Earnings Results



Natura 2Q16

July 28th, 2016

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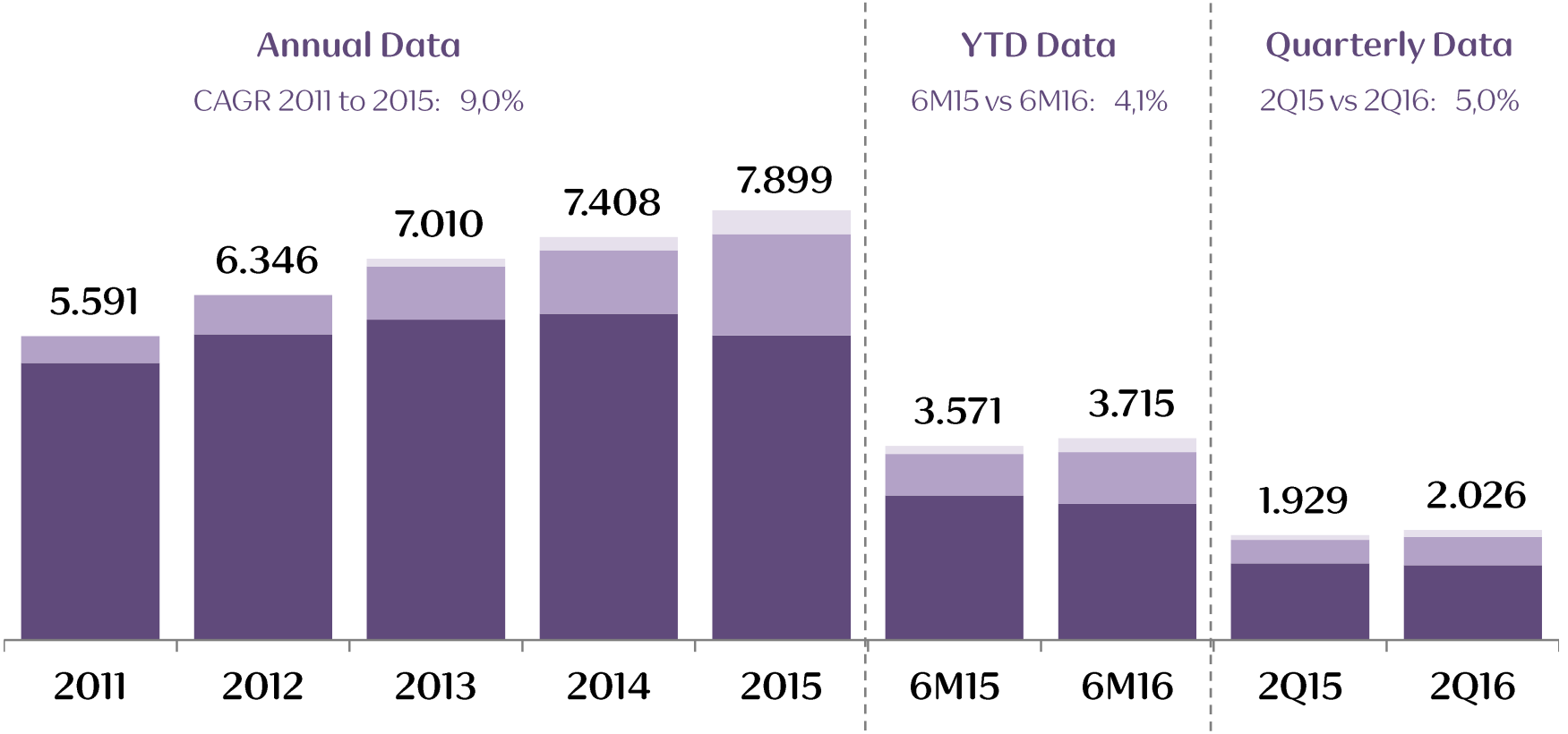
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Net Revenue

Consolidated (Brazil and International Operations)

