	0	0	0
5.07.03	Business combination adjustments	0	0	0	0	0	0	0
5.08	Capital increase/decrease	0	0	0	0	0	0	0
5.09	Recognition/realization of capital reserves	0	0	0	0	0	0	0
5.10	Treasury shares	0	0	0	0	0	0	0
5.11	Other capital transactions	0	0	0	0	0	0	0
5.12	Other	0	0	0	3,308	0	0	3,308
5.12.01	Stock option plan	0	0	0	652	0	0	652
5.12.02	Disposal of Treasury Shares	0	0	0	2,656	0	0	2,656
5.13	Ending balance	190,978	0	0	181,461	20,300	0	392,739

1. CORE BUSINESS

Saraiva S.A. Livreiros Editores (the “Company”) is primarily engaged in publishing elementary and high school textbooks, supplementary textbooks, legal books and economics and management books. Development of digital content; development of content for the so-called Ético Teaching System (“Ético”), which consists of teaching material for elementary and high schools, as well as of preparation courses for college admission tests. The Company experiences seasonality in its business, with 80% of its sales concentrated in the first and fourth quarters of the year. This sales concentration is due to two factors: (i) the back-to-school period in the first quarter; and (ii) the sale of textbooks to the government in the fourth and first quarters of the year.

Saraiva e Siciliano S.A. (“Livraria”), a subsidiary of the Company, is engaged in retail sale of books, DVDs, music, stationery, computer, electro-electronic products, and digital content - books and movies. The Distribution is conducted through an Internet-based sales platform and a chain of 100 stores, of which 38 are “megastores”, 2 are “iTown”, 53 are conventional stores, and 7 franchises.

2. PRESENTATION OF INTERIM FINANCIAL STATEMENTS

The Company’s and its subsidiaries’ individual and consolidated financial statements have been prepared in accordance with the Brazilian accounting practices valid until December 31, 2009, including all changes in accounting practices introduced by Laws 11638/07 and 11941/09, regulated by the Brazilian Securities Commission (CVM).

3. SIGNIFICANT ACCOUNTING PRACTICES

a) General principles

Results of operations are determined on the accrual basis. Sales revenues and costs are recorded upon the transfer of risks and benefits associated to the products and services.

b) Current and noncurrent assets

- Cash and cash equivalents

Comprises cash balances, bank deposits and short-term investments. Short-term investments can be immediately converted into a known cash amount and are subject to immaterial risk of change in value. These short-term investments refer to bank certificates of deposit (CDBs) and repurchase agreements, which are characterized by the sale of a bond with the commitment of the seller (bank) to buy it back and of the buyer to resell it in the future.

06.01 - NOTES TO THE INTERIM FINANCIAL STATEMENTS

- Allowance for doubtful accounts

Trade accounts receivable are recorded and stated in balances sheets at their original amounts. Accounts receivable are controlled by aging, and an allowance for losses is recognized for receivables past due for more than 180 days. Uncollectible receivables are charged directly to income.

Receivables are not adjusted to present value as they have a short-term maturity and do not materially impact the financial statements.

- Inventories

Stated at average acquisition or production cost, less allowance for adjustment write-down to fair or realizable value, when lower, and allowance for losses with slow-moving items, excessive, or not realizable, based on periodic analysis conducted by Management.

- Advanced advertising expenses

Refers to incurred costs of advertising and promotion for the National Book Program - NBP, which will be amortized in proportion to the delivery schedule of books to the government.

- Other noncurrent assets

Recorded at cost or at the net realizable value, when the latter is lower.

- Investments

Investments in the subsidiary are accounted for under the equity method, and other investments are stated at cost, less a provision for write-down to market value, when applicable.

- Property, plant and equipment and intangible assets

Stated at acquisition or construction cost, less depreciation and amortization and, when applicable, provision for reduction to recoverable value. Depreciation and amortization are calculated under the straight-line method, based on the estimated useful lives of the assets and rights. Livraria's facilities and leasehold improvements are depreciated over the shortest of the lease term or the economic useful lives of the assets.

06.01 - NOTES TO THE INTERIM FINANCIAL STATEMENTS

Carrying amounts of intangible assets with a defined useful life and property and equipment indicating impairment losses are reviewed to make sure that a provision for losses in their carrying amount in relation to the recoverable value is recognized in the statements of income.

The cash generating units defined by Management and used to evaluate the recoverability of the carrying amount of the related assets correspond to the operation of the Company and each of the stores, and the website “Saraiva.com”, in the case of Livraria. The evaluation process uses operating and financial performance indicators established by Management and, upon indication of an impairment loss, a comparative analysis is performed for each cash generating unit between the amount determined by the cash flow discounted to present value and the respective carrying amount. As of June 30, 2010, Management, in its best judgment, did not identify assets recorded at amounts higher than their recoverable value.

- Goodwill

Goodwill resulting from the acquisition of investments is based on the projected earnings capacity of the acquired businesses over the estimated period for return on investment in 60 months. Goodwill is amortized under the straight-line method at the rate of 20% per year until December 31, 2008. Beginning January 1, 2009, goodwill will no longer be amortized and will be tested for recoverable value on an annual basis.

The cash generating units defined by Management and used to evaluate the recoverability of the carrying amount of the goodwill correspond to the operation of the stores purchased from Siciliano S.A. (“Siciliano”) and Ético’s operations, and, as of June 30, 2010, Management, in its best judgment, did not identify the need to recognize a provision for reduction of the carrying amount of the recorded goodwill.

c) Current and noncurrent liabilities

- Loans and financing

Adjusted based on the contractual interest and financial charges incurred through the balance sheet dates.

- Copyrights

Calculated and recognized, on the accrual basis, as operating expenses when sales are made and, in some cases, as production cost when the work is published.

06.01 - NOTES TO THE INTERIM FINANCIAL STATEMENTS

- Leasing operations

Lease agreements for the Company's and Livraria's commercial units are classified as operating leases, and the respective costs are recognized in the period end June 30, 2010 statements of income as operating expenses.

- Other current and noncurrent liabilities

Stated at known or estimated amounts plus charges and monetary or exchange variations incurred through the balance sheet dates.

d) Income and social contribution taxes

Taxes on income include current and deferred amounts.

Income tax is calculated at the rate of 15% on taxable income plus a 10% surtax, and social contribution is calculated at the rate of 9% on taxable income.

Deferred income and social contribution taxes are calculated on tax loss carryforwards of Livraria and on temporary differences of the Company and Livraria. Deferred taxes are recorded in current and noncurrent assets and noncurrent liabilities, according to note 15.a). Deferred tax assets are supported by a study on the expected realization of future taxable income, which is reviewed annually and adjusted in the event that a significant reduction in the projected income is expected.

e) Share-based payments

Fair value for stock option plans is calculated on the grant date of each plan and based on the binomial pricing model. The effects are reflected in the net income and shareholders' equity for the period comprised between the grant date and the date on which all eligibility conditions under each plan are met.

f) Reserve for contingencies

Adjusted through the balance sheet date for the probable loss amount, according to the nature of each contingency and based on the opinion of the Company's legal counsel. For financial statement purposes, the reserve is stated net of related judicial deposits. The bases for and nature of the reserves for tax, civil, and labor risks are described in note 16.

g) Earnings (losses) per share

Calculated based on the number of shares outstanding at the balance sheet dates.

06.01 - NOTES TO THE INTERIM FINANCIAL STATEMENTS

h) Accounting estimates

The preparation of financial statements requires the Management of the Company and Livraria to make estimates and assumptions that affect the reported amounts of assets, liabilities and other transactions. Accordingly, the financial statements include several estimates related to the allowance for doubtful accounts, allowance for inventory losses, reserve for contingencies, assessment of the useful lives of property and equipment and intangible assets, and related projections to determine the impairment of property and equipment, intangible assets, goodwill, and deferred income tax assets. These estimates consider the best available indications and are based on assumptions existing as of June 30, 2010. Actual results in the realization or settlement of the underlying assets and liabilities could differ from those estimates.

4. CHANGES IN ACCOUNTING PRACTICES ADOPTED IN BRAZIL

With the enactment of Law 11638/07, which introduced changes in Brazilian Corporate Law to enable convergence of accounting practices adopted in Brazil with the International Financial Reporting Standards (IFRS), new accounting standards and technical pronouncements have been issued in conformity with IFRS by the Accounting Pronouncements Committee (CPC).

During 2009 the CPC issued new technical pronouncements, interpretations and instructions (CPCs, ICPCs and OCPCs, respectively), approved by CVM resolutions, whose mandatory application was postponed to December 2010, with optional early adoption encouraged, pursuant to CVM Resolution 603/09 issued on November 10, 2009, and CVM Official Letter 01/2010, issued on March 31, 2010.

The Management of Editora and Livraria elected the option granted by said Resolution for the second quarter of 2010 and prepared the related interim financial statements pursuant to the accounting practices effective until December 31, 2009. Upon the full adoption of the new CPCs, ICPCs and OCPCs, these interim financial statements will be restated comparatively with the 2009 figures and adjusted for such pronouncements.

This decision was made so that the Company can complete its analyses regarding the changes and the impacts arising from the full adoption of the new CPCs, ICPCs and OCPCs.

Management presents below, based on its best judgment, the main changes that could have an impact on the financial statements for the semester, and an estimate of their possible effects on shareholders' equity and net income and disclosures from the application of said pronouncements:

06.01 - NOTES TO THE INTERIM FINANCIAL STATEMENTS

- *CPC 22 Operating Segments* - Determines the need to disclose separate information by operating segment, defined as the components of an entity: a) that engages in business activities from which it may earn revenues and incur expenses; b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and c) for which discrete financial information is available. Management should analyze the additional disclosure required in its financial statements based on how its business is currently managed.
- *CPC 40 Financial Instruments: Disclosures* - Requires disclosures in the financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance; the nature and extent of risks arising from financial instruments to which the entity is exposed; and how the entity manages those risks. Management should analyze the additional disclosure required in its financial statements based on financial and business exposures, and its risk and capital management.
- *CPC 24 Events after the Reporting Period* - Prescribes when an entity should adjust its financial statements for events after the reporting period; and b) the disclosures that an entity should give about the date when the financial statements were authorized for issue and about events after the reporting period. The main impact is in the accounting of proposed dividends for approval by the Annual Shareholders' Meeting. Under this CPC, the liability can only be recognized as regards mandatory minimum dividends provided for in bylaws. Additional dividends must be recognized after their approval by the Company's decision-making bodies.
- *CPC 26 Presentation of Financial Statements* - Prescribes the basis for presentation of financial statements, including separate and consolidated financial statements, to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities. Its main impact is the requirement to present a statement of comprehensive income.
- *CPC 30 Revenue* - Prescribes that revenue is recognized when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably at fair value. The main impact is the amount of and the way Livraria's Customer Loyalty Program will be recognized. The probable effects on shareholders' equity and net income are as follows:

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	Shareholders' equity		Net income	
	06/2010	03/2010	06/2010	06/2009
As currently recognized	392,739	414,770	20,300	26,413
Effect of the adjustment	<u>(2,341)</u>	<u>(2,221)</u>	<u>(12)</u>	<u>108</u>
Under CPC 30	<u>390,398</u>	<u>412,549</u>	<u>20,288</u>	<u>26,521</u>

Editora and Livraria's Management is analyzing the possible effects of the other CPCs, ICPCs and OCPCs on the Company's financial statements.

5. CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The consolidated interim financial statements were prepared in accordance with consolidation criteria prescribed by the Brazilian accounting practices include the accounts of the Company and Livraria, in which the Company has equity interest of 99.98%. The interim financial statements of Livraria, used in the preparation of the consolidated financial statements, were prepared as of the same date, and in accordance with the accounting practices.

The following procedures were adopted in the preparation of the consolidated interim financial statements:

- Elimination of intercompany balances and transactions.
- Elimination of the Company's investment against the subsidiary's shareholders' equity.
- Minority interest in shareholders' equity and net income of Livraria is recorded in a separate caption in the balance sheets and statements of income, respectively.

6. CASH AND CASH EQUIVALENTS

	Company		Consolidated	
	06/2010	03/2010	06/2010	03/2010
Cash and banks	1,434	4,336	4,312	7,076
Temporary cash investments	<u>-</u>	<u>24,288</u>	<u>-</u>	<u>24,288</u>
	<u>1,434</u>	<u>28,624</u>	<u>4,312</u>	<u>31,364</u>

Temporary cash investments refer to bank certificates of deposit (CDB) with yield from 100% to 100.5% of interbank deposit rate (CDI) variation and with daily liquidity.

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06.01 - NOTES TO THE INTERIM FINANCIAL STATEMENTS

7. TRADE ACCOUNTS RECEIVABLE

	Company		Consolidated	
	06/2010	03/2010	06/2010	03/2010
Trade accounts receivable	27,556	73,750	33,938	79,771
Intercompany receivables - Livraria	7,181	17,511	-	-
Credit cards	67	601	150,309	199,394
Checks receivable	<u>4,362</u>	<u>5,811</u>	<u>5,811</u>	<u>7,691</u>
	39,166	97,673	190,058	286,856
Allowance for doubtful accounts	<u>(1,632)</u>	<u>(1,172)</u>	<u>(6,454)</u>	<u>(5,541)</u>
	<u>37,534</u>	<u>96,501</u>	<u>183,604</u>	<u>281,315</u>

Aging list of accounts receivable:

	Company		Consolidated	
	06/2010	03/2010	06/2010	03/2010
Current	32,140	89,655	177,785	274,021
Past due:				
Up to 60 days	3,290	5,094	3,658	5,448
Over 180 days	<u>3,736</u>	<u>2,924</u>	<u>8,615</u>	<u>7,387</u>
	<u>39,166</u>	<u>97,673</u>	<u>190,058</u>	<u>286,856</u>

8. INVENTORIES

	Company		Consolidated	
	06/2010	03/2010	06/2010	03/2010
Goods for resale	331	79	177,816	192,349
Finished products	52,452	55,210	52,452	55,210
Work in process	35,268	30,504	35,268	30,504
Raw materials	25,117	16,593	25,117	16,593
Packing and consumption materials	<u>796</u>	<u>849</u>	<u>2,233</u>	<u>2,210</u>
	<u>113,964</u>	<u>103,235</u>	<u>292,886</u>	<u>296,866</u>

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9. RECOVERABLE TAXES

	Company		Consolidated	
	06/2010	03/2010	06/2010	03/2010
Taxes on revenues (COFINS)	4,212	3,091	25,884	22,890
Taxes on revenues (PIS)	1,738	1,855	7,095	6,776
Income Tax (IRPJ)	-	-	3,056	2,909
Social Contribution on Net Income (CSLL)	-	-	1,309	1,251
State VAT (ICMS)	-	-	16,485	6,014
Others	-	-	-	-
	<u>5,950</u>	<u>4,946</u>	<u>53,829</u>	<u>39,840</u>
Current assets	5,950	4,946	44,819	31,029
Noncurrent assets	-	-	9,010	8,811
	<u>5,950</u>	<u>4,946</u>	<u>53,829</u>	<u>39,840</u>

10. INVESTMENTS IN SUBSIDIARY

Direct investments in Livraria and its main information are as follows:

	06/2010	03/2010
Number of shares - thousands	193,053	193,053
Number of shares held - thousands	193,013	193,013
Ownership interest	99.98%	99.98%
Percentage of this investment in the Company's shareholders' equity (includes intercompany loans)	70,44%	66,22%
Paid-in capital	296,317	296,317
Shareholders' equity	245,927	250,228
Investment value	<u>245,876</u>	<u>250,175</u>

The calculation basis for the equity in subsidiaries recognized by Editora is as follows:

	04/01 a 06/30/2010	01/01 a 06/30/2010	04/01 a 06/30/2009	01/01 a 06/30/2009
Calculation basis for equity in subsidiary	<u>(4,301)</u>	<u>3,726</u>	<u>(3,871)</u>	<u>658</u>
Equity in subsidiary	<u>(4,299)</u>	<u>3,726</u>	<u>(3,870)</u>	<u>658</u>

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The change recorded in investments for the quarter is as follows:

	04/01 a 06/30/2010	01/01 a 03/31/2010	04/01 a 06/30/2009	01/01 a 03/31/2009
Balance at beginning of the quarter	250,175	242,138	241,306	178,778
Acquisition of shares from non-controlling shareholders	-	12	-	-
Interest in Livraria	(4,299)	8,025	(3,870)	4,528
Advance for future capital increase	-	-	-	58,000
Balance at end of the quarter	<u>245,876</u>	<u>250,175</u>	<u>237,436</u>	<u>241,306</u>

The balance sheets of Livraria as of June 30 and March 31, 2010 are as follows:

	<u>06/2010</u>	<u>03/2010</u>		<u>06/2010</u>	<u>03/2010</u>
ASSETS	583,852	627,940	LIABILITIES AND SHAREHOLDERS' EQUITY	583,852	627,940
CURRENT	385,421	438,594	CURRENT	244,727	293,380
Cash and cash equivalents	2,878	2,740	Trade accounts payable	126,733	180,423
Trade accounts receivable	153,251	202,325	Financing	60,822	60,548
Inventories	178,922	193,630	Related parties	30,759	24,496
Recoverable taxes	38,869	26,083	Provision for income and social contribution taxes	9,595	10,283
Deferred income and social contribution taxes	7,686	9,402	Taxes payable	1,358	1,966
Other	3,815	4,414	Other	15,460	15,664
NONCURRENT	198,431	189,346	NONCURRENT	93,198	84,332
Judicial deposits	1,498	1,492	Financing	71,894	63,792
Deferred income and social contribution taxes	23,542	18,811	Reserve for contingencies	377	322
Recoverable taxes	9,010	8,811	Deferred income and social contribution taxes	15,644	14,784
Other	12	12	Other	5,283	5,434
Investments	135	135			
Property, plant and equipment	87,242	85,282	SHAREHOLDERS' EQUITY	245,927	250,228
Intangible assets	76,992	74,803	Paid-in capital	296,317	296,317
			Accumulated losses	(50,390)	(46,089)

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- (a) Goodwill arising from the acquisition of Formato Editorial Ltda., which was transferred to intangible assets due to the merger of the company on February 3, 2004.
- (b) Goodwill based on expected future earnings from the acquisition of Ético, merged with the Company on February 1, 2008.
- (c) Goodwill based on expected future earnings from the acquisition of Siciliano by Livraria e Papelaria Saraiva S.A., as of March 6, 2008.

Aggregated changes in “Property, plant and equipment” and “Intangible assets” during the quarter were as follows:

	Company			
	04/01 to 06/30/2010	01/01 to 03/31/2010	04/01 to 06/30/2009	01/01 to 03/31/2009
Balance at beginning of the quarter	40,177	40,072	39,902	38,303
Additions	1,471	1,386	872	2,976
Disposals	(147)	(95)	(1,096)	(193)
Depreciation and amortization	<u>(1,273)</u>	<u>(1,186)</u>	<u>(1,290)</u>	<u>(1,184)</u>
Balance at end of the quarter	<u>40,228</u>	<u>40,177</u>	<u>38,388</u>	<u>39,902</u>

	Consolidated			
	04/01 to 06/30/2010	01/01 to 03/31/2010	04/01 to 06/30/2009	01/01 to 03/31/2009
Balance at beginning of the quarter	200,261	199,233	171,629	160,133
Additions	11,534	7,742	16,328	16,125
Disposals	(240)	(172)	(1,096)	(196)
Depreciation and amortization	<u>(7,093)</u>	<u>(6,542)</u>	<u>(5,361)</u>	<u>(4,433)</u>
Balance at end of the quarter	<u>204,462</u>	<u>200,261</u>	<u>181,500</u>	<u>171,629</u>

12. LOAN AND FINANCING

	Company		Consolidated	
	06/2010	03/2010	06/2010	03/2010
Current-				
In local currency - BNDES - FINEM	5,693	7,534	12,214	13,988
Working capital	<u>-</u>	<u>-</u>	<u>54,301</u>	<u>54,095</u>
	<u>5,693</u>	<u>7,534</u>	<u>66,515</u>	<u>68,083</u>
Noncurrent-				
In local currency - BNDES - FINEM	<u>59,205</u>	<u>58,418</u>	<u>131,099</u>	<u>122,210</u>

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06.01 - NOTES TO THE INTERIM FINANCIAL STATEMENTS

The noncurrent liabilities portion matures as follows:

	<u>2th semester of 2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Total</u>
Company	<u>1,943</u>	<u>20,059</u>	<u>20,059</u>	<u>17,144</u>	<u>59,205</u>
Consolidated	<u>5,406</u>	<u>44,555</u>	<u>43,550</u>	<u>37,588</u>	<u>131,099</u>

Additional information on financing is as follows:

<u>Financing</u>	<u>Purpose</u>	<u>Guarantees</u>	<u>Due date</u>	<u>Charges</u>
Company:				
BNDES - FINEM - contract of 11/2005	Publishing Plan - 2005 to 2007, and information systems	Bank guarantee	11/2010	4% + TJLP (i)
BNDES - FINEM - contract of 02/2009 subloans E/F	Publishing plan - 2008/2010/working capital	None	09/2014	2.32% + TJLP (i)
BNDES - FINEM contract of 02/2009 subloans A/B/C/D	Publishing plan - 2008/2010/working capital	None	09/2014	2.32% + BNDES rate (ii)
Livraria:				
BNDES - FINEM - contract of 11/2006	Investment projects for opening of 11 stores, renovation and modernization of 19 stores of the chain, and centralization of logistics operations	Company's guarantee	05/2012	3.1% + TJLP (i)
BNDES - FINEM contract of 02/2009 subloans A/B/C	Expansion of store chain/working capital	Company's guarantee	09/2014	2.32% + BNDES rate (ii)
BNDES - FINEM - contract of 02/2009 subloans E/F	Expansion of store chain/working capital	Company's guarantee	09/2014	2.32% + TJLP (*)
BNDES - FINAME contract of 02/2009 subloan D	Expansion of stores chain	Company's guarantee	09/2014	1.42% + TJLP (i)

(i) Long-term interest rate (TJLP) for the period ended in March 31, 2010 was 6.00% per year (6.00% in December 31 2009).

(ii) Reference rate disclosed by BNDES at the date subloans are used, which will be equivalent to the average cost of funds without being subject to onlending under specific conditions, in addition to derivatives from BNDES and BNDES Participações S.A. - BNDESPAR, indexed to the IPCA (Extended Consumer Price Index).

In February 2009, the Company and Livraria entered into new loan agreements with the National Bank for Economic and Social Development (BNDES) totaling R\$71,900 and R\$69,700, respectively. As of June 30, 2010 were released R\$13,658 to Editora and R\$22,456 to Livraria. The funds obtained will be used for working capital purposes, the development of new publishing projects, and the refurbishment and expansion of Livraria's store chain.

06.01 - NOTES TO THE INTERIM FINANCIAL STATEMENTS

In the year ended December 31, 2009, Livraria raised working capital loans totaling R\$77,000, which bear average interest equivalent to 119% of the interbank deposit rate (CDI). The amount recognized as financial expenses for the period ended June 30, 2010 was R\$2,872.

Contractual covenants for the Company, including those related to the agreement signed with Livraria

The Company and Livraria are required to meet the covenants set forth in the financing agreements with BNDES. As of June 30, 2010, the Company and Livraria are compliant with such covenants, the main of which are as follows:

- Maintain the following financial ratios: (i) current liquidity equal or higher than 1.5 in 2009 and equal or higher than 1.7 in 2010; (ii) capitalization level equal or higher than 0.43; and (iii) indebtedness level equal or lower than 0.22.

Provide periodic information, such as: (i) annual financial statements audited by external auditors; (ii) maintenance of staff; and (iii) holding valid business licenses for stores

13. LOYALTY PROGRAM - SARAIVA PLUS

Livraria has a customer loyalty program (“Saraiva Plus”) whereby purchases made by customers in stores and in the website earn points that can be discounted in future purchases. Accumulated points, net of redemptions and valued in accordance with the program regulation, are accrued considering redemption estimates. As of June 30, 2010, a provision for loyalty program in the amount of R\$4,761 (R\$4,902 as of March 31, 2010) is recorded in current liabilities under the caption “Clients loyalty program” in the interim consolidated financial statements.

14. RELATED-PARTY TRANSACTIONS

Related-party transactions include purchases and intercompany loans. Loans granted to Livraria have indeterminate maturity and bear interest of 101% of the CDI (interbank deposit rate).

(Convenience Translation into English from the Original Previously Issued in Portuguese)

FEDERAL PUBLIC SERVICE
BRAZILIAN SECURITIES AND EXCHANGE COMMISSION (CVM)
INTERIM FINANCIAL STATEMENTS (ITR) - 06/30/2010
COMMERCIAL, INDUSTRIAL AND OTHER COMPANIES

Corporate Law

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Loans recorded in noncurrent assets:

	04/01 to 06/30/2010	01/01 to 03/31/2010	04/01 to 06/30/2009	01/01 to 03/31/2009
Balance receivable at beginning of quarter/year	24,496	6,964	16,166	52,167
Loans, net of repayments received	5,649	17,225	(3,892)	20,517
Transfer for capital increase in subsidiary	-	-	-	(58,000)
Financial income	<u>614</u>	<u>307</u>	<u>304</u>	<u>1,482</u>
Balance receivable at end of quarter/year	<u>30,759</u>	<u>24,496</u>	<u>12,578</u>	<u>16,166</u>

The main balances and transactions with Livraria are as follows:

	01/01 to 06/30/2010	01/01 to 03/31/2010
Balances:		
Assets:		
Trade accounts receivable (current)	7,180	17,509
Loans to subsidiary (noncurrent)	30,759	24,496
Liabilities-		
Trade accounts payable (current)	1	2
Transactions:		
Sale of products	26,296	21,079
Purchase of products	13	11
Financial income	921	307
Financial expenses	-	-

Management compensation

Under Brazilian Corporate Law and the Company's bylaws, it is the shareholders to establish the total annual amount of directors' and officers' compensation is shareholders' responsibility. Management is also entitled to a profit sharing of up to 10% of net income for the year.

Management compensation is presented is a separate line account of the statements of income for the period ended June 30, 2010 and 2009.

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15. INCOME AND SOCIAL CONTRIBUTION TAXES

a) Deferred taxes

Deferred income and social contribution taxes are derived from:

	Company		Consolidated	
	06/2010	03/2010	06/2010	03/2010
Current assets:				
Accrued sale costs of products received on consignment	-	-	4,043	5,221
Program "SaraivaPlus"	-	-	1,619	1,667
Provision for inventory obsolescence	-	-	94	642
Allowance for doubtful accounts	71	180	1,438	1,546
Other provisions	-	-	563	506
	<u>71</u>	<u>180</u>	<u>7,757</u>	<u>9,582</u>
Noncurrent assets::				
Tax loss carryforwards	-	-	19,621	15,278
Reserves for contingencies and taxes payable	<u>700</u>	<u>720</u>	<u>4,621</u>	<u>4,252</u>
	<u>700</u>	<u>720</u>	<u>24,242</u>	<u>19,530</u>
Noncurrent liabilities:				
Provision for book inventory losses - Law 10753/03	5,982	6,266	13,476	14,247
Tax amortization of goodwill on business acquisitions	1,802	1,506	9,952	8,309
Other	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
	<u>7,787</u>	<u>7,775</u>	<u>23,431</u>	<u>22,559</u>

The Company and Livraria, based on the opinion of their outside attorneys, considered the tax incentive established by Law 10753/03, amended by Law 10833/03, concerning the deductibility of the provision for inventory losses, as a direct adjustment to the tax base. The tax effects of deferred liabilities were recognized in the financial statements in accordance with CVM Instruction 371/02.

Based on the expectation of future taxable income and positive cash flows, the Company and Livraria maintained in their financial statements the deferred tax assets.

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Management believes that the carrying amount of the Company's deferred tax assets from temporary differences is realizable in proportion to the final resolution of lawsuits and the settlement of liabilities; with regard to deferred tax assets from tax loss carryforwards and temporary differences of Livraria, Management considers their realization based on future taxable income as follows:

<u>Balance sheet date</u>	<u>Realization of deferred tax asset</u>
December 31, 2010	7,686
December 31, 2011	10,975
December 31, 2012	8,632
December 31, 2013	<u>3,935</u>
	<u>31,228</u>

b) Expense reconciliation

Reconciliation of the tax expense calculated by applying the combined tax rate to the tax expense charged to income is as follows:

	<u>Company</u>		<u>Consolidated</u>	
	<u>06/2010</u>	<u>06/2009</u>	<u>06/2010</u>	<u>06/2009</u>
Income before income and social contribution taxes	32,133	44,006	34,140	45,893
Combined tax rate - %	<u>34%</u>	<u>34%</u>	<u>34%</u>	<u>34%</u>
Taxes computed at the combined tax rate	(10,925)	(14,962)	(11,607)	(15,604)
Permanent additions - nondeductible expenses	(469)	(458)	(526)	(591)
Permanent deductions:				
Equity in subsidiary	1,267	223	-	-
Other deductions	<u>549</u>	<u>411</u>	<u>549</u>	<u>(478)</u>
	<u>(9,578)</u>	<u>(14,786)</u>	<u>(11,584)</u>	<u>(16,673)</u>
Income and social contribution taxes:				
Current	(8,932)	(13,717)	(8,932)	(14,606)
Deferred	<u>(646)</u>	<u>(1,069)</u>	<u>(2,652)</u>	<u>(2,067)</u>
	<u>(9,578)</u>	<u>(14,786)</u>	<u>(11,584)</u>	<u>(16,673)</u>
Effective tax rate on net income - %	<u>29.8%</u>	<u>33.6%</u>	<u>33.93%</u>	<u>36.3%</u>

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16. RESERVE FOR CONTINGENCIES

Reserve for contingencies is as follows:

	Company						
	<u>12/2009</u>	<u>Recognition</u>	<u>Judicial deposits</u>	<u>03/2010</u>	<u>Recognition</u>	<u>Judicial deposits</u>	<u>06/2010</u>
PIS/COFINS - increase in tax basis (a)	252	3	-	255	8	-	263
PIS - Supplementary Law 7/70 (b)	1,033	3	-	1,036	5	-	1,041
Civil and labor contingencies	243	-	-	243	-	-	243
Judicial deposits	<u>(252)</u>	<u>-</u>	<u>(101)</u>	<u>(353)</u>	<u>-</u>	<u>(9)</u>	<u>(362)</u>
	<u>1,276</u>	<u>6</u>	<u>(101)</u>	<u>1,181</u>	<u>13</u>	<u>(9)</u>	<u>1,185</u>
	Consolidated						
	<u>12/2009</u>	<u>Recognition</u>	<u>Judicial deposits</u>	<u>03/2010</u>	<u>Recognition</u>	<u>Judicial deposits</u>	<u>06/2010</u>
PIS/COFINS - increase in tax basis (a)	9,784	33	-	9,817	158	-	9,975
PIS - Supplementary Law 7/70 (b)	2,577	9	-	2,586	12	-	2,598
Civil and labor contingencies	243	-	-	243	-	-	243
Judicial deposits	<u>(9,760)</u>	<u>-</u>	<u>(1,383)</u>	<u>(11,143)</u>	<u>-</u>	<u>(111)</u>	<u>(11,254)</u>
	<u>2,844</u>	<u>42</u>	<u>(1,383)</u>	<u>1,503</u>	<u>170</u>	<u>(111)</u>	<u>1,562</u>

- (a) The Company and Livraria are challenging in court certain aspects related to federal taxes, such as PIS and COFINS (taxes on revenue), with regard to the increase in the tax base and in the tax rate. These lawsuits were initiated in 1999 and are guaranteed by judicial deposits.
- (b) The Company and Livraria Saraiva, which was merged with and into Livraria, filed in 1989 a lawsuit requesting the Court to declare the nonexistence of the obligation to pay the PIS, pursuant to Supplementary Law 7/70. Judicial deposits made between April 1989 and May 1992 were withdrawn upon court authorization. A final decision on the merits was rendered acknowledging the validity and applicability of Supplementary Law 7/70 and, by virtue of the granting of the National Treasury's appeal, the case is now in the stage of calculation of the amounts due to the Federal Government. Therefore, the companies recognized the respective amounts as a provision, according to the opinion from the counsel handling the case and considering the best estimates existing on the balance sheet dates to calculate the amount necessary to settle the tax debits.

