Earnings Results



Natura 1Q16

April 28th, 2016

natura
bem estar bem

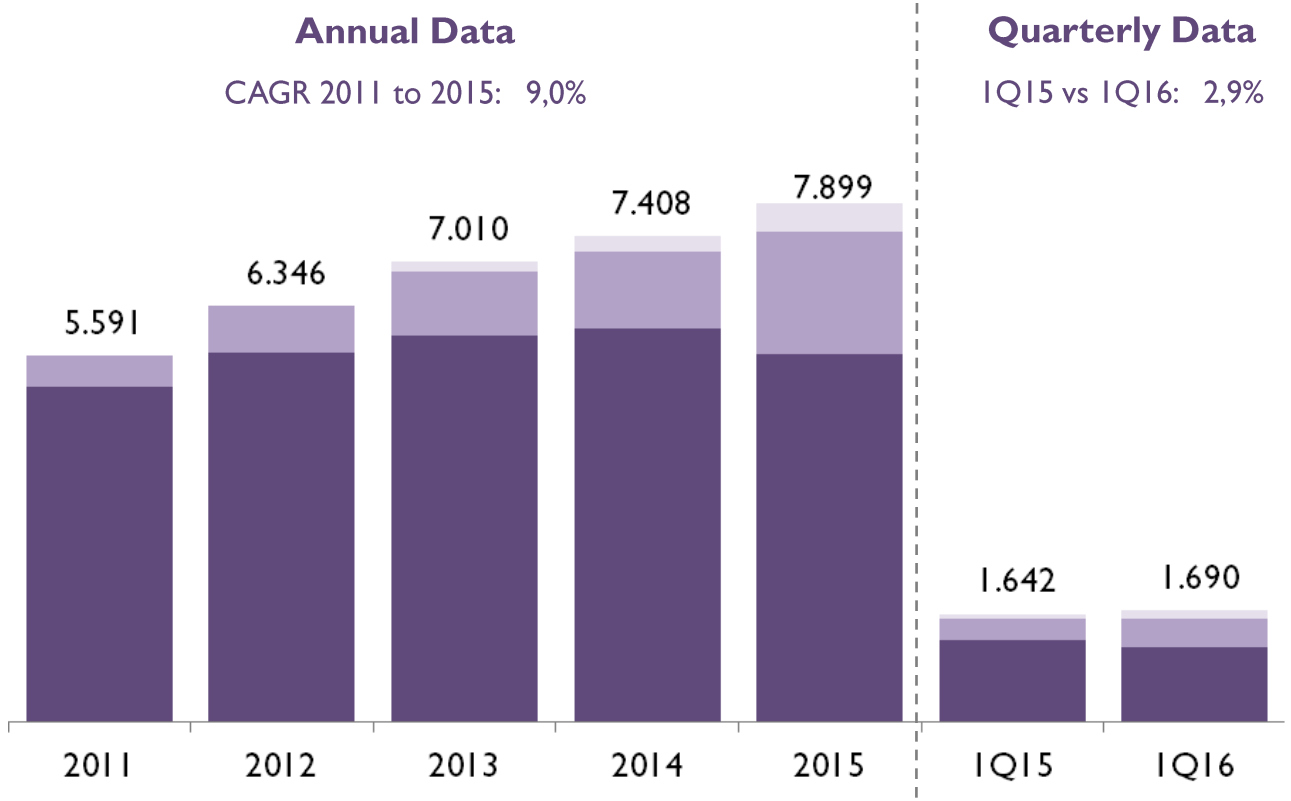
This presentation contains forward-looking statements. Such statements are not statements of historical fact, and reflect the beliefs and expectations of Natura's management. The words "anticipates", "wishes", "expects", "estimates", "intends", "forecasts", "plans", "predicts", "projects", "targets" and similar words are intended to identify these statements, which necessarily involve known and unknown risks and uncertainties. Known risks and uncertainties include, but are not limited to, the impact of competitive products and pricing, market acceptance of products, product transitions by the Company and its competitors, regulatory approval, currency fluctuations, production and supply difficulties, changes in product sales mix, and other risks. This presentation also includes pro-forma information prepared by the Company for information and reference purposes only, which has not been audited. Forward-looking statements speak only as of the date they are made, and the Company does not undertake any obligation to update them in light of new information or future developments.

www.natura.net/investidor

natura
bem estar bem

Net Revenue
Consolidated (Brazil and International Operations)

R$ million



Consolidated revenue grew 2,9% in the 1Q16.

