Earnings Results



Natura 4Q16

February 23rd, 2017

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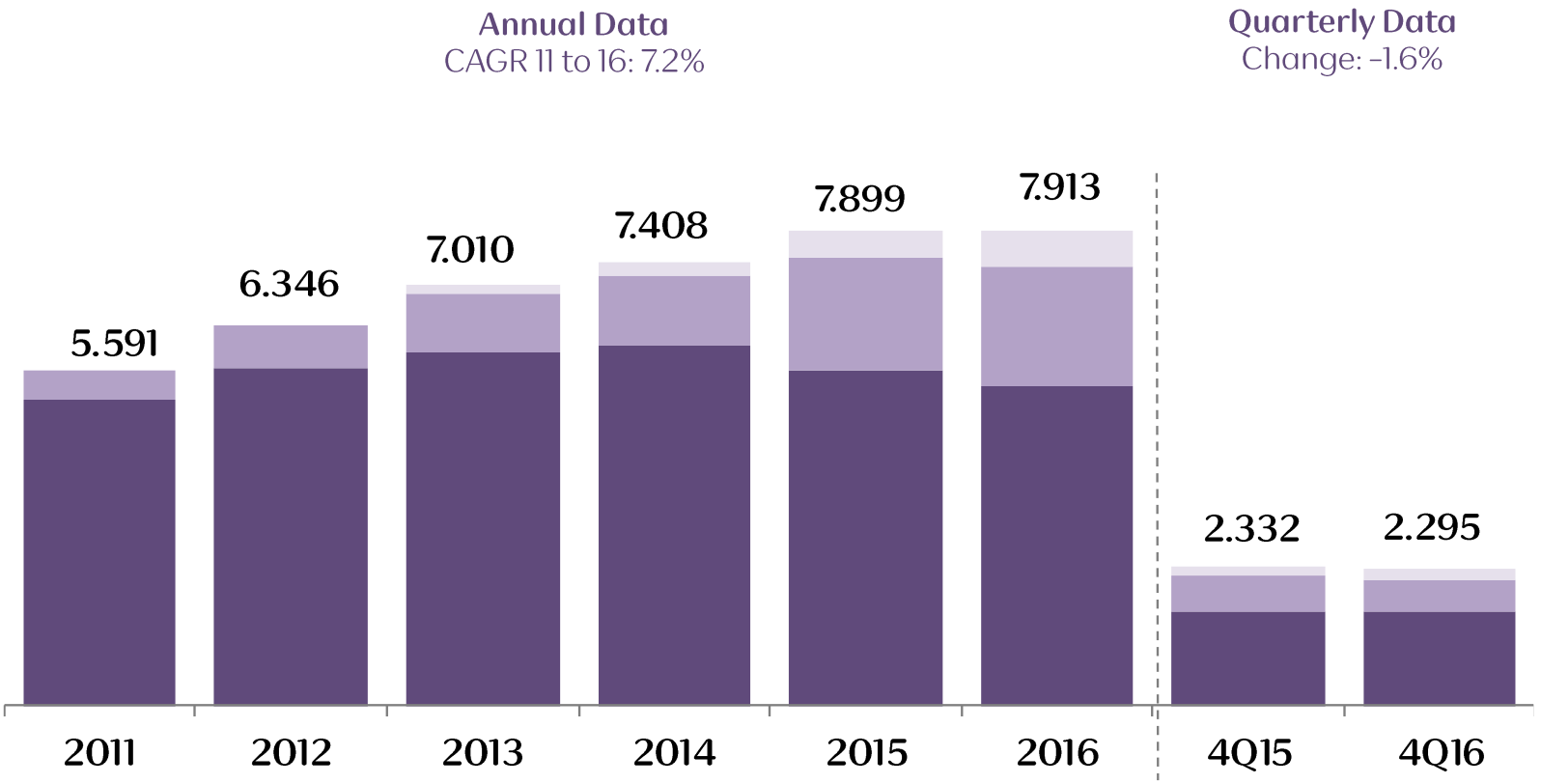
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Net Revenue
Consolidated (Brazil and International Operations)