R$ million



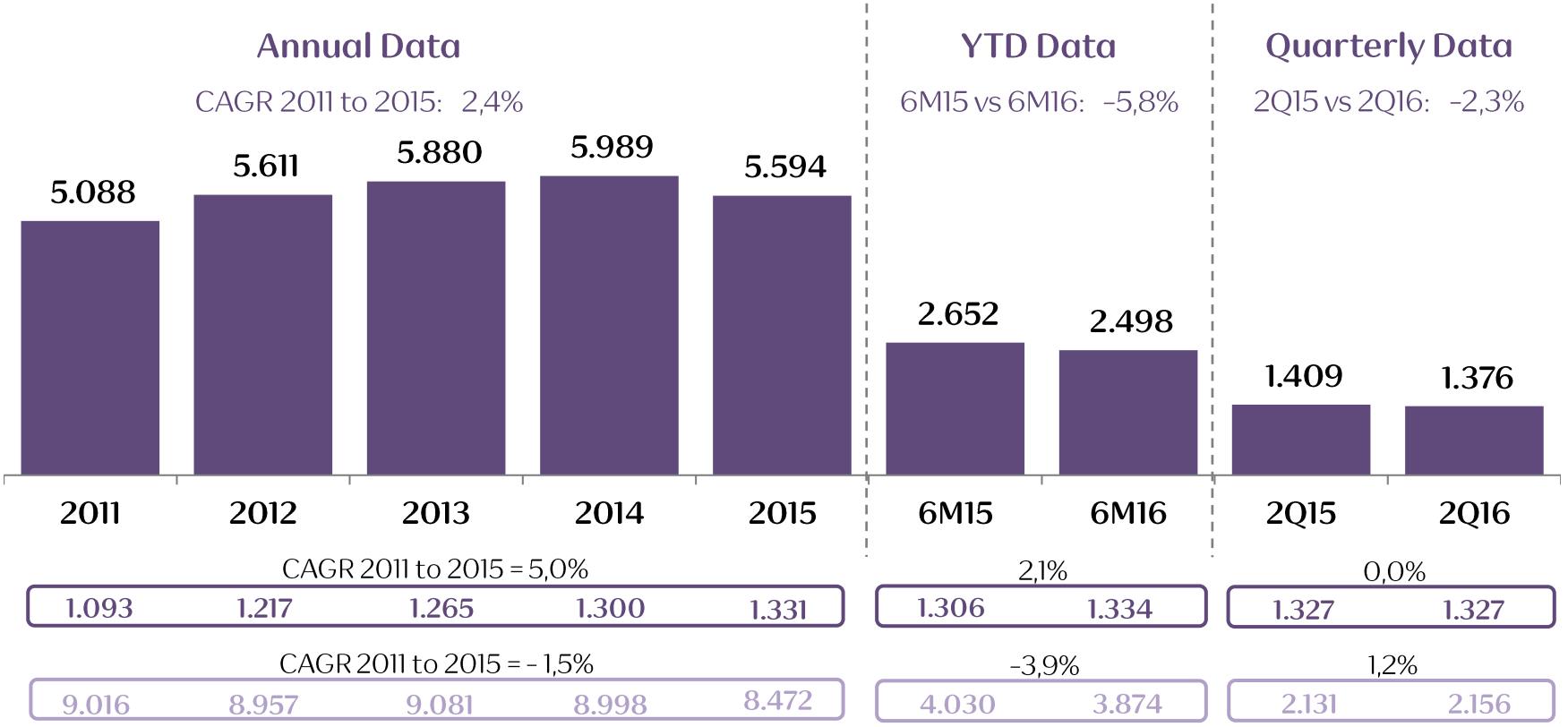
In 2Q16, net revenues advanced 5,0%, with international operations growing 24,9% in BRL, accounting for 32,1% of consolidated net revenues (27,0% in 2Q15)

Brazil Latam Aesop

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Net Revenue
Brazil

R$ million



In 2Q16, net revenues were adversely affected by higher tax rates , while gross revenues increased 1,2% over 2Q15, due to management's initiatives adopted to recover sales growth, helped by price rises. Average number of consultants remained flat compared to 2Q15, given lower channel activity.

Net Revenue (R$ million)

