

São Paulo, April 27 2016 – Natura Cosméticos S.A. (BM&FBOVESPA: NATU3) announces today its results for the first quarter of 2016 (1Q16). 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).



Earnings Release 1Q16

Introduction

In 1Q16 our consolidated net revenue increased 2.9% from 1Q15. The international operations maintained their robust results and posted net revenue growth of 42.4% on 1Q15 to account for 33.6% of total net revenue (24.3% in 1Q15).

In Brazil, both gross and net revenue contracted from 1Q15, 5,4% and 9,8% respectively. This gap is explained by the 3.4pp increase in the effective tax rate on our gross revenue. In addition to the country's recessive scenario, it is important to highlight that we postponed the launch of the Mother's Day campaign in relation to 2015, placing a larger share of the resulting revenues in April. In the period we posted a consolidated net loss of R\$69 million, which was impacted by noncash effects from the mark-to-market adjustment of instruments to hedge foreign-denominated debt and by the revaluation of the provision for acquiring the remaining interest in Aesop, which combined amounted to R\$77 million and will be explained later in more detail.

According to the industry information recently published by the consulting firm Euromonitor, our market share in Brazil stood at 11.1% in 2015 (11.4% in 2014) and we remained the second-largest player in the market. In Latam, in the same period, we captured market share gains in all countries¹ in 2015, achieving a consolidated market share of 4,1% (4,6% in 2014).

During a time when we are adopting much more rigorous budget management geared towards preserving cash, our priority is to execute the strategic plan formulated and approved in 2015 by the Board of Directors. Our focus will be on revitalizing direct selling, proposing innovative products and concepts with special technology and performance, streamlining our portfolio, reviewing our brand positioning and strategy, developing new alternative distribution channels, designing a more agile and efficient organization and maintaining accelerated growth outside of Brazil.

This plan addresses the structural issues in our business and leaves us confident that we are on the right path to capture market share gains and improve profitability in Brazil. Our resources are already being allocated more efficiently, with growing investments in marketing, and we are also streamlining our administrative expenses, which will not increase.

Some of these initiatives, which are outlined below, are in the development phase while others are already being implemented:

_We reinforced actions to improve the use of technology in our direct selling channel, by making available to consultants a series of tools, systems and smartphone applications. Preliminary results have proven the potential of such resources to enhance productivity and efficiency. We already have registered 200,000 downloads of the smartphone application to place orders, 45,000 credit and debit card payment terminals acquired by the consultants and 7% of orders made via our mobile application.

_“Viva a sua beleza Viva”: new positioning that goes back to the company's fundamental pillars and features higher investments to highlight our products and mission: beauty, pleasure and sustainability, at once.

¹ Argentina, Chile, Colombia, Mexico and Peru

_Relaunch of some of Natura's most important product lines, such as the Chronos face care line, featuring new technologies, new packaging and advances in the product's sensorial experience.

_Streamlining our portfolio and shifting the focus of our brand and category management to "core beauty."

_Advancing the Natura Network. In 2015, the first year after the nationwide rollout, we reached 60,000 digital franchisees and R\$50 million in sales.

_National expansion of the SOU line in drugstores. In March, the number of drugstores selling Natura products reached 700 and the plan is to surpass 1,200 by midyear.

_On 26 April we launched our first brick-and-mortar store in Morumbi Shopping, in the city of São Paulo, as well as launched our e-commerce platform, oriented to the end consumer.

See more details on our quarterly results on the following pages.

Highlights in quarter

In Brazil, the contraction in net revenue was mainly due to the higher effective tax rate in relation to 2015 and to the 11.4% drop in sales volume. To mitigate the impacts from the higher tax rate and cost inflation, we have raised prices over the last 12 months by an average of 9.1%.

In Latam, net revenue advanced 31.8% (29.3% in local currency) while the consultant base maintained its strong growth pace (+16.7% in relation to 1Q15). Aesop posted growth of 96% (53% in Australian dollar) to end the quarter with 147 stores in 18 countries (104 stores in 14 countries in 1Q15), with same-store sales growth remaining around 20% and good results in the e-commerce and department store channels.

(R\$ million)	1Q16	1Q15	Change (%)
Brazil Gross Revenue	1.611,7	1.703,7	(5,4)
International Gross Revenue	708,3	502,2	41,1
Consolidated Gross Revenue	2.320,0	2.205,8	5,2
Brazil Net Revenue	1.121,7	1.242,9	(9,8)
International Net Revenue	568,0	398,9	42,4
Consolidated Net Revenue	1.689,7	1.641,8	2,9
% Share International Net Revenue	33,6%	24,3%	9,3 pp
Brazil pro-forma EBITDA	156,3	268,5	(41,8)
% Brazil pro-forma EBITDA Margin	13,9%	21,6%	(7,7) pp
International pro-forma EBITDA	60,7	17,4	248,4
% International pro-forma EBITDA Margin	10,7%	4,4%	6,3 pp
Consolidated EBITDA	217,0	285,9	(24,1)
% Margem EBITDA Consolidada	12,8%	17,4%	(4,6) pp
Consolidated Net (Loss) Income*	(69,1)	119,6	(157,8)
% Consolidated Net Margin	(4,1)%	7,3%	(11,4) pp
Internal cash generation	1,6	186,4	(99,2)
Free cash flow	(167,7)	48,2	(448,0)
Net Debt / EBITDA	1,30	1,03	25,99