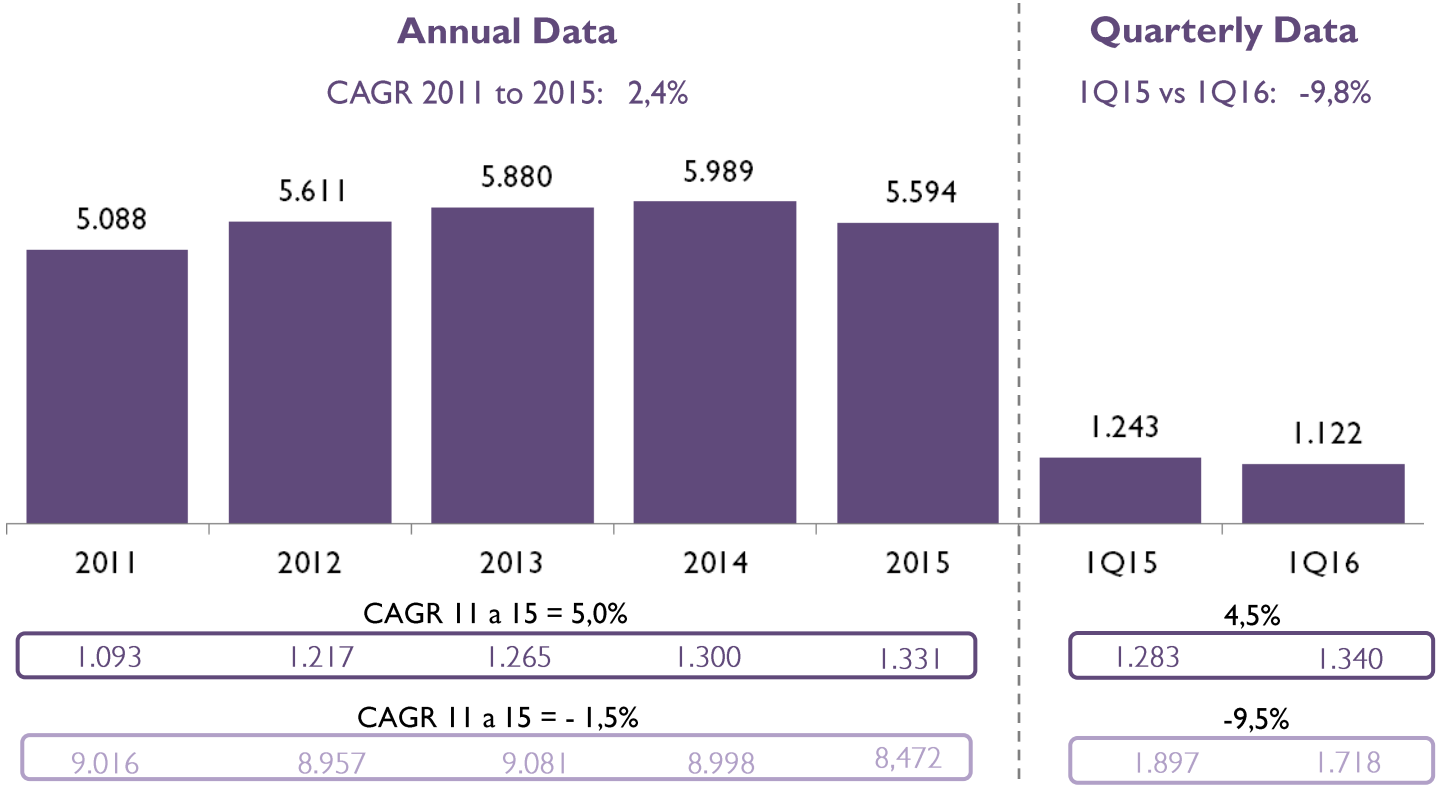
The International Operations account for 33,6% of the net revenue (24,3% in 1Q15)

Brasil Latam Aesop

natura
bem estar bem

Net Revenue
Brazil

R$ million



Drop of 9.8% in the quarter due to the increase of 3.4pp in the tax burden, and down 11.4% in sales volume.