R$ million



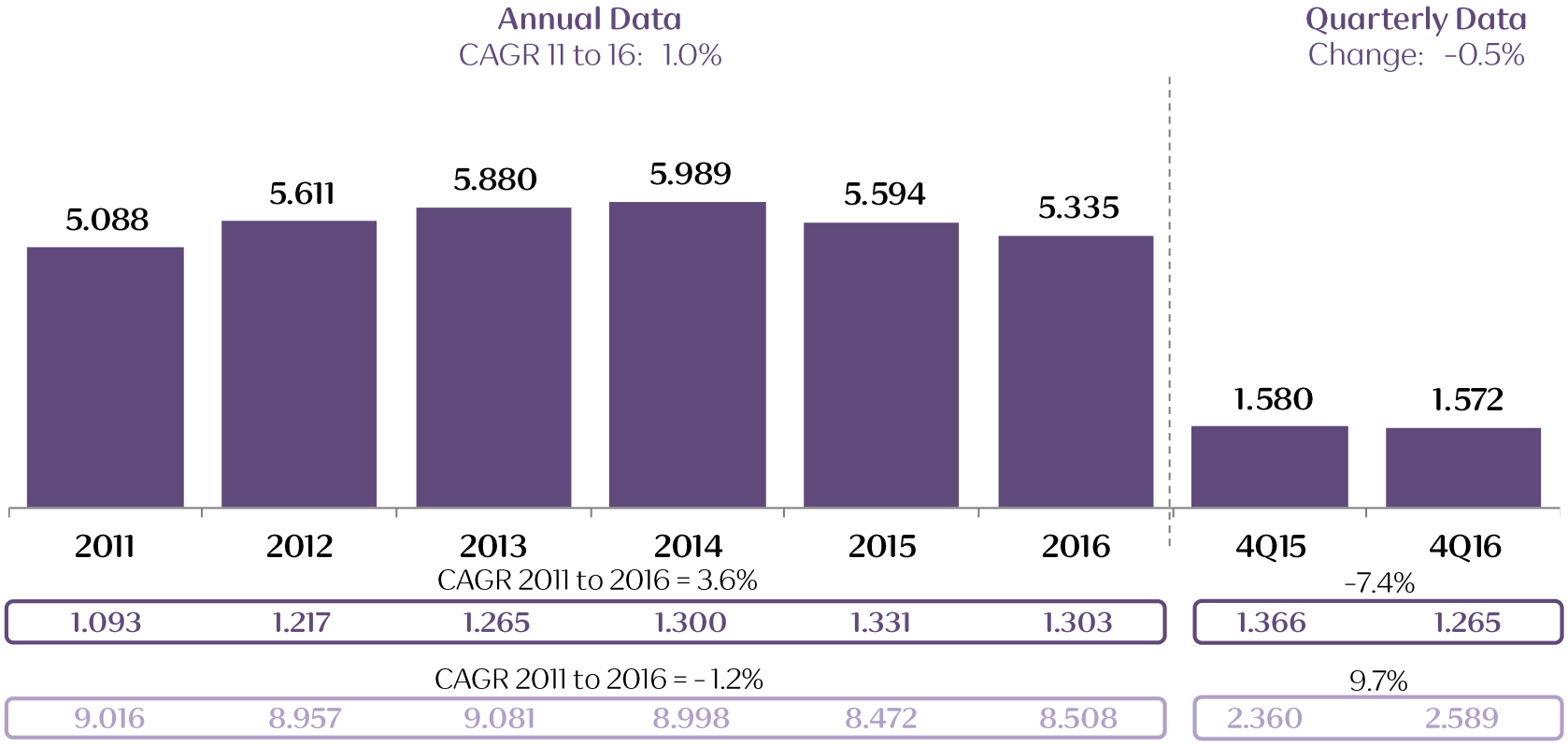
In 4Q16, consolidated net revenues decreased 1.6%, due to a higher effective tax rate in Brazil and the appreciation of the Brazilian real over the currencies of the international operations.

Brazil Latam Aesop

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Net Revenue
Brazil

R$ million



In 4Q16 net revenues declined 0.5% compared to 4Q15 due to a higher effective tax rate. The Natura Consultants' (NC) productivity grew 9.7% in the period, while the number of NCs decreased 7.4%.

Net Revenue (R$ million)

No. of Consultants Average (thousand*)