(*) Net (Loss) income attributable to owners of the Company

Consolidated EBITDA amounted to R\$217 million in the period, 24.1% lower than in 1Q15. In Brazil, the 41.8% contraction is explained by weaker revenue, the higher tax rate (R\$54 million) and the effect from foreign exchange variation (R\$52 million). These negative factors were partially neutralized by the streamlining of general and administrative expenses.

In the International Operations², EBITDA advanced 248% in relation to 1Q15, with Ebitda margin of 10.7% (4.4% in 1Q15). In Latam, the increases in EBITDA (R\$50 million in 1Q16, vs. R\$14 million in 1Q15) and EBITDA margin (11.6% in 1Q16, vs. 4.2% in 1Q15) were driven

² Latam, France and Aesop

by robust revenue growth and the leveraging of the operations. At AESOP, EBITDA doubled from R\$8 million in the prior-year period to R\$16 million in 1Q16, with EBITDA margin stable at 12.2%, even though the period was marked by strong expansion in the number of stores.

Consolidated EBITDA margin decreased from 17.4% in 1Q15 to 12.8% in 1Q16. In addition to the operational deleveraging in Brazil explained above, the higher contribution from the International Operations, accompanied by growing margins, though still below the level in Brazil, also contributed to the lower margins in the consolidated results.

We recorded a consolidated net loss in the quarter of R\$69 million, compared to the net income of R\$120 million posted in 1Q15. The factors that adversely affected net income in the period are listed below:

_R\$62 million noncash effect from the revaluation of the provision for acquiring the remaining interest in Aesop, due to the excellent operational performance and the depreciation in the Brazilian real against the Australian dollar;

_R\$15,4 million noncash effect from the mark-to-market (MtM) adjustment of instruments to hedge foreign-denominated debt;

_R\$5,6 million exchange variation loss in exports from Brazil pegged to the U.S. dollar, due to the appreciation in the Brazilian real in March;

_R\$10 million exchange variation loss in Argentina due to the sharp appreciation in Brazilian real against the Argentinian peso;

In 1Q16, capital expenditure amounted to R\$48 million (R\$50 million in 1Q15), with R\$34 million allocated to Brazil and R\$14 million to the International Operations (Latam and Aesop).

We recorded cash burn in 1Q16 of R\$168 million (cash generation of R\$48 million in 1Q15), which mainly reflects the net loss in the period and the R\$121 million investment in working capital (R\$88 million in 1Q15). It is important to note that although we registered investment in working capital in the quarter, in absolute terms the level is below that recorded in the prior-year period, due to the efforts to enhance the management of inventories, receivables and suppliers.

1. social and environmental highlights

We launched a new project to Disseminate the Natura Mission that strengthens the relationship between sustainability and the business, encourages internal engagement and guides the brand repositioning process (Viva sua beleza Viva campaign). The project includes mapping employees who exert a high degree of influence among those in the administrative, operational, distribution center and sales areas; organizing engagement workshops, in which some 1,500 people have already participated; and a gradual communication process targeting the Company's other stakeholders.

Index	Unit	Ambition 2020	Results 1Q16	Results 2015
Relative Carbon emission (Scope 1, 2 and 3)	kg CO2/kg prod revenue	2,15	3,18	3,00
% material recycled post consumption 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. Eco/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

Relative carbon emissions (scopes 1, 2 and 3): increase compared to 2014 due to the weaker sales volumes in Brazil and the higher emissions from exports by airfreight to LatAm. To meet the 2020 ambition, we must develop new eco-efficient products and alternative logistics models.

% post-consumer recycled materials: the ongoing strategy to use recycled glass for fragrances is generating good results. To reach the 2020 goal, we must develop technologies for increasing the penetration of recycled glass in the product portfolio.

% of product recyclability: stable results in relation to the previous year. The challenge proposed for 2020 should be reached by redesigning certain products in the portfolio that enable components and materials to be separated for recycling.

Eco-efficient packaging: Lower share of sales from items with eco-efficient packaging. In addition to SOU brand, we expect to accelerate the development of packaging technologies

that enhance eco-efficiency, such as reducing packaging weight, using more post-consumer recycled materials and expanding the use of renewable materials to include more items in the portfolio.

Consumption of Amazonian inputs in relation to Natura's total consumption: The result is mainly due to the anticipation of Amazonian input purchases to form the safety inventory. The challenge for 2020 is to develop technologies and supply chains to expand the use of Pan-Amazon ingredients in our formulations, which helps to protect forested areas.

Cumulative business volume in the Pan-Amazon region: The investments in Ecoparque, the technology park built in the state of Pará, accounts for most of the business conducted in the Pan-Amazon region.