On February 19, 2010, the Company and Livraria were ordered to recompose judicial deposits, pursuant to the final and unappealable decision, by R\$99 and R\$1,237, respectively. The amount that settles the tax debt is still under discussion.

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The Company and Livraria made an application for the payment of taxes in accordance with the terms of Law 11941/09 relating to administrative and judicial proceedings, which, in accordance with Management's judgment and its legal outside advisers' opinion, are likely to have unfavorable final decisions. Currently there are petitions for withdrawal of administrative proceedings and the respective judicial decisions not yet released. The accrued amounts will be maintained in the financial statements and the eventual gains will not be recorded until the formal acknowledgement of the tax authorities on the amounts effectively owed.

The Management of the Company and Livraria did not consider necessary to recognize a reserve to cover possible losses on ongoing lawsuits, totaling approximately R\$23,024, for which, in the opinion of its legal counsel, the likelihood of loss is possible.

The Company and Livraria are challenging the payment of certain taxes, contributions and labor obligations, guaranteed by judicial deposits made for the appeals filed in equivalent amounts, which await final court decisions, in the amount of R\$8,146, Company, and R\$9,644, on a consolidated basis (R\$8,157 and R\$9,649 in March 31, 2010) that are recorded in noncurrent assets.

17. TAXES P AYABLE

	Company		Consolidated	
	06/2010	03/2010	06/2010	03/2010
Installment payment of IR (income tax) and CSLL (social contribution) (a)	-	-	279	730
Installment payment of CSLL (b)	1,231	1,360	1,231	1,360
Withholding income tax (IRRF)	568	681	1,055	1,172
Taxes on revenues (PIS and COFINS)	46	40	377	399
Others	<u>71</u>	<u>146</u>	<u>332</u>	<u>532</u>
	<u>1,916</u>	<u>2,227</u>	<u>3,274</u>	<u>4,193</u>
Current liabilities	1,219	1,400	2,577	3,366
Noncurrent liabilities	<u>697</u>	<u>827</u>	<u>697</u>	<u>827</u>
	<u>1,916</u>	<u>2,227</u>	<u>3,274</u>	<u>4,193</u>

(a) Request filed with the National Treasury Attorney General in October 2005 for the installment payment of the accrued amounts related to lawsuits brought to discuss the effects of IR and CSLL arising from the "Plano Real" - Law 8880/94.

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- (b) Request filed with Federal Revenue Service in November 2007 for the installment payment of the debt arising from the denial of the administrative appeal against the tax delinquency notice related to the deduction of interest on capital from the CSLL tax basis for 1996.

18. SHAREHOLDERS' EQUITY

a) Capital

Fully paid-up capital as of June 30, 2010 is R\$190,978, represented by 28,596,123 shares, of which 9,622,313 are common shares and 18,973,810 are preferred shares, without par value.

The Company's bylaws comply with São Paulo Stock Exchange (BM&F BOVESPA) Level 2 of Differentiated Corporate Governance Practices.

The Company is authorized to increase capital, through a new issue of shares for subscription and, regardless of any amendment to the bylaws, by up to 4,000,000 shares. Of this total, up to 500,000 shares can be granted as stock options, pursuant to the bylaws.

The Company's preferred shares, which cannot surpass 2/3 of the total shares issued, entitle their holders to the following rights or advantages:

- Restricted voting rights, pursuant to the bylaws.
- Right to sell the preferred shares in the case of sale of the Company's controlling interest.
- Dividends equal to those paid on common shares.
- Share in the distribution of bonus shares out of capitalization of reserves, retained earnings and any other funds, under the same conditions as holders of common shares.

Common shares are not allowed to be converted into preferred shares, and vice versa.

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b) Treasury shares

In the six months ended June 30, 2010, were sold 115,200 shares, which were in cash to the beneficiaries of the 3rd Option Plan to Purchase Shares by the total amount of R\$2,656, of which R\$905 equivalent to the average acquisition cost and R\$1,751, equivalent to the added value of these shares registered in the revenue reserve.

The remaining balance of treasury shares is R\$1,965 represented by 250,550 preferred shares with a market value of R\$9,346 (R\$37.30 per share - trading on June 30, 2010).

c) Interest on capital and dividends

Shareholders are entitled to a minimum dividend of 25% of adjusted net income for each year.

The Company cannot, unless authorized by a majority vote in a special preferred shareholders' meeting, hold, for more than four successive quarters, cash and cash equivalents in an amount greater than 25% of total assets, provided that its financial condition allows so. Cash and cash equivalents will correspond to the amounts recorded under the caption "Cash and cash equivalents" exceeding the sum of the amounts recorded under the caption "Loans and financing" in current and noncurrent liabilities.

Pursuant to the bylaws, interest on capital included in mandatory dividends is net of income tax.

The Annual Shareholders' Meeting held on April 20, 2010 approved the payment of interest on capital and dividends to shareholders according with the Meeting held on December 18, 2009, the Board of Directors approved the accrual in the amount of R\$20,724 (R\$0.73410209 per share), whose payment was made until June 30, 2010.

d) Legal reserve

In accordance with Brazilian Corporate Law and the Company's bylaws, 5% of net income for each year shall be allocated to the legal reserve.

e) Stock option plan

The Company's Board of Directors approved the 3rd, 4th, and 5th Stock Option Plans. The options were granted to officers and employees and will be exercised by means of the issuance of new shares and/or sale of treasury shares held by the Company, at the discretion of the Board of Directors at the time of exercise.

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Fair value for stock option plans was calculated on the grant date of each plan and based on the binomial pricing model. The effects were reflected in the net income, under the line account "Operating expenses", and in the shareholders' equity, under the line account "Earnings reserve", as follows:

Year of grant	Recorded until the year ended 12/31/2009	Recorded in the period ended 06/30/2010	Total	Values to register in future years
2007	1,249	81	1,330	-
2008	900	244	1,144	334
2009	<u>57</u>	<u>327</u>	<u>384</u>	<u>1,124</u>
	<u>2,206</u>	<u>652</u>	<u>2,858</u>	<u>1,458</u>

The following table presents the changes during the quarter of options granted:

	<u>3rd Plan</u>	<u>4th Plan</u>	<u>5th Plan</u>
Total share options granted (thousands)	123,800	124,600	125,000
(-) Exercise of stock options - in thousand (*)	(115,200)	-	-
Options cancelled - in thousand	<u>(2,200)</u>	<u>(2,100)</u>	<u>-</u>
Balance as at June 30, 2010 (thousands)	<u>6,400</u>	<u>122,500</u>	<u>125,000</u>

(*) In the period between April 23 and May 7, 2010, 115,200 options of the 3rd Plan were exercised by means of sale of shares held in treasury.

In determining the fair value of stock options, the following economic assumptions were used:

	<u>3rd Plan</u>	<u>4th Plan</u>	<u>5th Plan</u>
Date of grant	03/05/2007	02/28/2008	11/30/2009
Beginning of option exercise period	03/08/2010	03/08/2011	03/08/2012
End of option exercise period	05/07/2010	05/07/2011	05/10/2012
Risk-free interest rate	12.01%	12.45%	12.20%
Number of managers and employees eligible	19	22	27
Fixed price - R\$	21.50	30.00	26.27
Index	IPCA	IPCA	IPCA
Number of outstanding options	<u>121,600</u>	<u>122,500</u>	<u>125,000</u>
Option fair value on grant date - per option - R\$	<u>11.20</u>	<u>12.61</u>	<u>12.06</u>
Option value for exercise, adjusted by the IPCA until March 31, 2010 - R\$	<u>23.28</u>	<u>32.38</u>	<u>27.18</u>

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19. FINANCIAL INSTRUMENTS

a) Derivative transactions

In the six months ended June 30, 2010 the following transactions with the Bank of Brazil related to the purchase terms of the amount of U.S. dollar, without physical delivery, the rate of exchange established by the sale price on the first business day preceding the date expiration of each contract disclosed by the Central Bank of Brazil - PTAX800, as follows:

Contract information			US\$ Rate			Gain
Date of hiring	Reference value (US\$ 000)	Maturity	Date of hiring	Maturity	End of the period ended June 30, 2010	(loss) registered (R\$ 000)
15/01/2010	840	26/03/2010	1.7970	1.8008	-	3
15/01/2010	840	26/04/2010	1.8080	1.7624	-	(38)
15/01/2010	840	26/05/2010	1.8205	1.8811	-	51
23/06/2010	<u>300</u>	21/10/2010	1.8585	-	1.8015	(17)
Total	<u>2,820</u>					<u>(1)</u>

The amount of net loss in the transactions was recorded directly in income for the period ended June 30, 2010. The current operation, due on October 21, 2010 is recorded in current liabilities under "Other liabilities".

The contracts are free of fines or penalties for early repayment, but are marked to market on the day of early settlement. The Editora does not expect significant results in the expiration date of the last contract.

Sensitivity analyses, concerning contracts outstanding were developed considering the exposure to changes in the U.S. dollar, as follows:

Operations	Risk	Scenarios (in thousand R\$)		
		Probable (i)	Possible (ii)	Remote (iii)
Loss in the period ended June 30, 2010	U.S. \$ Increase	<u>17</u>	<u>139</u>	<u>279</u>

The balances include exposure to derivative contracts calculated as follows:

- (i) Based on the current price of U.S. dollar
- (ii) Considering a 25% decrease in the price of U.S. dollar.
- (iii) Assuming a 50% decrease in the price of U.S. dollar.

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b) Other financial instruments

The carrying amounts of cash and cash equivalents, trade accounts receivable and current liabilities approximate fair values, since the maturity of a significant portion of these balances is near the balance sheet dates. The carrying amounts of financing correspond to funds obtained from the BNDES, are subject to interest that does not differ from interest currently charged by the BNDES in similar transactions.

c) Market risks

- Credit risk: to minimize possible losses on customer default, the Company adopts strict policies for granting credit, consisting of careful analyses of customer profiles, as well as timely monitoring of accounts receivable.
- Inventory obsolescence risk: discontinued products and new technologies may lead to excess and obsolete inventories. To minimize these conditions, the Company and Livraria periodically monitor inventory levels and take necessary action for inventory realization.

d) Interest rate

Livraria is exposed to normal market risks arising from changes in interest rates on loans obtained during the period.

The sensitivity analysis was developed based on the exposure to the CDI variation, which is the only index applicable to loans obtained by Livraria:

<u>Transaction</u>	<u>Risk</u>	<u>Scenarios (in R\$ thousand)</u>		
		<u>Probable (i)</u>	<u>Possible (ii)</u>	<u>Remote (iii)</u>
Balance of secured account	CDI			
loans subject to CDI variation	increase	<u>55,483</u>	<u>55,677</u>	<u>55,867</u>

Balances include interest calculated as follows:

- Based on current average CDI variation.
- Considering a 25% increase in CDI variation.
- Considering a 50% increase in CDI variation.

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20. OTHER OPERATING REVENUES AND EXPENSES

	Company		Consolidated	
	06/2010	06/2009	06/2010	06/2009
Other income:				
Gain on sale of permanent assets	18	10,099	18	10,836
Royalties on franchise operations	-	-	261	317
Gift card and other cash advancements not requested by customers	-	-	1,001	566
Indemnities for product losses	-	-	335	793
Sale of excessive and obsolete products	68	71	142	101
Recovered expenses	375	-	375	-
Income from favorable court decisions	93	87	93	207
Reversal of operating accruals	-	-	843	-
Other operating income	<u>76</u>	<u>19</u>	<u>157</u>	<u>427</u>
	<u>630</u>	<u>10,276</u>	<u>3,225</u>	<u>13,247</u>
Other expenses:				
Loss on sale of permanent assets	-	-	(140)	-
Provision for loyalty program - SaraivaPlus	-	-	(985)	(627)
PIS / Cofins over other operating revenues	(11)	(8)	(194)	(187)
Taxes paid in administrative proceedings	-	-	-	(154)
Other operating provisions	<u>(48)</u>	<u>(15)</u>	<u>(133)</u>	<u>(77)</u>
	<u>(59)</u>	<u>(23)</u>	<u>(1,452)</u>	<u>(1,045)</u>
	<u>571</u>	<u>10,253</u>	<u>1,773</u>	<u>12,202</u>

21. FINANCIAL INCOME (EXPENSES)

	Company		Consolidated	
	06/2010	06/2009	06/2010	06/2009
Financial income:				
Income from temporary cash investments	731	401	762	463
Interest on loans to subsidiary	921	1,786	-	-
Interest on trade accounts receivable	498	646	506	661
Interest on recoverable taxes	32	-	185	34
Financial discount obtained	81	5	149	146
Other financial income	<u>38</u>	<u>16</u>	<u>108</u>	<u>204</u>
	<u>2,301</u>	<u>2,854</u>	<u>1,710</u>	<u>1,508</u>
Financial expenses:				
Interest, monetary and exchange variations on financing	(4,149)	(1,584)	(11,467)	(3,497)
Financial discounts granted	(833)	(658)	(1,124)	(877)
Other interest and monetary variation	(1,043)	(1,419)	(2,456)	(2,983)
CPMF (tax on banking transactions)/IOC (tax on credit operations)	(51)	(114)	(721)	(777)
Other financial commissions	(49)	(44)	(51)	(57)
Other financial expenses	<u>(66)</u>	<u>(55)</u>	<u>(454)</u>	<u>(307)</u>
	<u>(6,191)</u>	<u>(3,874)</u>	<u>(16,273)</u>	<u>(8,498)</u>
	<u>(3,890)</u>	<u>(1,020)</u>	<u>(14,563)</u>	<u>(6,990)</u>

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22. OPERATING LEASE - STORES

As of June 30, 2010, Livraria had 92 lease agreements with third parties for its stores. Said agreements were reviewed by Management, who concluded that they fit into the classification of operating lease. Most of the store lease agreements provide for a variable rental expense, based on sales, or minimum amounts adjusted to inflation on an annual basis by several indexes, and are effective for five years, subject to renewal. Rentals under lease agreements for Livraria's logistics and administrative areas and Company's stores are fixed, with annual adjustments to inflation according to the variation of the main indexes.