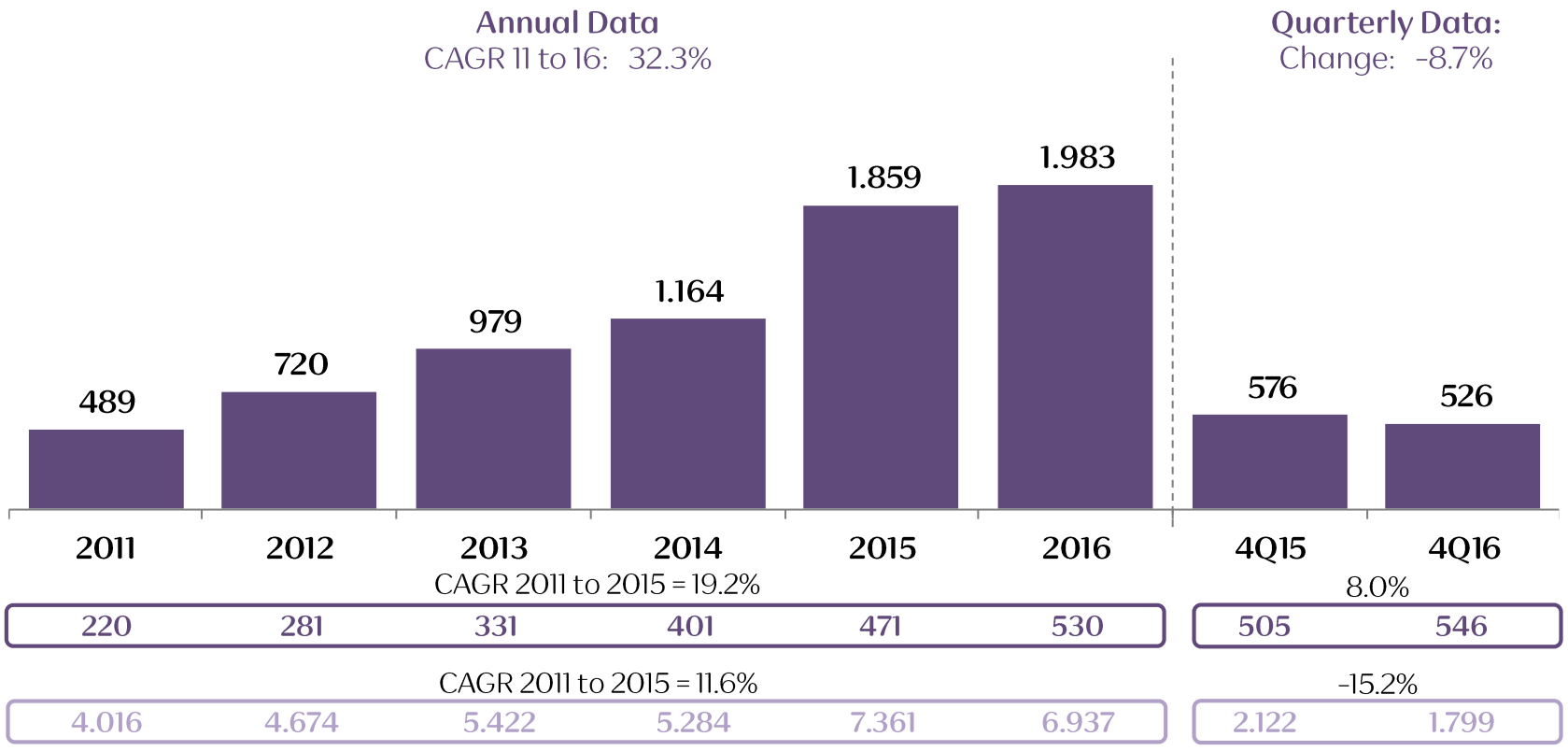
Productivity (R$ by average available consultant**)

(*) Position in the end of 18 Cycle
(**) Productivity measured by sales (retail prices) calculated by gross revenue in Brazil divided by the average number of consultants available in the analyzed cycles.

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Net Revenue
Latam

R$ million



In Brazilian real, net revenue fell 8.7% in 4Q16, due to the depreciation of the region's currencies. In local currency terms, Latam grew 26%, as a result of the expansion in the number of consultants (+8%), higher productivity and growth in quantity of units sold (+17.7%).

Net Revenue (R$ million)

No. of Consultands Average (thousands*)