Relative water consumption: The reduction in water consumption in the production process was due to changes in the production mix. The calculation of the water footprint for the company's entire value chain will help to better direct efforts and focus actions in this area over the coming years.

Penetration of Crer para Ver (Education) program: The good performance of launches in the quarter generated good results in both the number of consultants who sell the "CPV" line products and the profitability achieved, which will turn be transformed into investments in education through the Natura Institute. Part of the resources of the Natura Institute is expected to be allocated to improving the education of Natura Consultants by year-end.

2. economic performance

As from the second quarter of 2015, the following business segmentation was adopted: "Brazil", "LATAM" (business operations in Latin America, including LATAM head quarters), and "Aesop" (including the results of our Australia-based holdings Natura Brasil Pty Ltd. and Natura Cosmetics Australia Pty Ltd.).

The historical data series since 2011 is available in the new format at the following link:

<http://natu.infoinvest.com.br/static/enu/balancos-interativos.asp?idioma=enu>

Quarter (R\$ million)	Consolidated ³			Pro-Forma								
				Brazil			Latam			AESOP		
	1Q16	1Q15	Change (%)	1Q16	1Q15	Change (%)	1Q16	1Q15	Change (%)	1Q16	1Q15	Change (%)
Total Consultants - end of period ('000) ⁴	1.824,1	1.715,8	6,3	1.314,0	1.278,3	2,8	509,1	436,2	16,7	0,0	-	n/d
Total Consultants - average of period ('000)	1.848,0	1.712,4	7,9	1.340,5	1.282,9	4,5	506,1	428,1	18,2	0,0	-	n/d
Units sold – items for resale (in million)	130,0	138,9	(6,4)	104,1	117,4	(11,4)	24,1	20,6	17,3	1,8	0,8	120,0
Gross Revenue	2.320,0	2.205,8	5,2	1.611,7	1.703,7	(5,4)	560,8	425,6	31,8	143,5	73,1	96,4
Net Revenue	1.689,7	1.641,8	2,9	1.121,7	1.242,9	(9,8)	434,6	329,7	31,8	130,0	66,2	96,5
COGS	(520,8)	(495,1)	5,2	(373,6)	(386,5)	(3,3)	(131,8)	(99,7)	32,2	(14,8)	(8,3)	78,7
Gross Profit	1.168,9	1.146,6	1,9	748,1	856,4	(12,6)	302,8	230,1	31,6	115,2	57,9	99,0
Selling, Marketing and Logistics Expenses	(691,4)	(648,3)	6,7	(477,1)	(475,9)	0,3	(193,3)	(160,6)	20,3	(16,1)	(7,7)	110,6
Administrative, R&D, IT and Projects Expenses	(331,3)	(278,1)	19,1	(171,6)	(166,3)	3,2	(64,8)	(59,4)	9,1	(91,8)	(49,4)	85,6
Other Operating Income / (Expenses), net	7,7	8,5	(8,9)	7,7	8,5	(10,0)	0,1	0,1	(32,3)	0,0	(0,1)	n/d
Financial Income / (Expenses), net	(217,8)	(54,6)	n/d	(203,3)	(69,3)	n/d	(15,1)	12,1	n/d	0,6	2,6	n/d
Income Tax and Social Contribution	(4,4)	(54,8)	(91,9)	3,8	(43,2)	(108,7)	(4,3)	(10,9)	(60,7)	(3,9)	(0,7)	427,8
Noncontrolling	(0,8)	0,4	(304,0)	0,0	0,0	0,0	0,0	0,0	0,0	(0,8)	0,4	(304,0)
Net (Loss) Income**	(69,1)	119,6	(157,8)	(92,4)	110,2	(183,8)	25,4	11,4	123,4	3,2	2,9	9,0
EBITDA*	217,0	285,9	(24,1)	156,3	268,5	(41,8)	50,2	13,7	266,5	15,9	8,2	94,5
Gross Margin	69,2%	69,8%	(0,7) pp	66,7%	68,9%	(2,2) pp	69,7%	69,8%	(0,1) pp	88,6%	87,5%	1,1 pp
Selling, Marketing and Logistics Expenses/Net Revenue	40,9%	39,5%	1,4 pp	42,5%	38,3%	4,2 pp	44,5%	48,7%	(4,2) pp	12,4%	11,6%	0,8 pp
Administrative, R&D, IT and Projects Expenses/Net Revenue	19,6%	16,9%	2,7 pp	15,3%	13,4%	1,9 pp	14,9%	18,0%	(3,1) pp	70,6%	74,7%	(4,1) pp
Net Margin	(4,1)%	7,3%	(11,4) pp	(8,2)%	8,9%	(17,1) pp	5,8%	3,4%	2,4 pp	2,5%	4,5%	(2,0) pp
EBITDA Margin	12,8%	17,4%	(4,6) pp	13,9%	21,6%	(7,7) pp	11,6%	4,2%	7,4 pp	12,2%	12,3%	(0,1) pp