N. Of Consultants Average (thousand*)

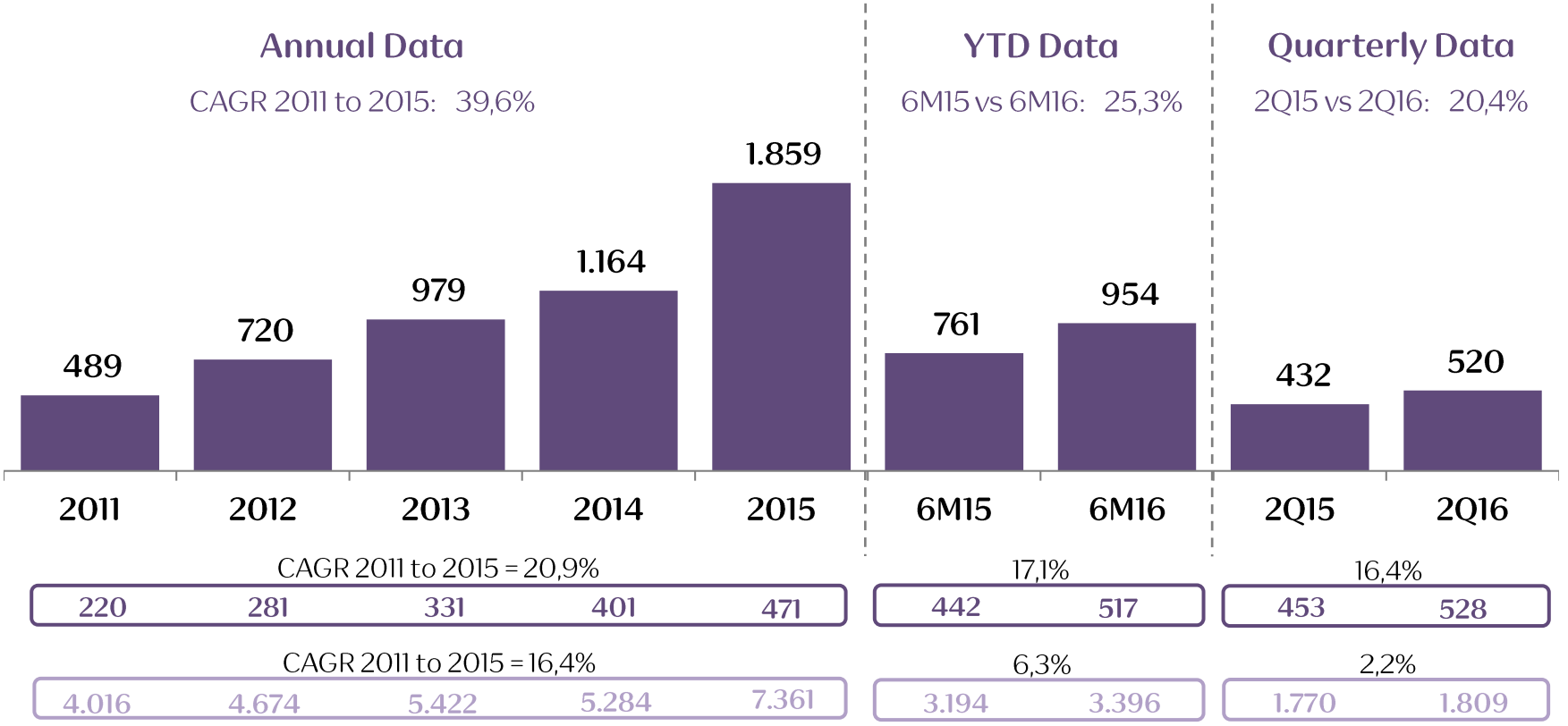
Productivity (R$ by average available consultant**)

(*) Position in the end of 8 Cycle
(**) Productivity measured by sales (retail prices) calculated by gross Brazil divided by the average number of consultants available in the analyzed cycles.

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Net Revenue
Latam

R$ million



Channel expansion coupled with increasing sales volume resulted in strong revenue growth of 20,4% from 2Q15 in BRL (33,3% in constant currency), adversely impacted by the Brazilian Real appreciation against the region's basket of currencies.

Net Revenue (R$ million)