In the six months ended June 30, 2010, rental expenses, net of recoverable taxes, totaled R\$2,561 (R\$2,569 in June 30, 2009) - Company and R\$21,519 (R\$19,768 in June 30, 2009) - consolidated. The balance of "Rentals payable" included in "Other liabilities" as of June 30, 2010 is R\$536 (R\$537 as of March 31, 2010) - Company, and R\$5,244 (R\$5,779 as of March 31, 2010) - consolidated.

Future obligations (consolidated), from these agreements, totaled the minimum amount of R\$128,543 as of June 30, 2010, as follows:

<u>Maturity</u>	<u>Value</u>
Until 06/30/2011	37,570
07/01/2011 to 06/30/2012	31,278
07/01/2012 to 06/30/2013	22,264
07/01/2013 to 06/30/2014	14,951
07/01/2014 to 06/30/2015	7,596
Other maturities until 2018	<u>14,884</u>
Total	<u>128,543</u>

23. STATEMENTS OF CASH FLOWS

The Company's Management defines as "cash and cash equivalents" amounts maintained for the purpose of meeting short-term commitments and not for investment or any other purposes. Short-term investments can be immediately converted into a known cash amount and are not subject to significant changes in value. As of June 30, this line account is broken down as described in note 6.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

FEDERAL PUBLIC SERVICE
BRAZILIAN SECURITIES AND EXCHANGE COMMISSION (CVM)
INTERIM FINANCIAL STATEMENTS (ITR) - 06/30/2010
COMMERCIAL, INDUSTRIAL AND OTHER COMPANIES

Corporate Law

01047-2 - SARAIVA S.A. LIVREIROS EDITORES

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06.01 - NOTES TO THE INTERIM FINANCIAL STATEMENTS

Changes in the financial position that did not impact cash flows are as follows:

	Company		Consolidated	
	06/2010	03/2010	06/2010	03/2010
Portion of recoverable taxes transferred to current assets	-	-	(56)	143
Portion of financing transferred to current liabilities	972	-	2,477	690

24. INSURANCE (NOT REVIEWED BY INDEPENDENT AUDITORS)

The Company and Livraria have an insurance policy that considers risk concentration and its materiality, obtained in amounts considered sufficient by Management taking into consideration the nature of their activities and the advice of insurance brokers.

As of June 30, 2010, insurance coverage is as follows:

<u>Year</u>	<u>06/2010</u>	<u>03/2010</u>
Loss of profits	45,000	45,000
Fire - maximum amount per store	47,595	47,595
Vehicles - only civil liability - maximum amount per vehicle	1,025	1,025

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06.01 - NOTES TO THE INTERIM FINANCIAL STATEMENTS

25. STATEMENT OF VALUE ADDED FOR THE SEMESTERS ENDED JUNE 30

	Company				Consolidated			
	04/01/2010	01/01/2010	04/01/2009	01/01/2009	04/01/2010	01/01/2010	04/01/2009	01/01/2009
	to 06/30/2010	to 06/30/2010	to 06/30/2009	to 06/30/2009	to 06/30/2010	to 06/30/2010	to 06/30/2009	to 06/30/2009
VALUE ADDED CREATED								
Sale of products, goods and services	23,066	164,797	22,760	154,727	284,466	742,304	235,009	609,772
Allowance for doubtful accounts, net of reversals	(421)	(1,033)	471	(165)	(866)	(1,751)	246	(478)
Other operating income	<u>696</u>	<u>867</u>	<u>11,298</u>	<u>11,564</u>	<u>2,426</u>	<u>3,489</u>	<u>12,766</u>	<u>14,538</u>
	<u>23,341</u>	<u>164,631</u>	<u>34,529</u>	<u>166,126</u>	<u>286,026</u>	<u>744,042</u>	<u>248,021</u>	<u>623,832</u>
INPUTS PURCHASED FROM THIRD PARTIES								
(Include recoverable or unrecoverable taxes)					4,942	(1,714)	(807)	(7,705)
Raw materials consumed	14,819	(5,018)	(2,215)	(19,514)	(172,525)	(389,803)	(140,298)	(303,598)
Cost of sales and services	-	-	-	(94)	(70,597)	(150,638)	(62,124)	(132,825)
Materials, electric energy, outside services and other	(42,078)	(80,786)	(24,629)	(59,210)	(234)	(402)	(1,097)	(1,292)
Other operating expenses	(146)	(237)	(1,096)	(1,289)				
					47,612	201,485	43,695	178,412
GROSS VALUE ADDED CREATED	(4,064)	78,590	6,589	86,019				
RETENTIONS					(7,040)	(13,532)	(5,266)	(9,599)
Depreciation and amortization	(1,220)	(2,356)	(1,252)	(2,392)				
					<u>40,572</u>	<u>187,953</u>	<u>38,429</u>	<u>168,813</u>
NET VALUE ADDED CREATED	(5,284)	76,234	5,337	83,627	284,466	742,304	235,009	609,772
VALUE ADDED RECEIVED IN TRANSFER								
Equity in subsidiary	(4,299)	3,726	(3,870)	658	-	-	-	-
Financial income	<u>1,259</u>	<u>2,301</u>	<u>752</u>	<u>2,854</u>	<u>810</u>	<u>1,710</u>	<u>689</u>	<u>1,508</u>
	<u>(3,040)</u>	<u>6,027</u>	<u>(3,118)</u>	<u>3,512</u>	<u>810</u>	<u>1,710</u>	<u>689</u>	<u>1,508</u>
VALUE ADDED TO BE DISTRIBUTED	(8,324)	82,261	2,219	87,139	41,382	189,663	39,118	170,321
DISTRIBUTION OF VALUE ADDED								
Personnel - payroll and related charges	18,717	35,693	17,061	31,334	42,183	80,311	38,351	72,612
Government - taxes and contributions	(7,355)	14,924	(3,023)	19,760	5,198	49,268	1,842	40,289
Creditors - financial expenses, excluding CPMF and IOC	2,994	6,140	1,833	3,760	7,802	15,551	4,330	7,721
Lessees - rentals	1,510	2,949	1,535	3,065	10,389	21,976	9,784	20,479
Managers' Participation in net profit	782	2,255	1,416	2,807	782	2,255	1,416	2,807
Minority interest	-	-	-	-	-	2	(2)	-
Shareholders - recognition of profit reserves	(24,972)	20,300	(16,603)	26,413	(24,972)	20,300	(16,603)	26,413
	<u>(8,324)</u>	<u>82,261</u>	<u>2,219</u>	<u>87,139</u>	<u>41,382</u>	<u>189,663</u>	<u>39,118</u>	<u>170,321</u>

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20.01 - OTHER INFORMATION THAT THE COMPANY CONSIDERS IMPORTANT

The Saraiva Group operates in the editorial sector through Saraiva S.A. Livreiros Editores (Editora) and in the retail sector through Saraiva e Siciliano S.A. (Livraria). The accounting information contained in the Quarterly Information is presented according to the accounting practices adopted in Brazil in effect until December 31, 2009, and refer to the second quarter of 2010 (2Q10), except where otherwise indicated. All comparisons were made in relation to the second quarter of 2009 (2Q09), except when stated otherwise.

HIGHLIGHTS

Throughout the first half of 2010 (1S10), the Saraiva Group continued investing to strengthen its business diversification strategy.

Editora's highlights in 2Q10 were the launch of book sales in digital format and the releases of the fiction and nonfiction editorial imprint- "Benvirá" and the "Agora" public school teaching system. Revenue from editorial activities are very seasonal and are concentrated on the first quarter and on the fourth quarter of each fiscal year.

On August, 2010, the Education Ministry, through the National Education Development Fund (FNDE), announced the results of the National Textbook Program, PNLD 2011. Editora boosted its market share by around 17.0% in the new book choices for elementary students from 6th to 9th grade, without considering the sale of foreign language textbooks, which represents a market share gain of approximately 4 percentage points in relation to the comparable choices of PNLD 2008. If including the replacement of books for 1st to 5th grade in Elementary Schools and for 10th to 12th grade in High Schools, the book supply contract, under the scope of PNLD 2011 to be executed in September 2010, will amount to R\$130 million.

Livraria opened four new stores, of which two are based on the "iTown" format, and released its new digital book sales platform through the website www.saraiva.com.br. Furthermore, in e-commerce, the highlight of 1S10 was the increase in the electronic product (+214.4%) and multimedia / games (+187.0%) categories.

Revenue - Consolidated gross revenue reached R\$742.3 million in 1S10, up 21.7% as compared with the same period in 2009. In 2Q10, consolidated gross revenue reached R\$284.5 million, representing a 21.0% growth in relation to 2Q09.

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20.01 - OTHER INFORMATION THAT THE COMPANY CONSIDERS IMPORTANT

Livraria's more aggressive commercial approach has enabled the Company to grow steadily in e-commerce, as well as in the physical channel. The result of the first half of 2010 registered a sales growth of 26.8% as opposed to the same period of the previous year. Part of this result was due to the program to adapt the Siciliano stores to the Saraiva standard, which in 1S10 registered a growth of 47.8% under the same-store concept as compared with the same period of last year.

EBITDA¹ - In 1S10, the consolidated EBITDA (profit before interest, taxes, depreciations and amortizations) reached R\$61.6 million, down 0.9% in comparison with the same year-ago period.

Result - Consolidated net profit registered R\$20.3 million in the first half of 2010, against R\$26.4 million in the same period of the previous year, down 23.1% in nominal terms. In 2Q10, Saraiva registered a loss of R\$25.0 million, against a loss of R\$16.6 million in 2Q09.

iTown - Livraria opened two iTown stores in the second quarter of 2010, one in the Barra Shopping mall in Rio de Janeiro and one in the Iguatemi Shopping mall in Salvador, Bahia state. These stores operate in differentiated conditions under the Apple Premium Reseller model and are solely dedicated to the sale of Apple products.

EDITORA (SARAIVA S/A LIVREIROS EDITORES)

Editora is the parent company of Livraria with 99.97% of its shares and the companies have separate activities and corporate names.

The following table summarizes Editora's main economic-financial performance indicators:

<i>Editora (R\$ thousand)</i>	2Q10	2Q09	Chg.	1S10	1S09	Chg.
Gross Revenue	23.066	22.760	1,3%	164.797	154.727	6,5%
Net Revenue	23.053	22.738	1,4%	164.769	154.652	6,5%
Gross Profit	14.850	14.742	0,7%	124.844	119.457	4,5%
Gross Margin	64,4%	64,8%	-42 b.p.	75,8%	77,2%	-147 b.p.
Operating Expenses	42.718	30.375	40,6%	92.547	75.089	23,2%
EBITDA	(26.666)	(14.399)	-85,2%	34.620	46.730	-25,9%
(+) Extraordinary Inventory Write off	-	3.510	-	-	3.510	-
(-) Building Sale	-	(10.048)	-	-	(10.048)	-
(=) Adjusted EBITDA	(26.666)	(20.937)	-27,4%	34.620	40.192	-13,9%
Net Financial (Revenue) Expenses	1.750	1.137	53,9%	3.890	1.020	281,4%
Net Income (Loss) Before Equity in Subsidiaries	(20.673)	(12.733)	-62,4%	16.574	25.755	-35,6%
Net Income (Loss)	(24.972)	(16.603)	-50,4%	20.300	26.413	-23,1%

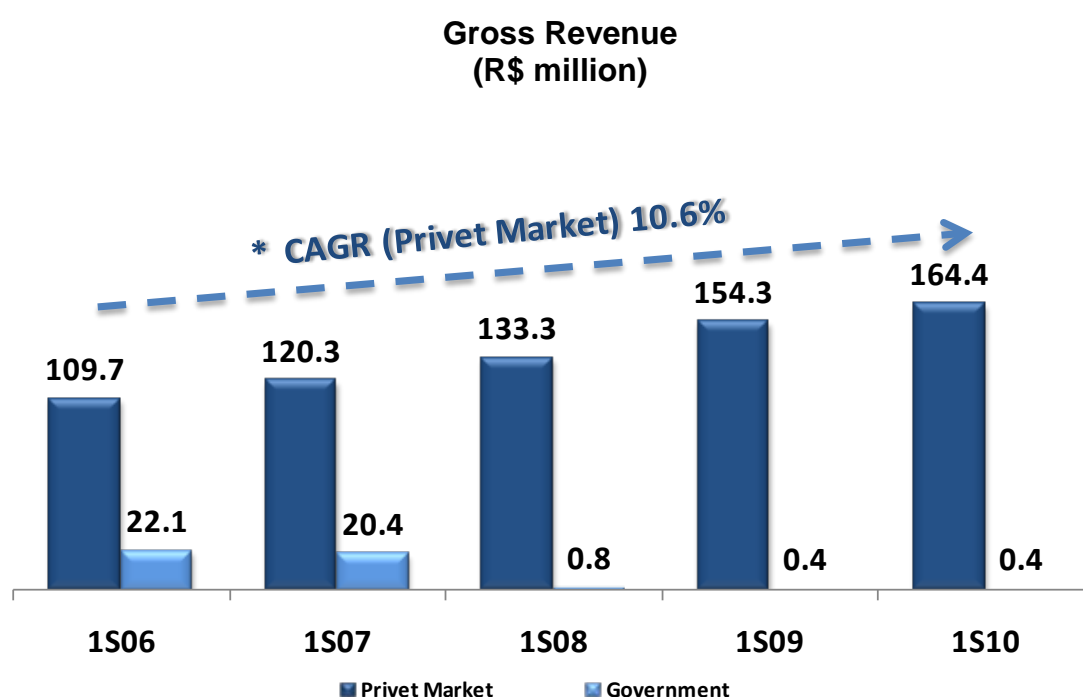
Gross Revenue

¹ The EBITDA represents net income before financial result, social contribution, income tax, depreciation and amortization. It is not a measure used according to the adopted accounting practices in Brazil or in the generally-accepted accounting principles of other countries and does not represent the cash flow for the periods shown and must not be considered as an alternative for net profit as an indicator of operational performance of the company or as an alternative for cash flow as an indicator of liquidity. EBITDA has not standard definition and our definition of EBITDA may not be comparable with that of other companies.

20.01 - OTHER INFORMATION THAT THE COMPANY CONSIDERS IMPORTANT

Editora's gross revenue reached R\$164.8 million in 1S10, up 6.5% in relation to that of the same period last year. The growth was due to ongoing efforts to restructure its catalogue and to more aggressive competitive positioning in the private market. Gross revenue in 2Q10 totaled R\$23.1 million, up 1.3% over 2Q09.