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

(**) Net (Loss) income attributable to owners of the Company

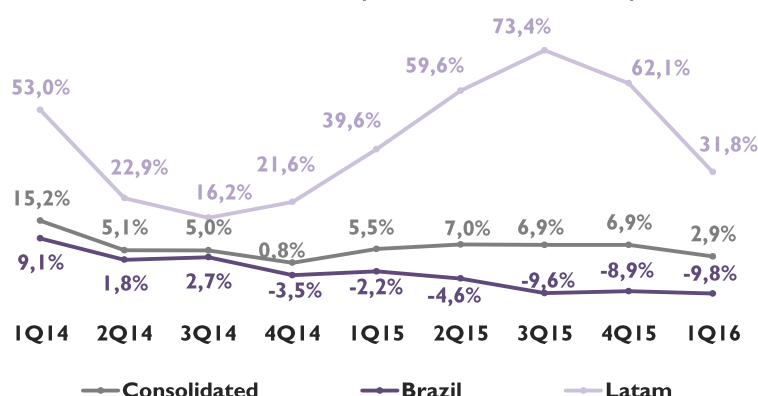
3 Consolidated includes Brazil, Latam, Aesop and France.

4 Position at the end of cycle 3 France and other countries cycle 4.

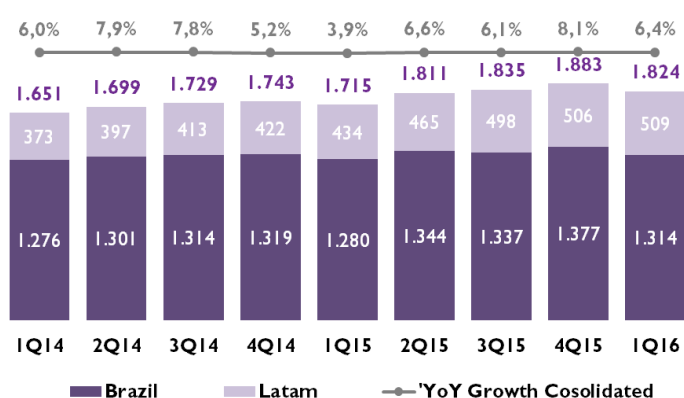
2.1. net revenue

In Brazil, our gross revenue contracted 5.4% from 1Q15 (net revenue -9.8%). Our channel (average number of consultants available in the quarter) expanded by 4.5% from the year-ago period, helped by the use of new tools and information for consultants recruitment, such as CRM and geomarketing. On the other hand, the 11.4% reduction in products for resale (volume) was reflected in the 9.5% drop in consultant productivity. Furthermore, net revenue declined faster than gross revenue due to the substantial increase in the effective tax rate, from 27.0% in 1Q15 to 30.4% in 1Q16, which generated an impact of R\$54.1 million and was mainly due to the rate increases for value added margin (MVA) in some states, the IPI federal VAT tax and the ICMS state VAT tax in most states.

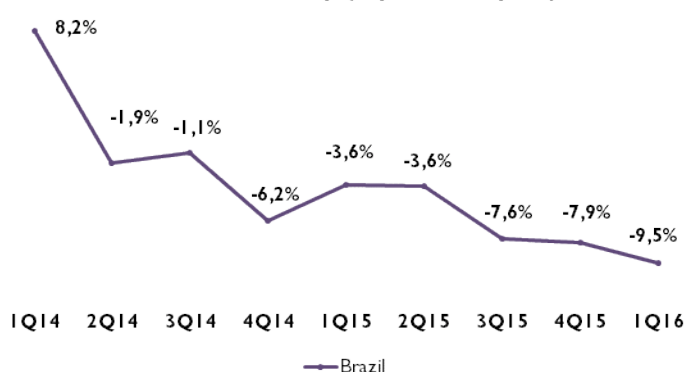
Net Revenue Growth (R\$ - % Year over Year)



Consultants - end of period



Productivity (% year over year) ⁽⁵⁾



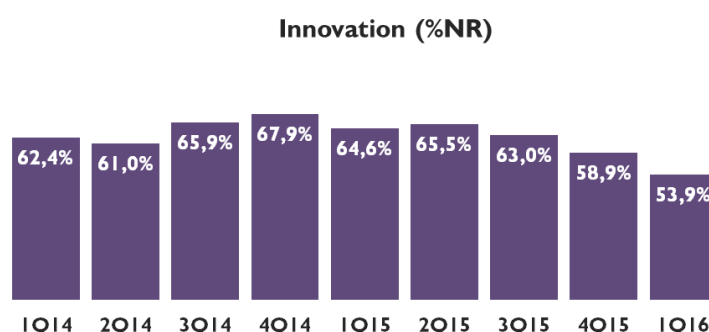
In 1Q16, Latam posted net revenue growth of 31.8% in BRL (29.3% in local currency) to account for 25.7% of consolidated net revenue (20.1% in 1Q16), with a robust channel that maintains high growth rates (16.7% vs. 1Q15) and increases in the number of items sold (17.3%).