Net Revenue (R$ million)

N. Of Consultants Average (thousand*)

Productivity (R$ by average available consultant**)

(*) Position in the end of 4° Cycle

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

natura
bem estar bem

Market Share 2015 (Euromonitor)
Brazil

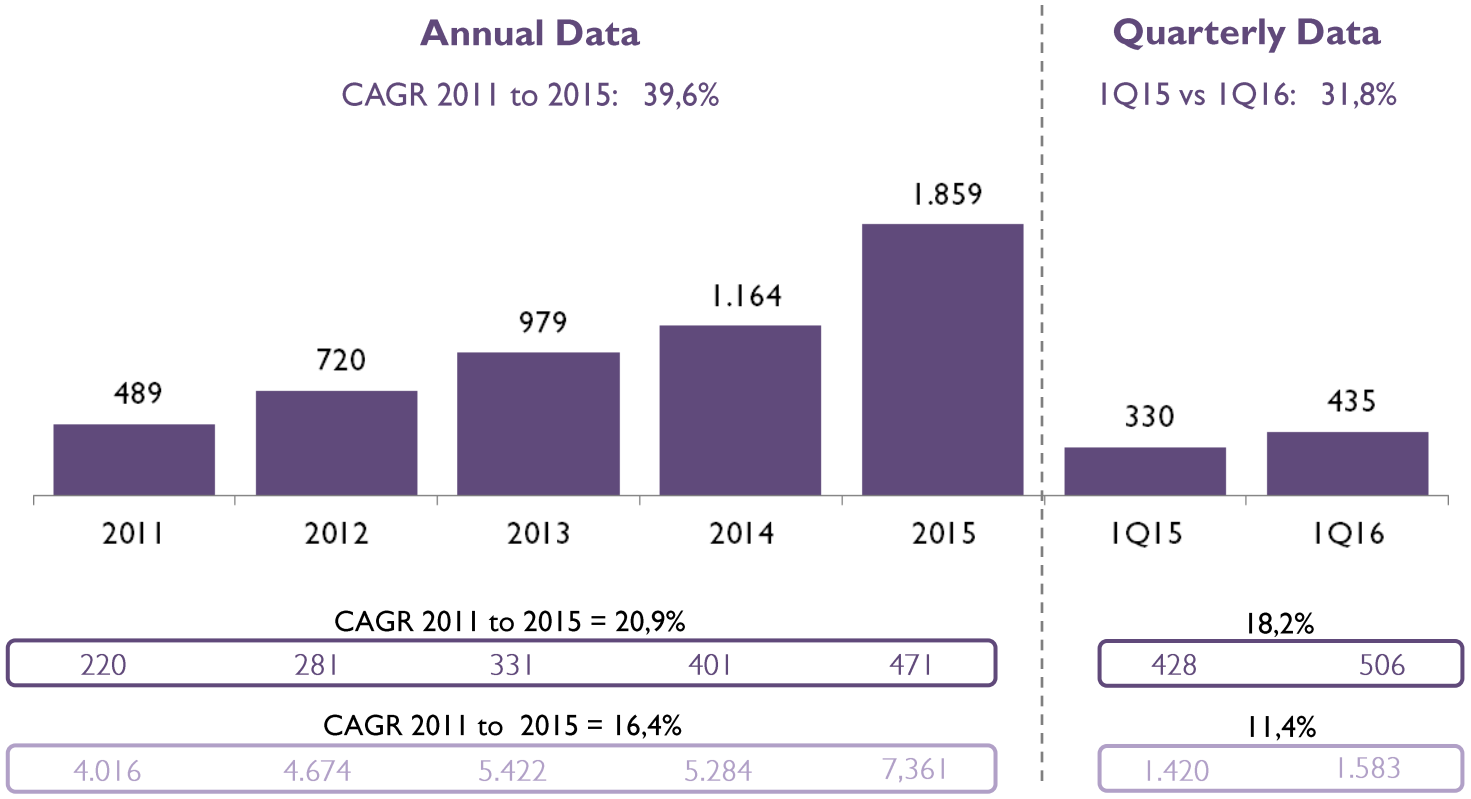
Rank	Country	2011	2012	2013	2014	2015	Var. 14 - 15	CAGR% 11-15 Natura	CAGR% 11-15 Market
2	Brasil	13,8%	13,2%	12,4%	11,4%	11,1%	-03pp	3,3%	9,3%

In 2015 we maintained the second position in the CFT market, despite a decline of 0.3pp in market share, lower than that recorded in previous years

natura
bem estar bem

Net Revenue
Latam

R$ million



Continuous accelerated revenue growth of 31.8% in BRL and 27.9% in local currency, with a robust channel expansion along with increases in consultants productivity and sales volume

Net Revenue (R$ million)

N. Of Consultands Average (thousands*)

Productivity (R$ by average available consultant**)