N. Of Consultands Average (thousands*)

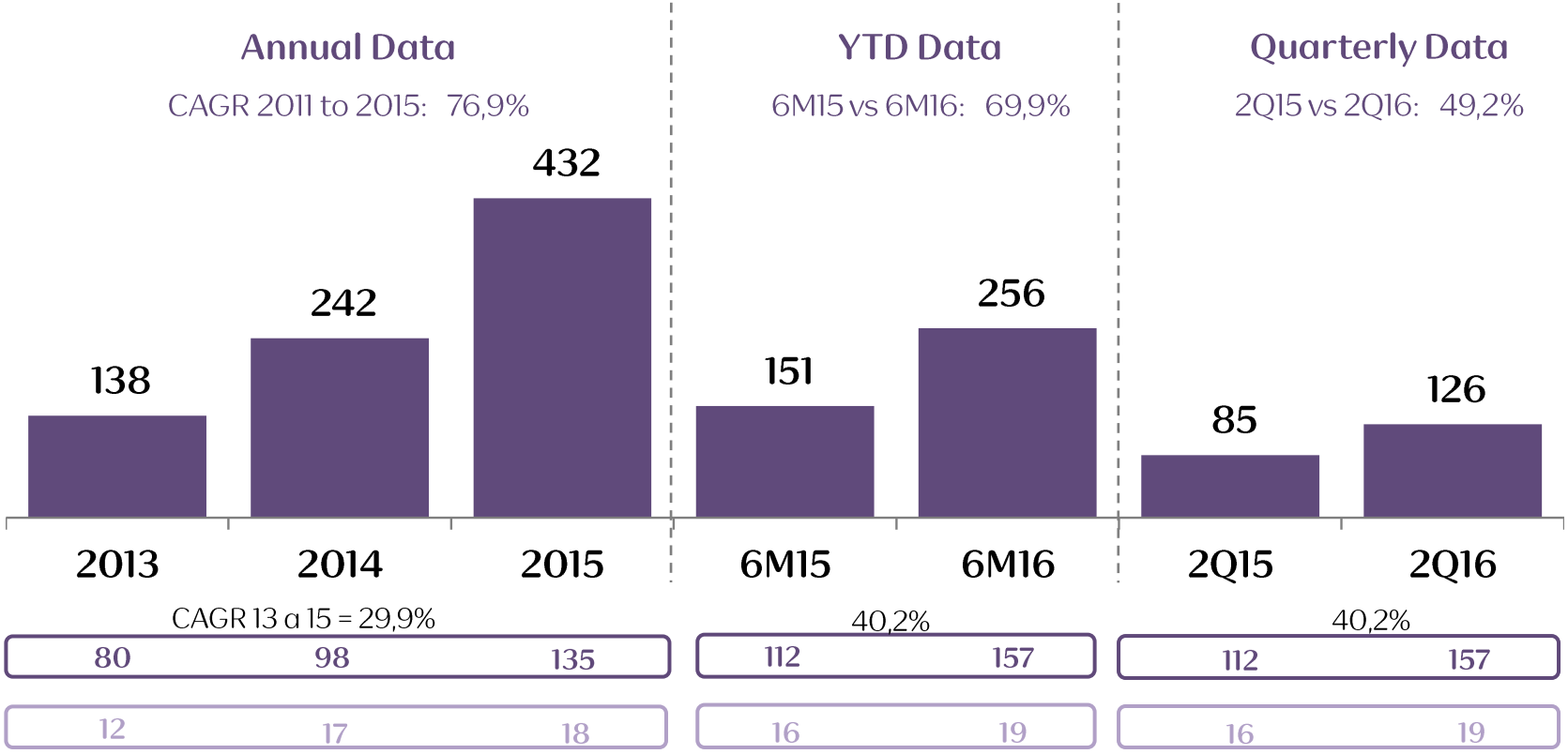
Productivity (R$ by average no. of available consultants**)

(*) Position in the end of 8 Cycle
(**) Productivity measured by sales (retail prices) calculated by gross Brazil divided by the average number of consultants available in the analyzed cycles.

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Net Revenue
Aesop

R$ million



Quarterly growth of 49,2% from 2Q15 in BRL (47,4% in AUD), accounting for 6,2% of consolidated revenues (4,4% in 2Q15), with 36,6% sales volume increase and 45 new stores launched in the last 12 months, ending the period with 157 stores in 19 countries. Same store sales advanced 17%.