In 1Q16, Aesop posted net revenue growth of 96.5% in BRL (53.0% in local currency) to account for 7.7% of consolidated net revenue (4.0% in 1Q15), with 43 new stores opened since 1Q16 and a 53.1% increase in the number of items sold. Some of these new store openings were concentrated in the United States (+7), Japan (+6), Canada (+6) and Germany (+5), while the remainder were in Australia, Asia, Europe the Americas, which included entries into new geographies, such as Canada (6 stores), Macau (2), Italia (2) and Brazil (1), bringing the total number of countries to 18. A directory with all Aesop stores can be found on the website www.aesop.com

⁵ Productivity at retail prices = (gross revenue in the period/average number of consultants in the period)/(1 - % consultants' profit).

2.2. innovation & products

In the 12 months to March 2016, the innovation index⁶ stood at 53.9%, compared to 64.6% in 1Q15. The relative contribution of products launched in the quarter was lower than that of launches in the same period of the previous year.



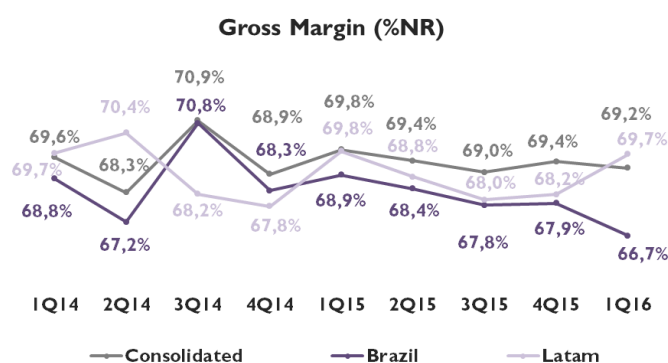
2.3. gross margin

Consolidated gross margin in 1Q16 decreased 0.7 p.p. from the year-ago period. While in Latam gross margin remained virtually stable (down by 0.1 p.p.), with Aesop posting expansion of 1.1 p.p., in Brazil the contraction of 2.2 p.p. was due to the higher effective tax rate and to the lower dilution of fixed costs on lower volumes. These impacts were neutralized by the paring back of promotional efforts.

The following table presents the main cost components:

	1Q16	1Q15
RM / PM / FP*	75,8%	76,4%
Labor	12,3%	10,9%
Depreciation	3,8%	4,1%
Other	8,1%	8,6%
Total	100,0%	100,0%

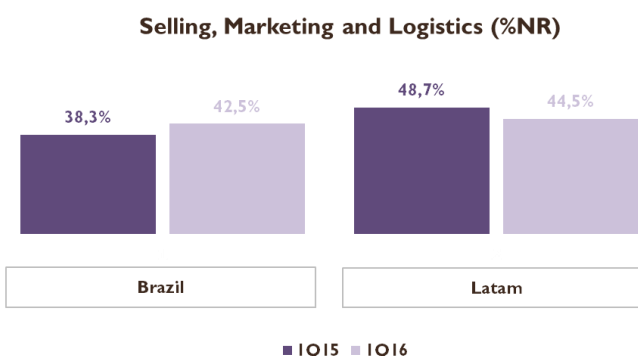
*Raw Material, Packaging Material and Finished Products



⁶ Innovation Index: share in the last 12 months of the sale of products launched in the last 24 months.

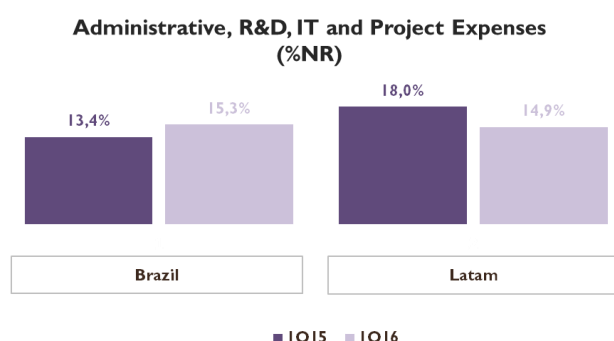
2.4. operating expenses

In Brazil, **selling, marketing and logistics expenses** posted a slight increase in nominal terms compared to 1Q15 (+0.3%). The lower sales volume led to a nominal reduction in logistics expenses (order picking and delivery). On the other hand, we maintained our investments in marketing and incurred some non-recurring expenses from severance payments. As a percentage of net revenue, the 4.2 p.p. increase was due to the lower sales volumes and higher effect tax rate, as explained above.



In Latam, as observed in prior quarters, even with the maintenance of significant investments in marketing, the increase in this group of expenses lagged revenue growth and helped to dilute fixed costs.

In the consolidated results for the period, these expenses increased 6.7% from 1Q15, with the International Operations registering an increase due to its accelerated growth and Brazil remaining flat (+0.3%) thanks to the efforts to streamline resources. The depreciation of the Brazilian real against the Australian dollar exacerbated the increase in expenses at Aesop when translated into BRL.