(*) Position in the end of 4° Cycle

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

natura
bem estar bem

Market Share 2015 (Euromonitor)
Latam

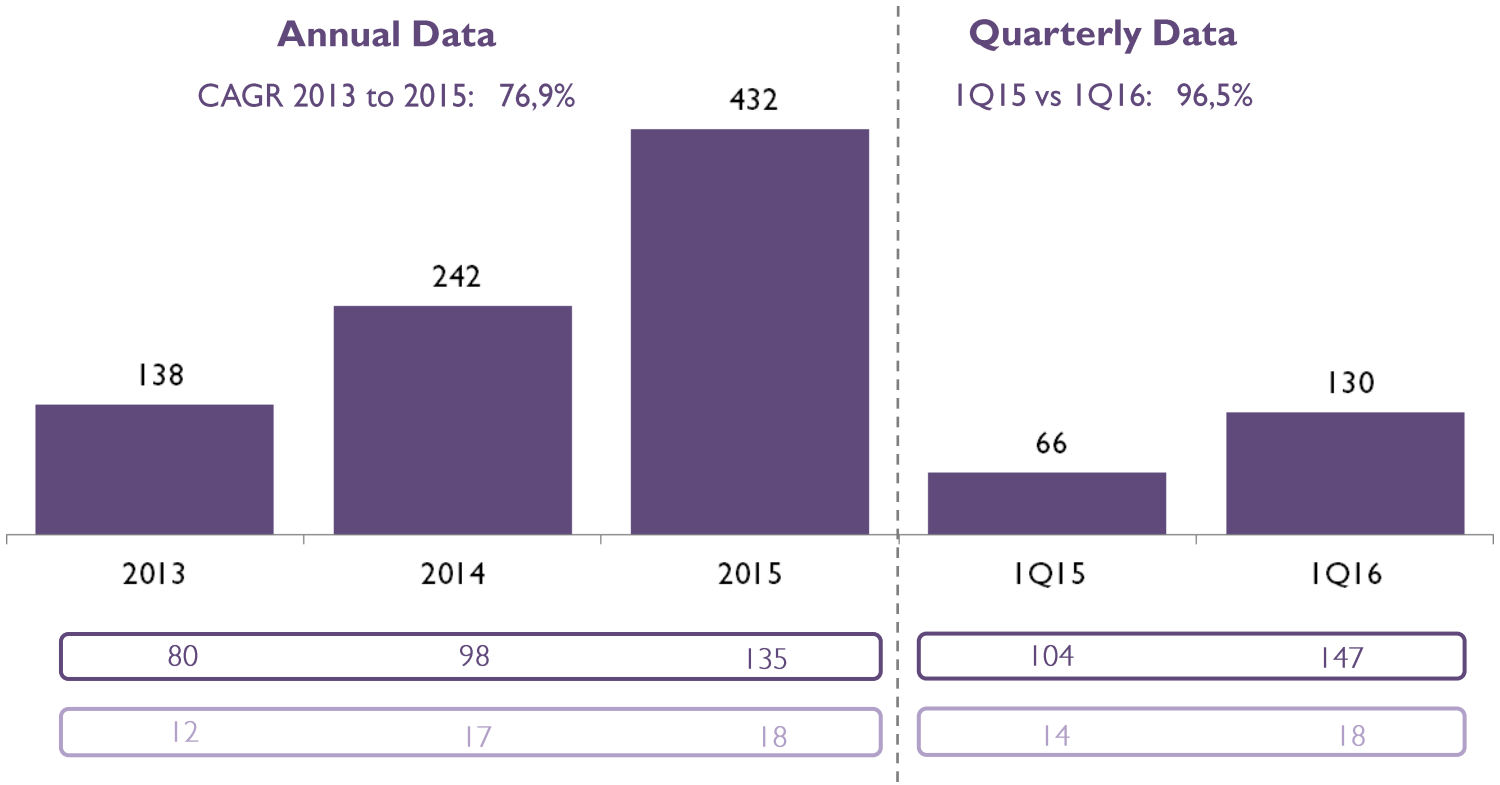
Rank	Country	2011	2012	2013	2014	2015	Var. 14 - 15	CAGR% 11-15 Natura	CAGR% 11-15 Market
6	**Latam**	**2,1%**	**2,5%**	**3,0%**	**3,5%**	**4,1%**	**0,5pp**	**29,6%**	**10,4%**
5	Argentina	3,5%	3,8%	4,8%	5,5%	6,3%	0,7pp	52,2%	31,5%
4	Chile	4,0%	4,8%	5,3%	5,6%	5,7%	0,1pp	18,2%	8,1%
9	Colômbia	1,4%	1,8%	2,1%	2,9%	3,7%	0,8pp	32,5%	4,3%
12	México	1,0%	1,1%	1,3%	1,6%	1,8%	0,2pp	23,7%	5,4%
6	Peru	4,6%	4,8%	4,8%	5,5%	6,0%	0,5pp	13,0%	6,1%