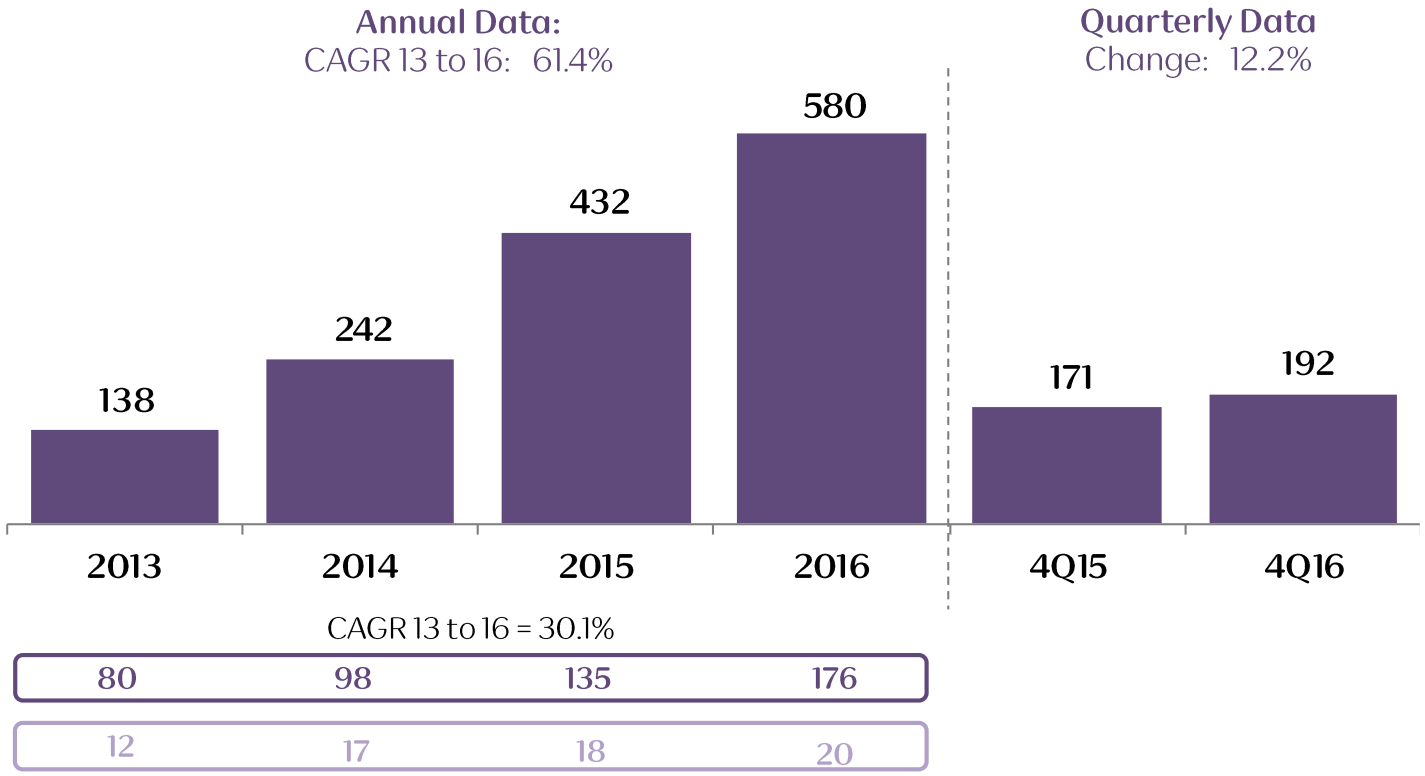
Productivity (R$ by average no. of available consultants**)

(*) Position in the end of 17 Cycle.
(**) Productivity measured by sales (retail prices) calculated by gross revenue in Latam divided by the average number of consultants available in the analyzed cycles.

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Net Revenue
Aesop

R$ million



In 4Q16, Aesop grew 12.2% in Brazilian real (28.5% in local currency), accounting for 8.4% of consolidated net revenue (7.3% in 4Q15). Signature stores totaled 176 units, 41 more than in 4Q15, with 12% annual same-store sales growth in local currency.

Net revenue (R$ million)