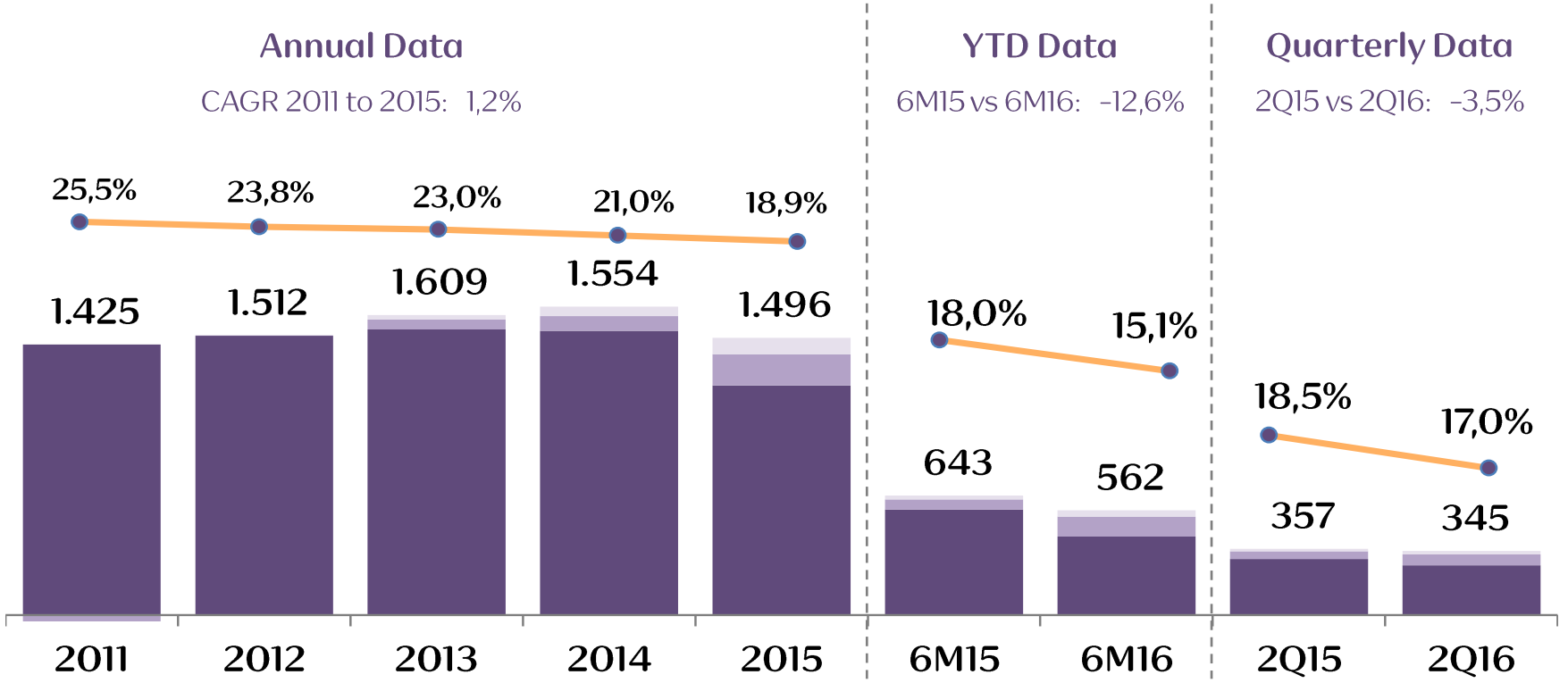
Net revenue (R$ million) | Number of Stores | Number of geographies**

(**) Geographies where Aesop is present: Australia, Brazil, Canada, Denmark, France, Germany, Hong Kong, Italy, Japan, Korea, United Kingdom, Macau, Malaysia, Norway, Singapore, Switzerland, Sweden, USA