Market share gains in all countries, moving from the seventh to the sixth position in the region's rank

natura
bem estar bem

Net Revenue
Aesop

R$ million



Growth driven by the launch of new stores and and by solid same-store-sales growth of 20% from 1Q15. Revenue growth of 53% in AUD

Net revenue (R$ million)

Number of Stores

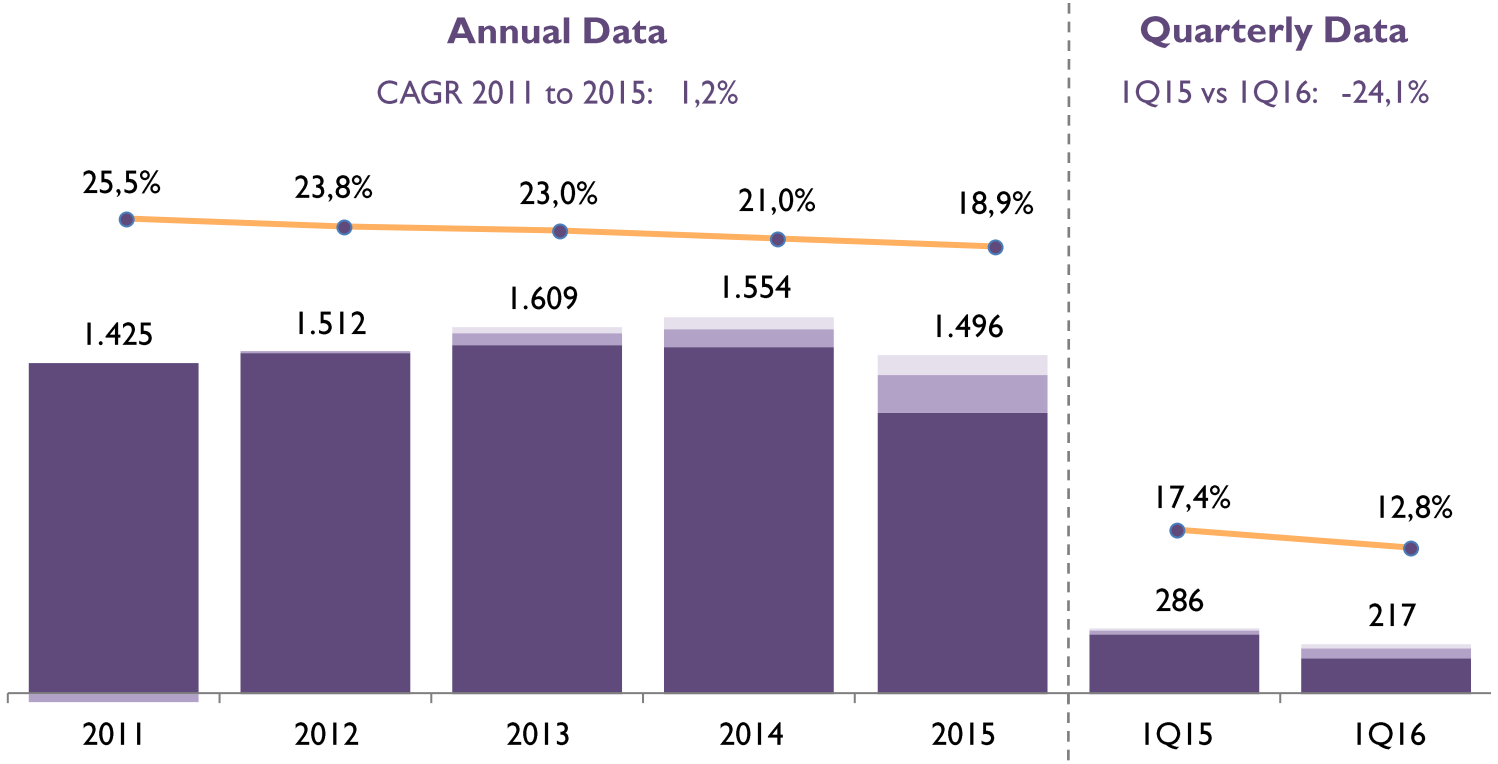
Number of geographies**