Administrative, R&D, IT and project expenses in Brazil increased 3.0% in 1Q16 in relation to 1Q15, due to one-off increases in certain administrative expenses, which was partly neutralized by reductions in lines such as projects, innovation, technology, etc.

In Latam, the increase in administrative expenses lagged revenue growth, supporting fixed cost dilution and offsetting the high

inflation in Argentina and the costs with implementing systems in these countries.

2.5. other operating income and expenses

In 1Q16, we posted consolidated operating income of R\$7.7 million (R\$8.5 million in 1Q15), which was mainly due to the allocation of the results of the Crer Para Ver project and the negative result from assets divestments, which were partially offset by ICMS credits and the reclassification of interest expenses on subsidized loans from the net financial result (Accounting Pronouncement CPC 07).

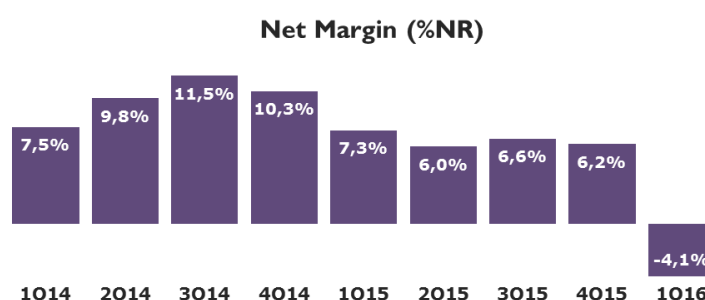
2.6. EBITDA

CONSOLIDATED EBITDA (R\$ million)			
	1Q16	1Q15	Var %
Net Revenue	1.689,7	1.641,8	2,9
(-) Income and Expenses	1.535,8	1.413,0	8,7
EBIT	153,9	228,7	(32,7)
(+) Depreciation / Amortization	63,1	57,2	10,3
EBITDA	217,0	285,9	(24,1)

In 1Q16, consolidated EBITDA contracted 24.1% from 1Q15, due to weaker sales in Brazil, the higher effective tax rate and the weaker BRL, as explained above in the section "highlights in quarter." In nominal terms, these factors were partially offset by EBITDA growth in the International Operations and by the ongoing efforts to cut expenses.

2.7. Net (Loss) income

We posted a net loss of R\$69.1 million (net income of R\$119.6 million in 1Q15). In addition to the contraction in EBITDA, other factors affecting net income included: i) noncash effect of R\$61.9 million from the revaluation of the provision for acquiring the remaining interest in Aesop; ii) R\$15.4 million noncash effect from the mark-to-market (MtM) adjustment of instruments to hedge foreign-denominated debt; iii) R\$5.6 million exchange variation loss in exports from Brazil pegged to the U.S. dollar, due to the appreciation in the Brazilian real in March; iv) R\$10 million exchange variation loss in Argentina due to the depreciation in the Argentinian peso against the Brazilian real.



2.8. cash flow

Free cash burn amounted to R\$167.7 million in the period, compared to free cash generation of R\$48.2 million in 1Q15, reflecting the net loss in the period and the deterioration in working capital, with investment of R\$121.4 million (investment of R\$88 million in 1Q15), due to the need to build inventories ahead of Mother's Day in Brazil and to mitigate stockouts in certain countries in Latam.

R\$ million	1Q16	1Q15	Change (R\$)	Change (%)
Net (Loss) Income*	(69,1)	119,6	(188,7)	(157,8)
Depreciation and amortization	63,1	57,2	5,9	10,3
Non-cash	7,6	9,6	(1,9)	(99,2)
Internal cash generation	1,6	186,4	(184,8)	(99,2)
Working Capital (Increase)/Decrease	(121,4)	(88,0)	(33,4)	37,9
Operating cash generation	(119,8)	98,4	(218,2)	(221,8)
Additions / exclusions Property and Intangible assets	(47,9)	(50,2)	2,3	(4,6)
Free cash flow**	(167,7)	48,2	(215,9)	(448,0)

(*) Net (Loss) 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)

2.9. indebtedness

As the following chart shows, we ended the quarter with a net debt/EBITDA ratio of 1.30, compared to 1.03 in the year-ago period

R\$ million	mar/16	Share (%)	mar/15	Share (%)	Change (%)
Short-Term	2.201,8	51,4	1.375,6	32,1	60,1
Long-Term	2.983,4	69,7	3.915,9	91,3	(23,8)
Derivatives*	(563,4)	(13,2)	(680,6)	(15,9)	(17,2)
Finance Leases / Others**	(340,4)	(7,9)	(321,3)	(7,5)	5,9
Total Debt	4.281,4	100,0	4.289,6	100,0	(0,2)
(-) Cash, cash equivalents and short-term investment	2.424,1		2.679,4		(9,5)
(=) Net Debt	1.857,2		1.610,3		15,3
Net Debt / Ebitda	1,30		1,03		
Total Debt / Ebitda	3,00		2,76		

*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

While gross debt remained steady in 1Q16 compared to 1Q15, net debt increased due to the lower cash balance and lower EBITDA, both explained above.

