

Natura Day 2015

November 19, Cajamar



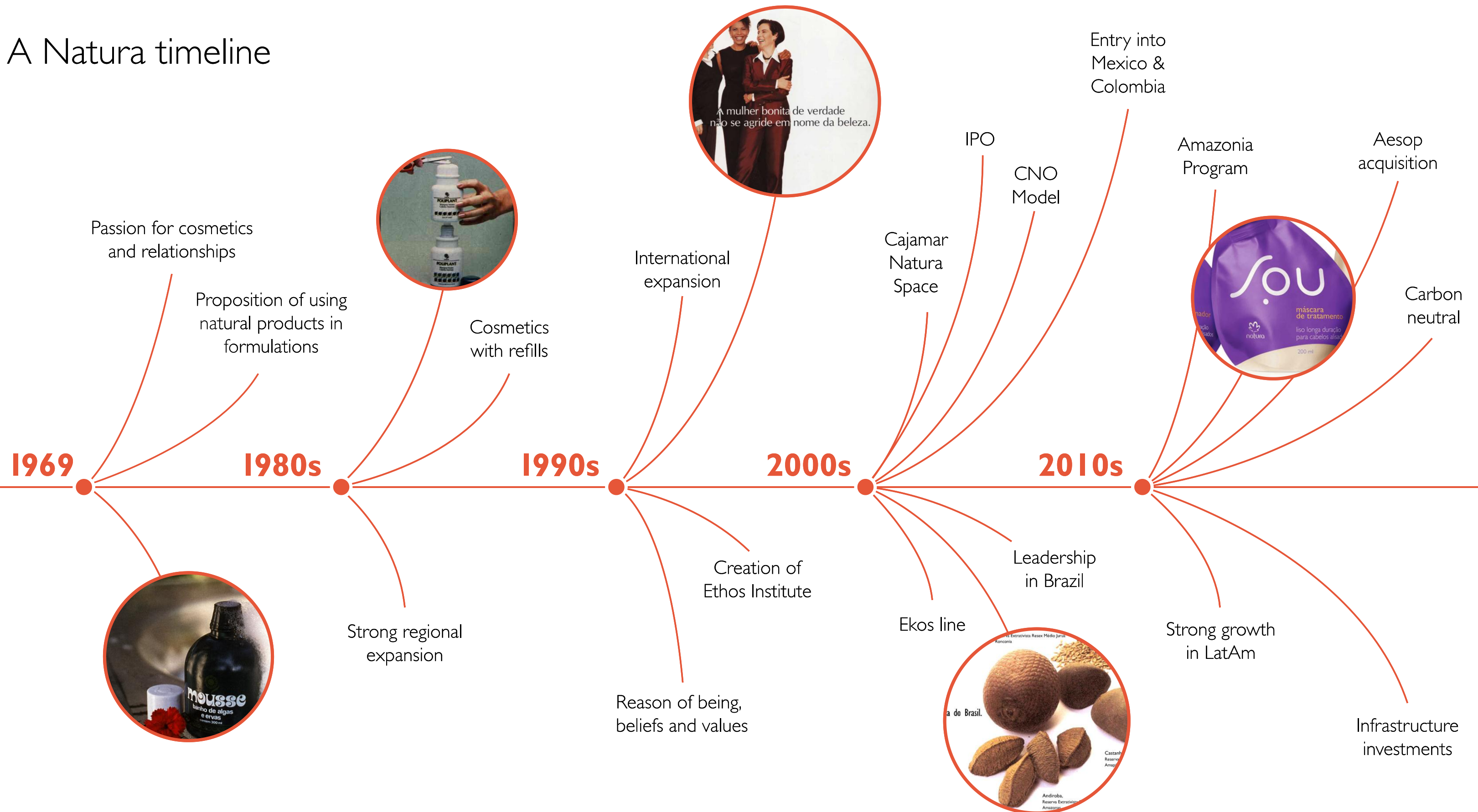
natura
bem estar bem



Context, strategy and priorities

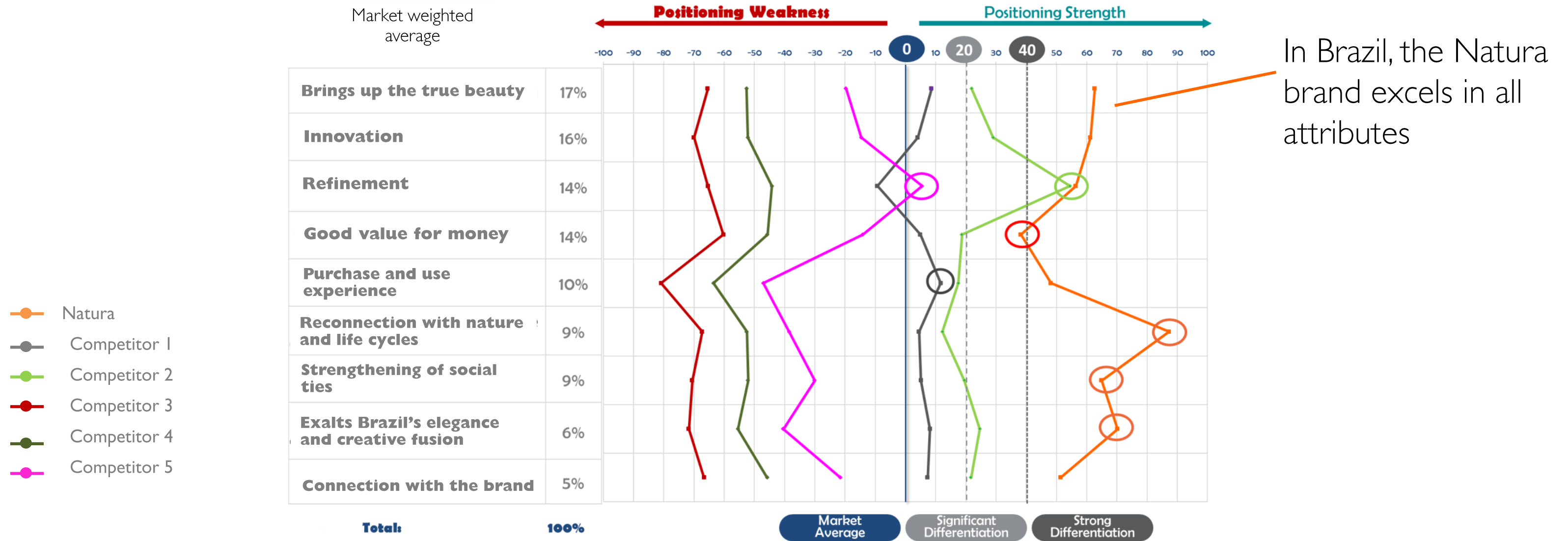
Roberto Lima, CEO

A Natura timeline



Natura is the preferred brand in Brazil, Argentina & Chile