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

natura
bem estar bem

Ebitda
Consolidated

R$ million



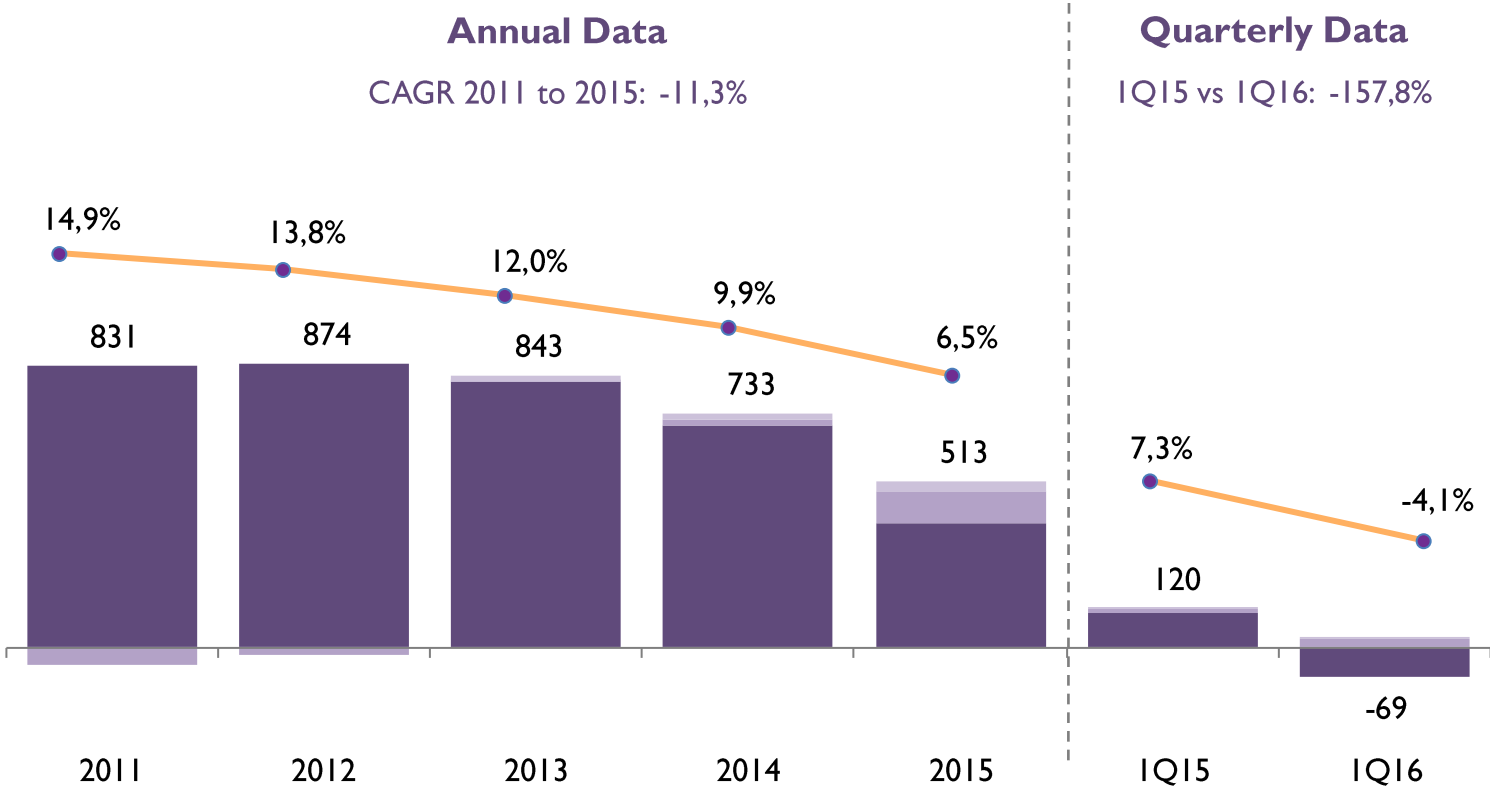
Consolidated EBITDA contraction due to the drop in sales and operational deleveraging in Brazil, higher tax rates and weaker BRL Nonetheless, we kept spending in Brazil at the same level as 1Q15, while recording a continuous EBITDA growth in the Int'l Operations.