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Ebitda
Consolidated

R$ million



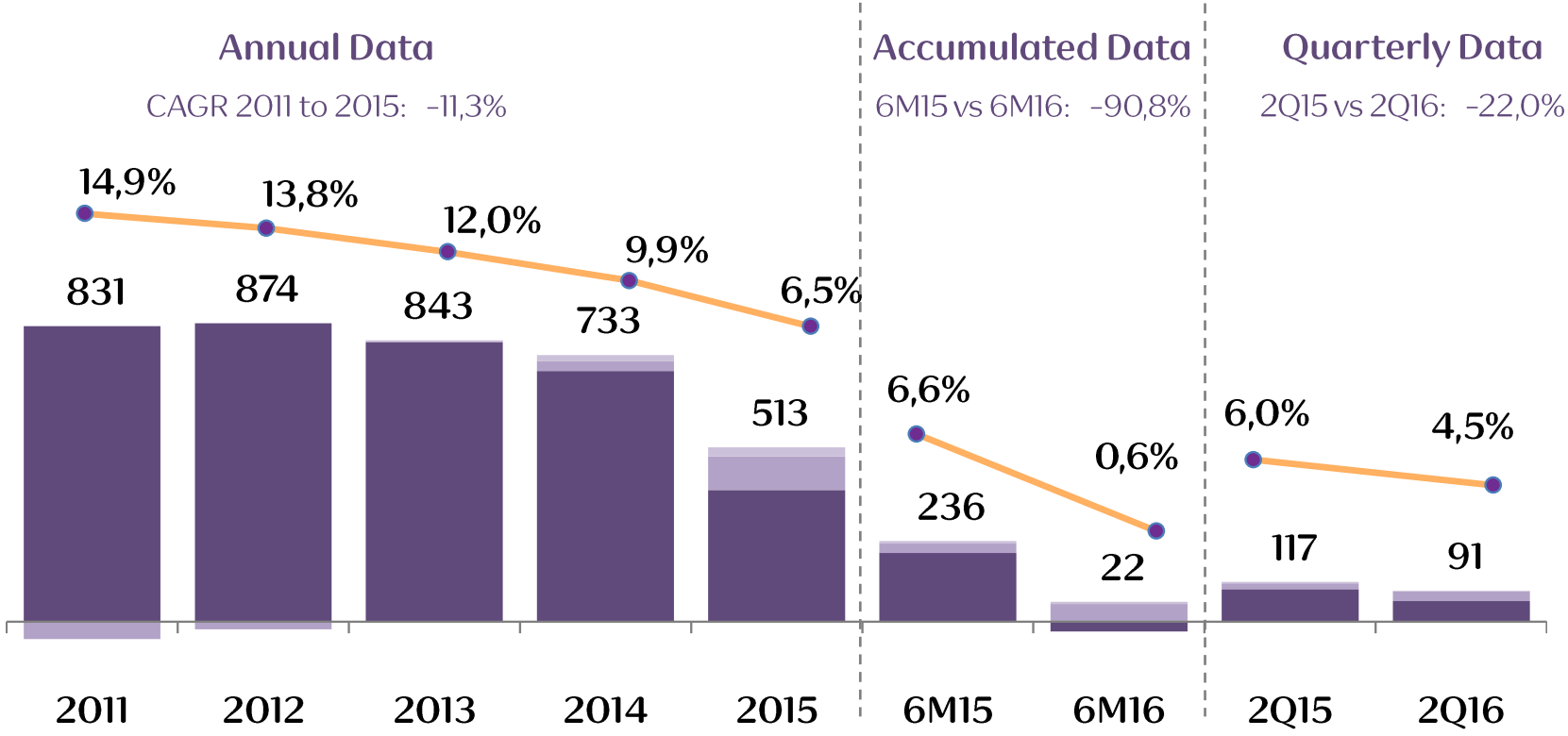
Quarterly decline of 3,5% yoy, driven by sales drop in Brazil, higher tax burden and unfavorable FX rates impact. International Operations' Ebitda accounted for 21% of consolidated Ebitda (14% in 2Q15)

Brazil Latam Aesop Consolidated EBITDA margin (%NR)

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Net (Loss) Income
Consolidated

R$ million



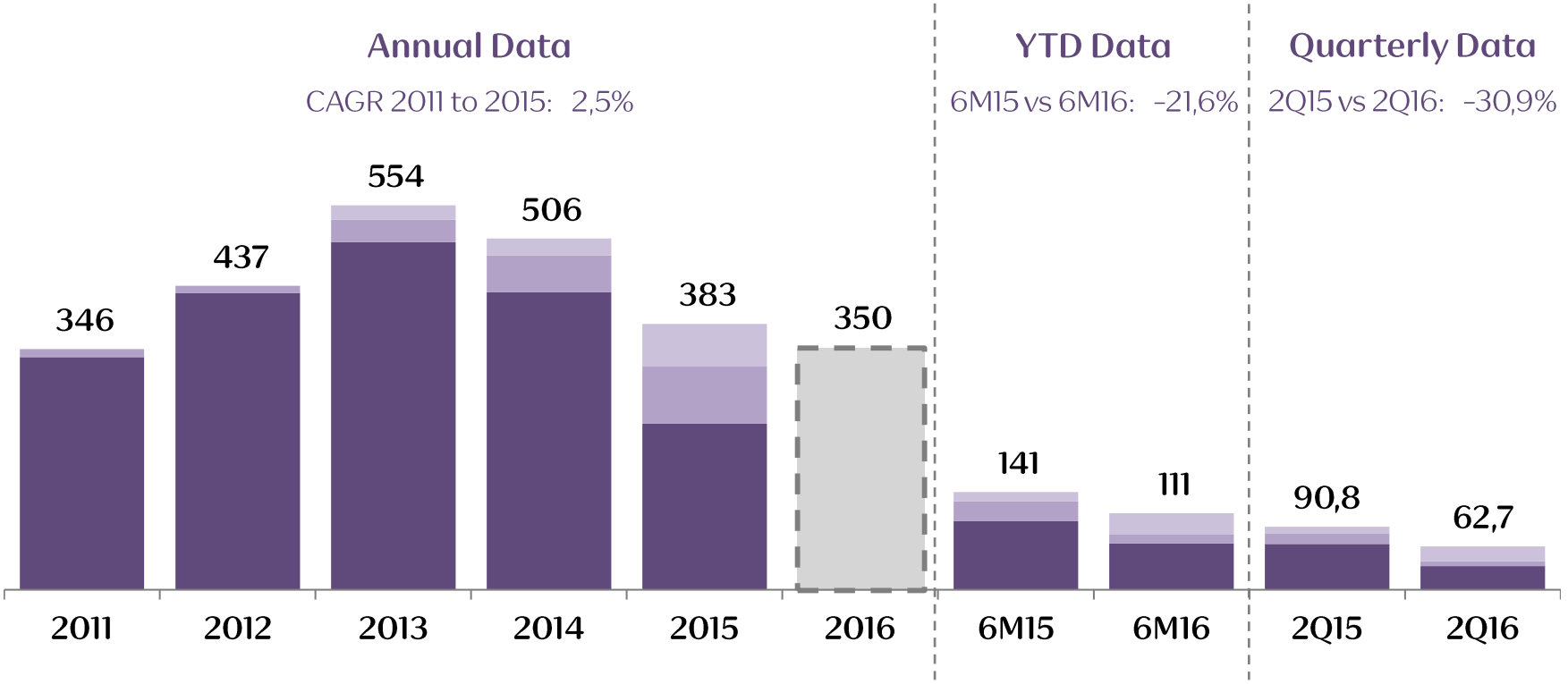
Contraction of 22% in 2Q16 caused by lower Ebitda in Brazil and the decrease of R$ 49,8 million in the financial result compared to 2Q15.