Most valuable cosmetics brand in Latin America, Brand Finance



Source: Brand Essence 2014, Ipsos Institute

Our infrastructure is robust, flexible and ready for growth

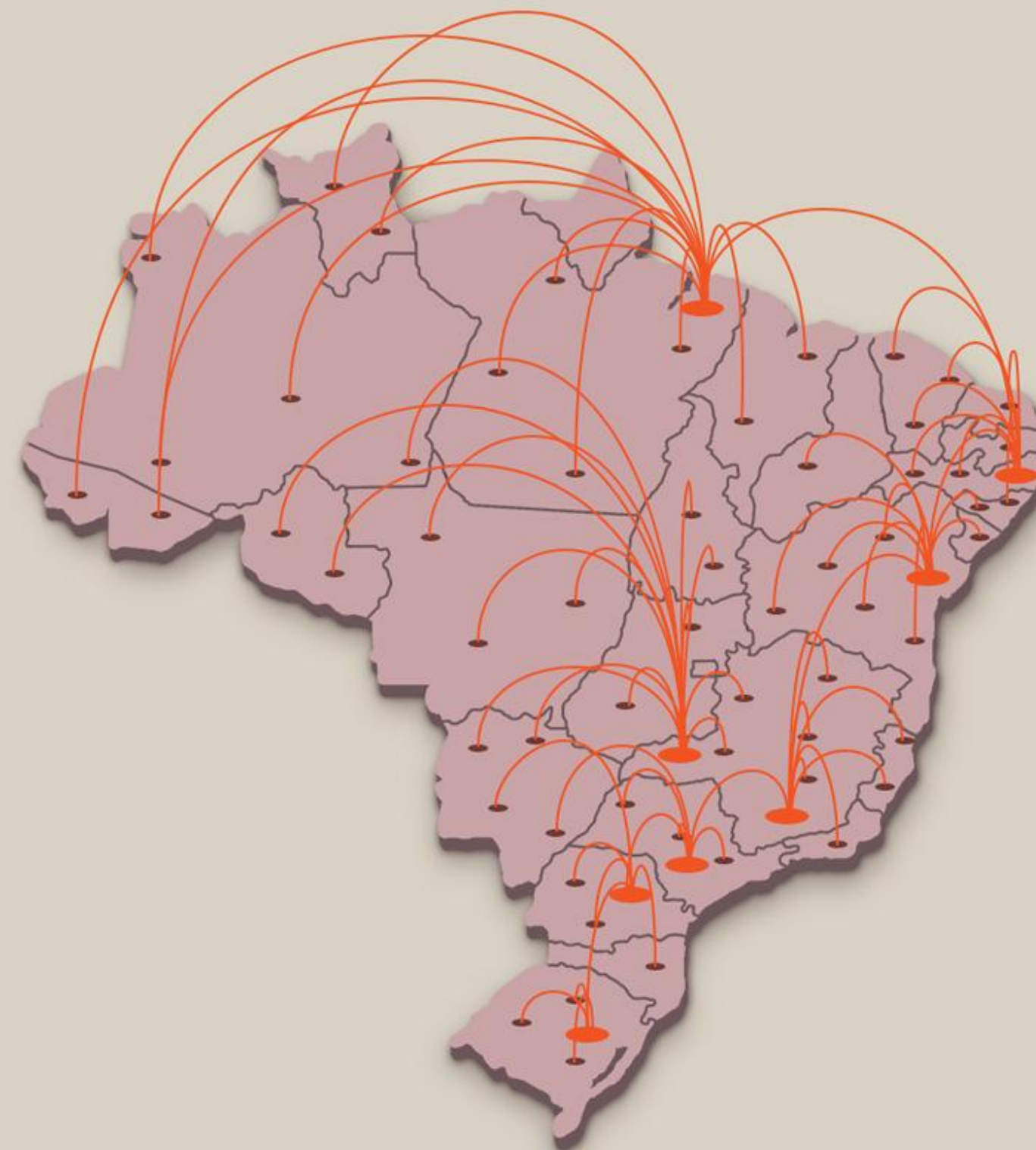
“Best Customer Service 2015”
Exame magazine and IBRC