3. stock performance NATU3

In 1Q16, the price of Natura stock gained 14.19% since December 2015, while the Bovespa Index increased 15.5%.

Average daily trading volume in the quarter was R\$34.1 million, compared to R\$30.8 million in the prior-year period.

In March 2016, our ranking in the Bovespa Liquidity Index was 49th.

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



4. conference call & webcast

Conference Call and Webcast will take place on **Apr. 28, 2016 (Thursday)** according to the timetable below:

Português / Inglês

10h00 a.m. - (Brasília time)

09h00 a.m. - (New York time) (simultaneous translation)

From Brazil: **+55 11 3193 1001 / +55 11 2820 4001**

From USA: Toll Free **+ 1 888 700 0802**

From other countries: **+1 786 924 6977**

Code: **Natura**

Live webcast:

www.natura.net/investidor

5. investor relations

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Índice Carbono Eficiente **ICO2**



Índice de Sustentabilidade Empresarial **ISE**
2015



6. balance sheets

at march 2016 and december 2015

(in millions of brazilian real - R\$)

ASSETS	mar-16	dez-15	LIABILITIES AND SHAREHOLDERS' EQUITY	mar-16	dez-15
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and cash equivalents	1.352,0	1.591,8	Borrowings and financing	2.201,8	2.161,4
Short-term investments	1.072,1	1.191,8	Trade and other payables	797,4	802,9
Trade receivables	791,1	909,0	Payroll, profit sharing and related taxes	196,1	201,2
Inventories	1.083,0	963,7	Taxes payable	910,7	1.048,0
Recoverable taxes	308,5	320,4	Provision for acquisition of non-controlling interest	252,5	190,7
Derivatives	505,2	734,5	Other payables	167,7	168,8
Other receivables	316,0	307,5	Total current liabilities	4.526,1	4.572,9
Total current assets	5.428,0	6.018,7			
NON CURRENT ASSETS			NON CURRENT LIABILITIES		
Recoverable taxes	286,9	289,4	Borrowings and financing	2.983,4	3.374,5
Deferred income tax and social contribution	281,8	212,6	Taxes payable	139,7	87,7
Escrow deposits	291,3	287,8	Deferred income tax and social contribution	28,6	34,1
Other noncurrent assets	25,8	17,6	Provision for tax, civil and labor risks	81,2	77,9
Property, plant and equipment	1.739,7	1.752,4	Provision for acquisition of non-controlling interest	0,0	0,0
Intangible assets	787,2	816,5	Others provisions	151,1	170,1
Total noncurrent assets	3.412,6	3.376,3	Total non current liabilities	3.383,9	3.744,3
			SHAREHOLDERS' EQUITY		
			Capital	427,1	427,1
			Treasury shares	133,9	134,7
			Capital reserves	340,4	409,5
			Earnings reserves	(37,9)	(37,9)
			Proposed additional dividend	123,1	123,1
			Adjustment of equity evaluation	(104,3)	(28,3)
			Total equity attributable to owners of the Company	882,2	1.028,2
			Non controlling interests	48,2	49,6
			Total shareholders' equity		
			Total do patrimônio líquido	930,5	1.077,8
TOTAL ASSETS	8.840,5	9.395,0	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	8.840,5	9.395,0

7. income statement

for the periods ended March 31, 2016 and 2015

R\$ million	1Q16	1Q15
NET REVENUE	1.689,7	1.641,8
Cost of sales	(520,8)	(495,1)
GROSS PROFIT	1.168,9	1.146,7
OPERATING (EXPENSES) INCOME		
Selling, Marketing and Logistics expenses	(691,5)	(648,0)
Administrative, P&D, IT and Project Expenses	(331,3)	(278,4)
Other operating (expenses) income, net	7,7	8,5
INCOME FROM OPERATIONS BEFORE FINANCIAL INCOME (EXPENSES)	153,9	228,7
Financial income	404,5	636,2
Financial expenses	(622,3)	(690,8)
NET (LOSS) INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	(63,9)	174,1
Income tax and social contribution	(4,4)	(54,8)
NET (LOSS) INCOME BEFORE NONCONTROLLING	(68,3)	119,2
Noncontrolling	0,8	(0,4)
NET (LOSS) INCOME	(67,5)	118,9
ATTRIBUTABLE TO		
Owners of the Company	(69,1)	119,6
Noncontrolling	0,8	(0,4)
	(68,3)	119,2