The following graph shows Editora's performance on the private and public markets.



* CAGR: Compound Annual Growth Rate

Private Market

Book sales to the private market rose 6.5% in 1S10, fueled by a growth in the textbook and university book segment, as well as in the teaching systems division which gained a greater share in the period. This performance stems from investments made in Editora's book catalogue and the sale of customized content for universities.

In the legal book segment, the highlight was the boost in sales of collections aimed at training professionals interested in a public career. An important event for Editora in 2Q10 was the release of the book "Código Penal Comentado" (Commented Penal Code) written by renowned Law specialist Celso Delmanto and his coauthors, Roberto Delmanto, Roberto Delmanto Júnior and Fábio Delmanto.

20.01 - OTHER INFORMATION THAT THE COMPANY CONSIDERS IMPORTANT

Editora adopted more aggressive positioning in the editorial fiction and nonfiction segment through the Benvirá imprint, in addition to new books for the children's literature market through the Arx and Caramelo imprints. The highlight for 2Q10 was the second release of the Benvirá imprint, the autobiography "Eu Sou Ozzy" (I am Ozzy), which appeared in the list of most sold nonfiction books in *Veja* magazine and the *Folha de S. Paulo* newspaper.

Government

In 1S10, government sales summed R\$0.4 million, practically the same as the amount posted in the same period of 2009. The amounts recognized in the first half of 2010 refer to the National School Library Program (PNBE), which Editora took part in.

Gross Profit

Gross profit in 1S10 reached R\$124.8 million, up 4.5% over that of the first half of 2009 and registered a gross margin of 75.8%, down 1.5 percentage points as compared with the 77.2% of 1S09. This result is due to changes in Editora's product mix, which registered a greater sales share of content aimed at Elementary and High Schools during the period, including the operations of the Ético Teaching System. These editorial lines have lower margins than those in technical, scientific and professional book lines. Gross profit totaled R\$14.9 million in 2Q10 and gross margin went from 64.8% in 2Q09 to 64.4%. As mentioned earlier, Editora's operations are highly seasonal and the second quarter is not very relevant in the assessment of the year's results.

Operating Result

It is worthwhile noting that in the second quarter of 2009, Editora's operating result was favored by R\$10.0 million (before taxes) from the sale of the building that sheltered Editora's former head office. Likewise, in 2Q09, an extraordinary inventory write-off, amounting to R\$3.5 million arising from the removal of Editora's books that were not in compliance with the orthographic reform.

Without considering the nonrecurring result of the property sale and the inventory write-off, the operating expense on net revenue ratio reached 52.8% in 1S09. In the first half of 2010, operating expenses totaled R\$92.5 million and represented 56.2% of net sales. Editora's operating result in 1S10 is being pressured by the increase in financial expenses and by expenses related to the adaptation of commercial and administrative structures for the new editorial business lines, such as the Teaching Systems Division, the Saraiva Educação Multimídia and the Benvirá imprint.

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20.01 - OTHER INFORMATION THAT THE COMPANY CONSIDERS IMPORTANT

EBITDA

EBITDA totaled R\$34.6 million in the first half of 2010, down 25.9% in relation to the same period in 2009 when it registered R\$46.7 million. In comparison with the adjusted EBITDA of 1S09, the decline was 13.9%. The adjusted EBITDA margin went from 26.0% in 1S09 to 21.0% in 1S10.

In 2Q10, the EBITDA totaled a negative R\$26.7 million, against a negative adjusted EBITDA of R\$20.9 million in 2Q09.

<i>Editora (R\$ thousand)</i>	2Q10	2Q09	Chg.	1S10	1S09	Chg.
Income from Operations before Equity Income	(29.618)	(16.770)	-76,6%	28.407	43.348	-34,5%
(+) Depreciation and Amortization Expenses	1.202	1.234	-2,6%	2.323	2.362	-1,7%
(+) Net Financial (Revenue) Expenses	1.750	1.137	53,9%	3.890	1.020	281,4%
(=) EBITDA	(26.666)	(14.399)	-85,2%	34.620	46.730	-25,9%
EBITDA Margin	-115,7%	-63,3%	-5.235 b.p.	21,0%	30,2%	-920 b.p.
(+) Extraordinary Inventory Write off	-	3.510	-	-	3.510	-
(-) Building Sale	-	(10.048)	-	-	(10.048)	-
(=) Adjusted EBITDA	(26.666)	(20.937)	-27,4%	34.620	40.192	-13,9%
Adjusted EBITDA Margin	-115,7%	-92,1%	-2.359 b.p.	21,0%	26,0%	-498 b.p.

Financial Result / Capital Structure

The financial result in 1S10 reached R\$3.9 million in financial expenses, higher than the R\$1.0 million posted in the first half of 2009. In 2Q10, the financial result registered net financial expenses of R\$1.8 million against a financial expense of R\$1.1 million in 2Q09. On June 30, 2010, net debt was R\$63.4 million as compared with R\$37.3 million at the end of March 2010. The net debt increase stems from loans contracted from the National Economic and Social Development Bank (BNDES) to finance the catalogue expansion, the creation of new multimedia products and to format the content of the Teaching Systems Division.

During 1S10, BNDES disbursed R\$13.7 million to Editora. A total of R\$55.2 million, or approximately 80% of the total, has already been disbursed under the R\$71.9 million contract executed in February 2009 with BNDES. The funds under the scope of this line of credit will be used to finance Editora's investments until December 2010.

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20.01 - OTHER INFORMATION THAT THE COMPANY CONSIDERS IMPORTANT

Net Profit

Net profit before equity income of the subsidiary Livraria reached R\$16.6 million in 1S10 against a result of R\$25.8 million in 1S09. Net profit after equity totaled R\$20.3 million in the first half of 2010, compared with a profit of R\$26.4 million in the first half of 2009. In 2009, Editora's net profit was positively impacted by the nonrecurring result of the sale of the building that sheltered Saraiva's head office, which totaled R\$10.0 million (before taxes).

Investments

Investments aimed mainly at information technology projects summed R\$2.9 million and R\$1.5 million in 1S10 and 2Q10, respectively.

Teaching Systems Division

Since 2009, Editora sells complete solutions in the teaching system format for the private network in all educational segments, from child education up to the pre-university entrance exam level. This investment gives Brazilian educators another option among all those offered by Editora for the Elementary and High School teaching level. The amount of students enrolled in the system grew 81% in 1S10 as compared with the same period of last year. The Ético imprint is being used at schools in 17 Brazilian states and in the Federal District.

In order to give continuity to this strategy, Editora released, in 2Q10, the Agora teaching system imprint, which offers a full line of educational material for public schools, from Child Education up to High School, as of 2011 school year.

LIVRARIA (Saraiva e Siciliano S.A.)

Livraria operates predominantly in the retail of books, DVDs, CDs, stationery, information technology, electronic goods and digital content - books and movies. The following table shows the Company's major economic and financial performance data:

<i>Livraria (R\$ thousand)</i>	2Q10	2Q09	Chg.	1S10	1S09	Chg.
Gross Revenue	266,606	217,190	22.8%	603,803	476,329	26.8%
Net Revenue	247,943	203,573	21.8%	566,073	447,962	26.4%
Gross Profit	84,319	74,761	12.8%	190,838	161,810	17.9%
Gross Margin	34.0%	36.7%	-272 b.p.	33.7%	36.1%	-241 b.p.
Operating Expenses	85,171	77,676	9.6%	174,433	153,296	13.8%
EBITDA	4,654	924	403.7%	26,982	15,434	74.8%
Net Financial (Revenue) Expenses	5,605	2,836	97.6%	10,673	5,969	78.8%
Net Income (Loss)	(4,301)	(3,871)	-11.1%	3,726	658	466.3%

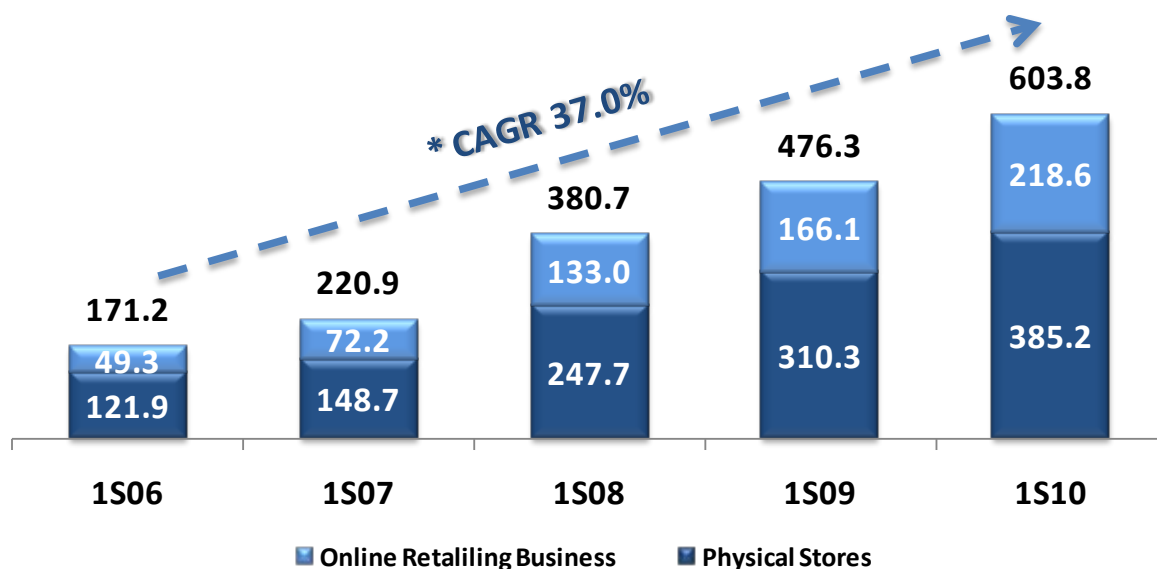
20.01 - OTHER INFORMATION THAT THE COMPANY CONSIDERS IMPORTANT

Gross Revenue

Livraria's sales performance in all sales channels has positively affected revenue generation. In 1S10, Livraria's gross revenue totaled R\$603.8 million, up 26.8% as compared with that in 1S09. Physical stores in the first half registered an increase in gross revenue of 24.2% and, in e-commerce, of 31.6%.

Gross Revenue (R\$ million)

CAGR 2006 - 2010 (Physical Stores): 33.3%
CAGR 2006 - 2010 (Online Retail): 45.1%



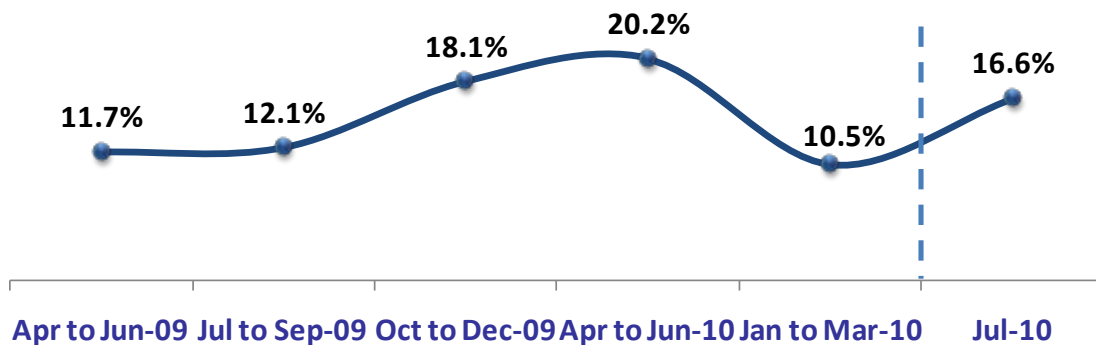
* CAGR: Compound Annual Growth Rate

Livraria's gross revenue in 2Q10 amounted to R\$266.6 million, 22.8% above that posted in 2Q09. The strong sales performance in this period was positively influenced by the growth in electronic retail (+28.9%), as well as, by the increment in revenue from physical stores (+19.4%). Under the same-store concept, the growth index in 2Q10 was 10.5%. The sales growth in 2Q10 was not greater only because of the Soccer World Cup event which attracted the attention of customers in the month of June. The index of same-store sales in July registered a recovery in relation to 2Q10 and reached 16.6%.

20.01 - OTHER INFORMATION THAT THE COMPANY CONSIDERS IMPORTANT

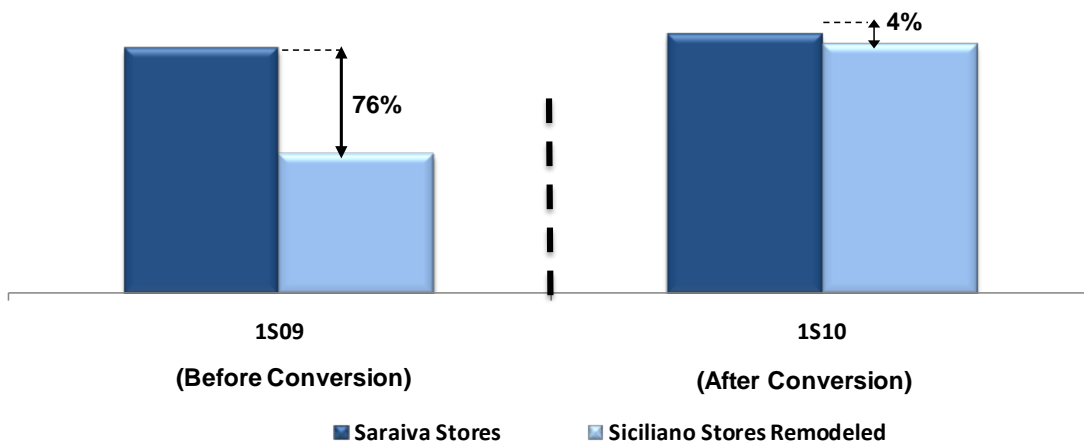
The graph below shows the quarterly evolution of growth in Livraria's same-store sales.

Same-Store Sales



The program to remodel the Siciliano stores to the Saraiva standard also contributed to Livraria's growth. In the first half of 2010, revenue from the remodeled stores grew 47.8% under the same-store concept in comparison with the same period last year. As such, the Siciliano stores that were remodeled by June 30, 2010 are now registering a performance in sales per square meter closer to that of the Saraiva network. The following table shows the progress of sales per square meter of the Siciliano chain and compares this performance with that of the Saraiva network in 1S09 and 1S10:

Sales per Square Meter



The nominal growth index of the book, newspaper, magazine and stationery sector published monthly by the Brazilian Statistics Bureau (IBGE) registered a variation of 13.3% in the first five months of 2010. During the same period, Livraria's increment in these areas was 18.1%, which confirms a market share gain.

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20.01 - OTHER INFORMATION THAT THE COMPANY CONSIDERS IMPORTANT

Gross Profit

In the 12-month period, Livraria's gross profit reached R\$190.8 million, 17.9% greater than that of the same period in 2009, and the gross margin was 33.7%, 2.4 percentage points lower than that registered in 1S09. This result derives basically from the introduction of the taxation changes introduced in May 2009, the change in product mix with a greater share of the electronic and computer goods category, as well as more aggressive commercial policies, in particular in e-commerce.