_Every month, Natura registers 300,000 contacts with CNs* and 38,000 with consumers. More than 90% of cases are resolved on the first call

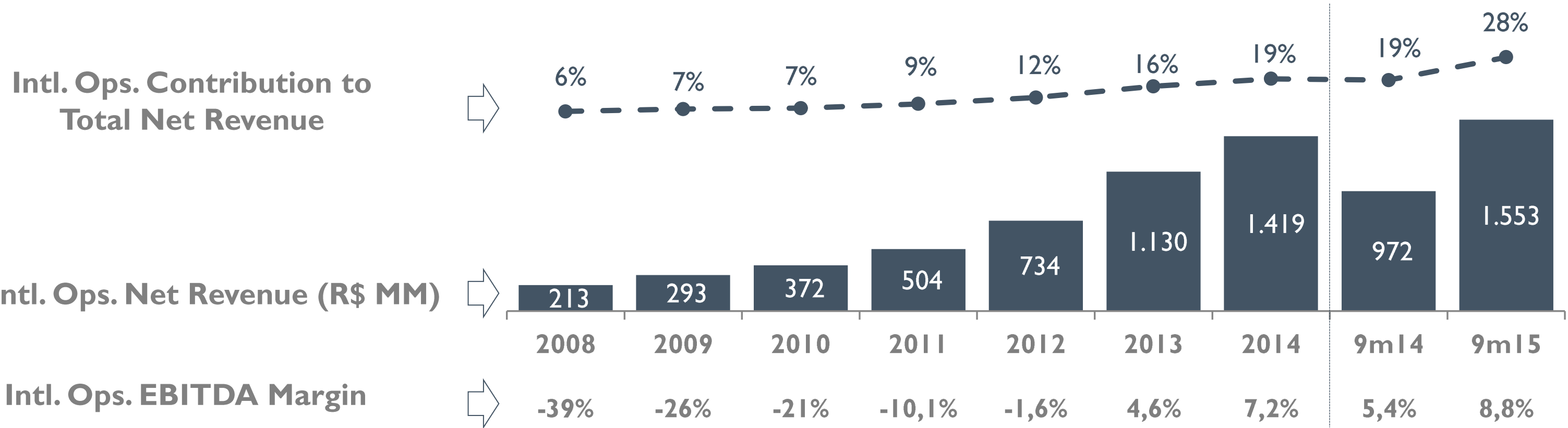
_User Experience Index of 0.98 for capturing orders and 89% of CNs are satisfied or very satisfied