Brazil Latam Aesop % NR

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Capex
Consolidated

R$ million



We continue to invest in the launch of Aesop stores worldwide, in Latam's growth and in the development of our business in Brazil. We maintain our Capex guidance of R$ 350 million for the year.

Brazil Latam Aesop Guidance

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Free Cash Flow
Consolidated

R$ million

R$ million	2Q16	2Q15	Var. R$	Var. %	6M16	6M15	Var. R$	Var. %
Net Income*	**90,9**	**116,7**	**(25,7)**	**(22,0)**	**21,8**	**236,3**	**(214,5)**	**(90,8)**
Depreciation and amortization	64,4	52,7	11,7	22,1	127,4	109,9	17,6	16,0
Non-cash / Other**	64,0	46,1	17,9	38,8	71,6	55,7	15,9	28,7
Internal cash generation	**219,3**	**215,5**	**3,8**	**1,8**	**220,9**	**401,8**	**(180,9)**	**(45,0)**
Working Capital (Increase)/Decrease	(60,2)	156,9	(217,2)	(138,4)	(181,6)	68,9	(250,6)	(363,5)
Operating cash generation	**159,0**	**372,4**	**(213,3)**	**(57,3)**	**39,3**	**470,8**	**(431,5)**	**(91,7)**
Additions / exclusions to PPE	(62,7)	(90,8)	28,0	(30,9)	(110,6)	(141,0)	30,3	(21,5)
Free cash flow***	**96,3**	**281,6**	**(185,3)**	**(65,8)**	**(71,4)**	**329,8**	**(401,2)**	**(121,6)**