Brazil Latam Aesop Consolidated EBITDA margin (%NR)

natura
bem estar bem

Net (Loss) Income
Consolidated

R$ million



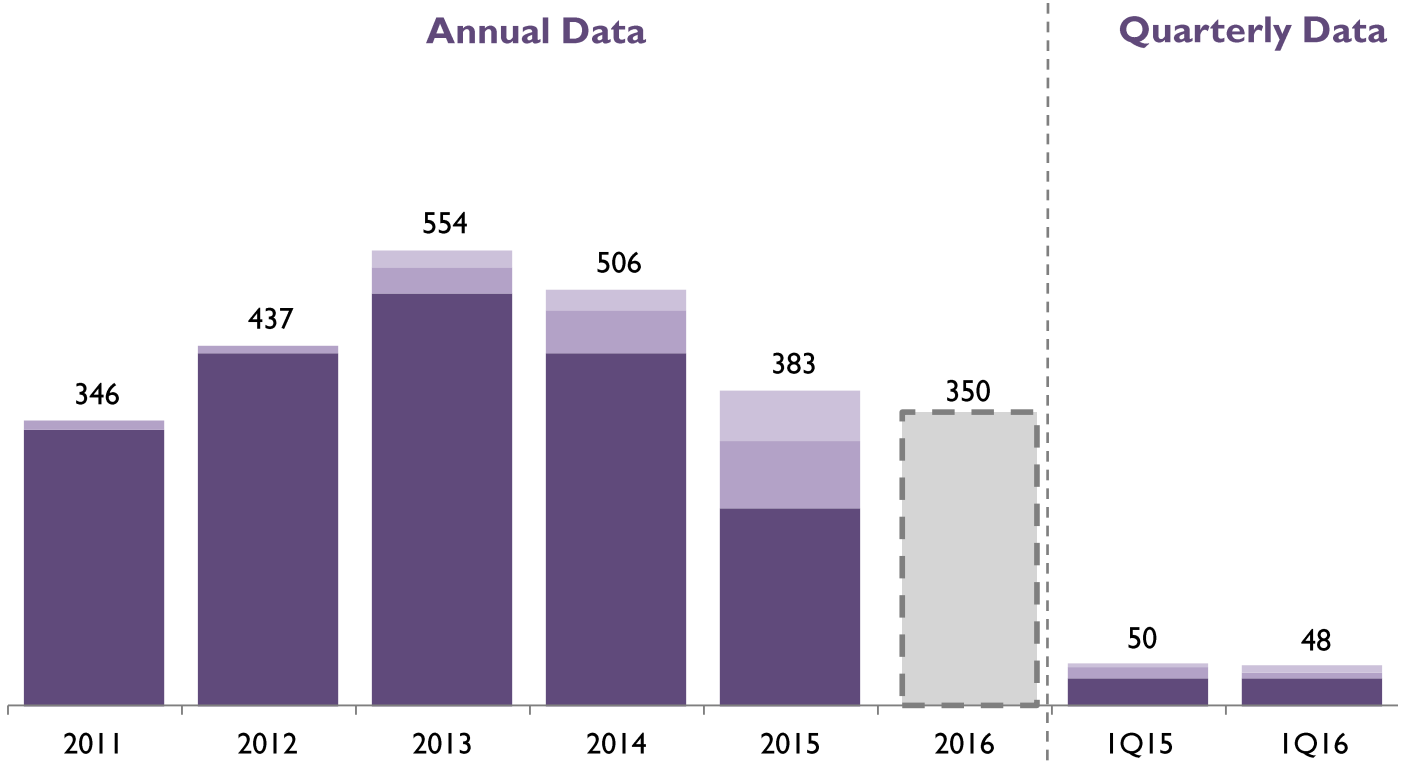
In addition to the facts that explain the decline in EBITDA, net income was also impacted by the mark-to-market adjustment of instruments to hedge foreign denominated debt, FX variations and the revaluation of the provision for acquiring the remaining interest in Aesop

Brazil Latam Aesop % NR

natura
bem estar bem

Capex
Consolidated

R$ million



CAPEX investments in 1Q16 are in line with the guidance we provided for this year. We invested R$ 34 million in Brazil and R$ 14 million in the International Operations.

