Individual and Consolidated Interim Financial Information

Natura Cosméticos S.A.

For the quarter ended March 31, 2015

Natura Cosméticos S.A.

Individual and consolidated interim financial information

For the quarter ended March 31, 2015

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(A free translation from Portuguese into English of Interim Financial Information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board – IASB and)

Report on review of quarterly information

To the Shareholders, Board of Directors and Officers
Natura Cosméticos S.A.
São Paulo - SP

Introduction

We reviewed the accompanying individual and consolidated interim financial information of Natura Cosméticos S.A. and subsidiaries ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2015, comprising the balance sheet as of March 31, 2015, the related income statement, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the three-month period then ended, and the explanatory notes.

Management is responsible for the preparation of these individual and consolidated interim financial information in accordance with Accounting Pronouncement CPC 21(R1) – Interim Financial Information and with IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board – IASB, as well as for the fair presentation of this information in conformity with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The scope of a review is significantly narrower than an audit conducted in accordance with Brazilian and International Standards on Auditing and, consequently , does not enable us to obtain assurance that we would become aware of all significant matters that might have be identified in an audit. Therefore, we do not express an audit opinion.

Conclusion on the interim financial information

Based on our review, nothing came to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above is not fairly presented, in all material respects, in accordance with CPC 21(R1) and IAS 34 applicable to the preparation of Quarterly Financial Information (ITR), consistently with the standards issued by the Brazilian Securities Commission (CVM).

Other matters

Statements of value added

We have also reviewed the individual and consolidated statements of value added for the three - month period ended March 31, 2015, prepared under the responsibility of management, the presentation of which in the interim financial information is required by rules issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Quarterly Financial Information (ITR), and as supplementary information by IFRS, whereby no statement of value added presentation is required. These statements have been subjected to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in accordance with the overall accompanying interim individual and consolidated financial information.

São Paulo, April 29, 2014.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6

Drayton Teixeira de Melo
Accountant CRC-1SP236947/O-3

Alessandra Aur Raso
Accountant CRC-1SP248878/O-7

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NATURA COSMÉTICOS S.A.

'BALANCE SHEETS AS OF MARCH 31, 2015 AND DECEMBER 31, 2014
(In thousands of Brazilian reais - R$)

		Company		Consolidated	
ASSETS	Note	2015/03	2014/12	2015/03	2014/12
CURRENT ASSETS					
Cash and cash equivalents	5	36.139	53.648	1.965.722	1.164.174
Short-term investments	6	1.958.237	1.258.196	713.642	531.812
Trade receivables	7	621.735	690.557	798.941	847.487
Inventories	8	244.603	202.145	979.315	889.977
Recoverable taxes	9	114.271	73.733	324.177	240.329
Related parties	28.1.	4.901	6.995	-	-
Derivatives	4.2.	587.367	316.377	625.950	317.023
Other current assets	12	243.173	177.396	363.669	248.482
Total current assets		3.810.426	2.779.047	5.771.416	4.239.284
NON CURRENT ASSETS					
Recoverable taxes	9	34.212	19.884	194.538	182.706
Deferred income tax and social contribution	10.a)	-	6.222	130.471	147.763
Escrow deposits	11	223.598	218.131	269.733	263.324
Other noncurrent assets	12	14.638	60.673	39.495	85.655
Investments	13	1.779.591	1.631.882	-	-
Property, plant and equipment	14	612.611	540.933	1.759.945	1.672.147
Intangible assets	14	403.910	396.672	673.015	609.204
Total noncurrent assets		3.068.560	2.874.397	3.067.197	2.960.799
TOTAL ASSETS		6.878.986	5.653.444	8.838.613	7.200.083

		Company		Consolidated	
LIABILITIES AND SHAREHOLDERS' EQUITY	Note	2015/03	2014/12	2015/03	2014/12
CURRENT LIABILITIES					
Borrowings and financing	15	968.588	1.294.241	1.375.629	1.466.599
Trade and other payables	16	212.626	237.965	717.921	599.621
Suppliers - related parties	28.1.	233.656	304.105	-	-
Payroll, profit sharing and related taxes		86.433	101.628	177.361	210.515
Taxes payable	17	386.381	391.396	751.759	715.468
Provision for acquisition of non-controlling interest	19.a)	56.125	48.221	56.125	48.221
Other payables		54.483	50.881	84.876	78.572
Total current liabilities		1.998.292	2.428.437	3.163.671	3.118.996
NON CURRENT LIABILITIES					
Borrowings and financing	15	3.309.814	1.834.195	3.915.866	2.514.611
Taxes payable	17	65.977	63.324	102.446	98.992
Deferred income tax and social contribution	10.a)	1.943	-	-	-
Provision for tax, civil and labor risks	18	55.290	54.418	77.542	75.763
Provision for acquisition of non-controlling interest	19.a)	107.046	97.244	107.046	97.244
Others provisions	19.b)	47.596	52.126	131.995	145.798
Total non current liabilities		3.587.666	2.101.307	4.334.895	2.932.408
SHAREHOLDERS' EQUITY					
Capital	20.a)	427.073	427.073	427.073	427.073
Treasury shares	20.c)	(37.851)	(37.851)	(37.851)	(37.851)
Capital reserves		133.953	137.278	133.953	137.278
Earnings reserves		308.911	189.277	308.911	189.277
Proposed additional dividend	20.b)	449.273	449.273	449.273	449.273
Adjustment of equity evaluation		11.669	(41.350)	11.669	(41.350)
Total equity attributable to owners of the Company		1.293.028	1.123.700	1.293.028	1.123.700
Non controlling interests		-	-	47.019	24.979
Total shareholders' equity		1.293.028	1.123.700	1.340.047	1.148.679
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		6.878.986	5.653.444	8.838.613	7.200.083

* The notes are an integral part of these interim financial information.

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NATURA COSMÉTICOS S.A.

STATEMENTS OF INCOME
FOR THE QUARTERS ENDED MARCH 31, 2015 AND 2014
(In thousands of Brazilian reais - R$, except earnings per share)

	Note	Company		Consolidated	
		2015/03	2014/03	2015/03	2014/03
NET REVENUE	22	1.323.485	1.371.607	1.641.799	1.556.213
Cost of sales	23	(515.980)	(505.096)	(495.117)	(466.539)
GROSS PROFIT		807.505	866.511	1.146.682	1.089.674
OPERATING (EXPENSES) INCOME					
Selling, Marketing and Logistics expenses	23	(475.581)	(471.191)	(648.026)	(602.718)
Administrative, P&D, IT and Project Expenses	23	(186.811)	(193.916)	(278.396)	(271.090)
Equity in subsidiaries	13	77.837	(1.763)	-	-
Other operating (expenses) income, net	26	(147)	2.654	8.455	11.258
INCOME FROM OPERATIONS BEFORE FINANCIAL INCOME (EXPENSES)		222.803	202.295	228.715	227.124
Financial income	25	496.500	112.960	565.131	124.003
Financial expenses	25	(573.047)	(146.396)	(619.764)	(175.896)
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		146.256	168.859	174.082	175.231
Income tax and social contribution	10.b)	(26.622)	(51.699)	(54.835)	(57.125)
NET INCOME		119.634	117.160	119.247	118.106
ATTRIBUTABLE TO					
Owners of the Company		119.634	117.160	119.634	117.160
Noncontrolling		-	-	(387)	946
		119.634	117.160	119.247	118.106
EARNINGS PER SHARE - R$					
Basic	27.1.	0,2780	0,2730	0,2780	0,2730
Diluted	27.2.	0,2774	0,2725	0,2774	0,2725

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NATURA COSMÉTICOS S.A.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTERS ENDED MARCH 31, 2015 AND 2014
(In thousands of Brazilian reais - R$)

	Note	Company		Consolidated	
		2015/03	2014/03	2015/03	2014/03
NET INCOME		119.634	117.160	119.247	118.106
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Gain (losses) from translation of financial statements of foreign subsidiaries	13	63.861	(24.705)	56.675	(24.705)
Gain (losses) of cash flow hedge	4.2	(20.441)	-	(21.846)	-
Effect of tax in gain (losses) of cash flow hedge	10	6.950	-	7.428	-
Equity in investees of gain (losses) of cash flow hedge	4.2	(1.405)	-	-	-
Effect of tax in equity in investees of gain (losses) of cash flow hedge	10	478	-	-	-
Other comprehensive losses (Not tax)		169.077	92.455	161.504	93.401
ATTRIBUTABLE TO					
Owners of the Company		169.077	92.455	154.705	92.455
Noncontrolling		-	-	6.799	946
		169.077	92.455	161.504	93.401

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NATURA COSMÉTICOS S.A.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE QUARTERS ENDED MARCH 31, 2015 AND 2014
(In thousands of Brazilian reais - R$, except for dividends per share)

				Capital reserves			Earning reserves						Adjustment of equity evaluation		Equity		
	Note	Capital	Treasury shares	Share premium	Tax incentive reserve Investments grants	Additional paid -in Capital	Legal	Tax Incentives	Reserve for acquisition of non-controlling interest	Earnings retention	Retained earnings	Proposed additional dividend	Income from operations of non - controlling	Other comprehensive income	attributable to owners of the company	Non-controlling interest in subsidiaries equity	Total Shareholders` equity
BALANCES AS OF DECEMBER 31, 2013		427.073	(83.984)	90.580	17.378	44.061	18.650	20.957	(141.640)	263.068	-	496.393	-	(6.899)	1.145.637	22.613	1.168.250
Net income		-	-	-	-	-	-	-	-	-	117.160	-	-	-	117.160	946	118.106
Other comprehensive income		-	-	-	-	-	-	-	-	-	-	-	-	(24.705)	(24.705)	-	(24.705)
Total comprehensive income		-	-	-	-	-	-	-	-	-	117.160	-	-	(24.705)	92.455	946	93.401
Sale of treasury shares by exercise of options to purchase shares	20.c)	-	12.994	(4.097)	-	-	-	-	-	-	-	-	-	-	8.897	-	8.897
Changes in stock option plans of actions:																	
Grant of stock options	24.1.	-	-	-	-	2.539	-	-	-	-	-	-	-	-	2.539	-	2.539
Exercise of stock options	24.1.	-	-	-	-	(2.180)	-	-	-	2.180	-	-	-	-	-	-	-
Reserve for acquisition of non - controlling interest		-	-	-	-	-	-	-	(3.124)	-	3.124	-	-	-	-	-	-
Effects from the participation on non-controlling on the shareholders`equity subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	957	957
BALANCES AS OF MARCH 31, 2014		427.073	(70.990)	86.483	17.378	44.420	18.650	20.957	(144.764)	265.248	120.284	496.393	-	(31.604)	1.249.528	24.516	1.274.044
BALANCES AS OF DECEMBER 31, 2014		427.073	(37.851)	78.231	17.378	41.669	18.650	20.957	(145.465)	295.135	-	449.273	(19.937)	(21.413)	1.123.700	24.979	1.148.679
Net income		-	-	-	-	-	-	-	-	-	119.634	-	-	-	119.634	(387)	119.247
Other comprehensive income		-	-	-	-	-	-	-	-	-	-	-	-	49.443	49.443	(7.186)	42.257
Total comprehensive income		-	-	-	-	-	-	-	-	-	119.634	-	-	49.443	169.077	(7.573)	161.504
Changes in stock option plans of actions:																	
Grant of stock options	24.1.	-	-	-	-	(3.325)	-	-	-	-	-	-	-	-	(3.325)	-	(3.325)
Effects of changes from the the company on the fair value of net assets acquired by Emeis Holding Pty Ltd.	13	-	-	-	-	-	-	-	-	-	-	-	3.576	-	3.576	(3.576)	-
Reserve for acquisition of non controlling interest	19.a)	-	-	-	-	-	-	-	(17.706)	-	17.706	-	-	-	-	-	-
Effects from the participation on non-controlling on the shareholders`equity subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	33.189	33.189
BALANCES AS OF MARCH 31, 2015		427.073	(37.851)	78.231	17.378	38.344	18.650	20.957	(163.171)	295.135	137.340	449.273	(16.361)	28.030	1.293.028	47.019	1.340.047

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NATURA COSMÉTICOS S.A.

STATEMENTS OF CASH FLOWS
FOR THE QUARTERS ENDED MARCH 31, 2015 AND 2014
(In thousands of Brazilian reais - R$)

	Note	Company		Consolidated	
		2015/03	2014/03	2015/03	2014/03
CASH FLOW FROM OPERATING ACTIVITIES					
Net income		119.634	117.160	119.247	118.106
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	14	20.494	30.542	57.171	56.512
Provision (reversal) for losses on transactions with derivative contracts " swap " and "forward "		(406.244)	78.605	(444.038)	40.041
Provision (reversal) for tax, civil and labor contingencies	18	1.935	3.006	2.890	3.288
Monetary restatement of escrow deposits		(3.523)	(6.087)	(4.494)	(8.233)
Income tax and social contribution	10.b)	26.622	51.699	54.835	57.125
Loss on sale and disposal of fixed and intangible assets		(1.414)	4.471	(42.783)	19.368
Equity income	13	(77.837)	1.763	-	-
Interest and exchange variation on loans and financing		435.718	(52.678)	466.609	(41.295)
Exchange variation on other assets and liabilities		(1.684)	1.281	55.136	(23.123)
Provison for losses on property	14	(689)	-	(689)	-
Provision (reversal) related to the grant of options to purchase shares		(2.401)	1.849	(3.325)	2.539
Provision (reversal) for doubtful accounts	7	(7.304)	4.418	(3.639)	6.074
Provision (reversal) for losses on inventories	8	(4.118)	(2.385)	212	(7.535)
Provision of health care plan and carbon credits	19.b)	515	351	1.027	823
Net income attributable to non-controlling		-	-	387	(946)
Belated recognition of tax credit		-	-	-	(6.231)
Provision for acquisition of non-controlling	19.a)	17.706	3.164	17.706	3.164
		117.410	237.159	276.252	219.677
(INCREASE) DECREASE IN ASSETS					
Trade receivables		76.126	43.432	52.185	47.961
Inventories		(38.340)	(71.669)	(89.550)	(105.791)
Recoverable taxes		(54.866)	1.070	(95.680)	(7.666)
Other receivables		(17.648)	1.240	(69.027)	9.462
Subtotal		(34.728)	(25.927)	(202.072)	(56.034)
INCREASE (DECREASE) IN LIABILITIES					
Domestic and foreign suppliers		(23.655)	(83.460)	120.218	(41.018)
Payroll, profit sharing and related taxes, net		(15.195)	(14.989)	(33.154)	(25.998)
Taxes payable		(13.856)	(24.052)	22.909	(19.492)
Other payables		(67.589)	(62.939)	(1.497)	(28.484)
Payments of provision for tax, civil and labor risks	18	(1.063)	-	(1.111)	-
Subtotal		(121.358)	(185.440)	107.365	(114.992)
CASH GENERATED (USED IN) BY OPERATING ACTIVITIES		(38.676)	25.792	181.545	48.651
OUTHERS CASH FLOWS BY OPERATING ACTIVITIES					
Payments of income tax and social contribution		(13)	(100.020)	(23.566)	(117.678)
Withdrawal (payment) of escrow deposits		(1.944)	(5.926)	(1.915)	(5.900)
Payments of derivatives		114.813	(10.251)	113.265	27.768
Payment of interest on borrowings and financing		(58.553)	(13.894)	(70.386)	(26.486)
NET CASH GENERATED (USED IN) BY OPERATING ACTIVITIES		15.627	(104.299)	198.943	(73.645)
CASH FLOW FROM INVESTING ACTIVITIES					
Acquisition of property, plant and equipment and intangible assets	14	(16.451)	(50.506)	(50.163)	(134.553)
Short-term investments		(1.198.430)	(1.085.334)	(1.443.418)	(1.524.701)
Redemption of short-term investments		498.389	638.458	1.261.588	1.415.923
Capital increase in subsidiaries	13	(4.286)	(18.042)	-	-
NET CASH USED IN INVESTING ACTIVITIES		(720.778)	(515.424)	(231.993)	(243.331)
CASH FLOW FROM INVESTING ACTIVITIES					
Repayments of borrowings and financing - principal		(522.648)	(28.190)	(532.583)	(59.769)
Proceeds from borrowings and financing		1.210.290	605.348	1.358.759	729.618
Sale of treasury shares by exercise of options to purchase shares		-	8.897	-	8.897
NET CASH GENERATED IN FINANCING ACTIVITIES		687.642	586.055	826.176	678.746
Gain (losses) arising on translation foreign currency cash and cash equivalents		-	-	8.422	1.564
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(17.509)	(33.668)	801.548	363.334
Cash and cash equivalents at the beginning of the year/period		53.648	99.535	1.164.174	1.016.292
Cash and cash equivalents at the end of the year/period		36.139	65.867	1.965.722	1.379.626
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(17.509)	(33.668)	801.548	363.334
ADDITIONAL STATEMENTS OF CASH FLOWS INFORMATION:					
Non cash itens					
Capitalization of financial leasing		80.856	78.240	80.856	78.240
Hedge accounting		33.788	-	33.788	-
Effects of changes from the the company on the fair value of net assets acquired by Emeis Holding Pty Ltd.		3.576	-	3.576	-

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NATURA COSMÉTICOS S.A.

STATEMENTS OF VALUE ADDED
FOR THE QUARTERS ENDED MARCH 31, 2015 AND 2014
(In thousands of Brazilian reais - R$)

	Note	Company				Consolidated			
		2015/03		2014/03		2015/03		2014/03	
REVENUES		1.696.957		1.701.357		2.204.542		2.056.982	
Sales of products and services		1.731.591		1.731.414		2.236.386		2.087.836	
Allowance for doubtful accounts	7	(34.487)		(32.711)		(40.299)		(42.112)	
Other operating (expenses) income, net	26	(147)		2.654		8.455		11.258	
INPUTS PURCHASED FROM THIRD PARTIES		(1.099.958)		(1.043.460)		(1.316.057)		(1.070.974)	
Cost of sales and services		(600.260)		(575.160)		(660.149)		(504.414)	
Materials, electricity, services and others		(499.698)		(468.300)		(655.908)		(566.560)	
GROSS VALUE ADDED		596.999		657.897		888.485		986.008	
RETENTIONS		(20.494)		(30.542)		(57.171)		(56.512)	
Depreciation and amortization	14	(20.494)		(30.542)		(57.171)		(56.512)	
VALUE ADDED GENERATED BY THE COMPANY		576.505		627.355		831.314		929.496	
TRANSFERRED VALUE ADDED		574.337		111.198		565.131		124.003	
Equity in subsidiaries	13	77.837		(1.762)		-		-	
Financial income - includes inflation and exchange rate variations	25	496.500		112.960		565.131		124.003	
TOTAL VALUE ADDED TO BE DISTRIBUTED		1.150.842		738.553		1.396.445		1.053.499	
DISTRIBUTION OF VALUE ADDED:		(1.150.842)	100%	(738.553)	100%	(1.396.445)	100%	(1.053.499)	100%
Employees and social charges		(108.914)	9%	(106.788)	14%	(273.866)	20%	(250.083)	24%
Taxes and contributions		(342.194)	30%	(360.009)	49%	(369.881)	26%	(495.389)	47%
Financial expenses and rentals		(580.100)	50%	(154.596)	21%	(633.451)	45%	(189.921)	18%
Net income atrtributable to Noncontrolling		-	0%	-	0%	387	0%	(946)	0%
Retained earnings		(119.634)	10%	(117.160)	16%	(119.634)	9%	(117.160)	11%

Supplemental statement of value added information

The amounts recorded under "Taxes and contributions" in march 2015 and 2014, the amounts of R$ 153,385 and R$ 157,047, respectively, refer to the Tax on Circulation of Goods and Services - Replacement Tax - ICMS - ST levied on the presumed profit margin defined by the State Finance Secretariats obtained from sales made by (the) Consultants (the) Natura for the end consumer.

For the analysis of this tax impact on value added statements, such amounts shall be deducted from those recorded under "Sales of goods, products and services" and the heading itself "Taxes and contributions", since the revenue figures of sales do not include the estimated profit of (the) Consultants (the) Natura sale of the products in the amounts of R$ 877,990 and R$ 916,770, in march 2015 and 2014, respectively, considering the estimated profit margin 30%.

* The notes are an integral part of these interim financial information.

1. GENERATION INFORMATION

Natura Cosméticos S.A. ("Company") is a publicly-traded company, registered in the special trading segment called "Novo Mercado" in the São Paulo Stock Exchange (BM&FBOVESPA), under the ticker "NATU3", and headquartered in São Paulo, Alexandre Colares Avenue, 1188, Vila Jaguara, Postal Code 05106-000, State of São Paulo.

The Company's and its subsidiaries' activities ("Natura Group" or "Group") include the development, production, distribution and sale of cosmetics, fragrances, and hygiene products, substantially through direct sales by Natura Beauty Consultants. The Company also holds equity interests in other companies in Brazil and abroad.

2. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

2.1. Statement of compliance and basis of preparation

The consolidated interim financial information prepared in accordance with CPC 21 – Interim Financial Information- ITR, for the period of three months ended in march 31,2015 and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board - IASB and presented in accordance with the standards established by the Brazilian Securities and Exchange Commission (CVM), applicable to the Interim Financial Information - ITR.

The interim financial information have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The significant accounting practices used in the preparation of these individual and consolidated interim financial information are disclosed in Note 2 to the Company's financial statements for the year ended December 31, 2014, published on February 11, 2015. These accounting practices were consistently applied in the prior reporting period.

2.2. Consolidation

a) Subsidiaries and joint-controlled entities

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies so as to obtain benefits from their activities in wich there is usually an equity interest greater than 50% . In the applicable cases, the existence and the effect of potential voting rights, currently exercisable or convertible, are taken into consideration to determine if the company control another entity. Subsidiaries are fully consolidated from the date in which control is transferred to the Company and cease to be consolidated, when applicable, from the date that control ceases.

b) Companies include in the consolidated financial statements

	Equity interest- %	
	2015	2014
Direct interest:		
Indústria e Comércio de Cosméticos Natura Ltda.	99.99	99.99
Natura Biosphera Franqueadora Ltda.	99.99	99.99
Natura Cosméticos S.A. – Chile	99.99	99.99
Natura Cosméticos C.A. - Venezuela	99.99	99.99
Natura Cosméticos S.A. – Peru	99.99	99.99
Natura Cosméticos S.A. – Argentina	99.99	99.99
Natura Inovação e Tecnologia de Produtos Ltda.	99.99	99.99
Natura Cosméticos y Servicios de Mexico, S.A. de C.V.	99.99	99.99
Natura Cosméticos de Mexico, S.A. de C.V.	99.99	99.99
Natura Distribuidora de Mexico, S.A. de C.V.	99.99	99.99
Natura Cosméticos Ltda. – Colômbia	99.99	99.99
Natura Cosméticos España S.L. – Espanha	100.00	100.00
Natura (Brasil) International B.V. – Holanda	100.00	100.00
Natura Brazil Pty Ltd – Austrália	100.00	100.00
Fundo de Investimento Essencial	100.00	100.00
Indirect interest:		
Via Indústria e Comércio de Cosméticos Natura Ltda.:		
Natura Logística e Serviços Ltda. - Brasil	99.99	99.99
Via Natura Inovação e Tecnologia de Produtos Ltda.:		
Natura Innovation et Technologie de Produits SAS – França	100.00	100.00
Via Natura (Brasil) International B.V. - Holanda:		
Natura Europa SAS - França	100.00	100.00
Natura Brasil Inc. - EUA – Delaware	100.00	100.00
Via Brasil Inc. – EUA - Delaware		
Natura International Inc. - EUA - Nova York	100.00	100.00
Via Natura Brazil Pty Ltda:		
Natura Cosmetics Australia Pty Ltd. - Austrália	100.00	100.00
Via Natura Cosmetics Australia Pty Ltd. – Austrália:		
Emeis Holdings Pty Lty - Austrália	71.34	71.34

The consolidated financial statements have been prepared based on the financial statements as of the same date and consistent with the Company's accounting policies. Investments in subsidiaries have been eliminated proportionately to the investor's interests in the subsidiaries' shareholders' equity and net income or loss, intergroup balances and transactions and unrealized profits, net of taxes. Third party participation in shareholders' equity and net income of subsidiaries is reported as a component of consolidated equity and consolidated statement of income, respectively, under the caption "Noncontrolling interest".

The operations of the direct and indirect subsidiaries are as follows:

- Indústria e Comércio de Cosméticos Natura Ltda.: engaged principally in the production and sale of Natura products to Natura Cosméticos S.A. - Brazil, Natura Cosméticos S.A. - Chile, Natura Cosméticos S.A. - Peru, Natura Cosméticos S.A. - Argentina, Natura Cosméticos Ltda. - Colombia, Natura Europa SAS - France, and Natura Cosméticos de Mexico S.A. de C.V..
- Natura Biosphera Franqueadora Ltda: engaged in trading, including by electronic means, of products from Natura brand.
- Natura Cosméticos S.A. - Chile, Natura Cosméticos S.A. - Peru, Natura Cosméticos S.A. - Argentina, Natura Cosméticos Ltda. - Colombia and Natura Distribuidora de Mexico, S.A. de C.V.: their activities are an extension of the activities conducted by the parent company Natura Cosméticos S.A. - Brazil.
- Natura Cosméticos Ltda. - Venezuela: The Company is in the process of closing and there are no material investments or balances in its accounting records.
- Natura Inovação e Tecnologia de Produtos Ltda.: it is engaged in product and technology development and market research. It is the only owner of Natura Innovation et Technologie de Products SAS - France, a research and technology satellite center opened in 2007 in Paris.
- Natura Cosméticos y Servicios de Mexico, S.A. de C.V.: engaged in the provision of administrative and logistics services to companies Natura Cosméticos de Mexico, S.A. de C.V. e Natura Distribuidora de Mexico, S.A. de C.V..
- Natura Cosméticos de Mexico, S.A. de C.V.: engaged in the import and sale of cosmetics, fragrances in general, and hygiene products to Natura Distribuidora de Mexico, S.A. de C.V..
- Natura Cosméticos España S.L.: company in start-up stage and its activities will be an extension of the activities carried out by its parent company Natura Cosméticos S.A. - Brazil.
- Natura (Brazil) International B.V - Netherlands.: holding controller of the Natura Europe SAS – France, Natura Brazil Inc. and Natura International Inc.
- Natura Logística e Serviços Ltda.: engaged in the provision of administrative and logistics services to Natura Group companies based in Brazil.
- Natura Innovation et Technologie de Produits SAS - France: engaged mainly in research activities developed for in vitro testing as an alternative to animals

testing, for to the safety and efficiency of test active compounds, skincare products and new packaging materials.

- Natura Brazil Inc.: Holding controller of Natura International Inc.
- Natura International Inc: trends capture office in design, fashion and technology, transforming them into ideas, concepts and prototypes.
- Natura Europa SAS - France: activities are concentrated in the purchase, sale, import, export and distribution of cosmetics, fragrances, and toiletries
- Natura Brazil Pty Ltd – Holding controller of Natura Cosmetics Australia Pty Ltd operations.
- Natura Cosmetics Australia Pty Ltd – Holding controller of Emeis Holdings Pty Ltd.
- Emeis Holdings Pty Ltda: Activities focused on developing manufacturing and marketing of premium cosmetics, which operates under the brand of "Aesop".
- Fundo de Investimento Essencial: refer to fixed income funds of private credit.

2.3. New standards and interpretations and amendments to standards

a) Accounting standards issued by IASB, but that were not in force until the date of these financial statements and not adopted early by the Company.

• IFRS 9 Financial Instruments: In July 2014, IASB issued the final version of IFRS 9 – Financial Instruments, which reflects all the phases of the financial instruments project and replaces IAS 39 – Financial Instruments: Recognition and Measurement and all the former versions of IFRS 9. The standard introduces new requirements about classification and measurement, impairment for reduction to recoverable value and hedge accounting. IFRS 9 is effective for years started on or after January 1, 2018, also early adoption thereof is not allowed. Its retrospective application is required, however, presentation is comparative information is not mandatory. Early adoption of former versions of IFRS 9 (2009, 2010 and 2013) is allowed if the first-time adoption date is earlier than February 1, 2015. The adoption of IFRS 9 will affect classification and measurement of the Company's financial assets, however, not generating any impact on classification and measurement of the Company's financial liabilities.

• IFRS 15 Revenue from contracts with customers: It establishes a template of five stages applicable to revenue from a contract with a customer, irrespective of the type of revenue transaction or industry. It applies to all revenue contracts and provides a template for the recognition and measurement of gains or losses on the disposal of certain non-financial assets that are not related to the entity's ordinary activities (for instance, disposals of properties, premises and equipment or intangible asset items). Extensive disclosures are also required by this new standard. This pronouncement shall be applied to annual periods beginning on or after January 1, 2017, of which early adoption is allowed.

In addition, the following new standards, amendments and interpretations were issued by IASB, however, management does not expect impacts on the Company's consolidated financial statements upon their first-time adoption:

- IFRS 14 – Regulatory Deferral Accounts - Applicable to years started on or after January 1, 2016;

- Annual improvements - 2010-2012 Cycle and 2011-2013 Cycle - Applicable to years started on or after July 1, 2014;

- Amendments to IFRS 11 Joint Arrangements: Accounting for acquisitions of interests - Applicable to years started on or after January 1, 2016, with early adoption not being allowed in Brazil;

- Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortization - The amendments are effective prospectively for years started on or after January 1, 2016;

- Amendments to IAS 16 and IAS 41 – Agriculture: Bearer Plants – The amendments are effective retrospectively for years started on or after January 1, 2016;

The Company intends to adopt those standards when they come into force by disseminating and recognizing the impact on the Financial information that may occur when the application of such adoptions.

Considering the current operations of the Company and its subsidiaries, management does not expect that these amendments will generate relevant effects on the financial statements after adoption thereof.

There are no other standards and interpretations issued but not yet adopted that, in management's opinion, have a significant impact on the income or equity issued by the Company.

3 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires the use of certain critical accounting estimates and the exercise of judgment by the Company's management in the process of application of accounting policies.

The accounting estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors that are considered to be relevant in the circumstances. Actual results may differ from those estimates. The effects resulting from the revision of accounting estimates are recognized in the revision period.

These significant assumptions and accounting estimates are follows:

a) Income tax, social contribution, and other taxes

The Company recognizes deferred tax assets and liabilities based on differences between the carrying amount stated in the financial statements and the tax base assets and liabilities using statutory tax rates. The Company reviews regularly deferred tax assets in terms of possible recovery, considering the history of earnings generated and projected future taxable income, based on a technical feasibility study.

b) Provision for tax, civil, and labor contingencies

The Company is a party to several lawsuits and administrative proceedings, as described in note 18. Provisions are recognized for all contingent liabilities arising from lawsuits that represent probable losses and can be reliably estimated. The probability assessment includes assessing available evidences, the hierarchy of laws, available previous decisions, most recent court decisions and their relevance within the legal system, and the assessment of the outside legal counsel. Management believes that these provisions for tax, civil and labor contingencies are fairly presented in the financial statements

c) Reitirees`healthcare plan

The current amount of the retirees' healthcare plan is contingent to a series of factors determined based on actuarial calculations that update a series of assumptions, for example, the discount and other rates, which are disclosed in note 19.b).

d) Stock option plan

The stock option plan is measured at fair value on grant date and is expensed during the vesting period as a balancing item to "Additional paid-in capital", in shareholders' equity. At the end of the reporting period, the Company's management reviews its estimates on the number of options vesting based on the conditions fulfilled and, when applicable, recognizes in the income statement the effect arising from the revision of the initial estimates as a balancing item to shareholders' equity. The details are disclosed in note 24.1.

e) Fair Value measurement of contingent consideration

Contingent, from a business combination is measured at fair value at the acquisition date as part of the business combination. If the contingent consideration is classified a financial liability shall be subsequently remeasured to fair value at the balance sheet date. The fair value is based on discounted cash flow. The main assumptions consider the probability of achieving each objective and the discount factor.

f) Provision for acquisition of non-controlling interest

It reflects the commitment of acquiring non-controlling interests resulting from business combination, measured at fair value at acquisition date, also subsequent changes for remeasurement of the obligation must be recognized in P&L for the year.

4 FINANCIAL RISK MANAGEMENT

4.1 General considerations and policies

Risks and the financial instruments are managed through the definition of policies and strategies and implementation of control systems, defined by the Company's Treasury Committee and approved by the Board of Directors. The compliance of the treasury area's positions in financial instruments, including derivatives, in relation to these policies, is presented and assessed on a monthly basis by the Treasury Committee and subsequently submitted to the analysis of the Audit Committee, the Executive Committee and the Board of Directors.

Risk management is performed by the Company's general treasury function, which is also responsible for approving the short-term investments and loan transactions conducted by the Group's subsidiaries.

4.2. Financial risk factors

The Group's activities expose them to several financial risks: market risk (including currency and interest risks), credit risk and liquidity risk. The Company's overall risk management program is focused on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance, using derivatives to protect certain risk exposures.

a) Market risks

The Group is exposed to market risks arising from their business activities. These risks mainly comprise possible changes in exchange and interest rates.

The following derivative financial instruments are used by Company as protection to market risks:

	Company Fair Value		Consolidated Fair Value	
Description	2015/03	2014/03	2015/03	2014/03
Derivatives "financial"	587,367	316,377	623,013	326,258
Derivatives "operational"	-	-	11,053	-
Derivatives "swap"	-	-	(8,116)	(9,235)
Total	587,367	316,377	625,950	317,023

The characteristics of these instruments and the risks which they are linked are described below .

i) Foreign exchange risk

The Group is exposed to the foreign exchange risk arising from financial instruments denominated in currencies different from their functional currencies. To reduce this exposure, the Group implanted a policy to hedge against the foreign exchange risk that establishes exposure limits linked to this risk (Foreign Exchange Hedging Policy).

The treasury area's procedures defined based on the current policy include monthly projection and assessment of the Company's and its subsidiaries' foreign exchange exposure, on which management's decision-making is based.

Exchange rate Protection Policy considers the values of foreign currency receivables and Payables balances of commitments already made and recorded in the financial statements from the operations of the Company and its subsidiaries, as well as future cash flows, with an average of six months, still not recorded in the balance sheet.

As of March 31, 2015 and December 31, 2014, the Group is basically exposed to risks of fluctuations in the U.S. dollar . The non-controlling in Argentina is exposed to Real currency. To hedge against foreign exchange exposures, the Group and the subsidiaries contracts derivative (swaps) and non-deliverable forward (NDF) transactions. The Foreign Exchange Hedging Policy establishes that the derivatives contracted by the Group should limit loss due to exchange rate depreciation related to the net income estimated for the current year considering the expected depreciation against the U.S. dollar. This limit sets the cap on the maximum foreign exchange exposure that the Group can undertake in relation to the U.S. dollar.

As of March 31, 2015, the Company's and the consolidated balance sheets include accounts denominated in foreign currency which, in the aggregate, represent net liabilities of R$2,472,826 and R$2,638,235, respectively (R$2,173,200 and R$ 2,309,889 as of December 31, 2014, respectively). These accounts are substantially represented by borrowings and financing which, as of March 31, 2015 and December 31, 2014, are hedged by swap arrangements.

Derivatives to hedge foreign exchange risk

The Company classifies derivatives into "financial" and "operating". "Financial" derivatives include swaps or forwards contracted to hedge against the foreign exchange risk associated with foreign-currency-denominated borrowings and financing. "Operating" derivatives (usually forwards) include derivatives contracted to hedge against the foreign exchange risk on the business's operating cash flows.

As of March 31, 2015, outstanding swap and forward contracts, with maturities between April 2015 and July 2021, were entered into the counterparties represented by the banks Bank of America (40%), HSBC (27%), Itaú (19%), Bradesco (7%) and Tokyo Bank (7%), broken down as follows:

Financial swaps – Company

Type of transaction	Notional		Accrual		Fair value		Gain (Loss) (adjustment MTM)	
	2015/03	2014/12	2015/03	2014/12	2015/03	2014/12	2015/03	2014/12
Swap contracts (1):								
Asset position:								
Long position-U.S. dollar	1,786,465	1,780,037	2,470,963	2,168,388	2,426,659	2,150,084	(44,304)	(18,304)
Liability position:								
CDI floating rate:								
Short position in CDI	1,786,465	1,780,037	1,828,845	1,819,985	1,839,292	1,833,707	10,447	13,722
Total net financial swaps :	-	-	642,118	348,403	587,367	316,377	(54,751)	(32,026)

Financial swaps - Consolidated

Type of transaction	Notional		Accrual		Fair value		Gain (Loss) (adjustment MTM)	
	2015/03	2014/12	2015/03	2014/12	2015/03	2014/12	2015/03	2014/12
Swap contracts (1):								
Asset position:								
Long position-U.S. dollar	1,909,147	1,893,774	2,627,774	2,298,040	2,587,903	2,276,543	(39,871)	(21,497)
Liability position:								
CDI floating rate:								
Short position in CDI	1,909,147	1,893,774	1,946,366	1,936,832	1,964,890	1,950,285	18,524	13,453
Total net financial swaps :	-	-	681,408	361,208	623,013	326,258	(58,395)	(34,950)

(1) Swap transactions consist of swapping the exchange rate fluctuation for a percentage of the floating rate Interbank Deposit Rate (CDI).

Operating forwards - Company and consolidated

Type of transaction	Notional		Accrual		Fair value		Gain (Loss) (adjustment MTM)	
	2015/03	2014/12	2015/03	2014/12	2015/03	2014/12	2015/03	2014/12
Forward contracts (2):								
Asset position:								
Long position – R$. reais	53,679	-	65,202	-	63,928	-	(1,274)	-
Liability position								
Long position – R$. reais	53,679	-	53,165	-	52,875	-	290	-
Total net financial swaps:	-	-	12,037	-	11,053	-	(984)	-

(2) Forward transactions establish a future parity between the Brazilian real and the foreign

currency based on their equivalence when contracted, adjusted by a fixed interest rate.

The notional amount represents the amounts of the contracted derivatives. Fair value refers to the value of outstanding contracted derivatives recognized in balance sheets.

For derivatives maintained by the Group as of March 31, 2015 and December 31, 2014, due to the fact contracts are directly entered into with the financial institutions and not through São Paulo Stock Exchange (BM&FBOVESPA), there are no margin calls deposited as guarantee of the related transactions.

Sensitivity analysis

For the sensitivity analysis of derivatives, the Company's management understands it is necessary to take into consideration corresponding assets and liabilities with exposure to exchange rates recorded in the balance sheet, as presented in the table below:

	Company	Consolidated
Loans and financing registered in Brazil in foreign currency (note 15)	2,472,826	2,638,235
Receivables registered in Brazil in foreign currency	-	(8,464)
Accounts payable registered in Brazil in foreign currencies	6,952	20,563
Provision for acquisition of non controlling interests	163,171	163,171
Value of the "financial" derivatives	(2,470,963)	(2,627,774)
Net passive exposure	171,986	185,731

The tables below show the gain (loss) that would have been recognized in profit or loss for the three months period ended March 31, 2015 based on the following scenarios:

	Company			
Description	Company's Risk	Probable scenario	Scenario II	Scenario III
Net liability exposure	US dollar appreciation	(4,128)	(42,996)	(85,992)

	Consolidated			
Description	Company's Risk	Probable scenario	Scenario II	Scenario III
Net liability exposure	US dollar appreciation	(4,458)	(46,433)	(92,865)

The probable scenario considers future U.S. dollar rates obtained at BM&FBOVESPA for the maturity dates of the financial instruments exposed to foreign exchange risks that ranging from (R$ 3.20/US$1,00) to (R$ 4.81/US$1,00). Scenarios II and III consider a 25% (R$ 4.01/US$1,00) and 50% (R$4.81/US$1,00), appreciation of U.S. dollar, respectively. Probable scenarios II and III are presented as required by CVM Instruction 475/08. In assessing possible changes in exchange rates, management uses the probable scenario, which is being presented for compliance with IFRS 7 – Financial Instruments: Disclosures.

The Company and its subsidiaries do not use derivative financial instruments for speculative purposes.

ii) Interest rate risk

The interest rate risk arises from investments and loans. Financial instruments issued at floating rates expose the Group to cash flow risks associated with the interest rate. Financial instruments issued at fixed rates expose the Group to fair value risks associated with the interest rate.

The Company's cash flow risk associated with the interest rate arises from investments and short- and long-term loans and financing issued at floating rates. The Company's management adopts the policy of maintaining its rates of exposure to asset and liability interest rates pegged to floating rates. Short-term investments are adjusted by the Interbank Deposit Rate (CDI) whereas borrowings and financing are adjusted based on the Long-term Interest Rate (TJLP), CDI and fixed rates, according to the contracts made with the related financial institutions, and trading securities with investors in this market.

Company management believes that there is low risk of significant changes in CDI and TJLP, taking into consideration the prevailing monetary policy followed by the federal government. Thus, it did not take out derivatives to hedge against this risk.

The Group contracts swap transactions to mitigate risks on borrowing and financing transactions subject to an index other than CDI, TJLP or fixed rates, except for loans and financing contracted at fixed rates at levels below the current TJLP.

On March 31, 2015, consolidated balance sheet includes loans issued at higher fixed rates level TJLP represent a liability of R$184,372 (R$ 185,450 in December 31, 2014). Such funding submitted in March 31, 2015, is protected derivative of the "swap".

Derivative instruments to hedge the risk of interest rate

On March 31, 2015, outstanding contracts "swap" mature between February 2016 and August 2017, were entered into with counterparties represented by Itaú (70%), HSBC (27%) and Santander (3%) and are as follows.

Derivatives "swap" - consolidated

Type of transaction	Notional		Accrual		Fair value		Gain (Loss) (adjustment MTM)	
	2015/03	2014/12	2015/03	2014/12	2015/03	2014/12	2015/03	2014/12
swap" contracts (3):								
Asset position:								
Long position fixed rate	182,500	182,500	184,458	185,536	176,767	176,904	(7,691)	(8,632)
Liabilities position:								
CDI rate post fixed:								
Short position in CDI	182,500	182,500	185,273	186,613	184,883	186,139	390	474
Total net financial swaps:	-	-	(815)	(1,077)	(8,116)	(9,235)	(7,301)	(8,158)

(3) The operations of financial "swap" involving the exchange of an interest rate pre-set by a related to a percentage of the variation of the Interbank Deposit Correction - postfix CDI.

Sensitivity analysis

As described in the foreign exchange risk section above and in the item "Interest rate risk", on March 31, 2015, there are loans and financing denominated in foreign currency and issued at fixed rates under contract "swap ", changing the indexation of the liability to CDI fluctuation. The Company is, therefore, exposed to CDI fluctuation. The table below presents the exposure to interest rate risks of transactions pegged to CDI and TJLP, including derivative transactions:

	Company	Consolidated
Total borrowings and financing - in local currency (note 15)	(1,805,576)	(2,653,260)
Derivatives pegged to CDI	(2,472,826)	(2,638,235)
Short-term investments (notes 5 and 6)	1,959,204	2,578,507
Net liability exposure	(2,319,198)	(2,712,988)

The sensitivity analysis considers the exposure of borrowings and financing pegged to CDI and TJLP rates, net of short-term investments, also pegged to the CDI rate (notes 5 and 6).

The tables below set out projected incremental gain (loss) that will be recognized in P&L for the subsequent year, assuming that the current net liability exposure will remain unaltered and the following scenarios:

	Company			
Description	Company's risk	Probable scenario	Scenario II	Scenario III
Net liabilities	Interest rate increase	(9,277)	(73,113)	(146,225)

		Consolidated		
Description	Company's risk	Probable scenario	Scenario II	Scenario III
Net liabilities	Interest rate increase	(10,852)	(85,527)	(171,054)

The probable scenario considers future interest rates obtained at BM&FBOVESPA for the maturity dates of the financial instruments exposed to interest rate risks. Scenarios II and III consider an increase in the interest rate of 25% (15.8% per year) and 50% (18.9% per year), respectively, on the CDI rate of 12.6% per year.

Derivative instruments designated for hedge accounting

The Company performed formal designation of its operations subject to hedge accounting for derivative financial instruments for hedging loans denominated in foreign currency, documenting:

- The hedge relationship;
- The Company's objective and risk management strategy in taking out the hedge transaction;
- Identification of the financial instrument;
- The hedged item or hedge transaction;
- The nature of the risk to be hedged;
- Description of the hedge relationship;
- The statement of correlation between hedge and hedged item, where applicable; and
- The prospective statement of hedge effectiveness.

The positions of derivative financial instruments designated as outstanding cash flow hedge on March 31, 2015 as set out below:

Instrument Designated as Cash Flow Hedge - Company

						Others Comprehensive income	
	Hedged item	Notional currency	Notional value	Accrual value	Fair Value (1)	Total Loss(Gain)	Loss (Gain) in the period
Currency swap - US$/R$	Currency	BRL	751,687	162,244	131,995	(30,249)	(20,441)

Instrument Designated as Cash Flow Hedge – Consolidated

						Others Comprehensive income	
	Hedged item	Notional currency	Notional value	Accrual value	Fair Value (1)	Total Loss(Gain)	Loss (Gain) in the period
Currency swap - US$/R$	Currency	BRL	852,422	194,266	160,478	(33,788)	(21,846)

(1) The method used by the Company to determine market value consists in calculating the future value based on the contracted conditions and determines present value based on market curves extracted from BM&F.

The Company designates as cash flow hedge derivative financial instruments used to offset variations from exposure to exchange rate, in the market value of contracted debts not in the functional currency.

At March 31, 2015, foreign exchange rate hedging instruments designated as cash flow hedge had total notional value of USD 326,667 (Theree hundred twenty-six millions and six hundred sixty-seven thousands of American dollars) (R$ 852,422). For the period ended March 31, 2015 a loss of R$21,846 (R$ 14,418 without taxes) was recognized in other comprehensive income, all considered as effective.

b) Credit Risk

Credit risk refers to risk of a counterparty not complying with its contract obligations, which would result in financial losses for the Company. Sales of the Group are made to a great number of sales representatives (Natura Beauty Consultants) and this risk is managed through a strict credit granting process. The result of this management is reflected in the 'Allowance for doubtful accounts', as explained in note 7.

The Group is also subject to credit risks related to financial instruments contracted for the management of its business, primarily represented by cash and cash equivalents, short-term investments and derivative instruments.

The Company believes that the credit risk of transactions with financial institutions is low, as these are considered by the market as prime banks.

The Policy for Short-term Investments adopted by the Company's management establishes the financial institutions with which the Group can do business and defines fund allocation limits and the amounts that may be invested in each of these

financial institutions.

c) Liquidity risk

Effectively managing liquidity risk implies to maintain enough cash and marketable securities, funds available through credit facilities used and the ability to settle market positions.

Management monitors the Company's consolidated liquidity level considering the expected cash flows against unused credit facilities the carrying amounts of financial liabilities are measured at amortized cost, and their corresponding maturities are as follows:

Company as of March. 2015	Less than one year	One to two years	Two to five years	More than five years	Total	Discount effect/MTM	Carrying amount
Current:							
Borrowings and financing	1,198,190	-	-	-	1,198,190	(229,602)	968,588
Trade payables	446,282	-	-	-	446,282	-	446,282
Financial instruments	642,118	-	-	-	642,118	(54,751)	587,367
Noncurrent:							
Borrowings and financing	-	2,063,132	1,724,871	991,218	4,779,221	(1,469,407)	3,309,814

Consolidated as of March. 2015	Less than one year	One to two years	Two to five years	More than five years	Total	Discount effect/MTM	Carrying amount
Current:							
Borrowings and financing	1,645,116	-	-	-	1,645,116	(269,487)	1,375,629
Trade payables	717,921	-	-	-	717,921	-	717,921
Financial instruments	680,593	-	-	-	680,593	(54,643)	625,950
Noncurrent:							
Borrowings and financing	-	2,442,768	1,963,466	1,386,752	5,792,986	(1,877,120)	3,915,866

4.3. Capital management

The Company's objectives in managing its capital are to ensure that the Company is continuously capable of offering return to its shareholders and benefits to other stakeholders, and maintain an optimal capital structure to reduce this cost.

The Company monitors capital based on the financial leverage ratios. This ratio corresponds to the net debt divided by the total capital. The net debt corresponds to total borrowings and financings (including short- and long-term borrowings, as shown in the consolidated balance sheet), deducted from cash and cash equivalents. Net debt as shown below includes adjustments of derivative contracts to mitigate the foreign exchange risk.

The consolidated financial leverage ratios as of March 31, 2015 and December 31, 2014 are as follows:

	Company		Consolidated	
	2015/03	2014/12	2015/03	2014/12
Short- and long-term borrowings and financing	4,278,402	3,128,436	5,291,495	3,981,210
Derivative financial instruments	(587,367)	(316,377)	(625,950)	(317,023)
Cash and cash equivalents and Short-term investments	(1,994,376)	(1,311,844)	(2,679,364)	(1,695,986)
Net debt	1,696,659	1,500,215	1,986,181	1,968,201
Shareholders' equity				
Financial leverage ratio	1,293,028	1,123,700	1,340,047	1,148,679
Short- and long-term borrowings and financing	131.22%	133.51%	148.22%	171.34%

Loans and financing of short and long term are reflected in the values of government grant in March 31, 2015, R$ 12,411 ,Company and R$ 75,588, Consolidated and, December 31, 2014, to R$ 16,715 the Parent Company and R$ 82,617, consolidated in accordance with CPC 07 Grants and Government Assistance and IAS 20.

4.4. Fair value estimate

Financial instruments are measured at fair value at the end of the reporting period as prescribed by CPC 40 – Financial Instruments: Disclosures and according to the following hierarchy:

- Level 1: Prices quoted (unadjusted) in active markets for identical assets or liabilities. A market is considered active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's-length basis.

- Level 2: Used for financial instruments that are not traded in active markets (for example, over-the-counter derivatives) and whose fair value is determined using valuation techniques that, in addition to the quoted prices, included in Level 1, use other inputs adopted by the market for assets or liabilities, whether directly (i.e., prices) or indirectly (i.e., derived from prices).

- Level 3: Inputs for assets or liabilities that are not based on the data adopted by the market (i.e., unobservable inputs).

As of March 31, 2015 and December 31, 2014, the measurement of all the Company's and its subsidiaries' derivatives falls under the Level 2 characteristics. The fair value of exchange rate derivatives (swap and forwards) is determined based on the exchange rate at the end of the reporting period, with the resulting amount being discounted to present value.

Fair values of financial instruments measured at amortized cost

Short-term investments

The carrying amounts of the short-term investments approximate their fair values as

transactions are conducted at floating interest rates and can be immediately redeemable

Borrowings, financing and debentures

The carrying amounts of borrowings and financing, except those pegged to a fixed rate, approximate their fair values as they are pegged to a floating rate, the CDI fluctuation. The carrying amounts of financing pegged to TJLP approximate their fair values as the TJLP is also pegged to CDI and is a floating rate.

The fair value of borrowings and financing contracted at fixed interest rates does not have significant variation related to the book value disclosed in note 15.

Trade and other payables

It is estimated that the carrying amounts of trade receivables and trade payables approximate their fair values in view of the short term of the transactions conducted. The subsidiaries do not have any guarantee for late.

Provision for acquisition of noncontrolling interests

The estimated amount of the obligation signed the purchased and sale must be adjusted at fair value at the acquisition date and it's subsequent adjustment incurred at the income statement.

5. CASH AND CASH EQUIVALENTS

	Company		Consolidated	
	2015/03	2014/12	2015/03	2014/12
Cash and banks	35,172	52,703	160,469	153,945
Bank certificates of deposit -CDB (a)	967	945	292,099	209,754
Repurchase agreements (b)	-	-	1,513,154	800,475
	36,139	53,648	1,965,722	1,164,174

(a) Investments in Bank Deposit Certificates are restated with yield interest ranging from 92.0 % to 112.5% of CDI.

(b) Repurchase agreements are securities issued by banks with a commitment by the bank to repurchase the security, and by the client to resell the security, at a fixed price (rate of interest) and within a predetermined term, which are backed by public or private securities (depending on the bank) and are registered with the CETIP.

6. SHORT TERM INVESTMENTS

	Company		Consolidated	
	2015/03	2014/12	2015/03	2014/12
Exclusives investments funds	1,934,038	1,235,345	-	-
Investments funds	-	-	21,980	42,447
Certificates of deposits CDB (a)	24,199	22,851	24,200	22,851
Financial letters	-	-	145,378	143,556

Government security	-	-	522,084	322,958
	1,958,237	1,258,196	713,642	531,812

(a) Investment in Bank Deposit Certificates are restated with yield interest between 87.40% to 105.0% of CDI and are referring to the amounts that will be given to Instituto Natura due to the sales of the Crer para Ver products.

The Company concentrates most of investments in an exclusive fund investment. On March 31, 2015 and December 31, 2014 the companies Natura Cosméticos S.A , Natura Inovação e Tecnologia de Produtos Ltda, Natura Logística e Serviços Ltda, and Indústria e Comércio de Cosméticos Natura Ltda have interest in shares of the Fund Essential Investment and the value recorded is valued at fair value through profit or loss.

The amount of shares held by the Company are disclosed under " Investment Fund Exclusive ". The investments in Investment Fund which the group has an exclusive interest (100 % of the shares) were consolidated and the values of their portfolio were segregated by type of investment and classified as cash equivalents or short term investments, according to the accounting practices adopted by the Company.

The exclusive fund are as follow:

The Essential Investment Fund is a fund fixed income credit under private management, administration and custody of Itaú Unibanco. Eligible assets in the portfolio are: government securities, time deposits, financial bills and repurchase agreements. There is no grace period for redemption of shares that may be redeemed at any time yield.

Breakdown of the exclusive fund portfolio at March 31, 2015 is as follows:

	Essencial
Floating rate bank certificates of deposits (CDBs)	205,189
Repurchase agreements	1,513,154
Financial letters	145,378
Government security (LFT)	522,084
	2,385,805

7. TRADE RECEIVABLES

	Company		Consolidated	
	2015/03	2014/12	2015/03	2014/12
Trade receivables	702,815	778,941	912,572	964,757
Allowance for doubtful accounts	(81,080)	(88,384)	(113,631)	(117,270)
	621,735	690,557	798,941	847,487

The aging list of trade receivables is as follows:

	Company		Consolidated	
	2015/03	2014/12	2015/03	2014/12
Current	588,836	628,994	736,465	761,930

Past due:				
Up to 30 days	28,828	53,710	56,748	80,220
31 to 60 days	16,115	24,081	22,776	28,759
61 to 90 days	17,815	20,273	21,932	23,884
91 to 180 days	51,221	51,883	74,651	69,964
Allowance for doubtful accounts	(81,080)	(88,384)	(113,631)	(117,270)
	621,735	690,557	798,941	847,487

The balance of trade receivables in Consolidated is basically denominated in Brazilian reais, and approximately 81% of the outstanding balance as of March 31, 2015 (83% as of December 31, 2014), refers to real-denominated transactions. The remaining balance is denominated in several currencies and refers to sales of foreign subsidiaries.

The changes in the allowance for doubtful accounts for the period of three months ended March 31, 2015 and 2014 are as follows:

Company				Consolidated			
Balance at 2014/12	Additions (a)	Write-offs (b)	Balance at 2015/03	Balance at 2014/12	Additions (a)	Write-offs (b)	Balance at 2015/03
(88,384)	(34,487)	41,791	(81,080)	(117,270)	(40,299)	43,938	(113,631)

Company				Consolidated			
Balance at 2013/12	Additions (a)	Write-offs (b)	Balance at 2014/03	Balance at 2013/12	Additions (a)	Write-offs (b)	Balance at 2014/03
(79,623)	(32,711)	28,293	(84,041)	(99,917)	(42,112)	36,038	(105,991)

(a) Allowance recognized according to note 2.7, disclosure as note 2 of annual financial statements of the Company refers to year ended December 31,2014, disclosure in February 11, 2015.

(b) Refers to accounts that are over 180 days past due that were written off due to uncollectible amounts.

The expense on the recognition of the allowance for doubtful accounts was recorded in 'Selling expenses' in the income statement. When recovery of additional cash is less than probable, the amounts credited to line item 'Allowance for doubtful accounts' are in general reversed against the definite write-off of the receivable and is recorded in net income or loss.

Maximum exposure to credit risk at the reporting date is the carrying amount of each aging range, net of the allowance for doubtful accounts, as shown in the aging list above. The Group does not have any guarantee for past-due receivables.

8. INVENTORIES

	Company		Consolidated	
	2015/03	2014/12	2015/03	2014/12
Finished products	229,751	192,666	801,589	729,449
Raw materials and packaging	-	-	159,875	145,394
Promotional material	28,606	27,351	80,271	77,332
Work in progress	-	-	23,758	23,768
Allowance for losses	(13,754)	(17,872)	(86,178)	(85,966)

244,603	202,145	979,315	889,977

The changes in the allowance for inventory losses for the year ended March 31, 2015 and 2014 are as follows:

Company				Consolidated			
Balance at 2014/12	Reversals (Additons) (a)	Write-off (b)	Balance at 2015/03	Balance at 2014/12	Reversals (Additons) (a)	Write-off (b)	Balance at 2015/03
(17,872)	3,619	499	(13,754)	(85,966)	(12,540)	12,328	(86,178)

Company				Consolidated			
Balance at 2014/12	Reversals (Additons) (a)	Write-off (b)	Balance at 2014/13	Balance at 2014/12	Reversals (Additons) (a)	Write-off (b)	Balance at 2015/03
(19,284)	678	1,707	(16,899)	(99,113)	(10,561)	18,095	(91,579)

(a) Refer basically to the recognition of the allowance for losses due to discontinuation, expiration and quality, to cover expected losses on the realization of inventories, pursuant to the Group's policy.

(b) Consist of write-offs of products discarded by the Company.

9. RECOVABLE TAXES

	Company		Consolidated	
	2015/03	2014/12	2015/03	2014/12
ICMS on purchases of goods	4,666	171	259,782	243,679
Refundable ICMS - ST on interstate sales	9	351	9	351
Taxes - foreign subsidiaries	-	-	69,150	34,212
ICMS on purchases of fixed assets	4,111	4,811	28,606	31,401
PIS and COFINS on purchases of fixed assets	32,515	16,664	39,379	23,653
PIS and COFINS on purchase of goods	56,974	48,793	56,764	48,583
PIS and COFINS resulting from win on a lawsuit (a)	-	-	7,881	7,881
IRPJ and CSLL on freight (b)	48,158	21,269	51,943	27,727
PIS, COFINS and CSLL - withheld at source	-	-	2,233	2,902
Others	2,050	1,558	2,968	2,646
	148,483	93,617	518,715	423,035
Current	114,271	73,733	324,177	240,329
Noncurrent	34,212	19,884	194,538	182,706

(a) The amount shown relates to the recognition of tax credits of Social Integration Program - PIS and Contribution to Social Security Financing - COFINS the lawsuit challenging the constitutionality and legality of the tax base for calculating contributions cited, established by Law No. 9.718/98. As the Company obtained authorization from the Federal Revenue of Brazil to offset credits of the parent after the transit and trial of the case in 2012. The amounts referring to the subsidiary will be maintained until authorization of the same nature be obtained.

(b) It substantially refers to tax paid on foreign operations (Australia and Mexico), as well as withholding income tax on short-term investments.

10. INCOME TAX AND SOCIAL CONTRIBUTION

a) Deferred

Deferred Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) result from temporary differences in the Company and in its subsidiaries. For certain subsidiaries was also recognized balance of deferred taxes on tax loss carryforwards. These credits are kept recorded in noncurrent assets, the amounts are as follows:

	Company		Consolidated	
	2015/03	2014/12	2015/03	2014/12
Tax loss carryforwards	87,988	2,434	89,928	12,521
Allowance for doubtful accounts (note 7)	27,567	30,524	35,941	37,090
Allowance for losses on inventories realization (note 8)	4,677	6,077	28,141	22,013
Reserve for tax, civil and labor contingencies (note 18)	18,799	18,502	25,613	25,068
Non-inclusion of ICMS in the PIS and COFINS basis (note 17.a)	744	732	74,909	72,409
Gains from changes in fair value of derivative instruments (note 4.2)	(199,705)	(107,568)	(212,823)	(107,788)
Provision for ICMS – ST (note 17.b)	18,779	17,998	18,779	17,998
Allowances for losses on advances to suppliers	2,587	2,575	2,587	3,451
Accrued contractual obligations	5,281	4,219	8,600	7,131
Accrued benefits sharing and partnerships	10,230	9,809	10,230	9,809
Temporary differences of foreign subsidiaries	-	-	15,091	10,209
Provision for profit sharing	6,746	13,160	11,971	27,083
Depreciation rate adjustments to useful lives (RTT)	(17,518)	(15,339)	(43,635)	(39,826)
Provision for interest – injunction (Interest - CNs and interest on goodwill amortization)	12,572	10,965	12,572	10,965
Provision carbon credits	1,769	1,463	1,769	1,463
Profit on effects not eliminated in inventories	-	-	10,279	19,792
Provision for losses – property and intangible (note 14)	4,023	4,257	6,104	6,338
INSS with Suspended Liability (note 17)	856	840	4,290	4,155
Other temporary differences	12,662	5,574	30,125	7,882
	(1,943)	6,222	130,471	147,763

Management, based on projections of future taxable income, estimates that the recorded tax credits will be fully realized within five years,

Tax credits will be realized as follows:

	Company	Consolidated
2015	(1,943)	43,513
2016	-	18,071
2017	-	46,467
2018 and thereafter	-	22,420
	(1,943)	130,471

With respect to the Company's foreign subsidiaries, listed below do not record tax credits on tax loss carry forwards and temporary differences in their financial statements due to the absence of a history of taxable income and taxable income projections for the coming fiscal years.

As of December 31, 2014, tax credits calculated at the prevailing tax rates in the countries where the subsidiaries are located, are as follows:

Tax loss carry forwards:

Mexico	253,691
Colombia	103,235
Australia (Substantially by operations in the US and Japan)	10,216
France	205,412

Tax credits on tax loss carry forwards generated by the subsidiaries can be carried forward indefinitely, except for the subsidiary in Mexico, which expire the tax loss carry forwards as follows:

	México
2015	26,779
2016	15,213
2017 to 2022	211,699
	253,691

b) Reconciliation of income tax and social contribution

	Company		Consolidated	
	2015/03	2014/03	2015/03	2014/03
Income before income tax and social contribution	146,256	168,859	174,082	175,231
Income tax and social contribution at the rate of 34%	(49,727)	(57,412)	(59,188)	(59,579)
Technological research and innovation benefit - Law 11.196/05 (a)	-	4,524	-	4,524
Tax incentives – donations	-	1,478	53	1,684
Equity in investees (note 13)	26,465	(599)	-	-
Unrecognized deferred taxes on tax losses generated by foreign subsidiaries	-	-	5,382	3,011
Tax benefit of interest on equity	(3,360)	310	(1,082)	(6,765)
Income tax and social contribution expenses	(26,622)	(51,699)	(54,835)	(57,125)
Income tax and social contribution - current	(11,507)	(76,409)	(30,115)	(83,882)
Income tax and social contribution - deferred	(15,115)	24,710	(24,720)	26,757
Effective rate - %	18.2	30.6	31.5	32.6

(a) Refers to the tax benefit established by Law 11.196/05, which allows for the direct deduction from the calculation of taxable income and the social contribution tax basis of the amount corresponding to 60% of the total expenses on technological research and innovation, observing the rules established in said Law.

The changes in income tax and social contribution for the period of three months ended in March 31, 2015 and 2014 were as follows:

Company				Consolidated			
Balance at 2014/12	Charged/(credit) to profit or loss	Charged / (credit) Other comprehensive income	Balance at 2015/03	Balance at 2014/12	Charged/(credit) to profit or loss	Charged / (credit) Other comprehensive income	Balance at 2015/03
6,222	(15,115)	6,950	1,943	147,763	(24,720)	7,428	130,471

Company				Consolidated			
Balance at 2013/12	Charged/(credit) to profit or loss	Charged / (credit) Other comprehensive income	Balance at 2014/03	Balance at 2013/12	Charged/(credit) to profit or loss	Charged / (credit) Other comprehensive income	Balance at 2014/03
56,038	24,710	-	80,748,	193,767	26,757	-	220,524

11. ESCROW DEPOSITS

Represent Group's restricted assets related to amounts deposited and held by the courts until the litigation to which they are linked is resolved.

The Group's escrow deposits as of March 31, 2015 and December 31, 2014 are as follows:

	Company		Consolidated	
	2015/03	2014/12	2015/03	2014/12
Unaccrued tax lawsuits(i)	137,178	135,033	142,613	140,445
Accrued tax lawsuits (ii)	75,126	72,349	112,262	108,602
Unaccrued civil lawsuits	1,112	1,180	1,505	1,555
Accrued civil lawsuits (note 18)	2,639	2,602	2,962	2,928
Unaccrued labor lawsuits	4,604	4,293	5,981	5,699
Accrued labor lawsuits (note 18)	2,939	2,674	4,410	4,095
Total escrow deposits	223,598	218,131	269,733	263,324

(i) The proceedings related to these judicial deposits basically refer to the sum of amounts disclosed in ICMS – ST, note 18.b),

(ii) The proceedings related to these judicial deposits basically refer to the sum of amounts disclosed in note 17, item (a), (b),"UFIR restatement" on federal taxes, "INSS – Suspended Enforceability" and the amount accrued in the note 18.

12. OTHER CURRENT AND NON CURRENT ASSETS

Company		Consolidated	
2015/03	2014/12	2015/03	2014/12

Marketing and advertising advances	161,642	154,690	198,650	165,897
Supplier advances	74,365	57,833	102,168	94,886
Employee advances	6,361	4,341	13,273	8,458
Rent advances	-	-	7,878	6,676
Insurance	1,613	2,883	4,195	11,640
Import taxes	132	126	3,487	2,055
Assets held for sale (a)	-	4,413	24,752	29,165
Carbon credits (b)	7,947	7,947	7,947	7,947
Other	5,751	5,836	40,814	7,413
	257,811	238,069	403,164	334,137
Current	243,173	177,396	363,669	248,482
Non-current	14,638	60,673	39,495	85,655

(a) This balance refers to assets which the company intends to sell one of the next 12 months as CPC 31-non-current assets held for sale (IFRS 5). These assets are measured at the lower value between the carrying amount and fair value less costs to sell. The company classifies these assets under this heading by considering selling highly probable and the assets are available for immediate sale in its present condition. Once classified as intended for sale, the assets are not depreciated or amortized.

(b) Carbon Neutral program, disclosed in note 2.9, disclosure of annual financial statements refers to year ended December 31,2014, disclosure in February 11, 2015.

13. INVESTMENTS

	Company	
	2015/03	2014/12
Investments in subsidiaries	1,779,591	1,631,882

Information and changes in the balances for the period of three months ended in March 31,2015

	Indústria e Comércio de Cosméticos Natura Ltda. (*)	Natura Cosméticos S.A. - Chile	Natura Cosméticos S.A. - Peru	Natura Cosméticos S.A. - Argentina	Natura Cosméticos C.A. - Venezuela	Natura Inovação e Tecnologia de Produtos Ltda. (*)	Natura Cosméticos de México S.A. (*)	Natura Cosméticos Ltda. - Colômbia	Natura (Brasil) International B.V. - Holanda (*)	Natura Cosméticos España S.L.	Natura Biosphera Franqueadora Ltda.	Natura Brazil Pty Ltd (*)	Total
Share capital	526,155	145,791	57,205	92,680	7,716	5,008	319,633	132,685	33,116	606	3,854	200,239	1,524,688
Equity interest	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	100.00%	100.00%	99.99%	100.00%	
Subsidiaries' shareholders' equity	1,266,617	84,401	13,059	176,741	358	44,374	623	9,893	11,794	603	678	211,389	1,820,520
Interest in shareholders' equity	1,225,710	84,393	13,058	176,723	358	44,370	623	9,892	11,794	603	678	211,389	1,779,591
Subsidiaries' net income (loss) for the period	67,782	(4,826)	(3,318)	21,145	-	5,730	(1,841)	(3,479)	(6,053)	-	(240)	2,947	77,847
Carrying amount of investments													
Balance as of December 31, 2013	1,120,557	62,537	15,568	99,645	262	34,990	8,226	7,049	15,606	606	26	157,849	1,522,921
Equity in investees	40,148	15,410	(2,445)	41,607	-	20,006	(20,443)	(4,163)	(23,134)	-	(2,861)	20,512	84,637
Exchange rate change and other adjustments on the translation of investments in foreign subsidiaries	(65)	(1,294)	907	(7,819)	35	(1)	(1,076)	(1,373)	(1,630)	(3)	-	6,306	(6,013)
Company's contribution to the stock options plan of subsidiaries' executives and other reserves	2,091	-	-	-	-	1,173	-	-	-	-	-	-	3,264
Gain/Losses actuarial	(1,929)	-	-	-	-	(482)	-	-	-	-	-	-	(2,411)
Effects of hedge accounting (not tax)	(1,408)	-	-	-	-	-	-	-	-	-	-	-	(1,408)
Effects of changes from participation on subsidiary	-	-	-	-	-	-	-	-	-	-	-	(19,937)	(19,937)
Dividends distribution	-	-	-	-	-	(17,000)	-	-	-	-	-	-	(17,000)
Capital increases	-	-	-	1,682	-	-	15,081	10,387	23,367	-	2,250	15,062	67,829
Balance as of December 31, 2014	1,159,394	76,653	14,030	135,115	297	38,686	1,788	11,900	14,209	603	(585)	179,792	1,631,882
Equity in investees	67,775	(4,826)	(3,318)	21,143	-	5,729	(1,841)	(3,479)	(6,053)	-	(240)	2,947	77,837

Exchange rate change and other adjustments on the translation of investments in foreign subsidiaries	7	12,566	2,346	20,465	61	340	676	1,471	856	-	(1)	25,074	63,861
Company’s contribution to the stock options plan of subsidiaries’ executives and other reserves	(539)	-	-	-	-	(385)	-	-	-	-	-	-	(924)
Effects of hedge accounting (not tax)	(927)	-	-	-	-	-	-	-	-	-	-	-	(927)
Effects of changes from the Company on the fair value of net assets acquired by Emeis Holding Pty Ltd..	-	-	-	-	-	-	-	-	-	-	-	3,576	3,576
Capital increases	-	-	-	-	-	-	-	-	2,782	-	1,504	-	4,286
Balance as of March 31, 2015	1,225,710	84,393	13,058	176,723	358	44,370	623	9,892	11,794	603	678	211,389	1,779,591

(*) Consolidated information of the following companies:

Indústria e Comércio de Cosméticos Natura Ltda. - Indústria e Comércio de Cosméticos Natura Ltda. e Natura Logística e Serviços Ltda.
Indústria e Comércio de Cosméticos Natura Ltda. : Indústria e Comércio de Cosméticos Natura Ltda. And Natura Logística e Serviços Ltda.
Natura Cosméticos de México S.A: Natura Cosméticos y Servicios de Mexico, S.A. de C.V., Natura Cosméticos de Mexico, S.A. de C.V. e Natura Distribuidora de Mexico, S.A. de C.V.
Natura (Brasil) International B.V. - Holanda: Natura (Brasil) International B.V. (Holanda), Natura Brasil Inc. (EUA - Delaware), Natura International Inc. (EUA - New York), Natura Europa SAS (France)
Natura Brazil Pty. Ltd.: Natura Brazil Pty. Ltd., Natura Cosmetics Australia Pty. Ltd. e Emeis Holdings Pty. Ltd.
Natura Inovação e Tecnologia de Produtos Ltda.: Natura Inovação and Tecnologia de Produtos Ltda. and Natura Innovation et Technologie de Produits SAS. - France

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14. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment

Company

	Weighted average annual depreciation rate - %	December, 31 of 2014	Addictions	Write-offs	Transfers (fixed and intangible assets)	Others changes	March, 31 of 2015
Cost Value:							
Vehicles	23	46,250	1,373	(1,908)	-	-	45,715
Machinery and equipment	6	201.702	44	-	270	-	202,016
Improvements in third party properties (a)	8	67.505	-	-	8	-	67,513
Buildings	3	250,967	80,856	-	-	-	331,823
Furniture and fixtures	9	13.415	9	-	-	2	13,426
Properties	-	-	-	-	-	4,412	4,412
IT equipment	21	84.669	-	(4)	-	7	84,672
Provision for losses	-	(12.520)	-	-	-	689	(11,831)
Projects in progress	-	35.579	13,181	-	(14,463)	2	34,299
Total cost value		687,567	95,463	(1,912)	(14,185)	5,112	772,045
Depreciation Value:							
Vehicles	23	(20,999)	(2,428)	939	-	-	(22,488)
Machinery and equipment	6	(39.343)	(4,407)	-	-	-	(43,750)
Improvements in third party properties (a)	8	(18.663)	(1,126)	-	-	-	(19,789)
Buildings	3	(12,718)	(1,652)	-	-	-	(14,370)
Furniture and fixtures	9	(3.025)	(186)	-	-	-	(3,211)
IT equipment	21	(51.886)	(1,904)	2	-	(2,038)	(55,826)
Total depreciation		(146.634)	(11,703)	941	-	(2,038)	(159,434)
Total		540,933	83,760	(971)	(14,185)	3,074	612,611

Consolidated

	Weighted average annual depreciation rate - %	December, 31 of 2014	Addictions	Write-offs	Transfers (fixed and intangible assets)	Others changes	March, 31 of 2015
Cost Value:							
Vehicles	23	71,909	4,090	(3,275)	-	2,725	75,449
Templates	34	194,598	-	-	-	2	194.600
Tools and accessories	13	52.427	1,674	(12)	482	3,092	57,663
Facilities	5	202,068	2,930	(2)	10,339	1,762	217,097
Machinery and equipment	6	648.217	4,325	(101)	13,039	2,802	668,282
Improvements in third parties (a)	8	105.891	1,348	-	649	7,145	115,033
Buildings	3	675,066	80,906	-	-	-	755,972
Furniture and fixture	9	46.820	297	(31)	-	2,627	49,713
Properties	-	26,113	-	-	-	4,413	30,526
IT Equipment	21	121.843	1,494	(15)	-	2,594	125,916
Provision for losses		(18.642)	-	-	-	689	(17,953)
Projects in progress	-	301.202	30,312	(11)	(43,758)	3,089	290,834
Total cost value		2,427,512	127,376	(3,447)	(19,249)	30,940	2,563,132
Depreciation Value:							
Vehicles	23	(29,684)	(3,951)	1,652	-	(815)	(32,798)
Templates	34	(150,113)	(6,489)	-	-	(10)	(156.612)
Tools and accessories	13	(22.146)	(2,278)	-	-	916	(23,508)
Facilities	5	(87,452)	(2,166)	5	-	(1,095)	(90,708)
Machinery and equipment	6	(239.177)	(14,274)	96	-	(338)	(253,693)
Improvements in third parties (a)	8	(40.649)	(3,237)	-	-	(2,903)	(46,789)
Buildings	3	(91,367)	(4,186)	-	-	-	(95,553)

Furniture and fixture	9	(15,327)	(1,069)	19	-	(831)	(17,208)
IT equipment	21	(79.450)	(5,035)	3	-	(1,836)	(86,318)
Total depreciation		(755,365)	(42,685)	1,775	-	(6,912)	(803,187)
Total		1,672,147	84,691	(1,672)	(19,249)	24,028	1,759,945

Intangible

	Company						
	Weighted average annual depreciation rate - %	December, 31 of 2014	Addictions	Write-offs	Transfers (fixed and intangible assets)	Others changes	March, 31 of 2015
Cost Value::							
Software and others	10	527,813	1,844	-	14,185	-	543,842
Total cost value		527,813	1,844	-	14,185	-	543,842
Amortization Value:							
Software and others	10	(131,141)	(8,791)	-	-	-	(139,932)
Total amortization value		(131,141)	(8,791)	-	-	-	(139,932)
Total		396,672	(6,947)	-	14,185	-	403,910

	Consolidated						
	Weighted average annual depreciation rate - %	December, 31 of 2014	Addictions	Write-offs	Transfers (fixed and intangible assets)	Others changes Include exchange rates	March, 31 of 2015
Cost Value:							
Software and others	10	639,477	3,651	-	19,949	4,994	667,371
Trademarks and patents (d)	4	55,751	-	-	-	40,657	96,408
Goodwill Emeis (Brazil PTY) (b)	-	77,047	-	-	-	9,556	86,603
Relationship with clients (d)	11	899	-	-	-	657	1,556
Inherent Goodwill Natura Business lease – Natura Europa SAS – France (c)	-	4,071	-	-	-	276	4,347
Total cost value		777,245	3,651	-	19,249	56,140	856,285
Amortization Value:							
Software and others	10	(161,909)	(10,928)	-	-	(2,041)	(174,878)
Trademarks and patents (d)	4	(6,005)	(3,407)	-	-	1,379	(8,033)
Relationship with clients (d)	11	(127)	(151)	-	-	(81)	(359)
Total amortization value		(168,041)	(14,486)	-	-	(743)	(183,270)
Total		609,204	(10,835)	-	19,249	55,397	673,015

(a) The amortization rates take into consideration the lease terms of leased properties, which range from three to fifteen years.

(b) Goodwill the acquisition of Emeis Holdings Pty Ltd.

(c) The business lease generated on the purchase of a commercial location where Natura Europa SAS - France operates is supported by an appraisal report issued by independent appraisers, attributable to the fact that it is an intangible, marketable asset, the value of which does not decrease over time. The change in the balance is basically due to the effects of the exchange fluctuation for the period.

(d) The balances of intangible assets and liabilities identified in the business combinations related to entities located abroad must be expressed in the functional currency of the entity abroad and, consequently, must be translated, at every closing date, at the closing exchange rate of functional currency the company.

"Other changes including exchange rates" considers the supplement to Company indirect interest in the net assets obtained upon acquisition of Emeis Holding Pty Ltd. As of March 31, 2015, these balances reflect the ownership interest of 100% held in the net assets acquired from Emeis Holding Pty Ltd. and noncontrolling interest on the appreciation of these assets is disclosed in the interim financial information.

Additional information on property, plant and equipment:

a) Assets pledged as collateral

As of March 31, 2015, the Group has property, plant and equipment items pledged as collateral of bank financing and loan transactions, as well as items attached to the defense of lawsuits, as shown below:

	Company	Consolidated
Vehicles	1	34
IT Equipment	6	15
Machinery and equipment	-	8
Building	-	2
Templates	-	3
Properties	-	1
Total	7	63

b) Leases

In March 31,2015, the Company entered into finance lease transactions to purchase property, plant and equipment totaling R$ 80,856 in "Buildings" account. As of March 31, 2015, the amount recorder under "Buildings" arising from lease transactions totaling R$ 405,026 (Consolidated) and the balance of lease payables, classified in line item "Borrowings and financing" (note 15) totals R$396,875 (Consolidated) (R$332,274 as of December 31, 2014-Consolidated).

c) Balance of capitalized interest

	2015/03	2014/12
Financial expenses recorded under "Buildings"		
Balance at beginning of year	5,741	5,588
Depreciation	(117)	(387)
Capitalized interest	-	540
Balance at	5,624	5,741

15. BORROWINGS AND FINANCING

	Company		Consolidated		
	2015/03	2014/12	2015/03	2014/12	Reference
Local Currency					
FINEP (Financing Agency for Studies and Projects	-	-	146,387	112,385	A
Debentures	1,409,187	623,771	1,409,188	623,771	B
BNDES	74,448	74,833	239,861	217,942	C
Working capital / NCE	-	-	257,048	256,006	D
BNDES – FINAME	2,261	2,293	18,166	19,470	E
Financial lease (Note 14.b)	319,680	254,339	396,875	332,274	F
FINEP (Grants and Government Assistance)	-	-	647	647	G
Total in local currency	1,805,576	955,236	2,468,172	1,562,495	
Foreign Currency					
BNDES	22,881	20,254	51,230	44,490	H
Resolution 4131/62	2,449,945	2,152,946	2,587,005	2,265,399	I
International operation – Peru	-	-	43,987	30,752	J
International operation – Mexico	-	-	85,439	55,000	K
International operation – Australia	-	-	25,678	23,074	L
International operation - Colombia	-	-	29,984	-	M
Total in foreign currency	2,472,826	2,173,200	2,823,323	2,418,715	
Grand total	4,278,402	3,128,436	5,291,495	3,981,210	
Current	968,588	1,294,241	1,375,629	1,466,599	
Non current	3,309,814	1,834,195	3,915,866	2,514,611	

Reference	Currency	Maturity	Charges	Guarantees
A	Real	May ,2019 and June, 2023	Interest of 5% p.y for the installment maturing in 2019 and 3.5% p.y for the installment maturing in june,2023;	Guarantee of Natura Cosméticos S.A.
B	Real	February, 2019	Interest o107% to 108% % of CDI maturing in February,2017, February,2018 and February, 2019;	none
C	Real	Through September, 2021	TJLP + interest of 0,5% p.y. a 3.96% p.y. and contractos of 3.5% p.y. a 5% p.y. (PSI) (d);	Bank guarantee and financial covenants to contracts maturity in 2020
D	Real	Through August,2017	Interest of 8% p.y. (c) and Interest of 107% of CDI (c);	Guarantee of Natura Cosméticos S.A.
E	Real	Through June,2019	Interest of 4.5% p.y. + TJLP for contracts up to 2012 and for contracts from 2013 to 3% p.y. (PSI) (d); Contracts august 2014 to 6% p.y.	alienation chattel,promissory notes and Guarantee of Natura Cosméticos S.A.
F	Real	Through August,2026	Interest of 9% p.y + IPCA (b)	Leases are collateralized by the underlying assets
G	Real	July ,2015	None	none
H	Dollar	October, 2020	Exchange fluctuation + interest of 1.8% to 2.3% p.y. + Resolutionº 635 (a)	Guarantee of Natura Cosméticos S.A. and bank guarantee
I	Dollar	Through October,2017	Exchange fluctuation + Libor + Over Libor of 1.32% p.y. a 3.80% p.y. (a)	Guarantee of Natura Cosméticos S.A. and Industria e Comércio de Cosmético Natura Ltda.
J	Novo sol	Through March,2016	Interest of 5% p.y to 5.95% p.y.	Guarantee of Natura Cosméticos S.A.
K	Peso Mexican	June,2016	Interest of 0,98% p.y. + TIIE (e)	Guarantee of Natura Cosméticos S.A.
L	Dollar Australian	December, 2017	BBSY (f) + interest 1% and Libor + interest 1%.	Bank guarantee
M	Peso Colombian	Through March,2016	Interest of 6.6% p.y y.	Guarantee of Natura Cosméticos S.A.

(a) Loans and financing for which swap contracts (CDI) were entered into.
(b) IPCA – Consumer price index expanded
(c) Loans for which the financial instruments of the type "swap" with the exchange of fixed rate for CDI were hired.
(d) PSI-Investment Support Program.
(e) TIIE-interest rate of interbank equilibrium Mexico
(f) BBSY - Bank Bill Swap Bid Rate

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Maturities of non-current liabilities are as follows:

	Company		Consolidated	
	2015/03	2014/12	2015/03	2014/12
From 2016, April	1,228,992	-	1,440,824	-
2017	517,498	908,267	636,695	1,241,302
2018	721,399	288,735	790,592	401,752
2019 and thereafter	841,925	637,193	1,047,755	871,557
	3,309,814	1,834,195	3,915,866	2,514,611

A description of the outstanding bank loan agreements is as follows:

a) Description on bank loans

1. Financing agreements with the BNDES

The Company and its subsidiaries Indústria e Comércio de Cosméticos Natura Ltda. and Natura Inovação e Tecnologia de Produtos Ltda. have credit facility agreements with the BNDES to facilitate direct investments in the Company and its subsidiaries in order to improve certain product lines, train research and development employees, optimize in the Cajamar, SP industrial facilities, build new distribution centers an recently the deployment of an industrial plant in Benevides, Pará and investments at a distribution center in Parque Anhanguera in São Paulo, and projects related to digital accessibility.

2. Financing agreement with the FINEP

The subsidiary Natura Inovação e Tecnologia de Produtos Ltda. has innovation programs aimed at the development and acquisition of new technologies by means of partnerships with universities and research centers in Brazil and abroad. These innovation programs have the support of FINEP's research and technological development incentive programs, which facilitates and/or co-finances equipment, scientific grants and research material for the participating universities.

3. Machinery and Equipment Financing - FINAME

The Company benefits from a credit facility with the BNDES, related to FINAME onlendings, intended to finance the purchase of new machinery and equipment manufactured in Brazil. Said onlending is carried out by granting credit to subsidiary Indústria e Comércio de Cosméticos Natura Ltda., granting rights to receivables to the financial institution accredited as a financing agent, usually Banco Itaú Unibanco S.A. and Banco do Brasil S.A., which enters into such said financing with Indústria e Comércio de Cosméticos Natura Ltda.

These agreements are collateralized by assigning the fiduciary ownership of the assets described in the related agreements. The subsidiary Indústria e Comércio de Cosméticos Natura Ltda. is the trustee and the Company is the guarantor of these assets. In addition, the Group is required to meet the Provisions Applicable to

BNDES Agreements and the General Regulatory Terms and Conditions of FINAME-related Transactions.

4. Resolution nº 4.131/62

Bank Credit Note - Onlending of funds raised abroad under law nº 4.131/62, through financial institutions due to rates which under favorable under the circumstances. Funds raised in this operation aim at increasing Company working capital.

5. NCE

Export Note ("Nota de Crédito à Exportação") – Funds for use as working capital for export purposes.

6. Debentures

On March 16, 2015, the Company issued the 6th series of junior unsecured, registered debentures, not convertible into shares of Natura Cosméticos S.A., amounting to R$ 800 million. The Company issued 80,000 debentures, 40,000 (forty thousand) of which were allocated in the 1st series, maturing on March 16, 2018, 25,000 (twenty-five thousand) of which were allocated in the 2nd series, maturing on March 16, 2019, and 15,000 (fifteen thousand) of which were allocated in the 3rd series, maturing on March 16, 2020, remunerated at 107%, 108.25% and 109% respectively, of the accumulated variation of the average daily rate of Interbank Deposits (DI).

On February 25, 2014, the Company issued the 5th series of junior unsecured, registered debentures, not convertible into shares of Natura Cosméticos S.A., amounting to R$ 600 million. The Company issued 60,000 debentures, 20,000 (twenty thousand) of which were allocated in the 1st series, maturing on February 25, 2017, 20,000 (twenty thousand) of which allocated in the 2nd series, maturing on February 25, 2018, and 20,000 (twenty thousand) of which allocated in the 3rd series, maturing on February 25, 2019, remunerated at 107%, 107,5% e 108% respectively, of the accumulated variation of the average daily rate of Interbank Deposits (DI).

b) Finance lease obligations

Financial obligations are broken down as follows:

	Consolidated	
	2015/03	2014/12
Gross finance lease obligations - minimum lease payments:		
Less than one year	60,902	45,420
More than one year and less than five years	342,453	262,113
More than five years	1,360,913	439,107
Total	1,764,268	746,640
Future financing charges on finance leases	(1,367,393)	(414,366)
Financial lease obligations - accounting balance	396,875	332,274
Accounting balance of property, plant and equipment	405,026	324,170

c) Capitalized Interest

The following table presents summary financial charges and capitalized in fixed assets under "Buildings" plot.

	Company		Consolidated	
	2015/03	2014/12	2015/03	2014/12
Total financial charges for the year	45,179	120,977	59,361	173,876
Capitalized interest	-	-	-	(5,741)
Financial expenses (Note 25)	45,179	120,977	59,361	168,135

Financial expenses are capitalized based on the rate of the loan to which the qualifying asset is directly connected.

d) Contract Covenants

On March 31, 2015 and December 31, 2014, the majority of loans and financing held by the Company and its subsidiaries contract does not contain restrictive covenants that establish obligations regarding the maintenance of financial ratios by the Company and its subsidiaries.

Contracts with BNDES from July 2011 have restrictive covenants establishing the following financial indicators:

- EBITDA margin exceeding 15%; and

- Net debt / EBITDA less than or equal to 2.5 (two point five).

On March 31, 2015, the Company had fully complied with all such covenants.

16. TRADE AND OTHER PAYABLES

	Company		Consolidated	
	2015/03	2014/12	2015/03	2014/12
Domestic trade payables	182,162	216,372	675,529	572,102
Foreign trade payables (a)	6,952	6,210	20,563	13,480
Freight payable	23,512	15,383	21,829	14,039
	212,626	237,965	717,921	599,621

(a) Refer mostly to US dollar-denominated amounts

17. TAX PAYABLES

	Company		Consolidated	
	2015/03	2014/12	2015/03	2014/12
Taxes on revenue (PIS/COFINS) (judicial remedy) (a)	2,187	2,153	220,321	212,968
Ordinary ICMS	110,013	132,590	102,066	127,124
Regular and reverse charge ICMS (b)	55,232	52,052	55,232	52,052
IRPJ and CSLL	38,973	36,882	50,986	79,496
IRPJ and CSLL (injunction) (c)	220,573	205,183	220,573	205,183
INSS – suspension of the enforceability	2,517	2,470	12,619	12,220
UFIR adjustment to federal taxes	3,156	3,089	3,220	3,159
Action for annulment of INSS debt	3,614	3,560	3,614	3,560
IRRF/IPI	11,234	12,309	18,470	17,438
Withholding PIS/COFINS/CSLL	4,258	3,628	13,375	15,137
TAX- subsidiaries abroad	-	-	152,024	83,830
Service tax (ISS)	601	804	1,705	2,293
	468,636	454,720	854,205	814,460
Escrow deposits (note 11)	(65,977)	(63,324)	(102,446)	(98,992)
Current	386,381	391,396	751,759	715,468
Non current	65,977	63,324	102,446	98,992

(a) The Company and its subsidiary Indústria e Comércio de Cosméticos Natura Ltda. are challenging in court the inclusion of ICMS in the tax basis of Integration Program Tax on Revenue (PIS) and Social Security Funding Tax on Revenue (COFINS). On June 2007, the Company and its subsidiary were authorized by the court to pay PIS and COFINS without the inclusion of ICMS in their tax basis, starting April 2007. The balances recognized as of March 31, 2015 refer to the unpaid amounts of PIS and COFINS, from April 2007 to March 31, 2015, the collection of which is on hold. Part of the balance, in the adjusted amount of R$ 34,248 is deposited in escrow (R$ 32,710 refers to accrued tax lawsuits and R$ 1,538 refers the part unccrued tax lawsuits).

(b) It refers to the sum of ICMS – ST amounts, which are deposited with the courts. The amount of unpaid ICMS-ST is being discussed in court by the Company and, in certain cases, is monthly deposited with the courts, as mentioned in Note 18.(b) (contingent liabilities - risk of loss assessed as possible). In the Paraná state and Federal District, the Company entered into a tax agreement, as such, there have not been judicial deposits since November, 2011 and August, 2014 for the respective states.

(c) On February 4, 2009, the Company filed for a preliminary injunction, later on confirmed by a decision that suspended enforceability of income and social contribution taxes levied on any amounts received as arrears interest on late payment of contractual liabilities in connection with sales operations to Natura Consultants. The appeal lodged by Federal Government is pending judgment.

Tax installment program established by Law 11,941/09

On May 27, 2009, Federal Government enacted Law 11,941/09, as a result of the conversion of Provisional Act 449/08, which, among other changes to tax law, established the possibility of a tax debt installment plan managed by the Federal Revenue Service, the National Social Security Institute and the National Treasury Attorney General (PGFN).

The entities that opted for paying or dividing into installments the debts under this Law, in the applicable cases, may settle the amounts corresponding to default and automatic fines and late-payment interest, including those related to legally enforceable debts to the Government, using tax loss carry forwards, and will benefit from reduced fines, interest and legal charges whose reduction percentage depends on the installment plan chosen

The tax debts recorded for payment in installments by the Company and its subsidiaries, pursuant to Law 11,941/09, are as follows:

	Company		
	2014/12	Inflation adjustment	2015/03
Action for annulment of INSS debt	3,560	54	3,614
UFIR adjustment to federal taxes	3,089	67	3,156
	6,649	121	6,770

	Consolidated			
	2014/12	Inflation adjustment	Reversals	2015/03
Action for annulment of INSS debt	3,560	54	-	3,614
UFIR adjustment to federal taxes	3,159	67	(6)	3,220
	6,719	121	(6)	6,834

Due to the lack of tax loss carry forwards, the Company will not offset them against the remaining balance of the interest on installments.

The next steps of the Company's and its subsidiaries' tax installment plans, which are being discussed in courts, depend on a decision about the consolidation of the related debts, which is expected in order to settle such debts by transferring existing escrow deposits to the Federal Government.

18. PROVISION FOR TAX, CIVIL AND LABOR RISKS

Company and its subsidiaries are parties to tax, labor and civil lawsuits and administrative tax proceedings and an arbitration proceeding. Management believes, based on the opinion and estimates of its legal counsel, that the provision for tax, civil, and labor contingencies are sufficient to cover potential losses. This provision is broken

down as follows:

	Company		Consolidated	
	2015/03	2014/12	2015/03	2014/12
Tax	33,840	34,958	43,939	45,852
Civil	11,810	11,417	14,560	13,749
Labor	9,640	8,043	19,043	16,162
Total	55,290	54,418	77,542	75,763
Escrow deposits (note 11)	(14,728)	(14,301)	(17,188)	(16,633)

Tax contingencies

The provision for tax risks is broken down as follows:

	Company					
	2014/12	Additions	reversals	Payments	Inflation adjustment	2015/03
Legal fees (a)	18,520	-	(221)	-	494	18,793
Tax assessment - 1990 IRPJ	3,929	-	-	-	42	3,971
CSLL deductibility (Law 9316/96) (b)	8,656	-	-	-	79	8,735
Others	3,853	-	(1,553)	-	41	2,341
Total provision for tax contingencies	34,958	-	(1,774)	-	656	33,840
Escrow deposits (note 11)	(9,025)	-	-	-	(125)	(9,150)

	Consolidated					
	2014/12	Additions	reversals	Payments	Inflation adjustment	2015/03
Legal fees (a)s (a)	27,342	-	(228)	-	751	27,865
Tax assessment - 1990 IRPJ	3,929	-	-	-	42	3,971
CSLL deductibility (Law 9316/96) (b)	8,655	-	-	-	80	8,735
Others	5,926	66	(2,687)	-	63	3,368
Total provision for tax contingencies	45,852	66	(2,915)	-	936	43,939
Escrow deposits (note 11)	(9,610)	-	-	-	(206)	(9,816)

(a) These refer to lawyer fees in connection with tax proceedings, among which we highlight the following:

(i) Tax infraction notices issued against the Company in August 2003, December 2006 and December 2007, by Brazilian IRS, claiming IRPJ and CSLL debts related to deductibility of yield of debentures issued by the Company, in 1999, 2001 and 2002, respectively. The infraction notices related to 2001 and 2002 are pending a decision by the Administrative Board of Tax Appeals (CARF). The legal advisors have assessed that the case involves remote loss.

A definitive decision at the administrative level on the tax infraction notice issued against the Company in August 2003, related to deductibility in 1999, was handed down in January 2010, partially maintaining IRPJ collection, and fully maintaining CSLL collection. After this decision, on April 7, 2010, the Company filed a legal proceeding attempting to cancel the remaining IRPJ and CSLL portion. The trial court decision was in favor of the Company. The appeal lodged by the Company is currently pending judgment. The legal advisors have assessed that the case involves remote loss.

(ii) Tax infraction notices in connection with IRPJ and CSLL, issued on June 30, 2009 and August 30, 2013, questioning deductibility for tax purposes of goodwill amortization, resulting from incorporation of shares of Natura Empreendimentos by Natura Participações S.A. and subsequent merger of both companies with Natura Cosméticos S.A. In December 2012, a decision was handed down by CARF on the proceeding referring to tax infraction notice of 2009, which was partially in favor of the Company to reduce the uprated fine. In terms of merit, the decision was unfavorable, reason why the Company is awaiting formalization of the decision in order to file an appeal with the Higher Board of Tax Appeals (CSRF). In relation to the tax infraction notice of 2013, in June 2014, the Company was informed of the unfavorable decision related to its opposition. The Company filed an appeal with CARF, which is currently pending judgment. It should be noted that CARF handed down favorable decisions on similar cases, which represent important case law for the Company. In the opinion of the Company's lawyers, the operation, as structured, and its tax effects are defensible, reason why the risk of loss is assessed as remote.

(iii) IPI, PIS and COFINS tax infraction notices issued against the subsidiary, in December 2012, referring to taxable events occurred in 2008, alleging that the subsidiary would have adopted incorrect prices in sales to the parent company. In May and June 2013, the proceedings were judged by Brazilian IRS Appellate Division in Ribeirão Preto/SP, which decided (a) in favor of the subsidiary, cancelling the tax debt claimed in the PIS/COFINS tax infraction notice and (b) against the subsidiary maintaining the tax debt claimed in the IPI tax infraction notice. Both decisions will be reassessed at the upper administrative level (CARF). In the opinion of the Company's lawyers, the operation, as structured, and its tax effects are defensible, reason why the risk of loss is assessed as remote.

(b) This refers to the writ of mandamus questioning constitutionality of Law No. 9316/96, which prohibited deductibility of CSLL from its own calculation base and IRPJ calculation base. The amount involved in this proceeding is deposited with the courts. On August 25, 2014, in order to use the benefits from the installment payment program of the Federal Government, the Company filed a petition waving the related proceeding. Formalization of adhesion to the program and conversion of the judicial deposit into Federal Government proceeds are currently pending. The amount deposited with the court amounts to R$ 6,817 (R$ 6,732 at December 31, 2014).

Civil risk

	Company					
	2014/12	Additions	Reversals	Payments	Inflation adjustment	2015/03
Several civil lawsuits (a)	5,255	1,413	(328)	(1,063)	45	5,322
Lawyer fees - environmental civil lawsuit (b)	2,440	-	-	-	80	2,520
Civil lawsuits and lawyer fees - Nova Flora Participações Ltda.	3,722	-	-	-	246	3,968
Total provision for civil risks	11,417	1,413	(328)	(1,063)	371	11,810
Escrow deposits (note 11)	(2,602)	-	-	-	(37)	(2,639)

	Consolidated					
	2014/12	Additions	Reversals	Payments	Inflation adjustment	2015/03
Several civil lawsuits (a)	6,711	1,822	(317)	(1,111)	83	7,188
Lawyer fees - environmental civil lawsuit (b)	2,440	-	-	-	80	2,520
Lawyer fees - IBAMA (c)	855	-	-	-	28	883
Civil lawsuits and lawyer fees - Nova Flora Participações Ltda.	3,743	-	-	-	226	3,969
Total provision for civil risks	13,749	1,822	(317)	(1,111)	417	14,560
Escrow deposits (note 11)	(2,928)	-	7	-	(41)	(2,962)

(a) As of March 31, 2015, the Company and its subsidiaries are parties to 2,310 civil lawsuits and administrative proceedings (2,161 as of December 31, 2014), of which 2,098 were filed with civil courts, special civil courts and the consumer protection agency (PROCON) by Natura Beauty Consultants, consumers, suppliers and former employees, most of which claiming compensation for damages. The balance deposited with the courts for the tax infraction notices above amounts to R$ 2,962 (R$ 2,928 December 31,2014).

(b) The provision includes R$1,811 with respect to legal fees, ad exitum, for the defense of the Company's interests in the public lawsuit filed by the Federal Public Prosecution Office of Acre against the Company and other institutions for alleged access to the traditional knowledge associated to the asset ("Murumuru"). Award was made in the records of that action, deciding to exclude Natura demand. However, as the prosecution filed an appeal, the case is awaiting final decision. Our legal counsel's opinion is that the risk of losses is remote.

(c) These refer to lawyer fees for the adoption of the judicial measures considered applicable by the Company's legal advisors, which aim at the revoking of the assessment notices issued by the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA) against the Company in 2010 and 2011 for supposed irregular access to the Brazilian genetic patrimony or related traditional knowledge, as well as it supposed failure in sharing the benefits. The Company received until March, 2015, 70 fines from IBAMA, totaling R$13,693 and filed reply and administrative appeal for all of them, and three assessments notices have already been revoked. A definitive decision on merit has not yet been handed down on the other cases, reason why such fines do not represent enforceable liabilities. In view of the Company's decision that it will question in court any unfavorable decisions on the administrative proceedings with IBAMA, Company management and its legal advisors assess as remote the chances of loss on the assessment notices related to the supposed failure to share benefits, and as possible the chances of loss on the assessment notices related to irregular unauthorized access to the Brazilian genetic patrimony due to compliance with all of the principles established in the Biological Diversity Convention (CDB), an international treaty entered into in Rio-92, and the unlawfulness and unconstitutionality of the current legal framework that incorporated CDB in the Brazilian legal system. Except for the inputs from Federal Government land, with which Natura is negotiating through the Negotiation Committee, the Company shares benefits in 100% of the cases of access to the Brazilian biodiversity genetic patrimony and related traditional knowledge, and pioneers in the sharing of benefits with traditional communities and has most of the permits from the regulatory agency to have access to biodiversity as well as the permits already granted to private

companies.

Labor risks

As of March 31, 2015, the Company and its subsidiaries are parties to 863 labor lawsuits filed by former employees and third parties (793 as of December 31, 2014), claiming the payment of severance amounts, salary premiums, overtime and other amounts due, as a result of joint liability. The provision is periodically reviewed based on the progress of lawsuits and history of losses on labor claims to reflect the best current estimate.

	Company				
	2014/12	Additions	Reversals	Inflation adjustment	2015/03
Total provision for labor contingencies	8,043	1,936	(444)	105	9,640
Escrow deposits (note 11)	(2,674)	(107)	--	(158)	(2,939)

	Consolidated				
	2014/12	Additions	Reversals	Inflation adjustment	2015/03
Total provision for labor contingencies	16,162	3,530	(1,312)	663	19,043
Escrow deposits (note 11)	(4,095)	(122)	-	(193)	(4,410)

Contingent liabilities - possible risk

The Company and its subsidiaries are parties to tax, civil and labor proceedings for which no provision has been set up because they involve possible risk of loss as assessed by management and its legal advisors.

At March 31, 2015, contingent liabilities comprise 542 cases (531 at December 31, 2014), as under:

	Company		Consolidated	
	2015/03	2014/12	2015/03	2014/12
Tax	787,735	749,919	910,332	859,754
Civil	19,099	23,438	19,671	29,922
Labor	33,024	26,700	57,529	52,603
Total contingent liabilities (Unaccrued)	839,858	800,057	987,532	942,279
Escrow deposits (note 11)	(120,263)	(115,471)	(124,012)	(120,304)

The tax cases comprise the following main proceedings:

(a) Dismissal of applications for offset filed in order to use PIS and COFINS credits, computed on expenses incurred with freight on sales of products subject to one-time levy taxation. The Company awaits judgment of the case at the administrative level. The total amount being disputed is R$59,469 (R$ 58,407 at December 31, 2014).

(b) The Company and its subsidiary are parties to administrative and judicial proceedings questioning lawfulness of amendments to state legislation related to ICMS-ST collection. The amount being disputed totals R$ 593,858 (R$ 581,444 at December 31, 2014) and R$ 96,188 (R$ 97,821 at December 31, 2014) being deposited with the courts.

The Company has other amounts deposited with the courts in connection with proceedings assessed as involving remote chances of loss, which aggregate R$ 22,631 (R$ 25,025 at December 31, 2014) Company and R$ 26,087 (R$ 27,395 at December 31,2014) Consolidated, as explained in note 11 – Judicial deposits .

Contingent assets

The Company and its subsidiaries have the following significant contingent assets:

The Company and its subsidiaries Industry and Trade Cosmetics Natura Ltda., Natura Innovation and Technology Products Ltda. and Natura Logistics and Services Ltda. plead the refund of the ICMS and Service Tax - ISS included in the calculation basis of PIS and COFINS, collected from March 2004 to March 2007. The amounts of the refund claims, updated through March 31, 2015 amounted to R$ 237,573 (R$ 219,338 on December 31, 2014). The opinion of legal counsel is that the probability of loss is possible

The Company and its subsidiaries do not recognize as its assets contingent assets listed above, as the pronouncement CPC 25 - Provisions, contingent liabilities and contingent assets.

19. OTHER PROVISION

(a) Provision for acquisition of non-controlling interest

Liability recorded due to the purchase and sale agreement of Emeis Holdings Pty Ltd, which provides for acquisition of interest of non-controlling shareholders as from 2015, with term of up to 2025. The payment shall be made based on Company performance on the date of exercise of the option. The balance at March 31, 2015 is R$ 163,171 (R$145,465 at December 31, 2014), with restatement of the period of three months ended in March 31, 2015, the update in the amount R$ 17,706.

The provision for acquisition of interest of non-controlling shareholders in connection with the remaining 28.66% of voting capital of Emeis Holdings Pty Ltd. at March 31, 2015 was calculated considering projected EBITDA, plus the balance of cash and financial liabilities, for the period ended June 30, 2015 and 2016, in which, based on management's best estimate, the options will be exercised.

(b) Others non current liabilities

	Company		Consolidated	
	2015/03	2014/12	2015/03	2014/12
Retirees' healthcare plan (*)	22,687	23,069	37,828	37,698

Carbon credit	10,499	9,602	10,499	9,602
Other provisions	14,410	19,455	83,668	98,498
Total	47,596	52,126	131,995	145,798

(*) The Company and its subsidiaries offer a group of paid staff who made inactive and fixed contributions to the health care plan, the right to stay in the health plan after retirement by paying the average premium. The recognition of actuarial gains and losses are recognized through other comprehensive income (OCI) as mentioned in Note 2.25 of annual financial statements of the Company refers to year ended December 31,2014, disclosure in February 11, 2015.On March 31, 2015, the weighted average life is 19 years and had 805 to 1,707 employees in the Company and Consolidated, respectively.

On March 31, 2015, the Company and its subsidiaries had a provision for actuarial liabilities related to this plan in the amount of R$ 22,687 and R$ 37,828 in the parent company and Consolidated, respectively (R$23,069 and R$37,698, respectively, in the Company and Consolidated at December 31, 2014).

For the period of three months ended in March 31, 2015 the consequences of this plan in income are related to the cost of service in the amount of R$1,135 and R$ 913 in the Company and Consolidated, respectively, and the interest cost of R$ 753 and R$ 1,043 in the company and Consolidated, respectively.

The actuarial liability shown was calculated by an independent actuary considering the following main assumptions:

	2014
Financial discount rate	11.75
Increase in medical expenses	11.90 a 6,40
Long-term inflation rate	5,40
Final rate of medical inflation – after 10 years	6,40
Rate of growth of medical costs for ageing costs	3,50
Rate of growth of medical costs for aging contributions	0,00
Invalidity table	Wyatt 85 Class 1
General mortality table	RP2000
Turnover table	T-9 service table

	Company		Consolidated	
	2015/03	2014/12	2015/03	2014/12
Company current service cost	(1,135)	(4,540)	(913)	(3,652)
Cost of interest	753	3,012	1,043	4,171
Recognition of actuarial Losses/(Gains) in OCI	-	1,792	-	619
	(382)	264	130	1,138

20. SHAREHOLDERS´S EQUITY

a) Issued capital

As of March 31, 2015, the Company's capital was R$427,073.

For the period of three months ended in March 31, 2015 there was no change in capital,

which is made up of 431,239,264 subscribed and paid-up common registered shares. The Company is authorized to increase its capital, irrespective of an amendment to the articles of incorporation, up to the limit of 441,310,125 (for hundred and forty-one million, three hundred and ten thousand, one hundred and twenty-five) common shares with no par value by resolution by the Board of Directors, which will lay down the issuance conditions, including price and deadline for payment.

b) Dividend and interest on capital payment policy

The shareholders are entitled to receive every year a mandatory minimum dividend of 30% of net income, considering principally the following adjustments:

- Increase in the amounts resulting from the reversal, in the period, of previously recognized reserves for contingencies.

- Decrease in the amounts intended for the recognition, in the period, of the legal reserve and reserve for contingencies.

The bylaws allow the Company to prepare balance sheets and, based on these balance sheets, authorize the payment of dividends upon approval by the Board of Directors.

On April 17,2015 the Company paid dividends totaling R$428,956 and interest on capital in the total gross amount of R$20,317 (R$17,269, net of withholding tax), , as distribution recommended by the Board of Directors on February 11, 2015 and ratified at the Annual General Meeting held on April 14, 2015, relating to the net profit of the year 2014 which added to R$ 232,321 of dividends and R$27,822 of interest on equity paid in August 2014 correspond to a distribution of approximately 100 % of net income in fiscal 2014.

c) Treasury shares

As of March 31, 2015, line item ‘Treasury shares’ is broken down as follows:

	2015/03		
	Number of Share	Thousand of R$	Average price per Share - R$
Balance at beginning and end of year	954,584	37,851	39,65

As of December 31, 2014, line item ‘Treasury shares’ is broken down as follows:

	12/2014		
	Number of Share	Thousand of R$	Average price per Share - R$
Balance at beginning of year	2,120,459	83,984	39.61
Used	(1,165,875)	(46,133)	39.57
Balance at yearend	954,584	37,851	39.65

d) Share premium

Refers to the premium generated on the issuance of 3,299 common shares resulting from

the capitalization of debentures totaling R$100,000, occurred on March 2, 2004. During the period ended on March 31, 2015, no treasury shares were used by the stock option plan, since no options were exercised.

e) Legal reserve

Since the balance of legal reserve plus capital reserves, addressed by article 182, paragraph 1, of Law 6404/76, exceeded 30% of the capital, the Company decided, in accordance with article 193 of the same Law, not to recognize a legal reserve on net income earned in the years from 2006.

f) Retained earnings reserve

As of March 31, 2015, the Company did not record a retained earnings reserve under the terms of article 196 of Law No. 6404/76. On March 31, 2015, the Company recognized a reserve for retained earnings in R$ 27,227, accordance with Article 196 of Law No. 6.404/76.

g) Other comprehensive income

The Company records in this account the effect of exchange variation on investments in foreign subsidiaries, actuarial gains and losses from the benefit plan to employees, result from cash flow hedge. For exchange variation, the accumulated effect will be reversed in P&L for the year as gain or loss only in the case of investment disposal or write-off. For actuarial gains and losses, the amounts will be recognized upon actuarial liability revaluation. The cash flow hedge transactions will be transferred to P&L for the year when an ineffective portion is identified and/or upon termination of the relationship

21. SEGMENT INFORMATION

Segment reporting is consistent with management reports provided by the main operating decision-maker to assess the performance of each segment and the allocation of funds. Although the main decision-maker analyzes the information on revenue at its different levels, according to the reports used by management to make decisions, the Company's business is mainly segmented based on the sales of cosmetics by geography, which are as follows: Brazil, Latin America ("LATAM") and other countries. In addition, LATAM is divided into two groups for analysis: (a) Argentina, Chile and Peru ("Consolidating Operations"); and (b) Mexico and Colombia ("Operations in Implementation"). The segments' business features are similar and each segment offers similar products through the same consumer access method.

Net revenue by geography is as follows in the three months period ended in March, 31 2015:

- Brazil: 75.7%
- Consolidating Operations: 13.0%
- Operations under Implementation: 6.8%

- Other: 4.5%

The accounting practices for each segment are the same as those described in note 2 in the annual financial statements of the Company disclosed on February 11, 2015. The performance of segments of The Company has been evaluated on the basis of the information described in the table below.

The tables below present a summary of financial information on Company segments as of March 31, 2015 and 2014, and December 31, 2014. The amounts provided to the Executive Committee referring to net income(loss) and total assets are consistent with those recorded in the financial statements, as well as with the accounting practices used.

	03/2015				
	Net revenue	Net income	Depreciation and amortization	Financial expenses net	Income tax
Brasil	1,242,931	115,236	(45,748)	(69,323)	(44,903)
Argentina, Chile and Peru	213,806	13,002	(2,275)	16,327	(10,481)
Mexico, Venezuela and Colombia	112,251	(5,319)	(1,268)	(4,225)	(422)
Other (*)	72,811	(3,285)	(7,880)	2,588	971
Consolidated (attributable to the Company's controlling shareholders)	1,641,799	119,634	(57,171)	(54,633)	(54,835)

	03/2014				
	Net revenue	Net income	Depreciation and amortization	Financial expenses net	Income tax
Brasil	1,270,521	101,750	(50,990)	(51,914)	(52,205)
Argentina, Chile and Peru	145,109	18,826	(1,326)	829	(4,355)
Mexico, Venezuela and Colombia	89,314	(5,687)	(1,113)	(709)	(303)
Other (*)	51,269	2,271	(3,083)	(99)	(262)
Consolidated (attributable to the Company's controlling shareholders)	1,556,213	117,160	(56,512)	(51,893)	(57,125)

	2015/03			2014/03		
	Noncurrent assets	Current liabilities	Total assets	Noncurrent assets	Current liabilities	Total assets
Brasil	2,676,827	2,590,652	7,584,907	2,649,231	2,763,771	6,287,268
Argentina, Chile and Peru	87,337	352,455	628,381	72,552	227,865	455,150
Mexico, Venezuela and Colombia	35,643	141,039	237,392	28,235	63,376	132,399
Other (*)	267,390	79,525	387,933	210,781	63,984	325,266
Consolidated	3,067,197	3,163,671	8,838,613	2,960,799	3,118,996	7,200,083

(*) Includes operations in France and Corporate LATAM and Emeis Holding Pty Ltd.

The Company has only on class of products that is sold to Natura Beauty Consultants which is classified as "Cosmetics". As such, disclosure of information by products and services is not applicable.

The Company has a diversified customer portfolio, with no concentration of revenue.

The revenue from foreign related parties reported to the Executive Committee was measured in accordance with that presented in the income statement.

22. NET REVENUE

	Company		Consolidated	
	2015/03	2014/03	2015/03	2014/03
Gross revenue:				
Domestic market	1,702,195	1,733,611	1,703,034	1,733,841
Foreign market	-	-	502,540	351,061
Other sales	29	32	312	348
	1,702,224	1,733,643	2,205,886	2,085,250
Returns and cancellations	(4,154)	(5,299)	(7,750)	(8,468)
Taxes on sales	(374,585)	(356,737)	(556,337)	(520,569)
Net revenue	1,323,485	1,371,607	1,641,799	1,556,213

23. OPERATING EXPENSES AND COST OF SALES

(a) Breakdown of operating expenses and cost of sales by function:

	Company		Consolidated	
	2015/03	2014/03	2015/03	2014/03
Cost of sales	515,980	505,096	495,117	466,539
Selling, Marketing and Logistics expenses	475,581	471,191	648,026	602,718
Administrative, P&D, IT and Project Expenses	186,811	193,916	278,396	271,090
Total	1,178,372	1,170,203	1,421,539	1,340,347

(a) Breakdown of operating expenses and cost of sales by nature:

	Company		Consolidated	
	2015/03	2014/03	2015/03	2014/03
Cost of sales	515,980	505,096	495,117	466,539
Raw material/packaging Material	515,980	505,096	378,257	365,638
Workforce	-	-	53,915	48,469
Depreciation and amortization	-	-	20,469	17,079
Others	-	-	42,476	35,353
Marketing and selling expenses	475,581	471,191	648,026	602,718
Freight	71,070	65,260	73,235	67,037
Marketing, sales force and other sales expenses	397,271	399,292	567,527	528,627
Depreciation and amortization	7,240	6,639	7,264	7,054
Administrative expenses, P&D, IT and Projects	186,811	193,916	278,396	271,090
Development in Innovation	-	-	48,222	41,497
Other administrative expenditure	173,557	172,579	200,736	197,214
Depreciation and amortization	13,254	21,337	29,438	32,379
Total	1,178,372	1,170,203	1,421,539	1,340,347

24. EMPLOYEE BENEFITS

	Company		Consolidated	
	2015/03	2014/03	2015/03	2014/03
Payroll , profit sharing and bonuses	91,127	86,644	223,125	221,751
Pension Plan (note 24,2)	799	1,043	1,369	1,540
Gain based on stocks (note 24,1)	(2,401)	1,937	(3,325)	2,539
Taxes payable	26,514	25,369	47,809	42,848
	116,039	114,993	268,978	268,678

24.1. Gain based on stocks

The Board of Directors, upon granting of options, meets annually in order to establish the option granting plan for the current year, on the basis approved by the Management and employees, indicating the directors and managers who will receive the options and the total number to be distributed.

From 2009 to 2014, the plans vested for exercise of 100% of options at the end of the fourth year after grant date, with the possibility of early maturity after the third year, conditioned to cancellation of 50% of the options granted in the plans. The Company established a maximum term of four years for option exercise as from the end of the fourth year after vesting.

At the Special Shareholders' Meeting held on February 06, 2015, Company shareholders approved a new Stock Option Plan and a Restricted Stock Option Plan. On March 16, 2015, Company Board of Directors approved these plans. At the Board Meeting held on April 10, 2015, grant to the eligible employees and managing directors who joined the 2015 Plans was ratified. As such, the provision will begin to be recorded as from April 2015.

The Stock Option Plan effective for 2015 sets out that options may be exercised over three years, one third each year, as from the second year.

The Restricted Stock Option Plan implemented in 2015 consists in the grant of Company common shares to a group of managing officers and employees. The rights of the participants referring to restricted shares will only be fully vested to the extent that the participant remains linked to the Company as a managing officer or employee, in the period between grant date and the following dates, in these proportions:

(a) 1/3 (one third) as from the 2nd anniversary of the grant date;

(b) 2/3 (two thirds) as from the 3rd anniversary of the grant date; and

(a) 100% as from the 4th anniversary of the grant date;

In the Restricted Stock Option Plan, there will be no financial disbursement by Company employee or managing officer upon end of the vesting period.

The changes in the number of outstanding stock options and their related weighted-average prices are as follows:

	2015/03		2014/03	
	Average exercise price per share - R$	Options (thousands)	Average exercise price per share - R$	Options (thousands)
Balance at beginning of period/year				
Granted	47.30	5,296	43.97	6,461
Cancelled	-	-	38.40	1,518
Exercised	54.54	(704)	48.60	(1,517)
Balance at year end	-	-	29.04	(1,166)
Balance at beginning of period/year	48.27	4,592	47.30	5,296

Out of the 4,592 outstanding options as of March 31, 2015 (5,296 outstanding options as of December 31, 2014), 2,188 outstanding options are vested (1,939 outstanding options as of December 31, 2014). No options were exercised in the three-month period ended March 31, 2015. The Options exercised in March 31. 2014 resulted in the use of 325 shares of outstanding treasury shares.

The expense (reversal) related to the fair value of the options granted during the quarter ended March 31, 2015, according to the elapsed vesting period, was (R$ 2,401) and (R$ 3,325), Company and on a Consolidated basis, respectively R$1,937 Company and R$ 2,539 on a Consolidated basis, respectively, as of March 31, 2014.

The stock options outstanding at the three months period have the following vesting dates and exercise prices:

As of March,31 2015

Grant date	Exercise price - R$	Existing options	Remaining contractual life (years)	Vested options
April 22, 2009	31.84	454,197	2.09	454,197
March 19, 2010	46.72	842,816	3.01	842,816
March 23, 2011	54.53	890,627	4.02	890,627
March 18, 2013	59.58	1,186,679	6.05	-
March 17, 2014	39.87	1,217,206	7.06	-
		4,591,525		2,187,640

As of December 31, 2014

Grant date	Exercise price - R$	Existing options	Remaining contractual life (years)	Vested options
April 22, 2009	30.67	467,749	2.34	467,749
March 19, 2010	45.00	962,491	3.26	962,491
March 23, 2011	52.51	1,017,783	4.27	508,892
March 18, 2013	57.39	1,580,771	6.30	-
March 17, 2014	38.40	1,267,684	7.31	-
		5,296,478		1,939,132

As of March 31, 2015, market price per share was R$ 26.90 (R$ 31.85 as of December 31, 2014) per share.

The options were measured at their fair values on grant date, pursuant to IFRS 2 -

Shared Based Payments. The weighted average fair value of the options as of March 31, 2015 was R$11.37.

As Option pricing followed the binomial model and significant data included in the fair value pricing model of the options granted in 2014:

- Volatility of 30.4 % (30.0% as of March 18, 2013).
- Dividend yield of 5.65% (4.0% as of March 18, 2013).
- Expected option life of three and four years.
- Risk-free annual interest rate of 12.9% (8.7% as of March 18, 2013).

24.2. Pension plan

The Company and its subsidiaries sponsor two employees' benefit plans: a pension plan, through a private pension fund managed by Brasilprev Seguros e Previdência S.A., and an extension of healthcare plans to retired employees.

The defined contribution pension plan was created on August 1, 2004 and all employees hired from that date are eligible to it. Under this plan, the cost is shared between the employer and the employees so that the Company's share is equivalent to 60% of the employee's contribution according to a contribution scale based on salary ranges from 1% to 5% of the employee's monthly compensation.

As of March 31, 2015, the Group did not have actuarial liabilities arising from the former employees' pension plan.

The contributions made by the Company and its subsidiaries totaled R$799 (Company) and R$1,369 (Consolidated) in the three months period ended March 31, 2015 (R$1,043, Company and R$ 1,540 Consolidated in the three months period ended March 31, 2014) and were recorded as expenses in the period.

25. FINANCIAL INCOME (EXPENSES)

	Company		Consolidated	
	2015/03	2014/03	2015/03	2014/03
Financial income:				
Interest on short-term investments	34,965	23,542	45,775	29,257
Inflation adjustment and foreign exchange gains (a)	-	69,921	28,558	70,119
Gains on swap and forward transactions (c)	457,513	11,550	485,616	15,700
Other financial income	4,022	7,947	5,182	8,927
	496,500	112,960	565,131	124,003
Financial expenses:				
Interest on financing	(45,179)	(17,645)	(59,361)	(31,092)
Inflation adjustment and foreign exchange losses (b)	(450,344)	(95)	(478,599)	(2,757)
Losses on swap and forward transactions (d)	(47,279)	(116,734)	(51,845)	(121,269)
Gains (losses) on the mark-to-market of swap and forward derivatives	(2,335)	628	10,310	(325)
Other financial expenses	(27,910)	(12,550)	(40,269)	(20,453)
	(573,047)	(146,396)	(619,764)	(175,896)
Financial expenses, net	(76,547)	(33,436)	(54,633)	(51,893)

The objective of the breakdowns below is to explain more clearly the foreign exchange hedging transactions contracted by the Company and the related balancing items in the income statement shown in the previous table:

	Company		Consolidated	
	2015/03	2014/03	2015/03	2014/03
Gains on monetary and exchange variations:				
Exchange rate on loans	-	69,789	-	70,097
Exchange variation of import	-	132	695	-
Exchange variation of receivables export	-	-	13,173	-
Exchange rate changes in accounts payable in foreign subsidiaries	-	-	14,690	22
(a)	-	69,921	28,558	70,119
Losses on monetary and exchange variations:				
Exchange rate on loans	(449,331)	-	(478,490)	-
Exchange variation of import	(1,013)	-	-	(480)
Exchange variation of receivables export	-	(95)	-	(2,277)
Exchange variation of financing	-	-	(109)	-
(b)	(450,344)	(95)	(478,599)	(2,757)
Gains and forward swap transactions:				
Exchange variation of swap instruments	438,833	-	461,594	-
Gain on exchange coupon “swap”	18,680	11,550	19,227	11,550
Exchange rate on swap instruments	-	-	1,522	-
Revenue from fixed rate "swap"	-	-	3,273	4,150
(c)	457,513	11,550	485,616	15,700
Losses on swap and forward transactions:				
Exchange variation of swap instruments	-	(68,075)	-	(67,413)
Financial costs swap instruments	(47,279)	(48,659)	(51,845)	(53,856)
(d)	(47,279)	(116,734)	(51,845)	(121,269)

26. NET OTHER INCOME (EXPENSES)

	Company		Consolidated	
	2015/03	2014/03	2015/03	2014/03
Gain (loss) on sale of property, plant and equipment	1,030	200	1,131	387
Unused State VAT (ICMS) credits (a)	-	6,241	-	6,241
Reversal of contingent consideration (b)	-	-	-	6,231
Subsidy BNDES, FINAME and FINEP (c)	1,868	847	9,053	3,917
Crer para ver (d)	(3,570)	(1,640)	(3,570)	(1,640)
Other net operating income (expenses)	525	(2,994)	1,841	(3,878)
Net Other income (expenses)	(147)	2,654	8,455	11,258

(a) This includes State VAT (ICMS) credits derived from credits on returns.

(b) In 2014, the Company completed process of assessing the contingent consideration referring to partial acquisition of Emeis Holding Pty Ltd.

(c) Refers to the reclassification of the subsidized loans interest expense as a result of the

(d) Allocation of income obtained in the operation of the project “Crer para ver” the Natura Institute..

27. EARNING PER SHARE

27.1. Basic

Basic earnings per share are calculated by dividing the net income attributable to the owners of the Company by the weighted average of common shares issued during the period, less common shares bought back by the Company and held as treasury shares.

	2015/03	2014/03
Net income attributable to owners of the Company	119,634	117,160
Weighted average of common shares issued - thousands	431,239,264	431,239,264
Weighted average of treasury shares	(954,584)	(2,109,339)
Weighted average of outstanding common shares	430,284,680	429,129,925
Basic earnings per share - R$	0.2780	0.2730

27.2. Diluted

Diluted earnings per share is calculated by adjusting the weighted average outstanding common shares supposing that all potential common shares that would cause dilution are converted. The Company has only one category of common shares that would potentially cause dilution: the stock options.

	2015/03	2014/03
Net income attributable to owners of the Company	119,634	117,160
	430,284,680	429,129,925
Weighted average of outstanding common shares	1,049,767	823,789
Adjustment for stock options	431,334,447	429,953,714
Weighted average number of common shares for diluted earnings per share calculation purposes		
Diluted earnings per share - R$	0.2774	0.2725

28. RELATED -PARTY TRANSACTIONS

28.1. Receivables from and payables to related parties are as follows:

	Company	
	2015/03	2014/12
Current assets:		
Natura Inovação e Tecnologia de Produtos Ltda. (a)	721	1,709
Natura Logística e Serviços Ltda. (b)	697	1,261
Indústria e Comércio de Cosméticos Natura Ltda. (c)	3,440	4,007
Natura Biosphera Franqueadora Ltda.	43	18
	4,901	6,995

	Natura Cosméticos S.A. Company	
	2015/03	2014/12
Current liabilities:		
Trade payables:		
Indústria e Comércio de Cosméticos Natura Ltda. (c)	197,951	253,605
Natura Logística e Serviços Ltda. (d)	12,639	19,873
Natura Inovação e Tecnologia de Produtos Ltda. (e)	23,066	30,627
	233,656	304,105
Dividends and interest on capital payable	255	255

Related-party transactions are as follows:

	Consolidated			
	Service provided		Services received	
	2015/03	2014/03	2015/03	2014/03
Indústria e Comércio de Cosméticos Natura Ltda.	733,371	765,029	-	-
Natura Cosméticos S.A. - Brazil	-	-	661,774	693,716
Natura Cosméticos S.A. - Peru	-	-	12,344	11,949
Natura Cosméticos S.A. - Argentina	-	-	21,321	18,023
Natura Cosméticos S.A. - Chile	-	-	10,656	18,031
Natura Cosméticos S.A. - Mexico	-	-	16,950	15,035
Natura Cosméticos Ltda. - Colombia	-	-	9,400	7,335
Natura Europa SAS - France	-	-	763	676
Natura Inovação e Tecnologia de Produtos Ltda.	-	-	163	213
Natura Logística e Serviços Ltda.	-	-	-	-
Natura Biosphera Franqueadora Ltda.	-	-	-	51
	733,371	765,029	733,371	765,029

	Service provided		Services received	
	2015/03	2014/03	2015/03	2014/03
Administrative structure: (f)				
Natura Logística e Serviços Ltda.	47,634	52,885	-	-
Natura Cosméticos S.A. - Brazil	-	-	30,902	41,493
Indústria e Comércio de Cosméticos Natura Ltda	-	-	11,579	7,369
Natura Inovação e Tecnologia de Produtos Ltda.	-	-	4,958	4,023
Natura Biosphera Franqueadora Ltda.	-	-	195	-
	47,634	52,885	47,634	52,885
Products and technology research and development: (g)				
Natura Inovação e Tecnologia de Produtos Ltda.	63,701	43,859	-	-
Natura Cosméticos S.A. – Brazil	-	-	63,701	43,859
	63,701	43,859	63,701	43,859
Research and testing “in vitro”: (h)				
Natura Innovation et Technologie de Produits SAS – Franca	46	125	-	-
Natura Inovação e Tecnologia de Produtos Ltda.	-	-	46	125
	46	125	46	125
Lease of properties and shared charges: (i)				
Indústria e Comércio de Cosméticos Natura Ltda.	1,797	1,970	-	-
Natura Logística e Serviços Ltda.	-	-	1,282	1,221
Natura Inovação e Tecnologia de Produtos Ltda.	-	-	515	490
Natura Cosméticos S.A. - Brazil	-	-	-	259
	1,797	1,970	1,797	1,970

Total	846,549	863,868	846,549	863,868

(a) Advanced granted for provision of product and technology development and market research services.

(b) Advances granted for provision of logistics and general administrative services

(c) Payables for the purchase of products.

(d) Payables for services described in item (f).

(e) Payables for services described in item (g).

(f) Logistics and general administrative services.

(g) Product and technology development and market research services.

(h) Provision of in vitro research and testing services.

(i) Lease of part of the industrial complex located in Cajamar, SP.

The main intercompany balances as of March 31, 2015 and December 31, 2014, as well as the intercompany transactions that affected the years then ended, refer to transactions between the Company and its subsidiaries.

The prices, terms and other conditions of transactions between the Company, subsidiaries and other related parties were agreed in contracts between the parties.

Due to the Company's and subsidiaries' operational model, as well as the channel chosen to distribute products, direct sales via Natura Beauty Consultants, a substantial portion of sales is made by the subsidiary Indústria e Comércio de Cosméticos Natura Ltda. to the parent company Natura Cosméticos S.A. in Brazil and to its foreign subsidiaries.

There is no allowance for doubtful accounts recognized for intercompany receivables on March 31, 2015 and December 31, 2014 since there are no past-due receivables with risk of default.

According to note 15, the Group companies usually grant each other pledges and collaterals to guarantee bank loans and financing..

In May 2013, the company Eva Movies Audiovisual Ltda. ME, one of whose members is the son of Mr. Alessandro Carlucci, Natura Cosmetics SA ex-president, started providing original video production for the Company, especially for the "Natura Meeting" and event services for the channel "Love Makeup "the estimated contract term is 24 months and the estimated value is R$797.

In September 2014, Natura Cosméticos S.A. entered into with Dédalus Administração e Participações Ltda.("Dédalus") and Homagus Administração and Participações Ltda.("Homagus") an aircraft assignment agreement, for use thereof. Under the agreement, upon aircraft use by Natura Cosméticos S.A., the amount charged will be

that established in the Brazilian Code of Aeronautics. Dédalus and Homagus are the property of Messrs. Guilherme Peirão Leal and Antonio Luiz Seabra, both belonging to the group of controlling shareholders of Natura Cosméticos S.A.

28.2. Key management personnel compensation

The total compensation of the Company's and its subsidiaries' Management is as follows:

	2015/03			2014/03		
	Compensation			Compensation		
		Variable			Variable	
	Fixed	(*)	Total	Fixed	(*)	Total
Board of Directors	1,527	764	2,291	1,562	648	2,210
Officers (statutory)	2,160	1,867	4,027	2,029	1,586	3,615
	3,687	2,631	6,318	3,591	2,234	5,825
Executives (not statutory)	9,664	21,596	31,260	9,225	20,716	29,941

(*) Refers to profit sharing recorded in the year. The amounts include any additions and/or reversals to the provision recorded in the previous year in view of the final assessment of the targets established for directors, officers and executives.

28.3. Share-based payments

Breakdown of Company officers and executives' compensation:

	2015/03		2014/03	
	Stock options grant		Stock options grant	
	Stock option balance (number) (a)	Average Exercise price - R$ (b)	Stock option balance (number) (a)	Average Exercise price - R$ (b)
Officers	653,552	48.27	1,557,737	43.83
Executives	1,265,723	48.27	2,274,542	43.83

(a) Refers to the balance of unexercised vested and unvested options at the end of the reporting period.

(b) Refers to the weighted-average exercise price of the option at the time of the stock option plans, adjusted for inflation based on the Extended Consumer Price Index (IPCA) through the end of the reporting period. The new Stock Option Plan and Restricted Stock Option Plan, both implemented in 2015, include no restatement.

29. COMMITMENTS ASSUMED

29.1. Inputs supply contracts

The subsidiary Indústria e Comércio de Cosméticos Natura Ltda. entered into a contract for the supply of electric power to its manufacturing activities, in effect through 2015, which provides for the purchase of a minimum monthly volume of 3.6

Megawatts, equivalent to R$373. As of March 31, 2015, the subsidiary was compliant to the contract's commitment.

The amounts are carried based on electric power consumption estimates in accordance with the contract period, whose prices are based on volumes, also estimated, resulting from the subsidiary's continuous operations.

Total minimum supply payments, measured at nominal value, according to the contract, are:

	2015/03	2014/12
Less than year	2,962	3,460

29.2. Operating lease transactions

The Company and its subsidiaries have commitments arising from operating leases of properties where some of its foreign subsidiaries, the head office in Brazil and "Casas Natura" in Brazil and abroad are located.

Contracts have lease terms of one to ten years and no purchase option clause when terminated; however, renewal is permitted under the market conditions where they are entered into, for an average of two years.

As of March 31, 2015, and December 2014, the commitment made for future payments of these operating leases had the following maturities:

	Company		Consolidated	
	2015/03	2014/12	2015/03	2014/12
Less than a year	11,871	13,336	24,937	30,171
More than one year and less than five years	12,299	12,867	23,002	25,883
More than five years	-	-	1,276	1,419
Total	24,170	26,203	49,215	57,473

30. INSURANCE

The Group has an insurance policy that considers principally risk concentration and materiality, and insurance is obtained at amounts considered by management to be sufficient, taking into consideration the nature of its activities and the opinion of its insurance advisors. As of March 31, 2015, insurance coverage is as follows:

Item	Type of coverage	Insured amount
Industrial complex/inventories	Any damages to buildings, facilities, and machinery and equipment	955,000
Vehicles	Fire, theft and collision for 1,119 vehicles	59,294
Loss of profits	N Loss of profits due to material damages to facilities, buildings and production machinery and equipment	1,047,000

31. APPROVAL OF FINANCIAL STATEMENTS

The individual and Consolidated interim financial information statements were approved by the Board of Directors and authorized for issue at the meeting held on April 29, 2015.

São Paulo, April 29, 2015 – Natura Cosméticos S.A. (BM&FBovespa: NATU3) announces today its results for the first quarter of 2015 (1Q15). Except where stated otherwise, the financial and operating information in this release is presented on a consolidated basis, in accordance with International Financial Reporting Standards (IFRS).



1Q15 RESULTS

Introduction

In light of a highly challenging scenario in Brazil in the first quarter of 2015, consolidated net revenue of Natura grew 5.5% in comparison with 1Q14 (-2.2% in Brazil and +39.6% in International Operations[1]), consolidated EBITDA grew 0.8% and consolidated net income grew 2.1%, while free cash flow stood at R$ 46.2 million, compared to cash burn of R$ 194.8 million in 1Q14.

As we mentioned in the previous quarter, our priority is to recover sales growth in Brazil and for this, we rolled out several initiatives that underscore our value proposition. During the quarter, we launched a new campaign called "Chame Natura, Chame que Vem", a new customized credit policy targeted at consultants, we launched a new line of products for the preteen market (Amis), a segment in which we had no presence earlier, and we continued our nationwide expansion of the Natura Network, which already has 32,000 Natura Digital Consultants (CND)[2] (15,000 in December 2014) and continues to expand at a brisk pace.

Complementing the initiatives already implemented, over the coming months we will expand payment options for our consumers and, through technology, offer other tools to consultants.

In our International Operations, net revenue from Latam grew 27.7% in local currency (39.2% in BRL) and Aesop ended the quarter with 104 stores in 14 countries (82 stores in 10 countries in 1Q14).

(R$ million)	1Q15	1Q14	Change (%)
Brazil Gross Revenue	1,703.7	1,734.7	*-1.8*
International Gross Revenue	502.2	350.5	*43.3*
Consolidated Gross Revenue	**2,205.9**	**2,085.3**	***5.8***
Brazil Net Revenue	1,242.9	1,270.5	*-2.2*
International Net Revenue*	398.9	285.7	*39.6*
Consolidated Net Revenue	**1,641.8**	**1,556.2**	***5.5***
% Share International Net Revenue	***24.3%***	***18.4%***	***5.9 pp***
Brazil pro-forma EBITDA	268.5	269.9	*(0.5)*
% Brazil pro-forma EBITDA Margin	*21.6%*	*21.2%*	*0.4 pp*
International pro-forma EBITDA	17.4	13.7	*26.9*
% International pro-forma EBITDA Margin	*4.4%*	*4.8%*	*(0.4) pp*
EBITDA Consolidado	**285.9**	**283.6**	***0.8***
% Margem EBITDA Consolidada	*17.4%*	*18.2%*	*(0.8) pp*
Consolidated Net Income	119.6	117.2	*2.1*
% Consolidated Net Margin	*7.3%*	*7.5%*	*(0.3) pp*
Internal cash generation	**186.4**	**176.4**	***5.7***
Free cash flow	**46.2**	**(194.8)**	***(123.7)***
Net Debt / EBITDA	**1.03**	**0.88**	

*Local currency growth ex. Acquisition: 27,7% in 1Q15 vs. 1Q14.

[1] The International Operations include the Operations in Consolidation, the Operations in Implementation, the France Operation and Aesop.

[2] CND: Natura Digital Consultants

During this period, we also continued the process of restructuring the organization to make it more agile and efficient. We simplified the structure and broadened the scope of numerous functions, as a result of which 70 managers left the company and 53 jobs were eliminated.

Management of the budget, capex and working capital is another of our priorities for 2015. In Brazil, the reduction in administrative expenses funded the additional investments in marketing and innovation, especially for the new campaign, while EBITDA from international operations grew 26.9% despite higher investments in marketing.

Net income in the quarter grew 2.1% compared to 1Q14. Excluding the impacts of mark-to-market adjustments (+R$ 10 million) and the adjustment in the provision for acquisition of the remaining 28.66% stake in Aesop (-R$ 17.7 million), net income would have increased 8.1% in the quarter.

Free cash flow improved significantly from 1Q14 as a result of lower allocations to capex (R$ 50.2 million in 1Q15 vs. R$ 134.5 million 1Q14) and to working capital. In 2014, we concluded an investment cycle that allocated R$ 2 billion towards expansion of the company's production, logistics and information technology capacity in Brazil. For 2015, as mentioned in the previous quarter, capex will be reduced to R$ 385 million (R$ 505 million in 2014), with the focus now on expanding the sales model in Brazil, as well as on information technology (SAP) and logistics in the international operations.

Finally, despite the adverse economic scenario in Brazil, we are going ahead with our plan and are taking all the necessary measures to recover growth and to maintain profitability and returns at attractive levels.

1. cosmetics, fragrance and toiletries industry (CFT)

According to data for 2014 published by consulting firm Euromonitor, Brazil remained the third largest market for cosmetics, fragrance and toiletries (CFT), with growth of 10.7%. Natura ended the year with market share of 11.3%, down 1 p.p. from 2013.

In our Latam operations, we increased our market share in all the countries where we operate (Argentina, Chile, Peru, Colombia and Mexico).

	Market Size (US$ Million)			Natura Market Share (%)		
	2014	2013	Change	2014	2013	Change
Operation in Brazil	43,454	39,260	*10.7%*	11.3%	12.3%	*(1.0) pp*
Operations in Argentina, Chile and Peru	11,412	9,518	*19.9%*	5.1%	4.7%	*0.4 pp*
Operations in Colombia and Mexico	14,362	13,839	*3.8%*	1.9%	1.5%	*0.4 pp*
Total	**69,228**	**62,617**	***10.6%***	**8.3%**	**8.8%**	***(0.4) pp***

Source: Euromonitor 2014

i. Euromonitor considers the total market for cosmetics, perfumes and toiletries at retail prices.

ii. Values in constant dollars, 2014

According to SIPATESP/ABHIPEC[3] data, since 3Q14 a few leading companies ceased to report their data to the association, which could significantly affect the reliability of the figures. Hence we chose not to disclose these data until the situation returns to normal.

[3] Sipatesp/Abihpec: São Paulo State Perfumery and Toiletries Association / Brazilian Cosmetics, Fragrances and Toiletries Industry Association.

2. social and environmental highlights

In February, we launched a new supplier verification and monitoring system, which will evaluate the production process of communities and organizations that extract inputs from the Brazilian biodiversity.

The system was developed in partnership with the Union for Ethical BioTrade (UEBT), a non-profit association that promotes sustainable business growth, local development and biodiversity conservation. Natura is the first company in the industry to launch its own verification and auditing system.

We also started implementing our own methodology of preparing Local Development Plans (PDL) in three priority regions for Natura (Médio Juruá-AM, Benevides-PA and Jaguara-São Paulo). This initiative underlines our commitment to creating a positive impact through relations between companies, communities and the government.

In January 2015, we launched packaging for fragrances made from recycled glass. The benefits from this initiative are significant, especially with regard to CO2 emissions.

Indicator	Unit	2014 Result	1Q15 Result	2020 Ambition
Relative carbon emissions (scopes 1, 2 and 3)	(kg CO2/kg product billed)	2.99	n/a[1]	2.15
% post-consumer recycled materials[2]	% (g recycled mat/g good)	1.2	2.1	10.0
% of product recyclable[3]	% (g recycled mat/g good)	57.5	54.4	74.0
Eco-efficient packaging[4]	% (billed units eco packaging / total billed units)	29.0	26.2	40.0
Cumulative business volume in the Pan-Amazon region[5]	R$ million	582.1	622.6	1,000.0
Water consumption	liters / units produced	0.45	0.51	0.32
Penetration in Believing is seeing program	% active	20.0	19.6	24.0

[1] Figures for 2015 will be reported in the 2nd quarter earnings release in July.

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

[3] The indicator considers the % of packaging material that is potentially recyclable in relation to the total mass of packaging billed.

[4] Eco-efficient packaging is that whose weight is at least 50% less than normal/similar packaging; or whose composition contains 50% potentially marketable recyclable materials and/or renewable materials, provided these do not increase their mass.

[5] Accumulated values since 2011.

Relative carbon emissions (scopes 1, 2 and 3): Figures for 2014. Figures for 2015 will be reported in the 2nd quarter earnings release in July.

% post-consumer recycled materials: Increase since the use of recycled glass was extended to a few items in the Fragrance category.

% of product recyclability: Sales mix with a larger share of less recyclable products than in the same period in 2014.

Eco-efficient packaging: Sales mix did not favor products containing renewable plastic, post-consumer recycled material or lower-mass packaging compared to the same period in 2014.

Cumulative business volume in the Pan-Amazon region: Increase due mainly to higher demand for inputs from the region and investments in the Ecoparque.

Relative water consumption: Higher water consumption at the Cajamar site due to changes in the production mix (products with higher relative water consumption), at the Benevides (Ecoparque) site due to increased production of noodle for soaps and at a few Distribution Centers on account of leaks and maintenance.

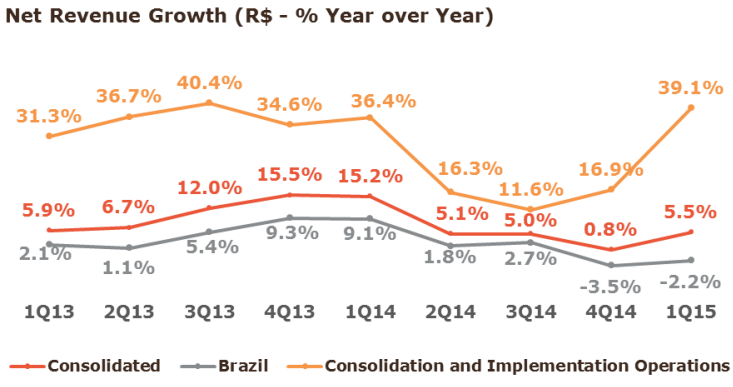
Funding for Crer para Ver (Education) program: Result was consistent with the portfolio strategy launched in 2014, showing the high leverage in relation to 1Q14.

3. economic performance[4]

Quarter				Pro-Forma								
(R$ million)	Consolidated[5]			Brazil			Consolidation			Implementation		
	1Q15	1Q14	Change%	1Q15	1Q14	Change%	1Q15	1Q14	Change%	1Q15	1Q14	Change%
Total Consultants - end of period ('000)[6]	1,714.9	1,650.5	3.9	1,279.6	1,276.4	0.3	271.1	230.4	17.6	162.9	142.2	14.6
Total Consultants - average of period ('000)	1,713.0	1,636.6	4.7	1,284.2	1,261.1	1.8	268.1	228.7	17.2	159.3	145.3	9.6
Units sold – items for resale	118.5	128.4	(7.7)	93.2	110.2	(15.4)	13.2	11.6	14.3	11.2	5.9	89.5
Gross Revenue	**2,205.9**	**2,085.3**	**5.8**	**1,703.7**	**1,734.7**	**(1.8)**	**291.4**	**195.1**	**49.3**	**130.5**	**103.6**	**26.0**
Net Revenue	**1,641.8**	**1,556.2**	**5.5**	**1,242.9**	**1,270.5**	**(2.2)**	**213.8**	**145.1**	**47.3**	**112.3**	**89.3**	**25.7**
Gross Profit	**1,146.7**	**1,082.4**	**5.9**	**856.4**	**873.7**	**(2.0)**	**149.3**	**101.2**	**47.5**	**79.6**	**63.0**	**26.3**
Selling, Marketing and Logistics Expenses	(648.0)	(602.6)	7.5	(475.6)	(471.1)	0.9	(104.6)	(70.4)	48.7	(56.0)	(50.4)	11.2
General and Administrative Expenses	(278.4)	(263.9)	5.5	(166.6)	(189.2)	(12.0)	(17.5)	(10.4)	68.1	(11.6)	(10.4)	11.3
Other Operating Income / (Expenses), net	8.5	11.3	(24.5)	8.5	5.6	52.3	0.1	(0.5)	n/a	(0.1)	(0.1)	(19.8)
Financial Income / (Expenses), net	(54.6)	(51.9)	n/a	(69.3)	(51.9)	33.5	16.3	0.8	n/a	(4.2)	(0.7)	n/a
Income Tax and Social Contribution	(54.8)	(57.1)	(4.0)	(43.2)	(52.2)	(17.3)	(10.5)	(4.4)	n/a	(0.4)	(0.3)	39.4
Noncontrolling	0.4	(0.9)	(141.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income	**119.6**	**117.2**	**2.1**	**110.2**	**114.8**	**(4.0)**	**33.1**	**16.4**	**101.8**	**7.3**	**1.2**	n/d
EBITDA*	**285.9**	**283.6**	**0.8**	**268.5**	**269.9**	**(0.5)**	**29.3**	**21.1**	**38.8**	**13.2**	**3.3**	**302.8**
Gross Margin	*69.8%*	*69.6%*	*0.3 pp*	*68.9%*	*68.8%*	*0.1 pp*	*69.8%*	*69.7%*	*0.1 pp*	*70.9%*	*70.6%*	*0.3 pp*
Selling, Marketing and Logistics Expenses/Net Revenue	*39.5%*	*38.7%*	*0.7 pp*	*38.3%*	*37.1%*	*1.2 pp*	*48.9%*	*48.5%*	*0.5 pp*	*49.9%*	*56.4%*	*(6.5) pp*
Administrative, R&D, IT and Projects Expenses/Net Revenue	*17.0%*	*17.0%*	*0.0 pp*	*13.4%*	*14.9%*	*(1.5) pp*	*8.2%*	*7.2%*	*1.0 pp*	*10.3%*	*11.7%*	*(1.3) pp*
Net Margin	*7.3%*	*7.5%*	*(0.2) pp*	*8.9%*	*9.0%*	*(0.2) pp*	*15.5%*	*11.3%*	*4.2 pp*	*6.5%*	*1.3%*	*5.2 pp*
EBITDA Margin	*17.4%*	*18.2%*	*(0.8) pp*	*21.6%*	*21.2%*	*0.4 pp*	*13.7%*	*14.6%*	*(0.8) pp*	*11.8%*	*3.7%*	*8.1 pp*

(*) EBITDA = Income from operations before financial effects + depreciation & amortization.

3.1. net revenue

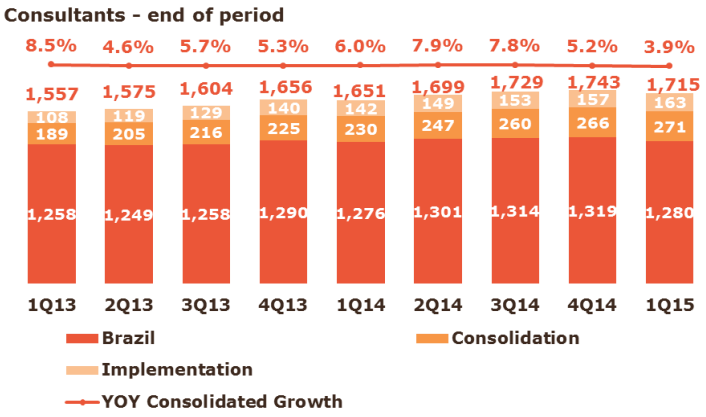


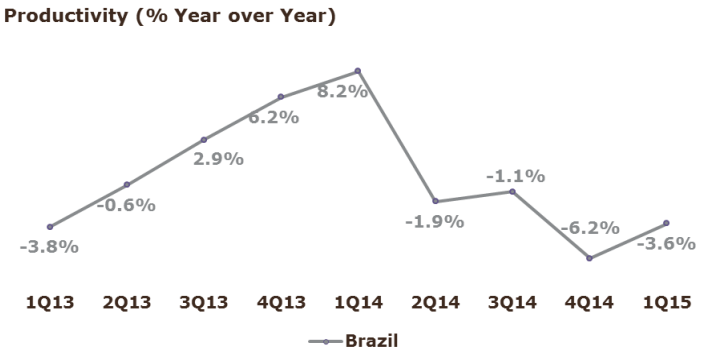
In Brazil, net revenue fell 2.2% compared to 1Q15, while the consultant base expanded 1.8% and productivity fell by 3.6%. The 15.4% decline in volume (product units for resale) during the period was mainly due to product extensions for hair in the SOU line and the relaunch of Tododia in 1Q14, which was partially offset by the increase in average prices.

[4] The 1Q14 pro-forma Income Statement above includes two reclassifications related to logistics expenses of International Operations, in order to provide better comparison with 1Q15 figures. These adjustments do not impact the figures for Consolidated EBITDA and Consolidated Net Income previously reported. The following reclassifications were made: (1) reclassification of R$3.6 million from "Adm., R&D, IT and Project Expenses" of the Brazil operation to "Cost of Goods Sold" of International Operations. This reclassification refers to part of the logistics expenses of international operations that were not allocated to "Cost of Goods Sold" of these operations, aiming to reflect the actual impact of these expenses in the results of these subsidiaries. (2) reclassification of R$3.7 million related to export freight costs in the Brazil operation from "Adm., R&D, IT and Project Expenses" to "Cost of Goods Sold".

[5] Consolidated figures include the Brazil Operations, the Operations in Consolidation, the Operations in Implementation and other International Investments and consider the impact from acquisitions.

[6] Position at the end of Cycle 4 in Brazil, Argentina and Mexico and of Cycle 3 in Chile, Peru, Colombia and France.





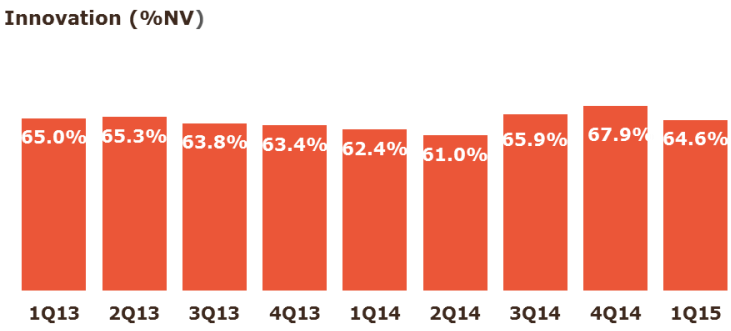
In 1Q15, the International Operations[8] posted growth of 39.6% in Brazilian real, accounting for 24.3% of consolidated net revenue (18.4% in 1Q14). Net revenue in Latam grew 39.2% in Brazilian real and 27.7% in local currency. The growth in Brazilian real was due to the devaluation of the currency against the basket of Latam currencies.

Ended the quarter with 434,000 (+16.5% vs. 1Q14) consultants in the region, 271,100 in Operations in Consolidation (+17.6% vs. 1Q14) and 162,900 in Operations in Implementation (+14.6% vs. 1Q14).

3.2. innovation & products

In the 12 months to March 2015, the innovation index[9] stood at 64.6%, compared to 62.4% in the prior-year period, well within the target range (between 60% and 70%).

The improvement in the index in relation to 1Q14 is due to the recent fragrance launches (#Urbano, Luna and Kaiak Extremo).



[8] The International Operations include the Operations in Consolidation, the Operations in Implementation, the France Operation and Aesop.
[9] Innovation Index: share in the last 12 months of the sale of products launched in the last 24 months.

3.3. gross margin

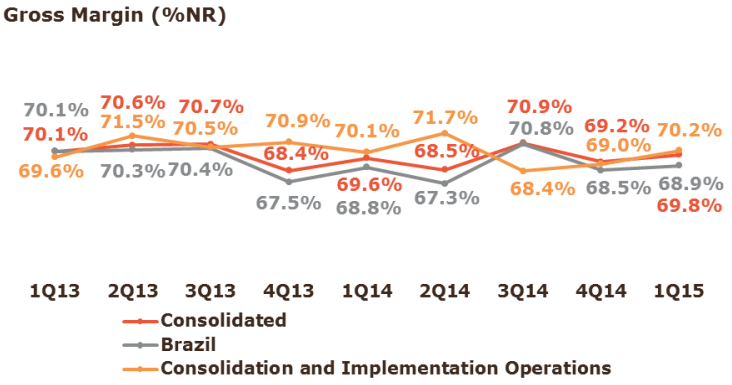
Gross margin in 1Q15 remained stable in relation to the same period the previous year. In Brazil, the increase in product prices in February offset the cost inflation during the period and, given the inventory turnover costs have not been fully affected by the depreciation of the Brazilian real.

In the International Operations, the slight increase observed was due to the depreciation of the Brazilian real against the basket of currencies of these countries.

The following table presents the main components of COGS:

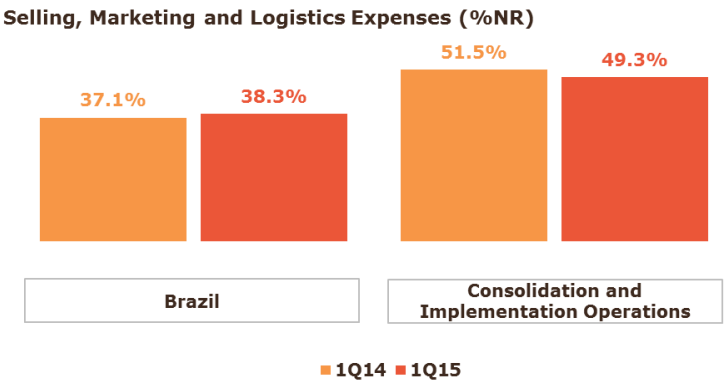
	1Q15	1Q14
RM / PM / FP*	76.4	77.2
Labor	10.9	10.2
Depreciation	4.1	3.6
Other	8.6	9.0
Total	**100.0**	**100.0**

*Raw materials, packaging materials and finished products.



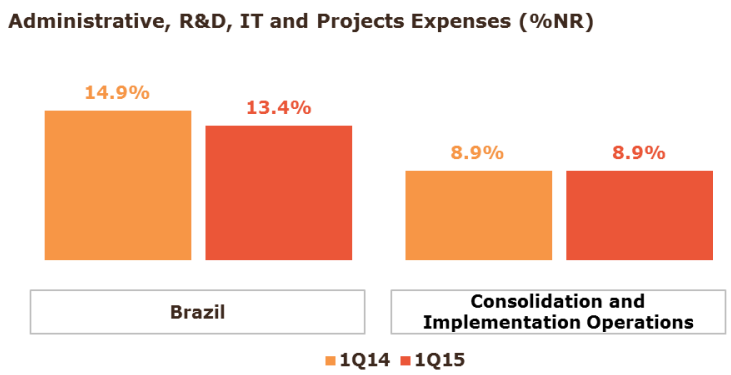
3.4. operating expenses

In Brazil, the relative (% of net revenue) increase in **selling, marketing and logistics expenses** in the quarter was driven by the continuity of investments in marketing, the launch of the "Chame Natura, Chame que vem" campaign[10] and improved dilution of fixed logistics costs on account of lower revenue.



In the International Operations, the relative (% of net revenue) reduction was due to the dilution of fixed costs on account by the continued strong growth in revenue. In the Operations in Implementation, these expenses increased 48.7% due to higher investments in marketing, which had been scaled down in 1Q14 on account of importation difficulties at that time.

[10] Visit our website and learn more about the campaign: http://www.natura.com.br/chamenatura



Administrative, R&D, IT and Project expenses in Brazil saw a nominal decrease in the quarter. The increase in R&D investments was compensated by reductions in projects, by gains from insourcing of certain support functions and by greater efficiency in administrative expenses.

In the case of Operations in Consolidation, administrative expenses outgrew revenues on account of SAP deployment and high inflation in Argentina. In the case of Operations in Implementation, we had operating leverage on account of higher dilution of fixed costs.

3.5. other operating income and expenses

In 1Q15, we earned consolidated operating income of R$ 8.5 million (R$ 11.3 million in 1Q14), resulting from a positive impact of R$ 9 million from the reclassification of interest expense on subsidized loans from financial result (accounting pronouncement CPC 07), the expense of R$ 3.6 million from the allocation of operating results of the "Crer para Ver" project to Natura Institute, and other positive results.

3.6. other international investments

The other international investments, namely the operation in France, the corporate structure in Buenos Aires and the AESOP operation, recorded an EBITDA loss of R$25.1 million in 1Q15, compared to the loss of R$10.7 million in 1Q14. The increase in loss is due to high inflation in Argentina which adversely affected corporate expenses in Latam (the Buenos Aires office), the still loss-making operation in France and the positive, nonrecurring result from Aesop in 1Q14[11].

[11] Refers to a R$6.2 million gain from adjustment to the acquisition price of distributors of AESOP, in accordance with Note 26(b) to the 1Q14 Financial Statements.

3.7. EBITDA

EBITDA (R$ million)

Figures include the operating result and transaction costs associated with AESOP.

	1Q15	1Q14	Change %
Net Revenue	1,641.8	1,556.2	*5.5*
(-) Cost of Sales and Expenses	1,413.0	1,329.1	*6.3*
EBIT	**228.7**	**227.1**	***0.7***
(+) Depreciation/Amortization	57.2	56.5	*1.2*
EBITDA	**285.9**	**283.6**	***0.8***

In 1Q15, consolidated EBITDA amounted to R$285.9 million (R$283.6 million in 1Q14), with an EBITDA margin of 17.4% (18.2% in 1Q14). The stability of nominal EBITDA and the 0.8 p.p. decline in EBITDA margin was due to a combination of factors: a) stable margins in Brazil due to the balance between increased marketing expenses offset by the gains in administrative expenses, and the still low impact of depreciation of the Brazilian real on gross margin; b) slight decline in EBITDA margin in the International Operations for higher investments in marketing in certain operations and the negative foreign exchange effect (Brazilian real vs. Argentine peso) on corporate expenses in Buenos Aires; c) the adverse mix between margins in Brazil and in International Operations, which corresponded to 24.3% of net revenue (18.4% in 1Q14) and 6.1% of EBITDA (4.8% in 1Q14).

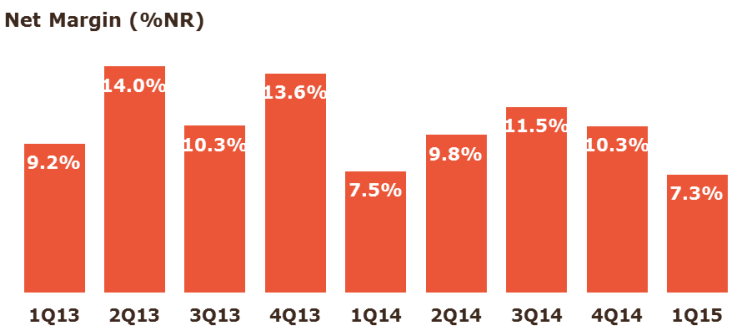
Pro-forma EBITDA by operational bloc (R$ million)

Figures include the operating result and transaction costs associated with AESOP.

	1Q15	1Q14	Change %
Brazil	268.5	269.9	*(0.5)*
Argentina, Chile and Peru	29.3	21.1	*38.8*
Mexico and Colombia	13.2	3.3	*302.8*
Other Investments	(25.1)	(10.7)	*134.9*
EBITDA	**285.9**	**283.6**	***0.8***

3.8. net income

Consolidated net income grew 2.1% in the period and net margin decreased from 7.5% in 1Q14 to 7.3% in 1Q15. This result is the outcome of positive and negative effects: a) higher financial expenses caused by increased net debt and higher interest rates; b) positive adjustment of R$10 million related to marking to market of derivatives pegged to foreign currency debt; c) negative adjustment of R$17.7 million related to the provision for acquisition of the remaining 28.66% stake in AESOP[12]; d) favorable impact of the depreciation of the Brazilian real on the balance of imports payable between international operations and Brazil.



(R$ million)	1Q15	1Q14	Change R$
Financial Income/ (Expenses), net	**(54.6)**	**(51.9)**	***(2.7)***
Mark-to-Market adjustment	10.3	(0.3)	10.6
Financial Income/ (Expenses) ex. Mark-to-Market, net	**(64.9)**	**(51.6)**	***(13.4)***

[12] Refers to the adjustment on the provision for acquisition of interest from non-controlling shareholders, in accordance with Note 19(a) to the 1Q15 and 1Q14 Financial Statements.

3.9. cash flow

As explained earlier, free cash flow improved significantly from 1Q14 as a result of lower allocations to capex (R$ 50.2 million in 1Q15 vs. R$ 134.5 million 1Q15) and to working capital.

In 2015, we are maintaining the projection of R$385 million, 24% lower than the investments in 2014, on the evolution of the business model in Brazil, as well as on information technology (SAP) and logistics in the International Operations.

Favorable/ (unfavorable)

R$ million	1Q15	1Q14	Change R$	Change %
Net Income*	**119.6**	**117.2**	**2.5**	**2.1**
Depreciation and amortization	57.2	56.5	0.7	*1.2*
Non-cash / Other**	9.6	2.7	6.9	*255.8*
Internal cash generation	**186.4**	**176.4**	**10.0**	**5.7**
Working Capital (Increase)/Decrease	(90.0)	(236.7)	146.7	*(62.0)*
Operating cash generation	**96.4**	**(60.3)**	**156.7**	***(259.8)***
CAPEX	(50.2)	(134.5)	84.3	*(62.7)*
Free cash flow***	**46.2**	**(194.8)**	**241.0**	***(123.7)***

(*) Net income attributable to owners of the Company

(**) Some 2014 figures were adjusted for proper disclosure

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

3.10. indebtedness

As the table shows, we ended the quarter with Net Debt / EBITDA ratio of 1.03, compared to 0.88 in the year-ago period.

Debt (R$ million)	Dez/14	Share (%)	Dez/13	Share (%)	Change (%)
Short-Term	1,375.6	*32.1*	759.7	*23.6*	*81.1*
Long-Term	3,915.9	*91.3*	2,821.9	*87.6*	*38.8*
Derivatives*	(680.6)	*(15.9)*	(93.0)	*(2.9)*	*631.8*
Finance Leases / Others**	(321.3)	*(7.5)*	(267.2)	*(8.3)*	*20.2*
Total Debt	**4,289.6**	***100.0***	**3,221.3**	***100.0***	***33.2***
(-) Cash, cash equivalents and short-term investment	2,679.4		1,781.4		*50.4*
(=) Net Debt - Net Cash	**1,610.2**		**1,439.9**		***11.8***
Net Debt / Ebitda	1.03		0.88		
Total Debt / Ebitda	2.76		1.98		

*excluding the temporary, non-cash effects of mark-to-market adjustments of derivatives pegged to foreign currency debt

**Other: reclassification of expenses with interest on subsidized loans from financial result in accordance with Accounting Pronouncement CPC07

The 33.2% increase in total debt is largely due to the issue of non-convertible debentures[13] amounting to R$ 800 million on March 16, 2015 for the purpose of rolling over debt maturing in 2H15.

The increase in amounts related to derivatives (R$ 680.6 million in 1Q15 vs. R$ 93 million in 1Q14) is due to the depreciation of the Brazilian real between the date of contracting of derivative instruments to hedge loans that are sensitive to foreign exchange variation and the closing of 1Q15.

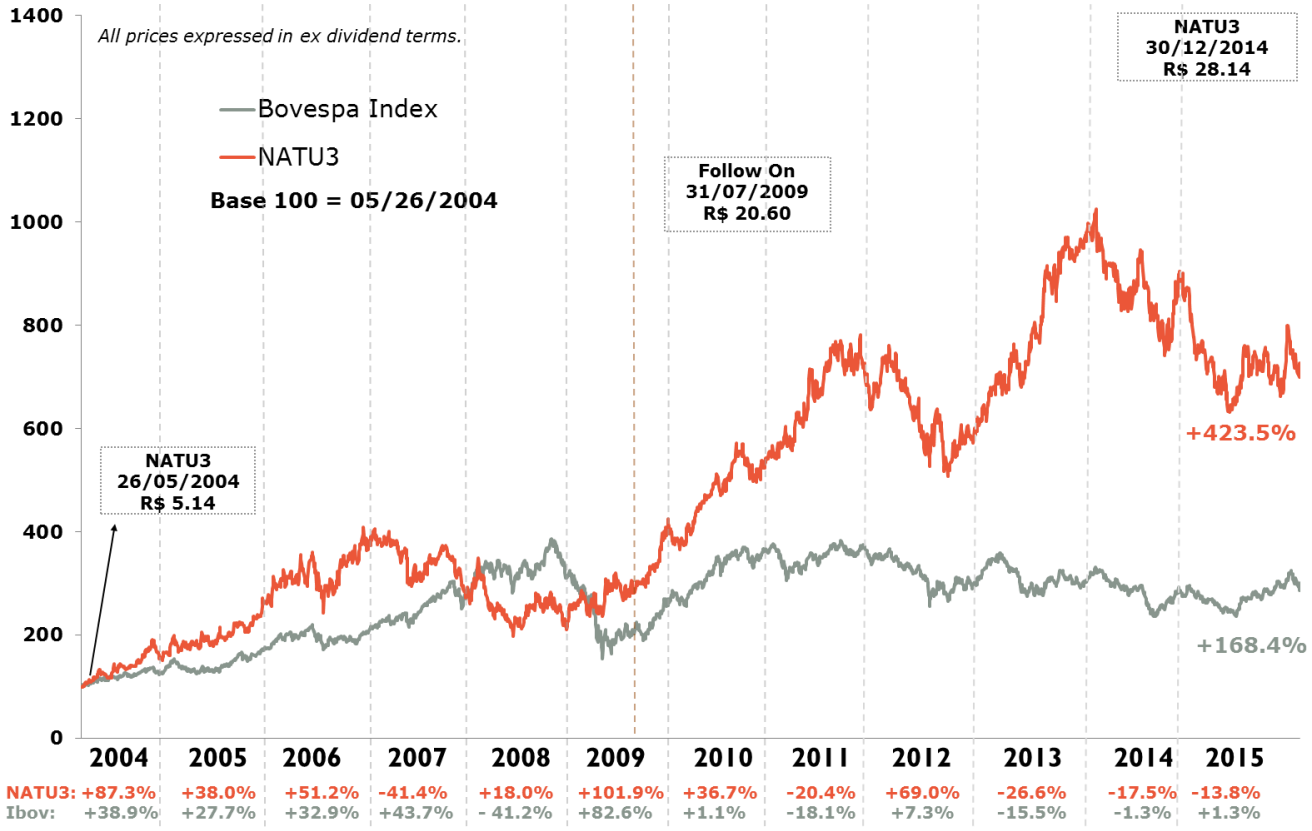
[13] http://natu.infoinvest.com.br/ptb/5222/Ata%20de%20RCA_Debentures.pdf

4. NATU3 performance

In 1Q15, the price of Natura stock declined by 13.8% from December 31, 2014, while the Bovespa Index (Ibovespa) rose 1.3%. Average daily trading volume in 1Q15 was R$32.5 million, compared to R$57.6 million in the prior-year period.

In the same period, our average ranking in the Bovespa Liquidity Index in the period was 43rd.

The following chart shows the performance of Natura stock since its IPO:



conference call & webcast

Thursday, April 30th 2015

9:00 a.m. (Brasília time) (simultaneously translated from Portuguese)

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balance sheets

at March 2015 and December 2014

(in millions of Brazilian real - R$)

ASSETS	Mar/14	Dec/14
CURRENT ASSETS		
Cash and cash equivalents	1,965.7	1,164.2
Short-term investments	713.6	531.8
Trade receivables	798.9	847.5
Inventories	979.3	890.0
Recoverable taxes	324.2	240.3
Derivatives	626.0	317.0
Other receivables	363.7	248.5
Total current assets	**5,771.4**	**4,239.3**
NONCURRENT ASSETS		
Recoverable taxes	194.5	182.7
Deferred income tax and social contribution	130.5	147.8
Escrow deposits	269.7	263.3
Other noncurrent assets	39.5	85.7
Property, plant and equipment	1,759.9	1,672.1
Intangible assets	673.0	609.2
Total noncurrent assets	**3,067.2**	**2,960.8**
TOTAL ASSETS	**8,838.6**	**7,200.1**

LIABILITIES AND SHAREHOLDERS' EQUITY	Mar/14	Dec/14
CURRENT LIABILITIES		
Borrowings and financing	1,375.6	1,466.6
Trade and other payables	717.9	599.6
Payroll, profit sharing and related taxes	177.4	210.5
Taxes payable	751.8	715.5
Provision for acquisition of non-controlling interest	56.1	48.2
Other payables	84.9	78.6
Total current liabilities	**3,163.7**	**3,119.0**
NONCURRENT LIABILITIES		
Borrowings and financing	3,915.9	2,514.6
Taxes payable	102.4	99.0
Provision for tax, civil and labor risks	77.5	75.8
Provision for acquisition of non-controlling interest	107.0	97.2
Others provisions	132.0	145.8
Total noncurrent liabilities	**4,334.9**	**2,932.4**
SHAREHOLDERS' EQUITY		
Capital	427.1	427.1
Capital reserves	134.0	137.3
Earnings reserves	308.9	189.3
Treasury shares	(37.9)	(37.9)
Proposed additional dividend	449.3	449.3
Adjustment of equity evaluation	11.7	(41.4)
Total equity attributable to owners of the Company	**1,293.0**	**1,123.7**
Non- controlling interests	47.0	25.0
Total equity	**1,340.0**	**1,148.7**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**8,838.6**	**7,200.1**

statements of income

for the periods ended March 31, 2015 and 2014

Consolidated (R$ million)	1Q15	1Q14
NET REVENUE	**1,641.8**	**1,556.2**
Cost of sales	(495.1)	(466.5)
GROSS PROFIT	**1,146.7**	**1,089.7**
OPERATING (EXPENSES) INCOME		
Selling expenses	(648.0)	(602.7)
General and administrative expenses	(278.4)	(271.1)
Other operating (expenses) income, net	8.5	11.3
INCOME FROM OPERATIONS BEFORE FINANCIAL INCOME (EXPENSES)	**228.7**	**227.1**
Financial income	565.1	124.0
Financial expenses	(619.8)	(175.9)
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	**174.1**	**175.2**
Income tax and social contribution	(54.8)	(57.1)
NET INCOME BEFORE NON-CONTROLLING INTEREST	**119.2**	**118.1**
ATTRIBUTABLE TO		
Owners of the Company	119.6	117.2
Noncontrolling	(0.4)	0.9
	119.2	**118.1**

statements of cash flow

for the periods ended March 31, 2015 and 2014

Consolidated (R$ million)	1Q15	1Q14
CASH FLOW FROM OPERATING ACTIVITIES		
Net income	**119.2**	**118.1**
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	57.2	56.5
Provision (reversal) for losses on swap and forward transactions	(444.0)	40.0
Provision (reversal) for tax, civil and labor contingencies	2.9	3.3
Monetary restatement of escrow deposits	(4.5)	(8.2)
Income tax and social contribution	54.8	57.1
(Gain) loss on sale on property, plant and equipment and intangible assets	(42.8)	19.4
Interest and exchange rate changes on borrowings and financing and other liabilities	466.6	(41.3)
Exchange rate changes on other assets and other liabilities	55.1	(23.1)
Provision (reversal) related to the grant of options to purchase shares	(3.3)	2.5
Provision (reversal) for losses on inventories	(0.7)	0.0
Allowance for inventory losses	0.2	(7.5)
Net income attributable to non-controlling shareholders	0.4	(0.9)
Provision of health care plan and carbon credits	1.0	0.8
Recognition of untimely used tax credits	0.0	(6.2)
Provision for acquisition of non-controlling interest	17.7	3.2
Provision (reversal) for doubtful accounts	(3.6)	6.1
	276.3	**219.7**
(INCREASE) DECREASE IN ASSETS		
Trade receivables	52.2	48.0
Inventories	(89.6)	(105.8)
Recoverable taxes	(95.7)	(7.7)
Other receivables	(69.0)	9.5
Subtotal	**(202.1)**	**(56.0)**
INCREASE (DECREASE) IN LIABILITIES		
Domestic and foreign suppliers	120.2	(41.0)
Payroll, profit sharing and related taxes, net	(33.2)	(26.0)
Taxes payable	22.9	(19.5)
Other payables	(1.5)	(28.5)
Provision for tax, civil and labor contingencies	(1.1)	0.0
Subtotal	**107.4**	**(115.0)**
CASH GENERATED BY OPERATING ACTIVITIES	**181.6**	**48.7**

OTHER CASH FLOWS FROM OPERATING ACTIVITIES		
Payments of income tax and social contribution	(23.6)	(117.7)
Withdrawal (payment) of escrow deposits	(1.9)	(5.9)
Payments of derivatives	113.3	27.8
Payment of interest on borrowings and financing	(70.4)	(26.5)
NET CASH GENERATED BY OPERATING ACTIVITIES	**199.0**	**(73.6)**
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and intangible assets	(50.2)	(134.6)
Short-term investments	(1,443.4)	(1,524.7)
Redemption of short-term investments	1,261.6	1,415.9
NET CASH USED IN INVESTING ACTIVITIES	**(232.0)**	**(243.3)**
CASH FLOW FROM INVESTING ACTIVITIES		
Repayments of borrowings and financing - principal	(532.6)	(59.8)
Proceeds from borrowings and financing	1,358.8	729.6
Sale of treasury shares due to exercise of stock options	0.0	8.9
NET CASH GENERATED (USED) IN FINANCING ACTIVITIES	**826.2**	**678.7**
Gains (losses) arising on translating foreign currency cash and cash equivalents	8.4	1.6
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**801.6**	**363.4**
Cash and cash equivalents at the beginning of the year/period	1,164.2	1,016.3
Cash and cash equivalents at the end of the year/period	1,965.7	1,379.6
DECREASE IN CASH AND CASH EQUIVALENTS	**801.5**	**363.3**
Additional Statements of Cash Flows Information:		
Non-cash items		
Capitalization of financial leasing	80.9	78.2
Hedge accounting	33.8	0.0
Effects of changes from the the company on the fair value of net assets acquired by Emeis Holding Pty Ltd.	3.6	0.0

glossary

_CDI: the overnight rate for interbank deposits.

_Natura Consultants (CN): self-employed resellers who do not have a formal labor relationship with Natura.

_Natura Consultant Advisors (CNO): self-employed resellers who do not have a formal labor relationship with Natura and support the Relationship Managers in their activities.

_Supplier Communities: the communities of people involved in small–scale farming and extraction activities in a variety of locations in Brazil, especially in the Amazon Region, who extract the inputs used in our products from the social and biodiversity. We form production chains with these communities that are based on fair prices, the sharing of benefits gained from access to the genetic heritage and associated traditional knowledge and support for local sustainable development projects. This business model has proven effective in generating social, economic and environmental value for Natura and for the communities.

_GHG: Greenhouse gases.

_Innovation Index: Share in the last 12 months of the sale of products launched in the last 24 months.

_Natura Institute: is a nonprofit organization created in 2010 to strengthen and expand our Private Social Investment initiatives. The institute has enabled us to leverage our efforts and investments in actions that contribute to the quality of public education.

_Target Market: refers to the market share data published by SIPATESP/ABIHPEC. Considers only the segments in which Natura operates. Excludes diapers, oral hygiene products, hair dyes, nail polish, feminine hygiene products as well as other products.

_Operations in Consolidation: Grouping of operations: Argentina, Chile and Peru

_Operations in Implementation: Grouping of operations: Colombia and Mexico

_Profit Sharing: the share of profit allocated to employees under the profit-sharing program.

_Natura Crer Para Ver Program: special line of non-cosmetic products whose profits are transferred to the Natura Institute, in Brazil, and invested by Natura in social initiatives in the other countries where we operate. Our consultants promote these sales to benefit society and do not obtain any gains.

_Sustainable Relations Network: sales model adopted in Mexico that features eight stages in a consultant's development: Natura Consultant, Entrepreneurial Natura Consultant, Natura Developer 1 and 2, Natura Transformer 1 and 2, Natura Inspirer and Natura Associate. To rise up through the various stages, consultants must fulfill certain criteria based on sales volume, attracting new consultants and (unlike the models adopted in other countries) personal development and social and environmental relationships in the community.

_Benefit Sharing: in accordance with Natura's Policy for the Sustainable Use of Biodiversity and Associated Traditional Knowledge, benefits are shared whenever we perceive various forms of value in the access gained. Therefore, one of the practices that define the way in which these resources are divided is to associate payments with the number of raw materials produced from each plant as well as the commercial success of the products in which these raw materials are used.

_Sipatesp/Abihpec: São Paulo State Perfumery and Toiletries Association / Brazilian Cosmetics, Fragrances and Toiletries Industry Association.

restated figures

_Pro-forma Income Statement for 1Q14: includes two reclassifications related to logistics expenses of International Operations, in order to provide better comparison with 1Q15 figures. These adjustments do not impact the Consolidated EBITDA and Consolidated Net Income amounts previously reported. The following reclassifications were made: (1) reclassification of R$3.6 million from "Adm., R&D, IT and Project Expenses" of the Brazil operation to "Cost of Goods Sold" of International Operations. This reclassification refers to the part of logistics expenses of international operations that were not being allocated to "Cost of Goods Sold" of the respective operations, thus reflecting the actual impact of these expenses on the results of these subsidiaries. (2) reclassification of R$3.7 million related to export freight costs in the Brazil operation from "Adm., R&D, IT and Project Expenses" to "Cost of Goods Sold".

EBITDA is not a measure under BR GAAP and does not represent cash flow for the periods presented. EBITDA should not be considered an alternative to net income as an indicator of operating performance or an alternative to cash flow as an indicator of liquidity. EBITDA does not have a standardized meaning and the definition of EBITDA used by Natura may not be comparable with that used by other companies. Although EBITDA does not provide under BR GAAP a measure of cash flow, Management has adopted its use to measure the Company's operating performance. Natura also believes that certain investors and financial analysts use EBITDA as an indicator of performance of its operations and/or its cash flow.

This report contains forward-looking statements. These forward-looking statements are not historical fact, but rather reflect the wishes and expectations of Natura's management. Words such as "anticipate", "wish", "expect", "foresee", "intend", "plan", "predict", "project", "desire" and similar terms identify statements that necessarily involve known and unknown risks. Known risks include uncertainties that are not limited to the impact of price and product competitiveness, the acceptance of products by the market, the transitions of the Company's products and those of its competitors, regulatory approval, currency fluctuations, supply and production difficulties and changes in product sales, among other risks. This report also contains certain pro forma data, which are prepared by the Company exclusively for informational and reference purposes and as such are unaudited. This report is updated up to the present date and Natura does not undertake to update it in the event of new information and/or future events.