Gross profit in 2Q10 summed R\$84.3 million, up 12.8% in relation to 2Q09. Gross margin declined 2.7 percentage points and reached 34.0% in 2Q10, against 36.7% in the same year-ago period.

Operating Result

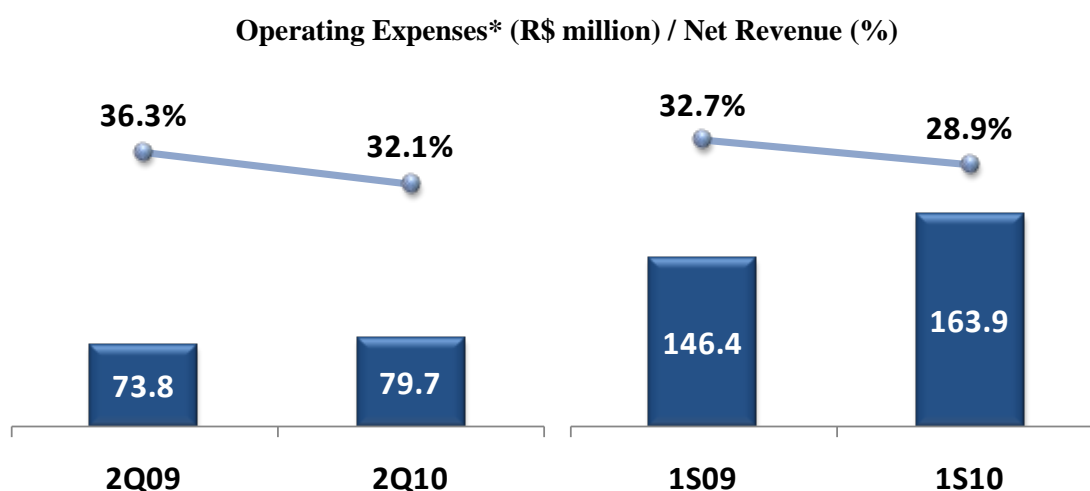
<i>Livraria (R\$ thousand)</i>	2Q10	2Q09	Var.	1S10	1S09	Var.
Operating Result before Financial Expenses (EBIT)	(852)	(2,915)	70.8%	16,405	8,514	92.7%
EBIT Margin	-0.3%	-1.4%	109 b.p.	2.9%	1.9%	100 b.p.

<i>Livraria (R\$ thousand)</i>	2Q10	2Q09	Var.	1S10	1S09	Var.
Operating Expenses	85,171	77,676	9.6%	174,433	153,296	13.8%
(+) Amortization and Depreciation Expenses	5,506	3,839	43.4%	10,577	6,920	52.8%
Operating Expenses before Depreciation and Amortization	79,665	73,837	7.9%	163,856	146,376	11.9%
Operating Expenses before Depreciation and Amortization / Net Revenue	32.1%	36.3%	-414 b.p.	28.9%	32.7%	-373 b.p.

Livraria's operating profit before financial result totaled R\$16.4 million in 1S10 (R\$8.5 million in 1S09) and a negative R\$0.9 million in 2Q10 (negative R\$2.9 million in 2Q09), representing a growth of respectively 92.7% and 70.8%.

Without considering expenses for depreciation and amortization, the operating expenses on net revenue ratio registered a 3.7 percentage point gain in 1S10 and 4.1 percentage points in 2Q10, as shown in the graph below.

20.01 - OTHER INFORMATION THAT THE COMPANY CONSIDERS IMPORTANT



(*) Without considering expenses for depreciation and amortization

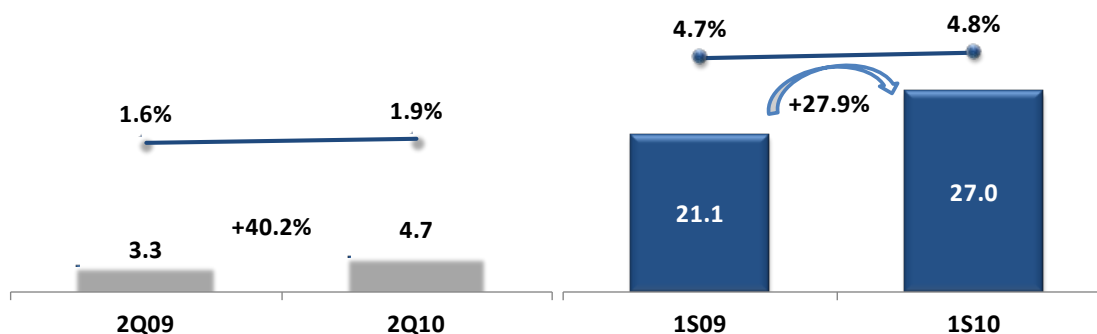
EBITDA

In the 12-month period, EBITDA totaled R\$27.0 million, up 74.8% over that of 1S09. Livraria's EBITDA in 2009, adjusted by nonrecurring expenses, reached R\$21.1 million and the growth in the half-year comparison was 27.9%. The adjusted EBITDA reached R\$4.7 million in 2Q10, up 40.2% in relation to that of the same period last year.

Livraria (R\$ thousand)	2Q10	2Q09	Chg.	1S10	1S09	Chg.
Income from Operations after Net Financial Income	(6,457)	(5,751)	-12.3%	5,732	2,545	125.2%
(+) Depreciation and Amortization Expenses	5,506	3,839	43.4%	10,577	6,920	52.8%
(+) Net Financial (Revenue) Expenses	5,605	2,836	97.6%	10,673	5,969	78.8%
(=) EBITDA	4,654	924	403.7%	26,982	15,434	74.8%
EBITDA Margin	1.9%	0.5%	142 b.p.	4.8%	3.4%	132 b.p.
(+) Non Recurring Expenses	-	2,396	-100.0%	-	5,659	-100.0%
(=) Adjusted EBITDA	4,654	3,320	40.2%	26,982	21,093	27.9%
Adjusted EBITDA Margin	1.9%	1.6%	25 b.p.	4.8%	4.7%	6 b.p.

20.01 - OTHER INFORMATION THAT THE COMPANY CONSIDERS IMPORTANT

EBITDA Adjusted* (R\$ million) and EBITDA Margin Adjusted* (%)



(*) Adjusted by nonrecurring expenses in 2009

Financial Result / Capital Structure

Net financial expenses registered R\$5.6 million in 2Q10, up 97.6% over the R\$2.8 million posted in 2Q09. The net financial debt rose from R\$121.6 million at the end of 1Q10 to R\$129.9 million at the end of 2Q10.

During 1S10, BNDES disbursed R\$22.5 million to Livraria. A total of R\$64.4 million, or approximately 92% of the total, has already been disbursed under the R\$69.7 million contract executed in February 2009 with BNDES. These funds are aimed at Livraria's investment plan until December 2010.

Working Capital

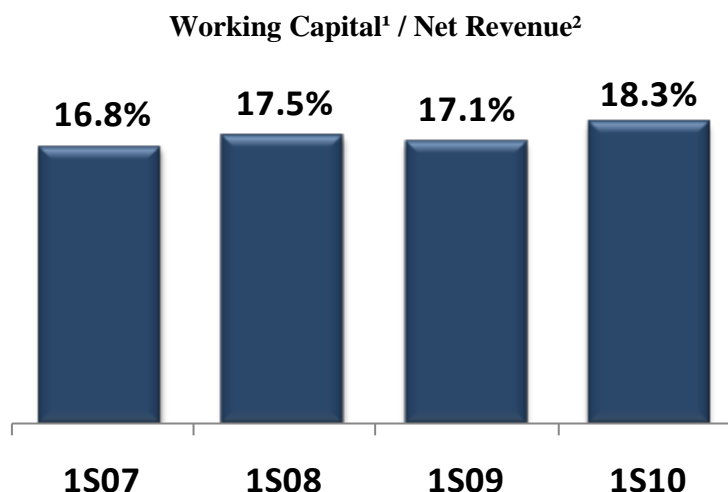
The working capital on net revenue ratio went from 17.1% in the first half of 2009 to 18.3% in the first half of 2010. Livraria's average operating cycle reached 78 days in the 12-month period ended on June 30, 2010, against 75 days in the same period ended in June 2009.

"Accounts Receivable" reached 48 days in the 12-month period ended on June 30, 2010, against 49 days in the 12-month period ended on June 30, 2009.

The average term of inventory coverage increased 5 days from 87 to 92 days in the 12-month period ended on June 30, 2009 and 2010, respectively.

20.01 - OTHER INFORMATION THAT THE COMPANY CONSIDERS IMPORTANT

The supplier payment period remained practically stable, changing from 61 days in the 12-month period ended on June 30, 2009 to 62 days in the 12-month period ended on June 30, 2010.



(1) Inventory + Customers - Suppliers (monthly average in the past 12 months)

(2) Net Revenue in the past 12 months

Net Profit

In 1S10, Livraria registered a net profit of R\$3.7 million, up R\$0.7 million in relation to the previous year. Livraria's net profit in the first half of 2010 is being pressured by greater financial expenses as a result of an increase in the company's indebtedness.

Investments

A total of R\$16.4 million was invested in 1S10 (R\$10.1 million during 2Q10) mainly in:

- Remodeling of Siciliano stores:
 - SP Market Shopping mall in São Paulo - SP (01/10/2010).
 - Praia Mar Shopping mall in Santos - SP (01/28/2010).
 - Manaíra Shopping mall in João Pessoa - PB (03/14/2010).
 - Flamboyant Shopping mall in Goiânia - GO (05/02/2010).
 - Metrô Tatuapé Shopping mall in São Paulo - SP (05/16/2010).
 - West Plaza Shopping mall in São Paulo - SP (05/27/2010).

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20.01 - OTHER INFORMATION THAT THE COMPANY CONSIDERS IMPORTANT

- Opening of new stores:
 - Livraria Tradicional - University Center of Brasília - FD (01/25/2010).
 - iTown - Iguatemi Shopping mall in Salvador - BA (04/08/2010).
 - iTown - Barra Shopping mall in Rio de Janeiro - RJ (06/15/2010).
 - Mega Store - Vitória Shopping mall in Vitória - ES (06/30/2010).
- Information systems: The investments made in Livraria's information systems are aimed at improving the ERP (Enterprise Resource Planning) operational system in order to facilitate the launching of new business and product line platforms; the development of applications for the sale of digital books and customer relationship management tools (CRM).
- Logistics activities: Investments to review Livraria's supply chain are aimed at rationalizing expenses related to its logistics system and better meeting the demands of its customers in all of its sales channels.

Marketing/Partners

The "Saraiva Plus" loyalty program has consolidated itself as one of the most efficient programs for retaining customers in local retail due to a systematic that facilitates the accumulation of bonus points and simplifies their redemption. At the end of 2Q10, the membership base was 4.1 million, up 16.7% over the base registered in December 2009. In the 12-month period ended in June 2010, the membership base of the Saraiva Plus card rose 37.3%.

The Saraiva credit card, a partnership between Saraiva, Banco do Brasil and Visa, had a membership base of 85.3 thousand active cards at the end of June 2010, 23.0% above the active cards base in December 2009 and of 59.4% in relation to June of last year. This credit card offers several benefits to Livraria's customers, which, besides accumulating bonus points for the "Saraiva Plus" program, is exempt from the payment of administrative fees and can accumulate air mileage points through a partnership with TAM.

Online Retailing Business (Saraiva.Com)

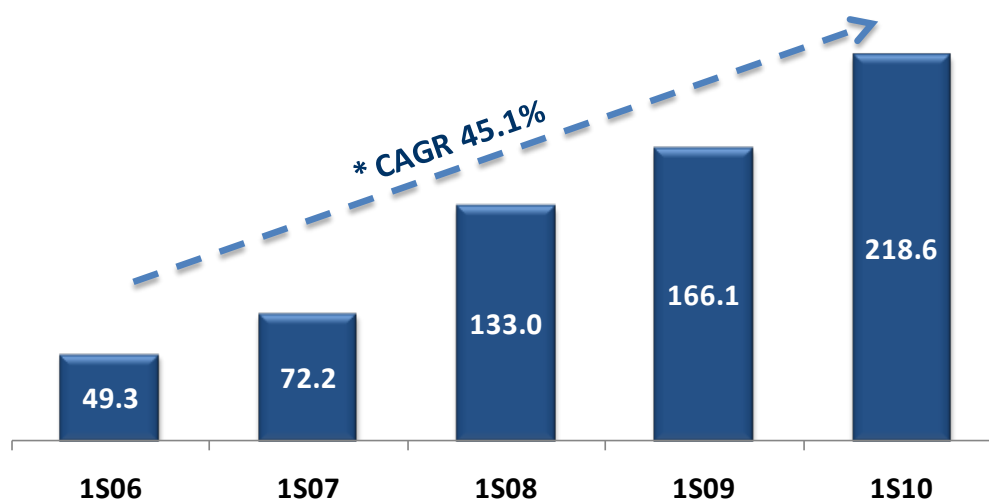
E-commerce has been gaining more importance in Livraria's operations. With a steady growth in sales terms, the share of total gross revenue from the Saraiva.com website's operations in relation to the Group's overall retailing operations was 36.2% in 1S10.

20.01 - OTHER INFORMATION THAT THE COMPANY CONSIDERS IMPORTANT

<i>Saraiva.com (R\$ thousand)</i>	<i>2Q10</i>	<i>2Q09</i>	<i>Chg.</i>	<i>1S10</i>	<i>1S09</i>	<i>Chg.</i>
Gross Revenue	97,795	75,850	28.9%	218,581	166,071	31.6%
Net Revenue	88,377	69,841	26.5%	200,435	154,240	30.0%
Active Customers (thousand) ¹	1,379	1,204	14.5%	1,379	1,204	14.5%
% of Revenue - Livraria Saraiva Consolidated	36.7%	34.9%	176 b.p.	36.2%	34.9%	134 b.p.
Average Ticket (R\$)	165.8	138.3	19.9%	162.7	136.0	19.6%

(1) Active customers: user that has made at least one purchase in the past year.

**Gross Revenue
(R\$ million)**



* CAGR: Compound Annual Growth Rate

The good results of e-commerce through Saraiva.com stem from the decision to continue operating mostly in the textbook and university book segments, benefitting from Saraiva's strong image in these markets, especially in the back-to-school period. The sale of books through Saraiva.com's website registered a good growth: 21.0% in 1S10. The highlight of this period was the growth in sales of the electronic product (214.4%) and multimedia/games (+187.0%) categories, which demonstrates the assertiveness of the strategy to diversify the product mix of the website, www.saraiva.com.br.