8. cash flow statement

for the periods ended March 31, 2016 and 2015

R\$ million	1Q16	1Q15
CASH FLOW FROM OPERATING ACTIVITIES		
Net (Loss) income	(68,3)	119,2
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	63,1	57,2
Reversal for losses on transactions with derivative contracts " swap " and "forward "	265,9	(444,0)
Provision for tax, civil and labor contingencies	6,6	2,9
Monetary restatement of escrow deposits	(5,6)	(4,5)
Income tax and social contribution	4,4	54,8
Loss on sale and disposal of fixed and intangible assets	3,3	(42,8)
Interest and exchange variation on loans and financing	(116,3)	466,6
Exchange variation on other assets and liabilities	(39,3)	55,1
Provision for losses on property	0,3	(0,7)
Provision (reversal) related to the grant of options to purchase shares	(0,8)	(3,3)
Net provision for doubtful accounts of reversal	2,0	(3,6)
Net Provision (reversal) for losses on inventories	9,7	0,2
Provision of health care plan and others	4,4	1,0
Net income attributable to non-controlling	(0,8)	0,4
Belated recognition of tax credit	(6,2)	0,0
Provision for acquisition of non-controlling	61,9	17,7
	184,1	276,3
(INCREASE) DECREASE IN ASSETS		
Trade receivables	115,9	52,2
Inventories	(129,0)	(89,6)
Recoverable taxes	14,4	(95,7)
Other receivables	(18,0)	(69,0)
Subtotal	(16,6)	(202,1)
INCREASE (DECREASE) IN LIABILITIES		
Domestic and foreign suppliers	(3,1)	120,2
Payroll, profit sharing and related taxes, net	(5,1)	(33,2)
Taxes payable	(82,2)	22,9
Other payables	4,9	(1,5)
Payments related to tax, civil and labor claims		
Subtotal	(85,5)	108,5
CASH GENERATED BY OPERATING ACTIVITIES	82,0	182,7

OUTHERS CASH FLOWS BY OPERATING ACTIVITIES

Payments of income tax and social contribution	(70,3)	(23,6)
payments related to tax, civil and labor claims	(3,2)	(1,1)
Withdrawal (payment) of escrow deposits	2,1	(1,9)
Receivables (Payments) of derivatives	(67,8)	113,3
Payment of interest on borrowings and financing	(133,8)	(70,4)

NET CASH GENERATED BY OPERATING ACTIVITIES**(191,0) 198,9****CASH FLOW FROM INVESTING ACTIVITIES**

Acquisition of property, plant and equipment and intangible assets	(47,8)	(50,2)
Receivable from sale of fixed and intangible assets	(0,6)	0,0
Short-term investments	(1.239,8)	(1.443,4)
Redemption of short-term investments	1.359,5	1.261,6

NET CASH GENERATED (USED) IN INVESTING ACTIVITIES**71,3 (232,0)****CASH FLOW FROM INVESTING ACTIVITIES**

Repayments of borrowings and financing - principal	(339,9)	(532,6)
Proceeds from borrowings and financing	216,1	1.358,8

NET CASH GENERATED (USED) IN FINANCING ACTIVITIES**(123,8) 826,2**

Gain arising on translation foreign currency cash and cash equivalents	3,6	8,4
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INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**(239,9) 801,5**

Cash and cash equivalents at the beginning of the year/period	1.591,8	1.164,2
Cash and cash equivalents at the end of the year/period	1.352,0	1.965,7

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**(239,8) 801,5****ADDITIONAL STATEMENTS OF CASH FLOWS INFORMATION:**

Non cash itens:

Capitalization of financial leasing	0,0	80,9
Hedge accounting	39,6	33,8
Dividends and interest on interest capital declared and not distributed	0,0	3,6

* The notes are an integral part of these financial statements.

9. 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.

_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.

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.

O EBITDA não é uma medida utilizada nas práticas contábeis adotadas no Brasil, não representando o fluxo de caixa para os períodos apresentados. Também não deve ser considerado como uma alternativa ao lucro líquido na qualidade de indicador do desempenho operacional ou uma alternativa ao fluxo de caixa na qualidade de indicador de liquidez. O EBITDA não tem um significado padronizado e sua definição na Sociedade, eventualmente, pode não ser comparável ao LAJIDA ou EBITDA definido por outras companhias. Ainda que o EBITDA não forneça, de acordo com as práticas contábeis adotadas no Brasil, uma medida do fluxo de caixa, a Administração o utiliza para mensurar o desempenho operacional da Sociedade. Adicionalmente, entendemos que determinados investidores e analistas financeiros utilizam o EBITDA como indicador do desempenho operacional de uma companhia e/ou de seu fluxo de caixa.

Este relatório contém informações futuras. Tais informações não são apenas fatos históricos, mas refletem os desejos e as expectativas da direção da Natura. As palavras “antecipa”, “deseja”, “espera”, “prevê”, “pretende”, “planeja”, “prediz”, “projeta”, “almeja” e similares, pretendem identificar afirmações que, necessariamente, envolvem riscos conhecidos e desconhecidos. Riscos conhecidos incluem incertezas, que não são limitadas ao impacto da competitividade dos preços e produtos, aceitação dos produtos no mercado, transições de produto da Companhia e seus competidores, aprovação regulamentar, moeda, flutuação da moeda, dificuldades de fornecimento e produção e mudanças na venda de produtos, dentre outros riscos. Este relatório também contém algumas informações “pró-forma”, elaboradas pela Companhia a título exclusivo de informação e referência, portanto, são grandezas não auditadas. Este relatório está atualizado até a presente data e a Natura não se obriga a atualizá-lo mediante novas informações e/ou acontecimentos futuros.