Brazil Latam Aesop Guidance

natura
bem estar bem

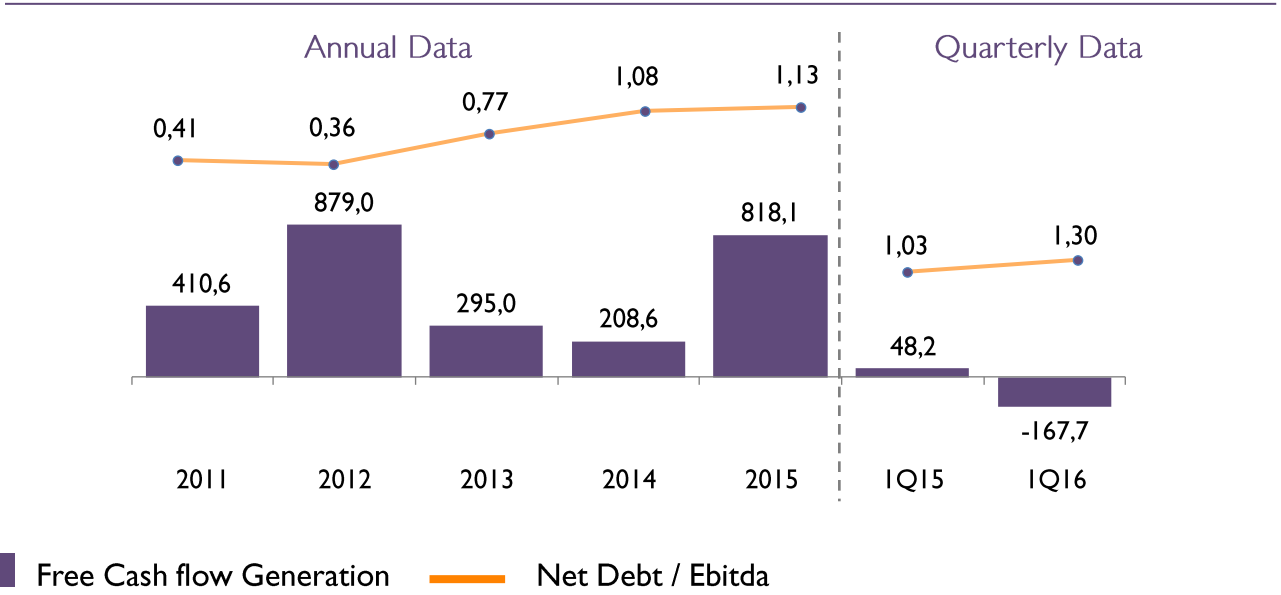
Free Cash Flow
Consolidated

R$ million

R$ million	1Q16	1Q15	Change (R$)	Change (%)
Net Income*	**(69)**	**120**	**(189)**	**(158)**
Depreciation and amortization	63	57	6	10
Non-cash	8	10	(2)	(99)
Internal cash generation	**2**	**186**	**(185)**	**(99)**
Working Capital (Increase)/Decrease	(121)	(88)	(33)	38
Operating cash (consumption) generation	**(120)**	**98**	**(218)**	**(222)**
Additions / exclusions Property and Intangible assets	(48)	(50)	2	(5)
Free cash flow**	**(168)**	**48**	**(216)**	**(448)**

(*) 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)



The net loss in 1Q16 period, the increase in working capital investments (due to higher inventory coverage in Brazil and the need to reinforce the availability of products in certain countries in Latam) resulted in a free cash burn in the period.

The higher net debt ratio was due to the lower cash balance and lower EBITDA (12 months).

natura
bem estar bem

Sustainability

Index	Unit	Ambision 2020	Results 1Q16	Results 2015
Relative Carbon emision (Scope 1, 2 and 3)	kg CO2/kg prod revenue	2,15	3,18	3,00
% material recycled post comsuption[1]	% (g recycled mat/g packing.)	10,0	3,7	2,9
% Product recyclability[2]	% (g recycled mat/g packing.)	74,0	51.0	51,3
Ecofriendly packing[3]	% (unid. Revenue pack. Ecof/unit rev. Total)	40,0	23,9	26,3
Amazon inputs consumption in the Natura total consumption	% (R$ Amazon inputs/R$ Total inputs)	30,0	18,4	14.0
Accumulated volume of bussines in the PAM Amazônica region[4]	MM R$	1.000,0	803,1	751,9
Water Consumption	liters / Produced units	0,32	0,45	0,51
"Crer para Ver" Penetration - Brazil	% active	24,0	19,8	19,6

[1] The indicator considers% of packaging materials derived from post-consumer recycled compared to the total invoiced packaging mass.

[2] The indicator considers% of packaging materials that have potential for recycling with respect to the total invoiced packaging mass.

[3] ecoefficient packaging indicator are those that have a reduction of at least 50% by weight relative to regular / similar packaging; or have 50% of its composition with MRPC and / or renewable material provided they do not have mass increase.

[4] Accumulated Amounts since 2011

natura
bem estar bem



Investor Relations Team

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

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

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

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

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