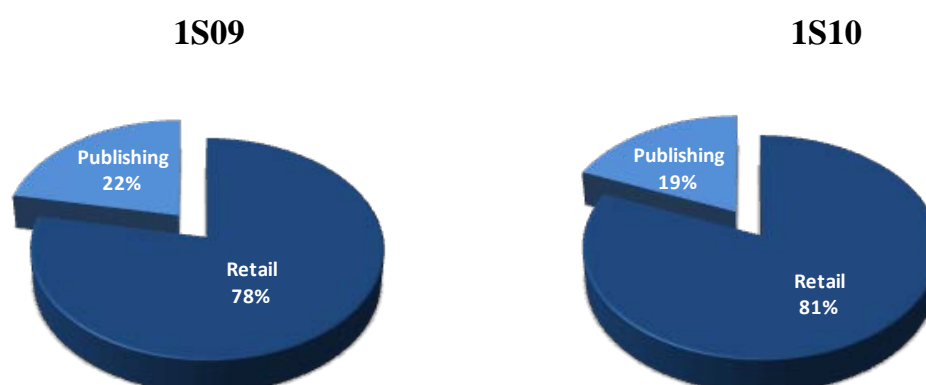
20.01 - OTHER INFORMATION THAT THE COMPANY CONSIDERS IMPORTANT

CONSOLIDATED

The following table shows the major consolidated economic and financial performance data:

Consolidated (R\$ thousand)	2Q10	2Q09	Chg.	1S10	1S09	Chg.
Gross Revenue	284,466	235,009	21.0%	742,304	609,772	21.7%
Net Revenue	265,789	221,368	20.1%	704,546	581,329	21.2%
Gross Profit	99,167	89,504	10.8%	315,670	281,223	12.2%
Gross Margin	37.3%	40.4%	-312 b.p.	44.8%	48.4%	-357 b.p.
Operating Expenses	127,885	108,052	18.4%	266,967	228,340	16.9%
EBITDA	(22,011)	(13,475)	-63.3%	61,602	62,165	-0.9%
Net Financial (Revenue) Expenses	7,355	3,974	85.1%	14,563	6,990	108.3%
Net Income (Loss)	(24,972)	(16,603)	-50.4%	20,300	26,413	-23.1%
Total Assets	807,490	680,842	18.6%	807,490	680,842	18.6%
Shareholders' Equity	392,739	362,769	8.3%	392,739	362,769	8.3%
Net Debt	(193,302)	(109,986)	-75.8%	(193,302)	(109,986)	-75.8%

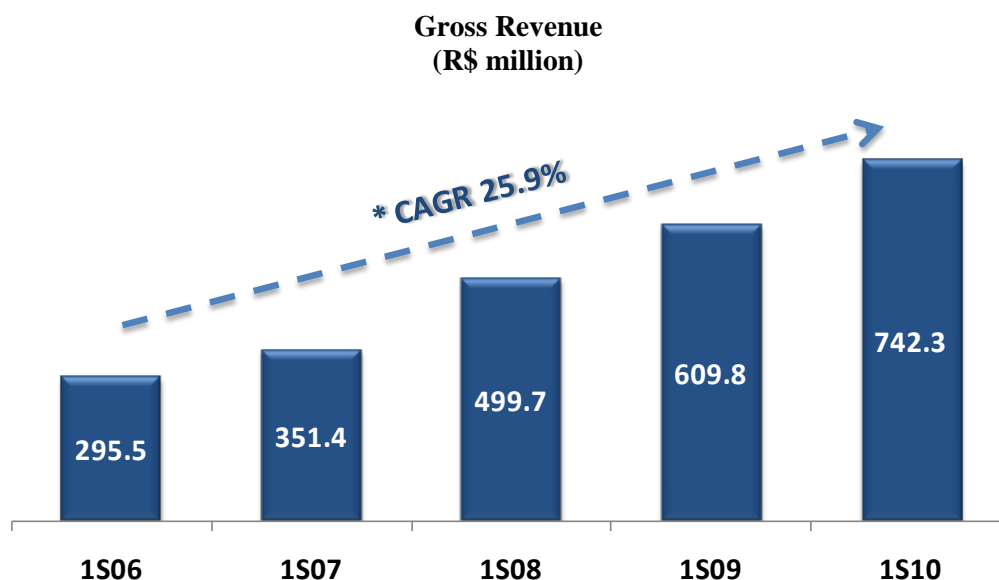
Consolidated Gross Revenue Mix



Gross Revenue

Consolidated gross revenue reached R\$742.3 million in 1S10, up 21.7% over 1S09. In 2Q10, revenue totaled R\$284.5 million, an increase of 21% in relation to the same period of the previous year. Saraiva's growth in revenue was the result of the increase in Livraria's sales. The share of retailing activities in the consolidated figure of the group was 81.3% in 1S10 against 78.1% in 1S09.

20.01 - OTHER INFORMATION THAT THE COMPANY CONSIDERS IMPORTANT



CAGR: Compound Annual Growth Rate

Gross Profit

Consolidated gross profit totaled R\$315.7 million in 1S10 and R\$99.2 million in the 2Q10, representing an increase of respectively 12.2% and of 10.8%. Overall gross margin in the first six months went from 48.4% in 2009 to 44.8% in 2010 and, in the quarterly comparison, from 40.4% in 2Q09 to 37.3% in 2Q10. The greater contribution of retail in the breakdown of consolidated revenue explains the differences registered in the gross margins. Saraiva's retailing activities have lower margins than the group's publishing activities.

Operating Result

EBITDA reached R\$34.1 million in 1S10, against R\$45.9 million in the same period of last year. This result is due mostly to a rise in financial expenses, caused by the increase in the Group's debt. Consolidated operating expenses were also pressured by investments in new editorial areas, in particular the Teaching Systems Division and the Benvirá imprint.

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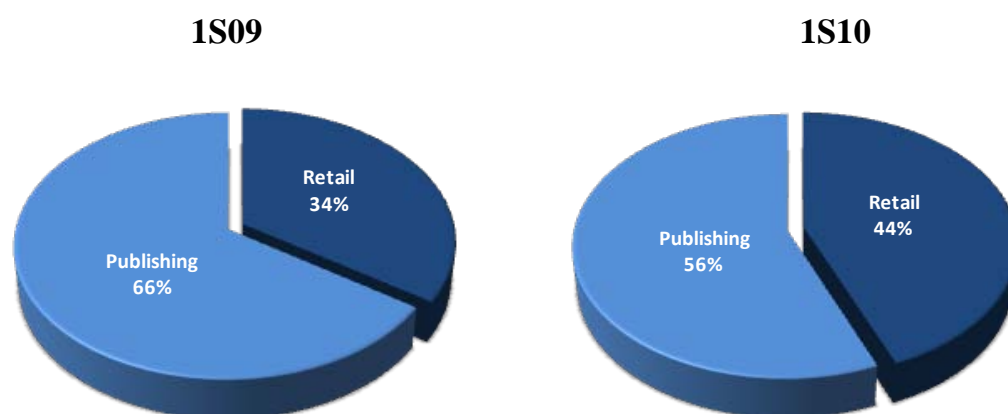
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20.01 - OTHER INFORMATION THAT THE COMPANY CONSIDERS IMPORTANT

EBITDA

EBITDA was R\$61.6 million in 1S10, against R\$62.2 million, a drop of 0.9%. If comparing the EBITDA of 1S10 with the adjusted EBITDA of 1S09, of R\$61.3 million, the performance is positive, up 0.5%. The adjusted year-half EBITDA margin reached 8.7% in 2010, as compared with 10.5% in the same period of the previous year. In 2Q10, the adjusted EBITDA was a negative R\$22.0 million, against a negative R\$17.6 million in 2Q09. The adjusted EBITDA margin went from a negative 8.0% in 2Q09 to a negative 8.3% in 2Q10.

<i>Consolidated (R\$ thousand)</i>	<i>2Q10</i>	<i>2Q09</i>	<i>Chg.</i>	<i>1S10</i>	<i>1S09</i>	<i>Chg.</i>
Income from Operations after Net Financial Income	(36,073)	(22,522)	-60.2%	34,140	45,893	-25.6%
(+) Depreciation and Amortization Expenses	6,707	5,073	32.2%	12,899	9,282	39.0%
(+) Net Financial (Revenue) Expenses	7,355	3,974	85.1%	14,563	6,990	108.3%
(=) EBITDA	(22,011)	(13,475)	-63.3%	61,602	62,165	-0.9%
EBITDA Margin	-8.3%	-6.1%	-219 b.p.	8.7%	10.7%	-195 b.p.
(+) Non Recurring Expenses	-	(4,142)	-100.0%	-	(879)	-100.0%
(=) Adjusted EBITDA	(22,011)	(17,617)	-24.9%	61,602	61,286	0.5%
Adjusted EBITDA Margin	-8.3%	-8.0%	-32 b.p.	8.7%	10.5%	-180 b.p.

Adjusted EBITDA Mix**Financial Result**

In the 12-month period, the financial result went from a net financial expense of R\$7.0 million in the first six months of 2009 to a net financial expense of R\$14.6 million in 1S10. In the quarter, the financial result went from a net financial expense of R\$4.0 million in 2Q09 to an expense of R\$7.4 million in 2Q10.

20.01 - OTHER INFORMATION THAT THE COMPANY CONSIDERS IMPORTANT

Net Profit

Consolidated net profit reached R\$20.3 million in the first six months of 2010, against a profit of R\$26.4 million in the first half of 2009. In 2Q10, Saraiva posted a loss of R\$25.0 million, against a loss of R\$16.6 million in 2Q09.

Investments

During 1S10, R\$19.3 million was invested to expand and remodel Livraria's store chain and on information technology projects.

CAPITAL STRUCTURE

The consolidated financial position went from a net debt of R\$158.9 million at the end of March 2010 to R\$193.3 million at the end of June 2010.

In 1S10, the Company received, in consolidated terms, R\$36.2 million of long-term financing contracted in February 2009 from BNDES. The contract's total value is R\$141.6 million, of which R\$119.5 million have already been disbursed by the bank. The remaining balance will be disbursed by December 2010.

These funds have contributed towards a capital structure suited to the investment projects needed to sustain Saraiva's growth.

CAPITAL MARKETS

The following indicators summarize the performance of Saraiva's shares in 1S10 as compared with 1S09. The share price, as well as the amount and volume of trades, registered significant progress in the comparison and reflect the liquidity increase of the shares issued by the Company.

Indicators*	1S10	1S09	Chg.
Number of trades ¹	9.940	7.323	35,7%
Participation in trading sessions ¹	100,0	100,0	-
Quantity traded - thousand shares ¹	5.653	7.749	-27,0%
Volume trades - R\$ thousand ¹	206.274	137.791	49,7%
Share Price - R\$ ¹	37,30	22,98	62,3%
Total shares outstanding - thousand	28.346	28.230	0,4%
Market Value - R\$ milion	1.057,3	648,7	63,0%

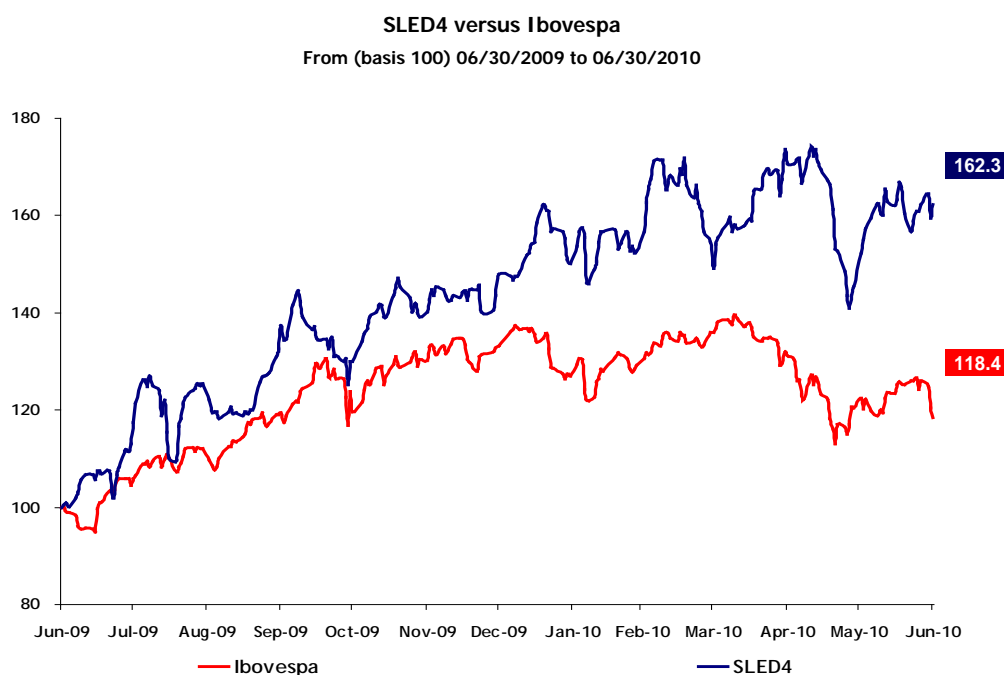
Source: BM&F Bovespa

(1) Referring to preferred shares (SLED4)

(*) Not reviewed by independent auditors

20.01 - OTHER INFORMATION THAT THE COMPANY CONSIDERS IMPORTANT

Saraiva's preferred shares (SLED 4), over the past 12 months, appreciated 62.3%. In the same period, Ibovespa appreciated 18.4%. On 06/30/10, Saraiva's market value was R\$1.1 billion.



SUBSEQUENT EVENT

On August 10, 2010, Editora negotiated with the National Education Development Fund (known locally as FNDE) the terms of the contract to supply textbooks for the school year of 2011, including new choices and replacements. The total amount negotiated reached R\$130.0 million. Saraiva's market share for the adoption of books for Elementary students from 6th to 9th grade under the National Textbook Program (PNLD 2011) reached approximately 17.0% - without considering the new foreign language textbook choices, which represents a growth of around 4.0 percentage points as compared with the adoption of books for the same teaching levels under PNLD 2008. The contract under the scope of PNLD 2011 should be executed in September 2010 and the sales are expected to take place by December 2010.

In July 2010, Livraria opened a new Mega Store in the city of Belém, Pará state. This is Saraiva's first store in the state of Pará and the second store in the north region. During the same period, the Siciliano store at the Uberlândia Shopping mall (Minas Gerais state) was reopened with an enhanced product mix and more leisure, entertainment and cultural options for the region's clients.

OUTLOOK

Editora will continue to invest in new businesses to enable it to sell contents in different formats and new media, such as the Teaching Systems Division and the Benvirá fiction and nonfiction imprints. Likewise, the Company continues determined to gain a greater market share in its traditional editorial lines.

In 2Q10, Editora started to sell books in digital format and will continue searching for possible business opportunities in new media. Currently, Editora's e-book catalogue has approximately 160 titles available at the main e-commerce websites of the country.

At Livraria, the project to expand the physical store chain, scheduled for the 2009/2010 period is moving ahead as planned. Saraiva's next store will be opened in São Paulo at the Granja Viana Shopping mall.

The remodeling of Siciliano's stores are in the conclusion stage, and only six (6) remain to be adapted to Saraiva's standard by December 2010.

In the electronic retailing division, there are opportunities to expand the strategy to introduce new product categories that have relevant synergies to the current operation, which strengthens the scenario of sharp growth in the local e-commerce segment.

Saraiva.com was the first to introduce the sale and rental of movies through the internet in May 2009 and, in June 2010, made its debut selling e-books through the internet. The company's digital initiatives are aimed at offering a better shopping experience to customers who wish to use the new technologies to read content traditionally sold on printed media. Despite the sales of the so-called e-book being marginal for Livraria in the short and medium term, the company's expectation is to lead this movement in Brazil, by offering an extensive local and international catalogue of digital books in order to gain a part of the revenue that will be subtracted from the sale of conventional books due to this new reading mode.