Number of Stores

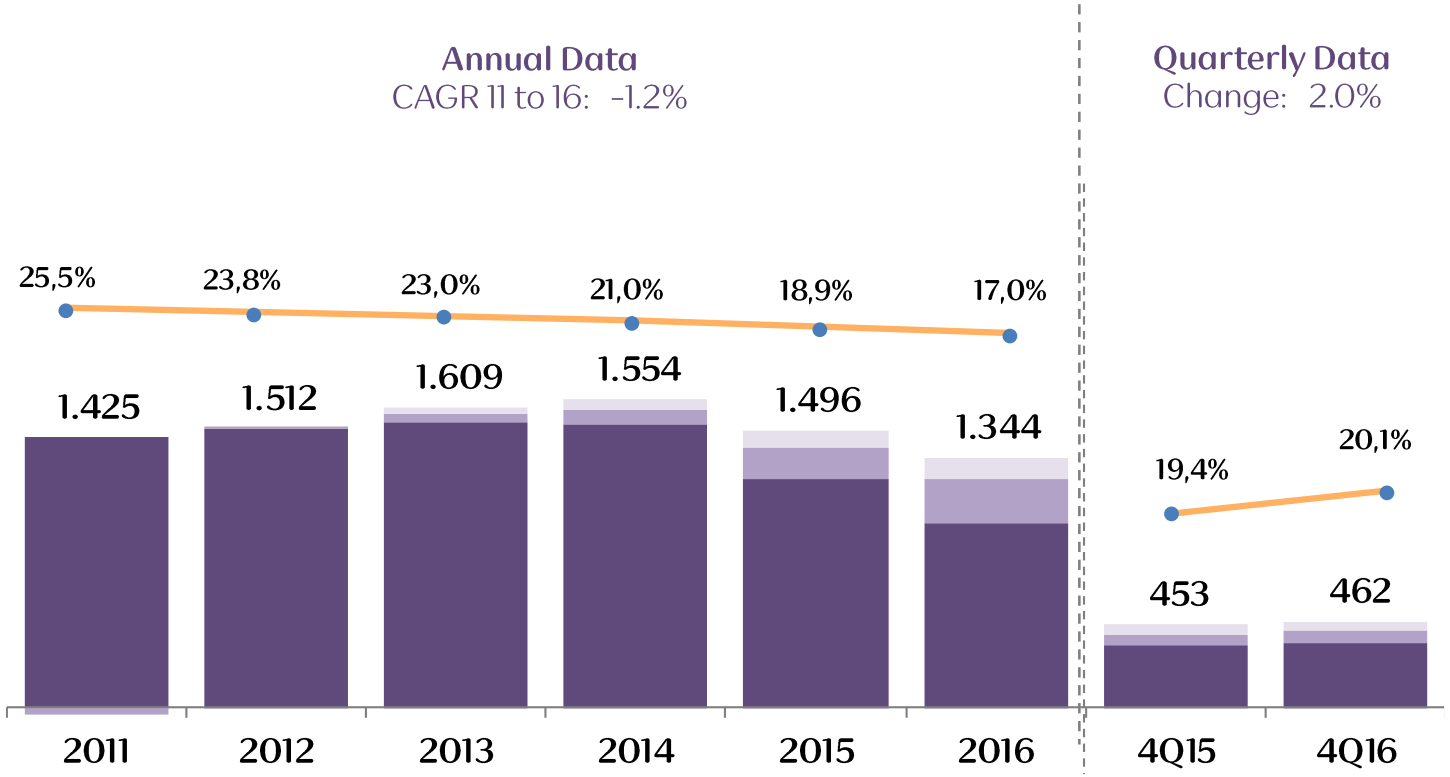
Number of geographies**

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

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EBITDA
Consolidated

R$ million

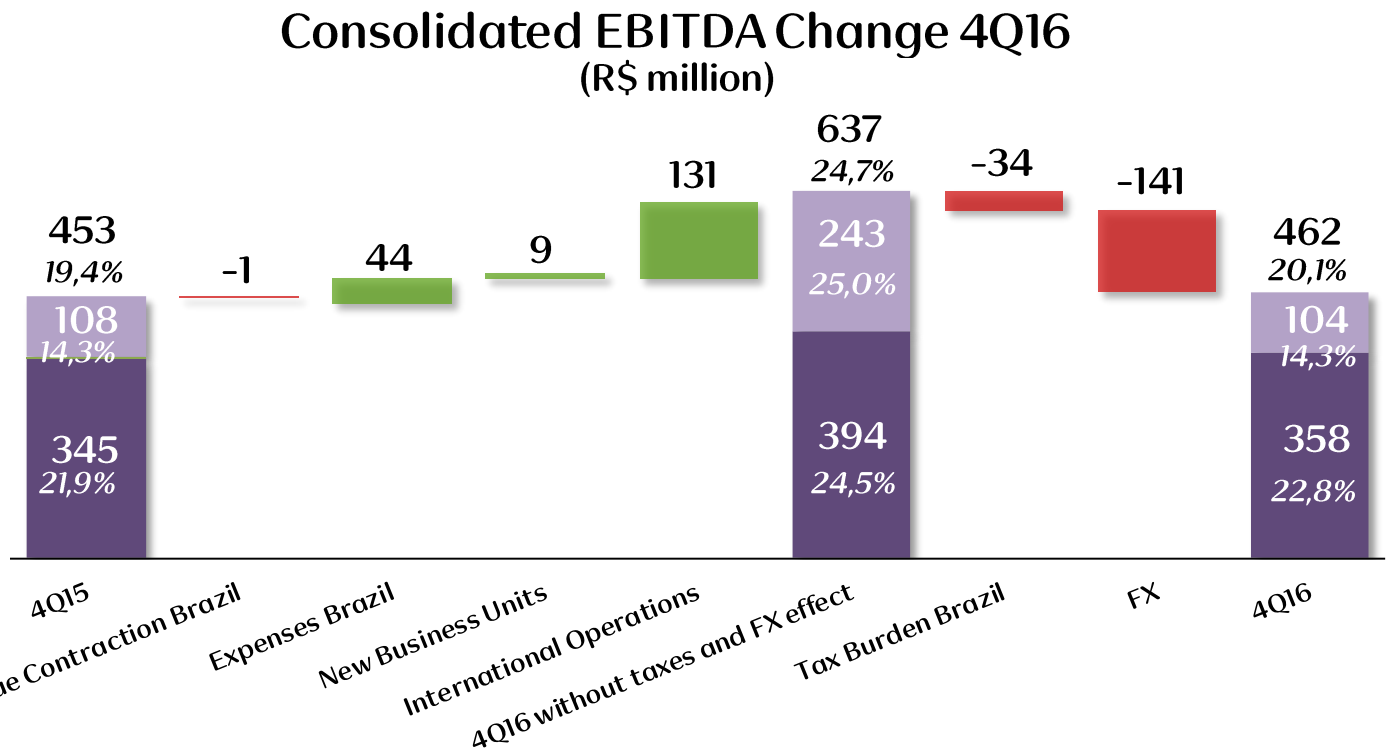


In 4Q16, consolidated EBITDA grew 2.0% from 4Q15. In Brazil the 3.8% growth resulted from the strong expenses control. In Latam, EBITDA grew 10.8%, despite FX headwinds, while Aesop grew 0.7% in Brazilian real (15.7% in local currency).

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EBITDA
Consolidated

R$ million



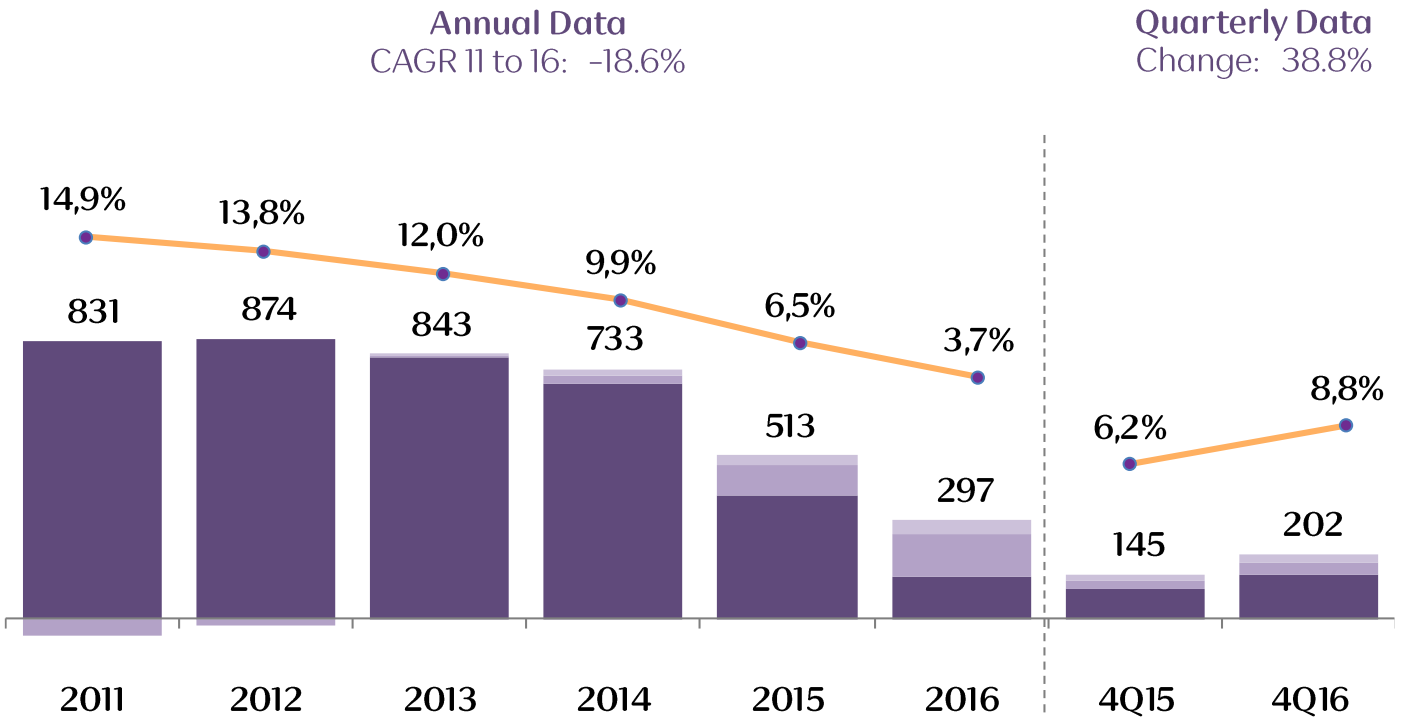
Despite the effort in reducing expenses and the positive results of the international operations, EBITDA was partially offset by higher effective tax rates and the appreciation of the Brazilian real over other currencies.

Brazil International Operations

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Net Income
Consolidated

R$ million



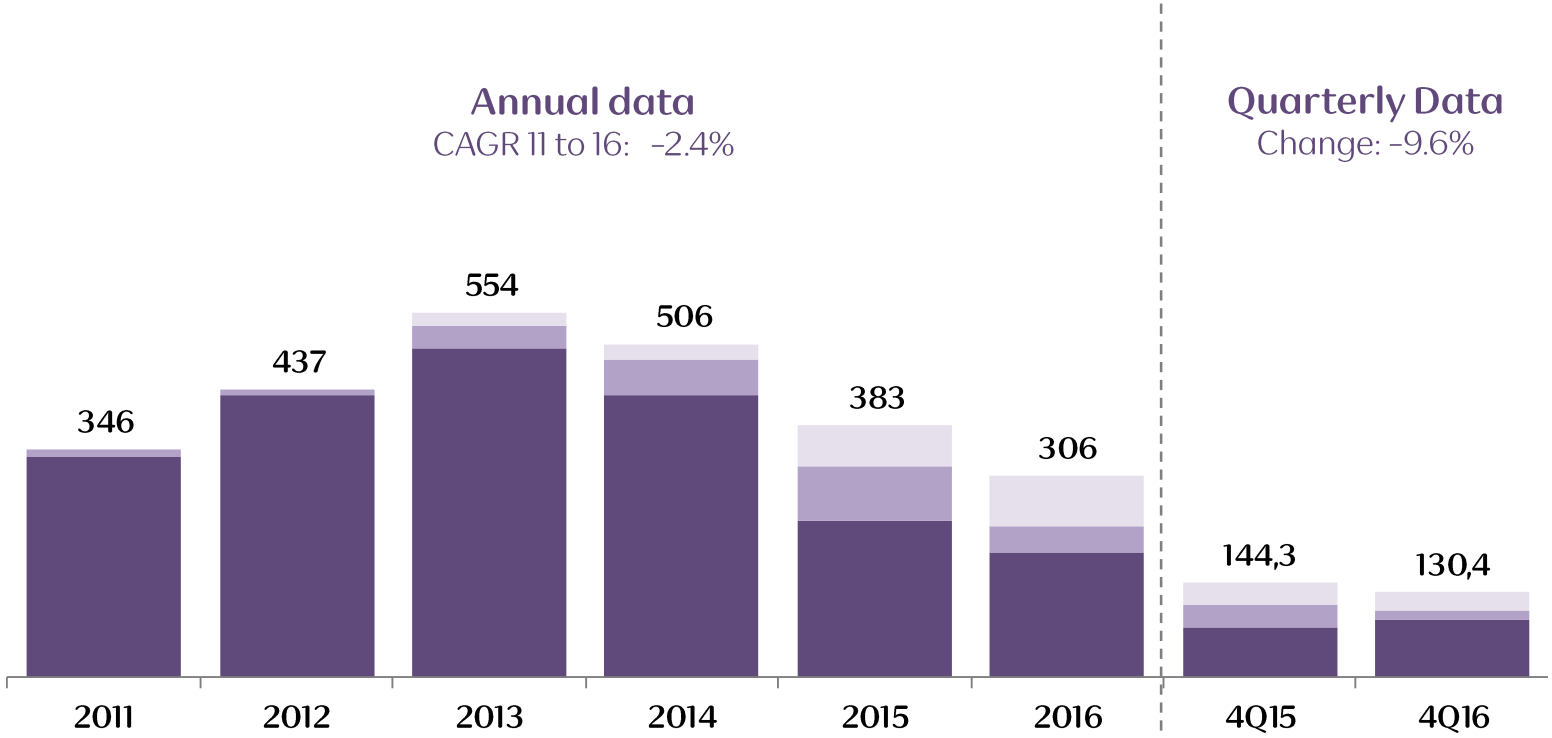
Growth of 38.8% in 4Q16 as a result of higher consolidated EBITDA and lower effective income tax rate in Brazil and Latam.

Brazil Latam Aesop Net margin (% NR)

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CAPEX
Consolidated

R$ million



In 2016, CAPEX was R$ 306 million, in line with our estimates. The reduction from 2015 is due to more rigorous criteria adopted for selecting and approving investment projects.

Brazil Latam Aesop

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Free Cash Flow
Consolidated

R$ million

R$ million	4Q16	4Q15	Change R$	Change %	2016	2015	Change R$	Change %
Net Income*	**201,8**	**145,4**	**56,4**	**38,8**	**296,7**	**513,5**	**(216,8)**	**(42,2)**
Depreciation and Amortization	64,9	66,7	(1,8)	(2,6)	260,8	239,2	21,6	9,0
Non-cash/Others	(19,5)	34,7	(54,2)	n/a	15,8	23,5	(7,6)	n/a
Provision for acquiring Aesop's remaining interest	1,8	11,0	(9,2)	(84,0)	58,1	111,3	(53,3)	(47,8)
Internal Cash Generation	**248,9**	**257,7**	**(8,8)**	**(3,4)**	**631,4**	**887,5**	**(256,1)**	**(28,9)**
Working Capital (Increase)/Decrease	284,4	55,9	228,5	408,6	144,5	313,6	(169,1)	(53,9)
Operating Cash Generation	**533,4**	**313,7**	**219,7**	**70,0**	**775,9**	**1.201,1**	**(425,2)**	**(35,4)**
CAPEX	(130,4)	(144,2)	13,8	(9,6)	(306,0)	(383,0)	77,0	(20,1)
Free Cash Flow**	**402,9**	**169,4**	**233,5**	**137,8**	**469,9**	**818,2**	**(348,3)**	**(42,6)**

(*) Net income attributable to owners of the Company

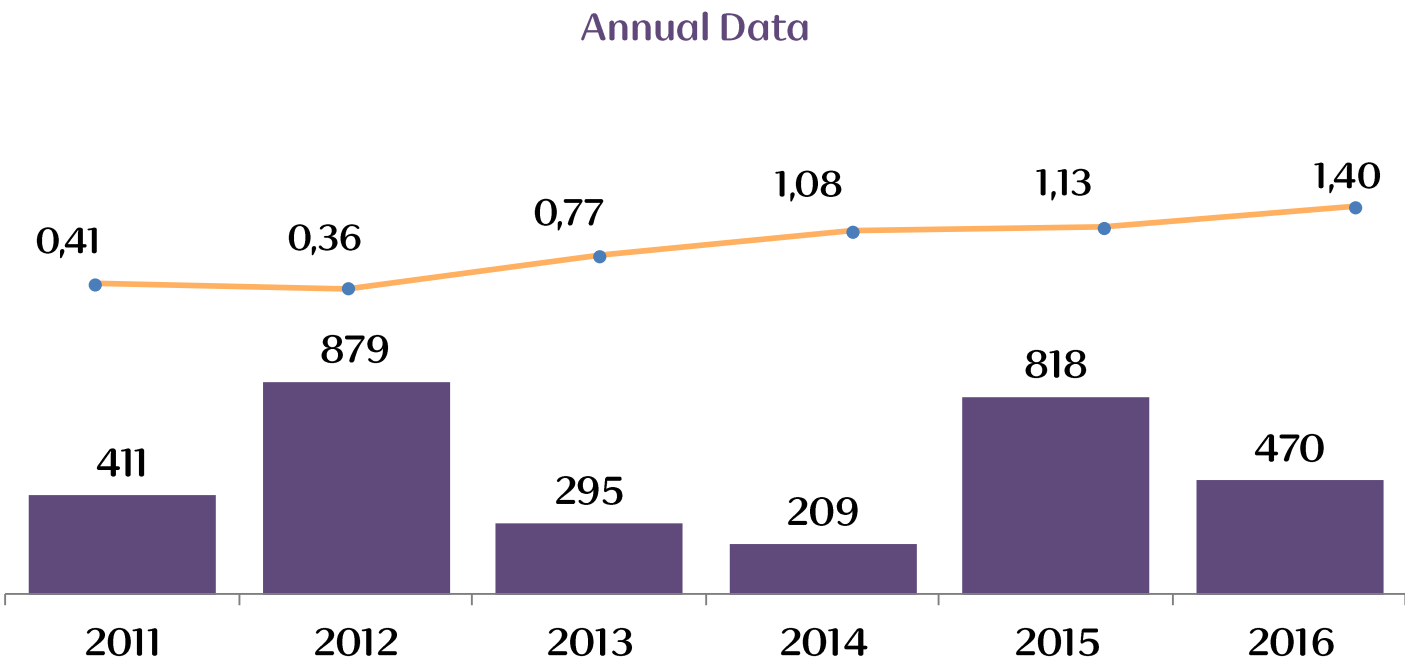
(**) (Internal cash generation) +/- (changes in working capital and long-term assets and liabilities) – (acquisitions of property, plant, andequipment).

Free cash flow generation of R$ 402.9 million in 4Q16, reflecting the higher net income, more efficient working capital management and lower CAPEX.

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Indebtedness
Consolidated

R$ million



We ended the year with a net indebtedness ratio (net debt/EBITDA) of 1.40 compared to 1.13 in 2015, reflecting the decline in EBITDA and weaker free cash flow generation.

Free Cash flow Generation — Net Debt / EBITDA

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Sustainability

Indicator	Unit	2020 ambition	2016	2015
Relative carbon emmissions (escopes 1, 2 e 3)	kg CO2/kg prod billed	2,15	3,17	3,17
% post cosumption recycled materials[1]	% (g recycled mat/g packaging)	10,0	4,3	2,9
% product recyclability[2]	% (g recycled mat/g packaging)	74,0	51,2	50,0
Eco-efficient packaging[3]	% (eco-efficient packaging units billed/ total units billed)	40,0	20,3	26,0
Amazon inputs consumed in relation to total inputs	% (R$ Amazon inputs/R$ total inputs)	30,0	19,1	12,2
Cumulative business volume in the Pan-Amazon region[4]	R$ millions	1000,0	972,6	751,9
Water consumption	Liters / units manufactured	0,32	0,53	0,49
Funding for "Crer Para Ver" program - Brazil[5]	R$ millions	23,6	23,7	19,5

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

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

3 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 mass increase.

4 Cumulative amounts since 2011.

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

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