(*) Net income attributable to owners of the Company

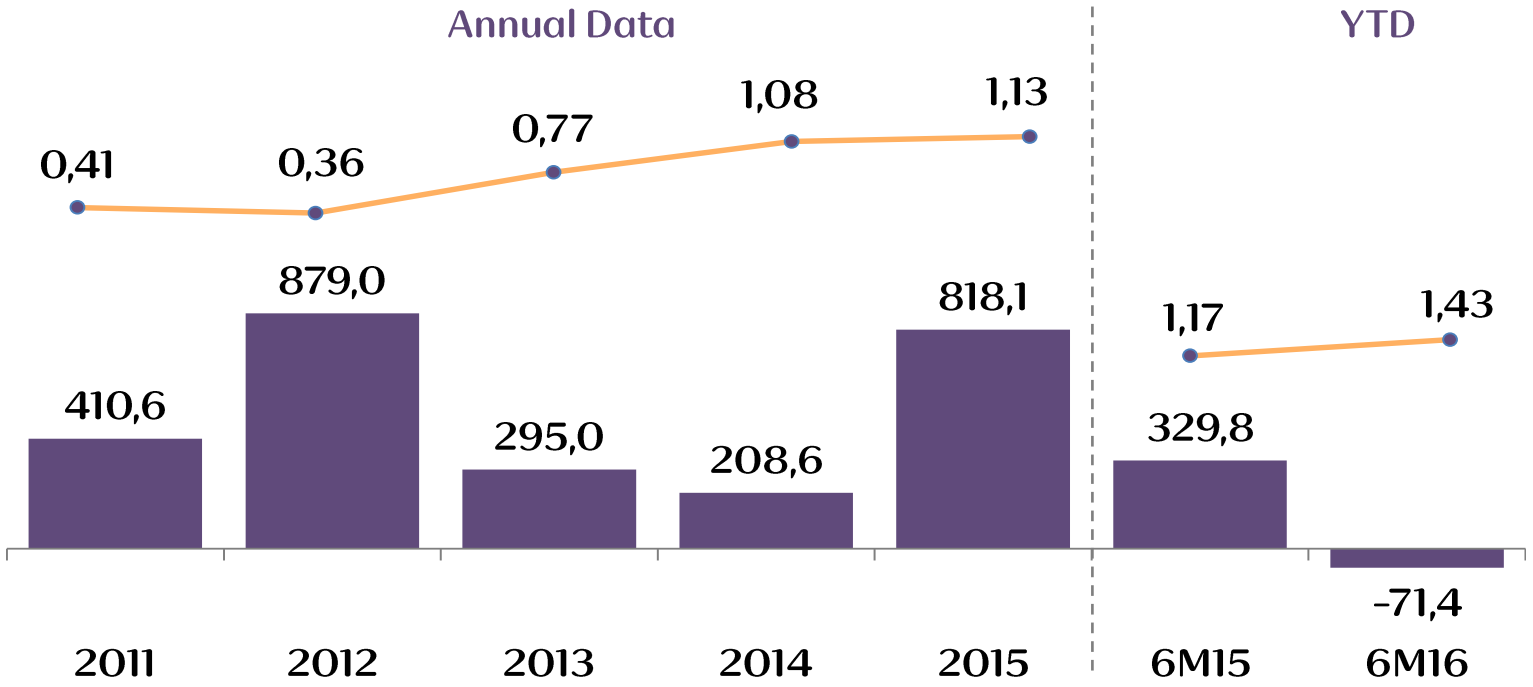
(**) (Internal cash generation) +/- (changes in working capital and long-term assets and liabilities) – (acquisitions of property, plant, and equipment).

Reduced free cash flow generation of R$ 96,3 million in 2Q16 (R$ 281,6 million in 2Q15), impacted by net profit decline and higher working capital investment of R$ 60,2 million, given higher inventory days in Brazil and Latam.

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Indebtedness
Consolidated

R$ million



The increase in leverage resulted from higher working capital need and lower EBITDA over the last 12 months

Free Cash flow Generation — Net Debt / Ebitda

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Sustainability

Indicator	Unit	2020 ambition	6M16	2015 (12 months)
Relative carbon emmissions (escopes 1, 2 e 3)	kg CO2/kg prod billed	2,15	3,38	3,18
% post cosumption recycled materials[2]	% (g recycled mat/g packaging)	10,0	3,6	2,9
% product recyclability[3]	% (g recycled mat/g packaging)	74,0	51,0	50,0
Eco-efficient packaging[4]	% (eco-efficient packaging units billed/ total units billed)	40,0	22,5	26,0
Amazon inputs consumed in relation to total inputs	% (R$ Amazon inputs/R$ total inputs)	30,0	19,7	12,2
Cumulative business volume in the Pan-Amazon region[5]	R$ millions	1.000,0	866,8	751,9
Water consumption	Liters / units manufactured	0,32	0,54	0,49
"Crer Para Ver" Penetration - Brazil[6]	% active Natura Consultants	23,6	14,3	19,5

1 Results for the second quarter 2016.

2 The indicator considers the % of packaging materials sourced from post-consumer recycling in relation to total mass of packaging billed.

3 The indicator considers the % of packaging that can be recycled in relation to the total mass of packaging billed.

4 Eco-efficient packaging is 50% lighter in relation to regular/similar packaging or which has at least 50% in potentially marketable recyclable materials and/or renewable materials, as long as there is no

5 Cumulative amounts since 2011.

6 Refers to the profit before income tax attributed to the Crer Para Ver product line.

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Investor Relations Team

PABX: (11) 4446-2000
Phone: (11) 4571–7786

Name: Fabio Cefaly
E-mail: fabiocefaly@natura.net

Name: Luiz Palhares
E-mail: luizpalhares@natura.net

Name: Rodrigo Yuzo Ishiwa
E-mail: rodrigoishiwa@natura.net

Name: Camila Soares Cabrera
E-mail: camilacabrera@natura.net