In July 2010, Livraria opened a new Mega Store in the city of Belem, Pará state. This is the first Saraiva store in the state of Pará and the second store in the northern region. During the same period, the Siciliano store in the Uberlândia Shopping mall (Minas Gerais state) was reopened with an enhanced product mix and more leisure, entertainment and culture options for the customers of the region.

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20.01 - OTHER INFORMATION THAT THE COMPANY CONSIDERS IMPORTANT

09.01- INVESTMENTS IN SUBSIDIARIES AND/OR AFFILIATES

01 - ITEM 01	2 - SUBSIDIARY'S/AFFILIATE'S NAME SARAIVA E SICILIANO S.A.	3 - Federal Corporate Taxpayers' Registration Number (CNPJ) 61.365.284/0001-04	4 - Classification Non-public subsidiary	5 - Equity interest in investee 99.98%	6 - Investor's shareholders' equity 70.44%
7 - Company Commercial, industrial and other		8 - Number of shares held in the current quarter (in thousands) 193,013			9 - Number of shares held in the prior quarter (in thousands) 193,03,725

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20.01 - OTHER INFORMATION THAT THE COMPANY CONSIDERS IMPORTANT

Additional Requirements for Level 2 of Corporate Governance Practices

1. Shareholders with more than 5% of shares of each type and class

OWNERSHIP POSITION OF SHAREHOLDERS WITH MORE THAN 5% OF SHARES OF EACH TYPE AND CLASS, INCLUDING INDIVIDUALS						
Company: SARAIVA S.A. LIVREIROS EDITORES					Position as of 07/31/2010 (in thousands of shares)	
Shareholder	Common shares		Preferred shares		Total	
	Number	%	Number	%	Number	%
Jorge Eduardo Saraiva	4,521	47.00	30	0.16	4,551	15.91
Olga Maria Barbosa Saraiva	1,131	11.75	-	-	1,131	3.96
Maria Sylvia Saraiva M. Gonçalves	494	5.13	-	-	494	1.73
Maria Eugênia Saraiva M. Gonçalves	494	5.13	-	-	494	1.73
Maria Henriqueta Saraiva M. Gonçalves	494	5.13	-	-	494	1.73
Maria Cecília Saraiva M. Gonçalves	494	5.13	13	0.07	507	1.77
Ernesto Zarzur	483	5.02	-	-	483	1.69
HSBC (i)						
The Master Trust Bank of Japan Ltd.	-	0.00	2,089	11.01	2,089	7.31
HSBC GL Invest Funds Brazil Equity	-	0.00	1,644	8.66	1,644	5.75
HSBC GL Invest Fund Lat Amer Equity	-	0.00	112	0.59	112	0.39
Trust A C S B L T H B N M O F D	-	0.00	82	0.43	82	0.29
HSBC Priv Bank World Funds PLC	-	0.00	8	0.04	8	0.03
Subtotal	-	0.00	3,935	20.73	3,935	13.77
PROFESSIONAL INVESTOR (i)						
Fundo Inv rm Ações IP Seleção	-	0.00	886	4.67	886	3.10
Hatteras LLC	1	0.01	522	2.75	523	1.83
IP Part FDO de Inv em Ações	4	0.04	499	2.63	503	1.76
Bransfield LLC	-	0.00	224	1.18	224	0.78
IP Part Institucional Master FIA	-	0.00	100	0.53	100	0.35
IP Value Hedge FIA	-	0.00	53	0.28	53	0.19
subtotal	5	0.05	2,284	12.04	2,289	8.01
AMUNDI FUNDS	-	0.00	1,814	9.56	1,814	6.34
Itaú (i)						
Itaú Gov Corp Ações Fundo Inv	-	0.00	313	1.65	313	1.09
Itaú Valor Ações Fundo Inv	-	0.00	244	1.29	244	0.85
Itaú Seleção Ações Fundo Inv	-	0.00	216	1.14	216	0.76
Itaú Momento Ações Fundo Inv	-	0.00	209	1.10	209	0.73
Small Cap Val IB Fundo Inv Ações	-	0.00	76	0.40	76	0.27
Itaú Gov Corp Ações FI Genova	-	0.00	61	0.32	61	0.21
Itaú FL Valor Ações Fundo Inv	-	0.00	52	0.27	52	0.18
Itaú Fenix Ações FI	-	0.00	43	0.23	43	0.15
Itaú Celi Ações Fundo de Inv	-	0.00	29	0.15	29	0.10
Itaú Val Ações Alav Fundo Inv	-	0.00	24	0.13	24	0.08
Banco Itaú Europa S.A. Londres	-	0.00	17	0.09	17	0.06
Fondo Mutuo Itaú Small Cap BR	-	0.00	9	0.05	9	0.03
Goal ACC Latin BCO Itaú S	-	0.00	2	0.01	2	0.01
Subtotal	-	0.00	1,295	6.83	1,295	4.52
ABERDEEN						
ABERDEEN G E Mark SM Comp Fund	-	0.00	493	2.60	493	1.72
ABERDEEN GL Lat Amer EQ Fund	-	0.00	275	1.45	275	0.96

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20.01 - OTHER INFORMATION THAT THE COMPANY CONSIDERS IMPORTANT

Credit S Secur Europe Limited	-	0.00	270	1.42	270	0.94
Subtotal	-	0.00	1,038	5.47	1,038	3.62
Treasury shares	-	0.00	251	1.32	251	0.88
Others	1,506	15.66	8,314	43.82	9,820	34.34
Total	9,622	100.00	18,974	100.00	28,596	100.00

(i) *Investment fund.*

2. Position of controlling shareholders, management and outstanding shares

CONSOLIDATED OWNERSHIP POSITION OF CONTROLLING SHAREHOLDERS, MANAGEMENT AND OUTSTANDING SHARES						
Position as of 07/31/2010						
Shareholder	Number of common shares (in units)	%	Number of preferred shares (in units)	%	Total number of shares (in units)	%
Controlling shareholder	4,520,574	46.98	30,026	0.16	4,550,600	15.91
Management						
Board of Directors	649,656	6.75	13,507	0.07	663,163	2.32
Executive Board	-	0.00	181,592	0.96	181,592	0.64
Fiscal Council (ii)	-	0.00	-	0.00	-	0.00
Treasury shares	-	0.00	250,550	1.32	250,550	0.88
Other shareholders	4,452,083	46.27	18,498,135	97.49	22,950,218	80.27
Total	9,622,313	100.00	18,973,810	100.00	28,596,123	100.00
Outstanding shares	4,452,083	46.27	18,498,135	97.49	22,950,218	80.27

CONSOLIDATED OWNERSHIP POSITION OF CONTROLLING SHAREHOLDERS, MANAGEMENT AND OUTSTANDING SHARES						
Position as of 07/31/2009 (prior 12 months)						
Shareholder	Number of common shares (in units)	%	Number of preferred shares (in units)	%	Total number of shares (in units)	%
Controlling shareholder	4,520,574	46.98	30,026	0.16	4,550,600	15.91
Management						
Board of Directors	649,656	6.75	21,507	0.11	671,163	2.35
Executive Board	-	0.00	161,892	0.85	161,892	0.57
Fiscal Council (ii)	-	0.00	-	0.00	-	0.00
Treasury shares	-	0.00	365,750	1.93	365,750	1.28
Other shareholders	4,452,083	46.27	18,394,635	96.95	22,846,718	79.88
Total	9,622,313	100.00	18,973,810	100.00	28,596,123	100.00
Outstanding shares	4,452,083	46.27	18,394,635	96.95	22,846,718	79.88

(ii) *The Company does not have a Fiscal Council.*

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21.01 - INDEPENDENT ACCOUNTANTS' REVIEW REPORT - UNQUALIFIED

(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Shareholders and Board of Directors of
Saraiva S.A. Livreiros Editores
São Paulo - SP

1. We have reviewed the accounting information included in the accompanying interim financial statements of Saraiva S.A. Livreiros Editores (the "Company") and subsidiary, for the quarter ended June 30, 2010, consisting of the individual (Company) and consolidated balance sheets, the related statements of income, changes in shareholders' equity, cash flows and value added, the related notes and the performance report, prepared under the responsibility of the Company's Management.
2. Our review was conducted in accordance with specific standards established by the Brazilian Institute of Independent Auditors (IBRACON), together with the Brazilian Federal Accounting Council (CFC), and consisted, principally, of: (a) inquiries of and discussions with certain officials of the Company and its subsidiary who have responsibility for accounting, financial and operating matters about the criteria adopted in the preparation of the interim financial statements; and (b) review of the information and subsequent events that have, or might have had, material effects on the financial position and results of operations of the Company and its subsidiary.
3. Based on our review, we are not aware of any material modifications that should be made to the accounting information included in the interim financial statements referred to in paragraph 1 for them to be in conformity with Brazilian accounting standard and standards issued by the Brazilian Securities Commission (CVM), specifically applicable to the preparation of the interim financial statements.
4. As mentioned in note 4, during 2009, CVM approved several technical pronouncements, interpretations and instructions issued by the Accounting Pronouncements Committee (CPC), mandatory for adoption in 2010, which changed the accounting practices adopted in Brazil. As permitted by CVM Resolution 603/09, the Company's Management elected to present its interim financial statements in accordance with the accounting standards effective in Brazil through December 31, 2009, rather than early adopting the standards effective for fiscal years ending before 2010. As required by CVM Resolution 603/09, the Company disclosed the basis of presentation of its interim financial statements in note 4, including a summary of the main changes that might impact its financial statements at yearend, as well as estimates of possible effects on shareholders' equity and net income.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

FEDERAL PUBLIC SERVICE
BRAZILIAN SECURITIES AND EXCHANGE COMMISSION (CVM)
INTERIM FINANCIAL STATEMENTS (ITR) - 06/30/2010
COMMERCIAL, INDUSTRIAL AND OTHER COMPANIES

Corporate Law

01047-2 SARAIVA S.A. LIVREIROS EDITORES

60.500.139/0001-26

20.01 - OTHER INFORMATION THAT THE COMPANY CONSIDERS IMPORTANT

5. The accompanying interim financial statements have been translated into English for the convenience of readers outside Brazil

São Paulo, August 13, 2010

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Maurício Pires de Andrade Resende
Engagement Partner

(Convenience Translation into English from the Original Previously Issued in Portuguese)

FEDERAL PUBLIC SERVICE
 BRAZILIAN SECURITIES AND EXCHANGE COMMISSION (CVM)
 INTERIM FINANCIAL STATEMENTS (ITR) - 06/30/2010
 COMMERCIAL, INDUSTRIAL AND OTHER COMPANIES

Corporate Law

01.01 - IDENTIFICATION

1 - CVM CODE 01047-2	2 - COMPANY'S NAME SARAIVA S.A. LIVREIROS EDITORES	3 - Federal Corporate Taxpayers' Registration Number (CNPJ) 60.500.139/0001-26
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Subsidiary: SARAIVA E SICILIANO S.A.

22.01- STATEMENT OF INCOME (In thousands of Brazilian reais - R\$)

1 - Code	2 - Description	3 - 04/01/2010 to 06/30/2010	4 - 01/01/2010 to 06/30/2010	5 - 04/01/2009 to 06/30/2009	6 - 01/01/2009 to 06/30/2009
3.01	Gross revenue from sales and/or services	266,606	603,803	217,190	476,329
3.02	Deductions	(18,663)	(37,730)	(13,617)	(28,367)
3.03	Net revenue from sales and/or services	247,943	566,073	203,573	447,962
3.04	Cost of products and/or services	(163,624)	(375,235)	(128,812)	(286,152)
3.05	Gross profit	84,319	190,838	74,761	161,810
3.06	Operating (expenses) income	(90,776)	(185,106)	(80,512)	(159,265)
3.06.01	Selling expenses	(65,658)	(135,507)	(59,593)	(119,374)
3.06.02	General and administrative expenses	(15,586)	(29,551)	(15,720)	(28,951)
3.06.02.01	Administration	(1,030)	(2,259)	(1,192)	(1,937)
3.06.02.02	Other	(14,556)	(27,292)	(14,528)	(27,014)
3.06.03	Financial	(5,605)	(10,673)	(2,836)	(5,969)
3.06.03.01	Financial income	165	330	243	441
3.06.03.02	Financial expenses	(5,770)	(11,003)	(3,079)	(6,410)
3.06.04	Other operating income	1,703	2,595	1,467	2,971
3.06.05	Other operating expenses	(5,630)	(11,970)	(3,830)	(7,942)
3.06.05.01	Depreciation and amortization	(5,506)	(10,577)	(3,839)	(6,920)
3.06.05.02	Other	(124)	(1,393)	9	(1,022)
3.06.06	Equity in subsidiary	-	-	-	-
3.07	Income (loss) from operations	(6,457)	5,732	(5,751)	2,545
3.08	Nonoperating income (expenses)	-	-	-	-
3.08.01	Income	-	-	-	-
3.08.02	Expenses	-	-	-	-
3.09	Income before taxes and profit sharing	(6,457)	5,732	(5,751)	2,545
3.10	Provision for income and social contribution taxes	-	-	-	(889)

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FEDERAL PUBLIC SERVICE
BRAZILIAN SECURITIES AND EXCHANGE COMMISSION (CVM)
INTERIM FINANCIAL STATEMENTS (ITR) - 06/30/2010
COMMERCIAL, INDUSTRIAL AND OTHER COMPANIES

Corporate Law

01047-2 SARAIVA S.A. LIVREIROS EDITORES

60.500.139/0001-26

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY'S NAME	3 - Federal Corporate Taxpayers' Registration Number (CNPJ)
01047-2	SARAIVA S.A. LIVREIROS EDITORES	60.500.139/0001-26

Subsidiary: SARAIVA E SICILIANO S.A.

22.01- STATEMENT OF INCOME (In thousands of Brazilian reais - R\$)

1 - Code	2 - Description	3 - 04/01/2010 to 06/30/2010	4 - 01/01/2010 to 06/30/2010	5 - 04/01/2009 to 06/30/2009	6 - 01/01/2009 to 06/30/2009
3.11	Deferred income tax	2.156	(2.006)	1.880	(998)
3.12	Profit sharing/contributions	-	-	-	-
3.12.01	Profit sharing	-	-	-	-
3.12.02	Contributions	-	-	-	-
3.13	Reversal of interest on capital	-	-	-	-
3.15	Net income (loss)	(4,301)	3,726	(3,871)	658
	NUMBER OF SHARES, EX-TREASURY (THOUSANDS)	193,053	193,053	193,053	193,053
	EARNINGS PER SHARE (BRAZILIAN REAIS - R\$)	-	0.01930	-	0.00341
	LOSS PER SHARE (BRAZILIAN REAIS - R\$)	(0.02228)	-	(0.02005)	-

(Convenience Translation into English from the Original Previously Issued in Portuguese)

FEDERAL PUBLIC SERVICE
BRAZILIAN SECURITIES AND EXCHANGE COMMISSION (CVM)
INTERIM FINANCIAL STATEMENTS (ITR) - 03/31/2010
COMMERCIAL, INDUSTRIAL AND OTHER COMPANIES

Corporate Law

01047-2 SARAIVA S.A. LIVREIROS EDITORES

60.500.139/0001-26

22.01 - PERFORMANCE REPORT OF THE SUBSIDIARY/AFFILIATE

Subsidiary/Affiliate: SARAIVA E SICILIANO S.A.

SEE ITEM 12.01 - COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER.