Earnings Results
1Q17



April 27th, 2017

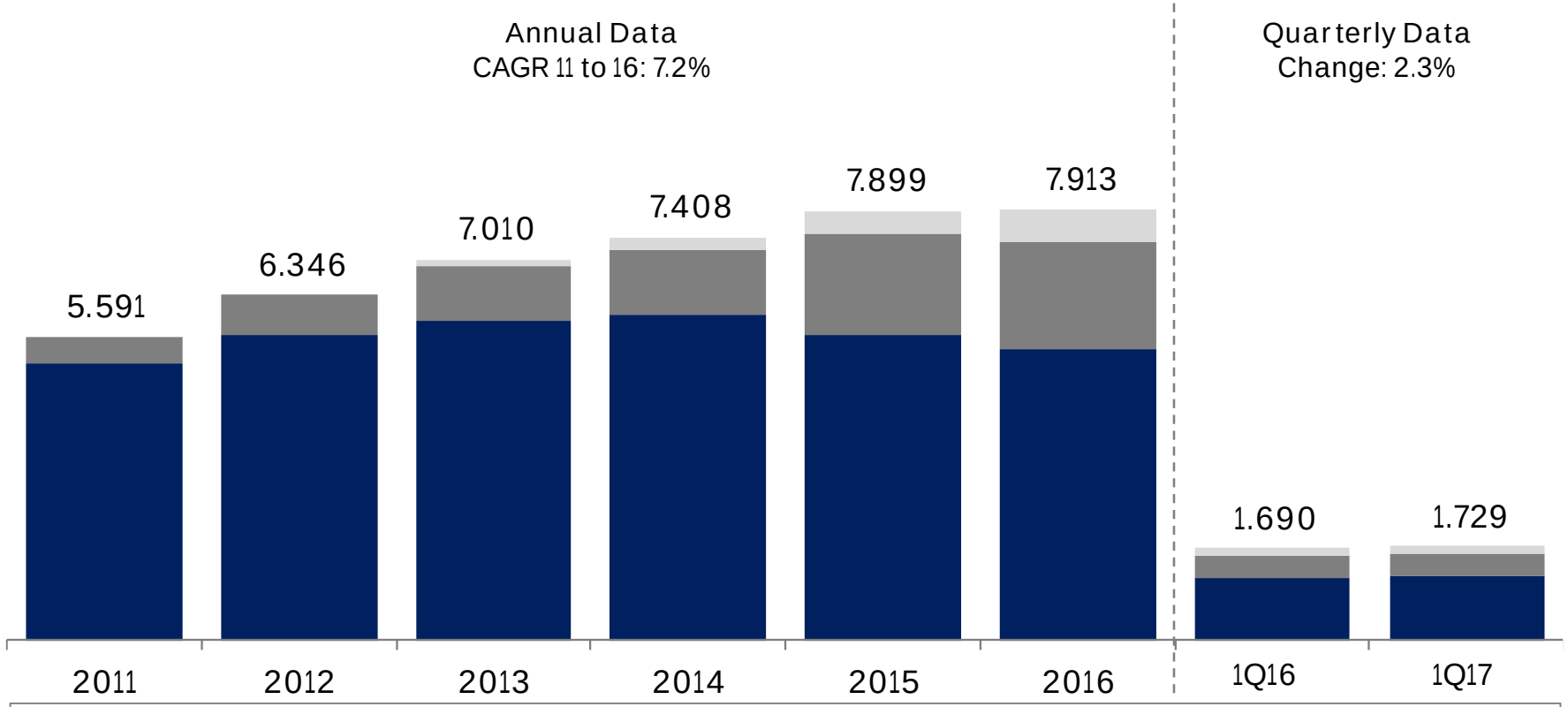
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Net Revenue

Consolidated (Brazil and International Operations)

R$ million

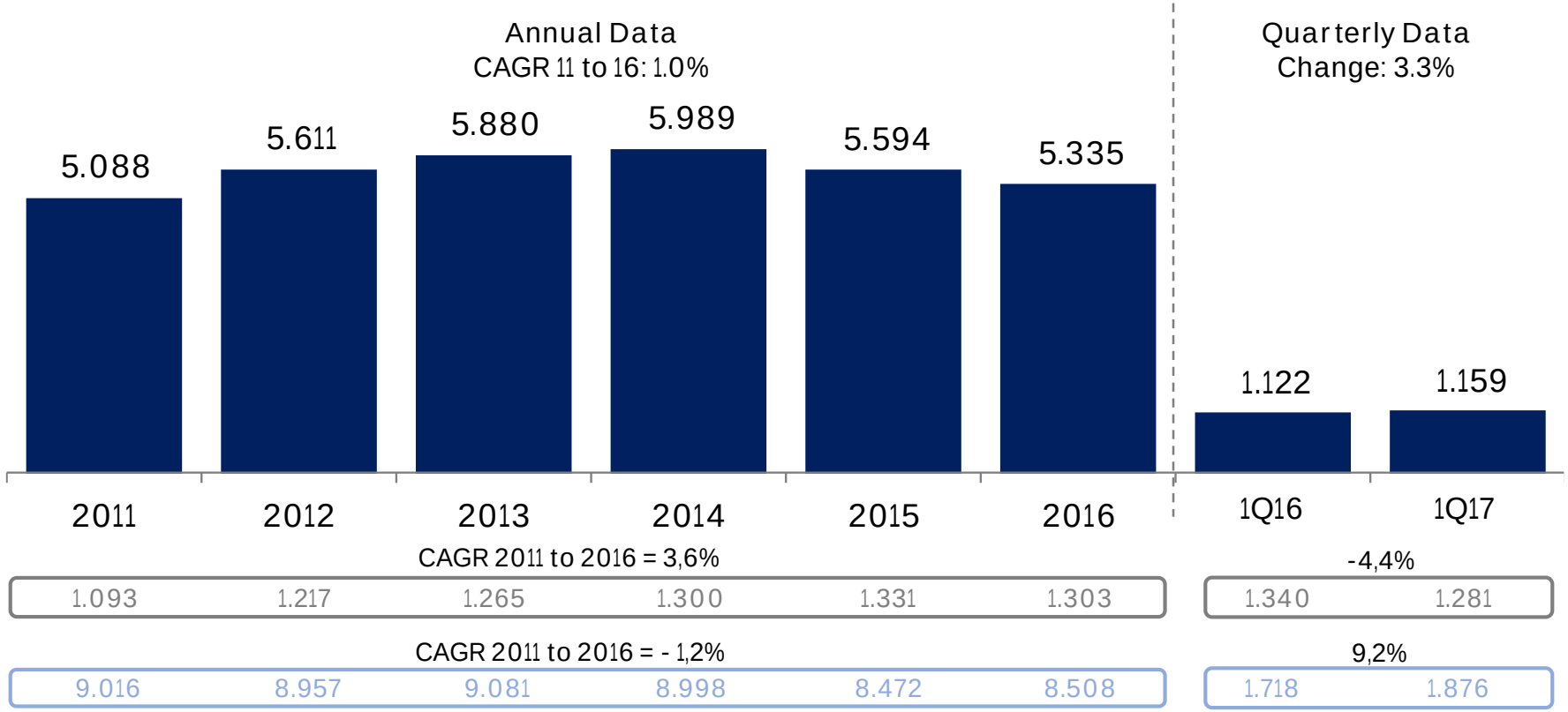


Consolidated net revenue increased 2.3% in 1Q17, supported by a 3.3% growth in Brazil but was impacted by the appreciation of the Brazilian real over the currencies in the international operations.

Net Revenue

Brazil

R$ million



In 1Q17, net revenue grew 3.3% compared to 1Q16, boosted by the positive performance in fragrances, facial care and gifts strategy. Contraction in the number of consultants was more than offset by productivity improvements.

Net Revenue (R$ million)

No. of Consultants Average (thousand*)

Productivity (R$ by average available consultant**)

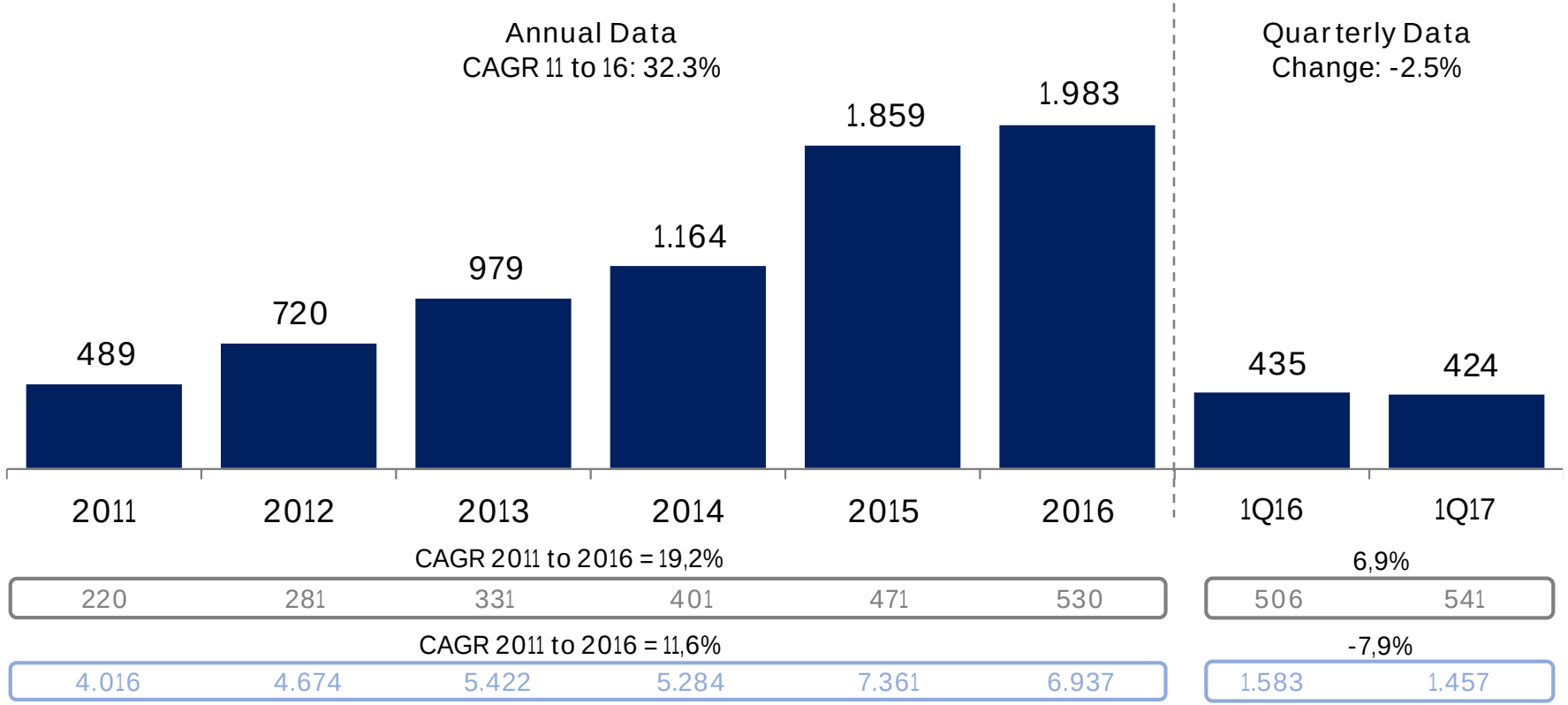
(*) Position in the end of Cycle 4

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

Net Revenue

Latam

R$ million



Improvement of 22% in local currency due to the expansion in the number of consultants (+6.9%) and higher productivity (+15.3% in local currency). In Brazilian reais, FX headwinds resulted in a 2.5% decrease in sales in 1Q17.

Net Revenue (R$ million)

No. of Consultants Average (thousands*)

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

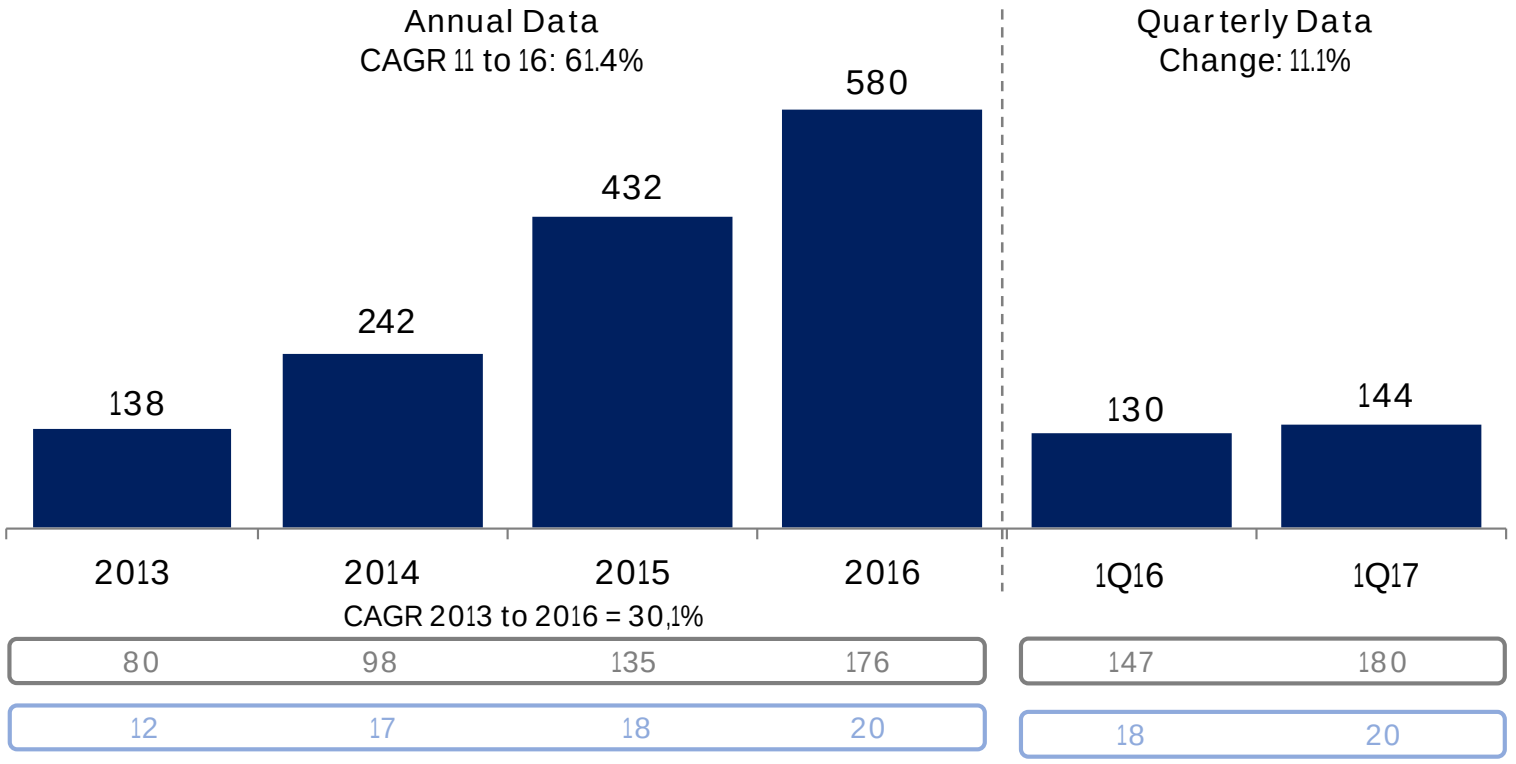
(*) Position in the end of Cycle 4 in Argentina, Chile and Mexico, and Cycle 3 in Peru and Colombia.
(**) Productivity measured by sales (retail prices) calculated by gross revenue in Latam divided by the average number of consultants available in the analyzed cycles.

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Net Revenue

Aesop

R$ million



Aesop grew 31.4% in local currency in 1Q17, down to 11.1% in Brazilian reais, accounting for 8.4% of consolidated net revenue (7.7% in 1Q16). Signature stores totaled 180 units, 33 more than in 1Q16, with 11% annual same-store sales growth in local currency.

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

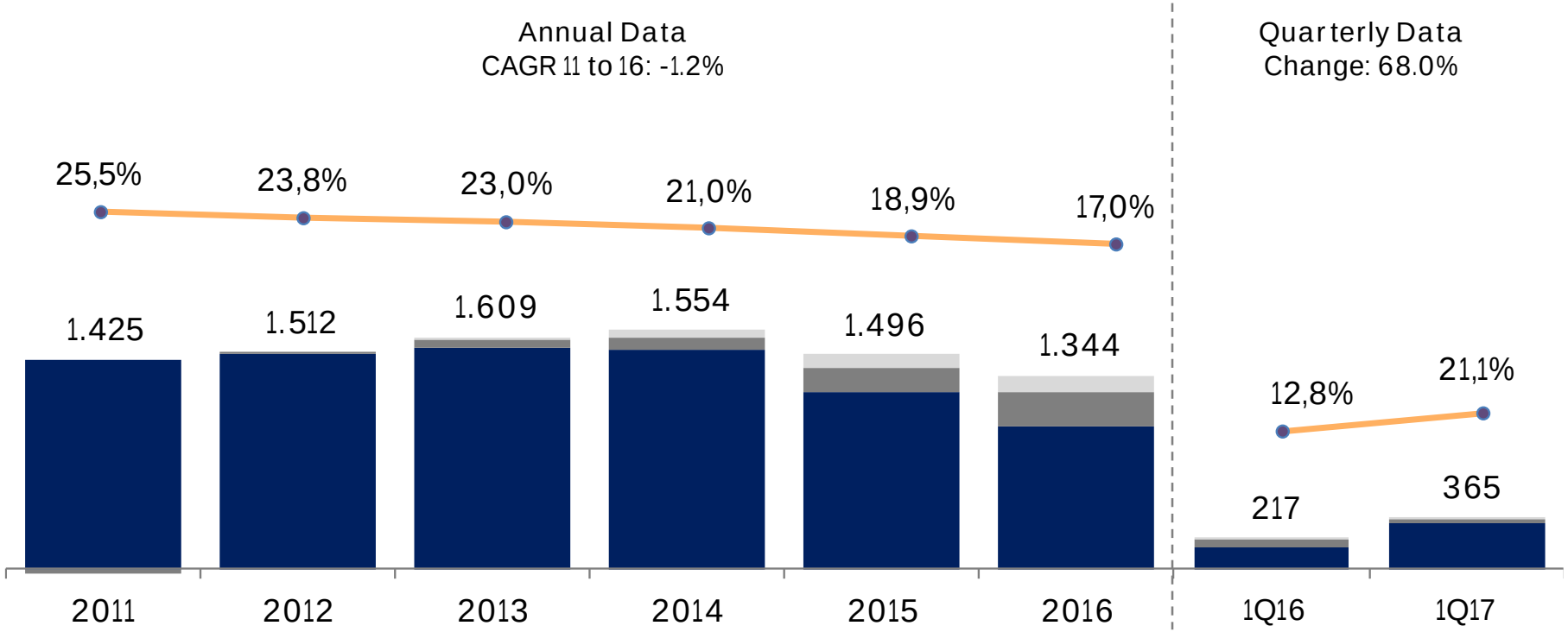
(**) Geographies where Aesop is present with signature store: Australia, Brazil, Canada, Denmark, France, Germany, Hong Kong, Italy, Japan, Korea, United Kingdom, Macau, Malaysia, New Zeland, Norway, Singapore, Switzerland, Sweden, USA

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EBITDA

Consolidated

R$ million



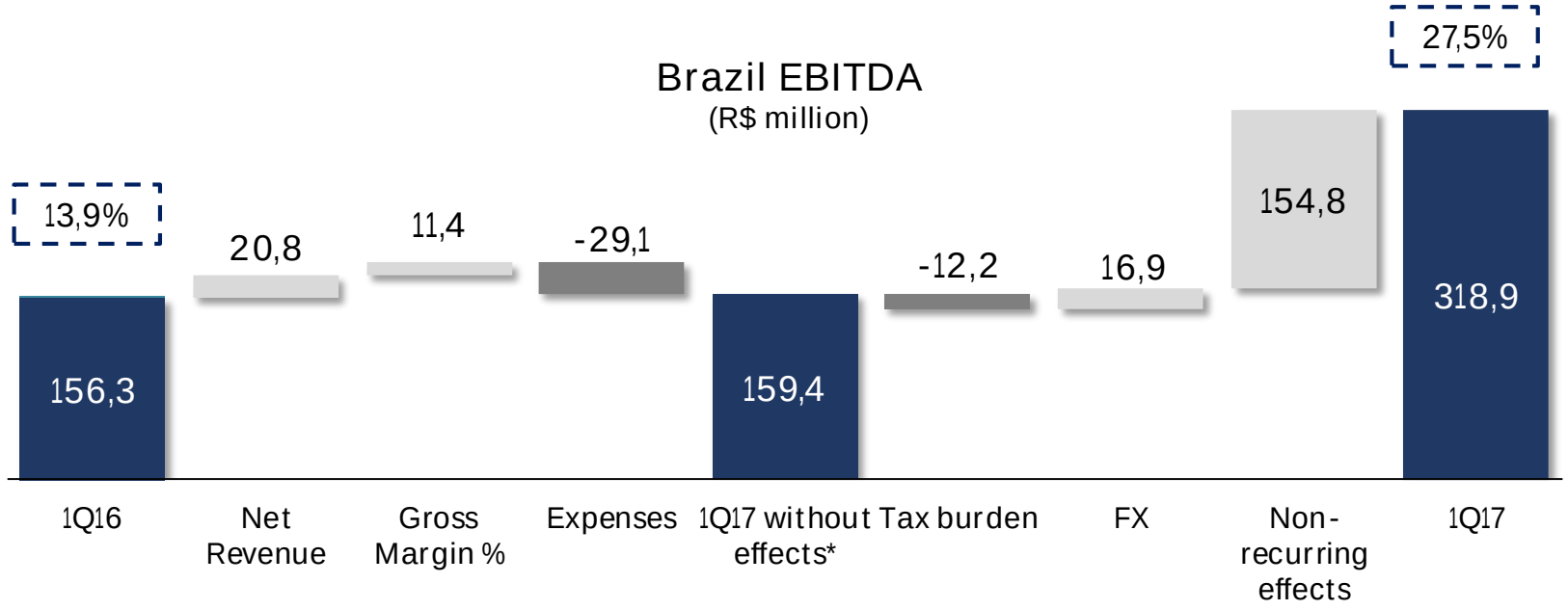
In 1Q17, consolidated EBITDA grew 68.0% from 1Q16. Without non-recurring effects, EBITDA would have totaled R$209.8 million, 3.3% lower than 1Q16. In Brazil, excluding one-offs, EBITDA growth stood at 5%, on the back of revenue growth and gross margin expansion. International operations were strongly impacted by the appreciation of the Brazilian real, but in local currency continued to present a solid performance.

Brazil Latam Aesop EBITDA Margin (%NR)

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EBITDA
Brazil

R$ million



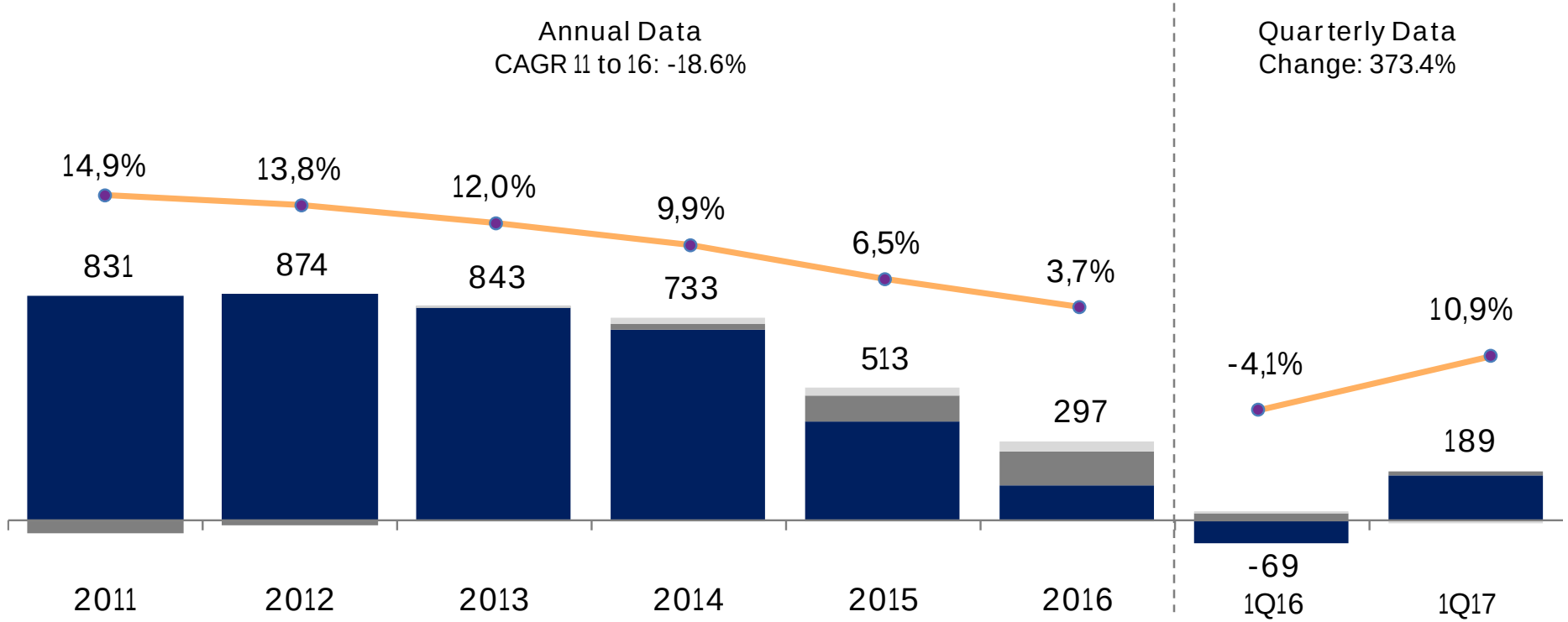
*1Q17 EBITDA without tax burden, FX and non-recurring effects.

Growth of 104.0% over 1Q16 including non-recurring effects, or 5% after excluding them. The better results are due to revenue and gross margin growth, offsetting the higher investment in marketing on the sales force. Tax burden on sales increased by 0.7pp and the Brazilian real appreciation caused a positive impact of R$ 16.9MM in US dollar indexed inputs.

EBITDA Margin

Net Income
Consolidated

R$ million



Net income of R$189 million in 1Q17. Without non-recurring effects, net income is R$28.2 million, an increase over 1Q16, supported by Brazil's positive performance, with higher EBITDA and lower financial expenses.

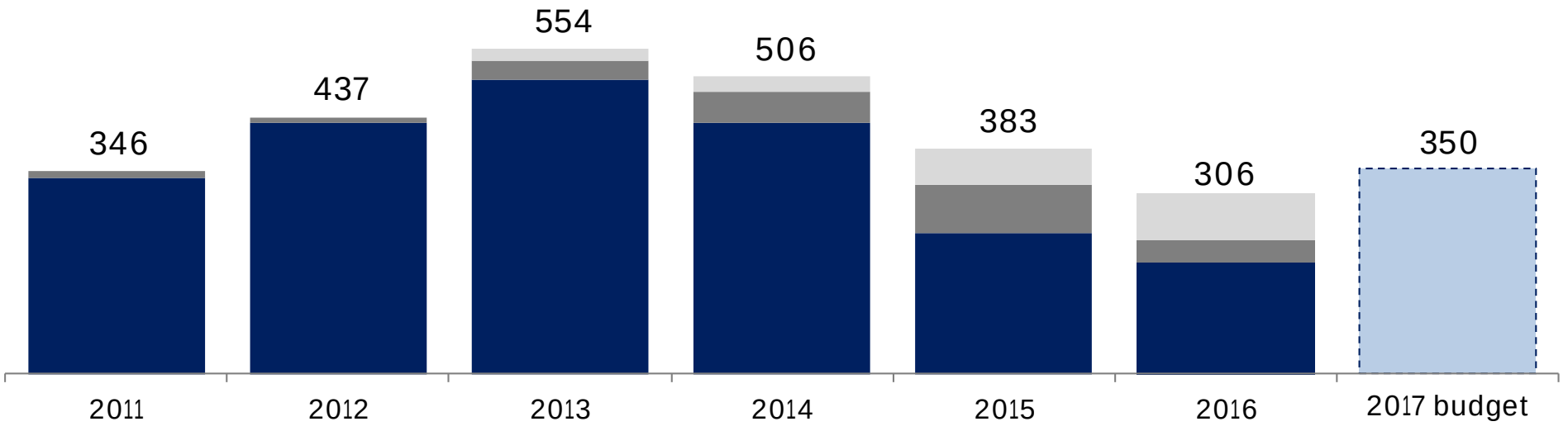
Brazil Latam Aesop Net Margin (%NR)

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CAPEX

Consolidated

R$ million



Budget Capex of R$350 for 2017, following recent years' trend of lower CAPEX levels. Lighter investments in 1Q17 vs. 1Q16, aligned with our growth acceleration strategy.

Brazil Latam Aesop

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Free Cash Flow

Consolidated

R$ million

R$ million	1Q17	1Q16	Change R$	Change %
Net Income*	189,0	(69,1)	258,1	373,4
Depreciation and Amortization	67,3	63,1	4,3	6,8
Non-cash/Others	35,3	(54,2)	89,5	n/a
Provision for acquiring Aesop's remaining interest	0,0	61,9	(61,9)	n/a
Internal Cash Generation	291,6	1,6	290,0	n/a
Working Capital (Increase)/Decrease	(241,2)	(121,4)	(119,8)	98,7
Operating Cash Generation	50,4	(119,8)	170,2	142,1
CAPEX	(33,9)	(47,9)	14,0	(29,2)
Free Cash Flow**	16,5	(167,7)	184,2	109,8

(*) Net income attributable to owners of the Company

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

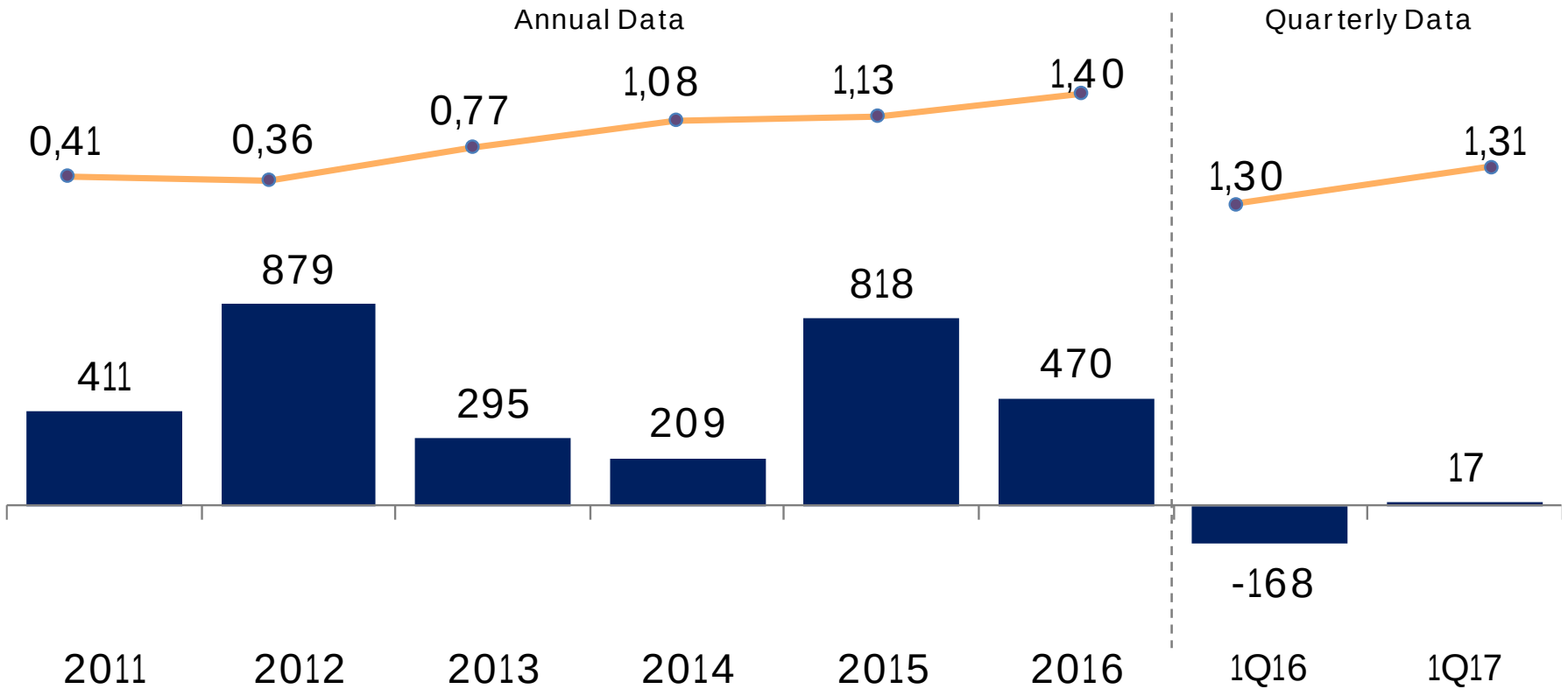
Free cash flow generation of R$184.2 million higher than 1Q16, consequence of a higher net income, more efficient inventory management and lower CAPEX. Without non-recurring effects, free cash flow does not change, but there is an improvement in working capital over 1Q16.

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Free Cash Flow and Indebtedness

Consolidated

R$ million



Positive free cash flow generation in 1Q17 over a cash consumption in 1Q16, with indebtedness ratio (Net Debt / EBITDA) standing at similar level as in 1Q16.

Free Cash flow Generation — Net Debt / EBITDA

Sustainability

Indicator	Unit	2020 ambition	1Q17	2016
Relative carbon emmissions (escopes 1, 2 e 3)	kg CO2/kg prod billed	2,15	3,17*	3,17**
% post cosumption recycled materials[1]	% (g recycled mat/g packaging)	10,0	5,1	4,3
Eco-efficient packaging[2]	% (eco-efficient packaging units billed/ total units billed)	40,0	20,0	20,3
Amazon inputs consumed in relation to total inputs	% (R$ Amazon inputs/R$ total inputs)	30,0	18,2	19,1
Cumulative business volume in the Pan-Amazon region[3]	R$ millions	1.000,0	1.020,7	972,6
Water consumption	Liters / units manufactured	0,32	0,51	0,53
Funding for "Crer Para Ver" program - Brazil[4]	R$ millions	23,6	5,4	23,7

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

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

3 Cumulative amounts since 2011.

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

* 2016 cumulative results. 1Q17 results are going to be disclosed in 2Q17 due to the complexity of its calculation.

** 2015 cumulative results to analyze annual growth.

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