_Five plants in Brazil with capacity to produce 508 million items per year

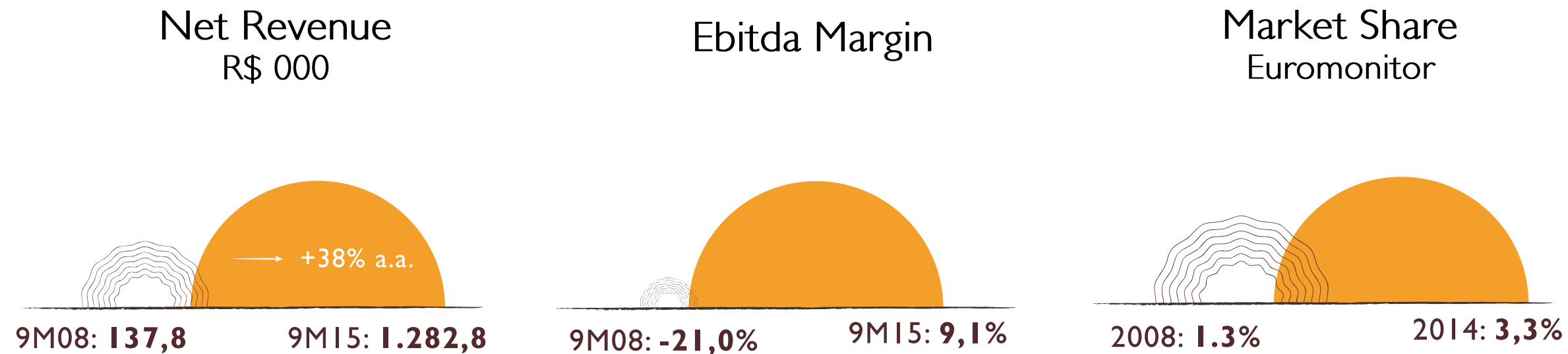
_With eight distribution centers in Brazil, we deliver to virtually 100% of cities (18.3 MM orders delivered in last 12 months), 44% of which in less than 48 hours



Through the Natura and Aesop brands, our international operations in 23 countries account for 28% of total sales and are posting robust and profitable growth



We have a promising business in Latin America, one of the region's strongest brands and have reached the mark of 500,000 consultants



- ✓ SAP implemented in all countries
- ✓ Investments in new DCs and picking lines
- ✓ Natura Network in Chile

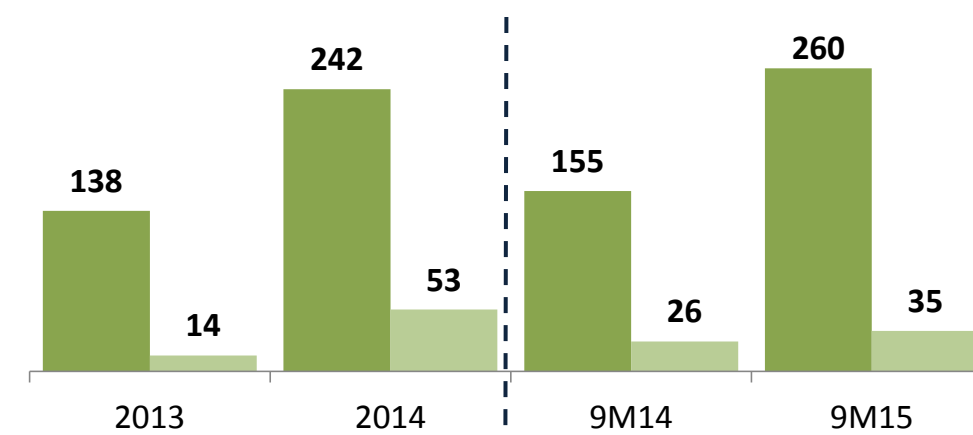
1st place - Great Place to Work Colombia
 2nd place – Great Place to Work Argentina
 1st place - Best Reputation in CFT, MERCOSUR Argentina Ranking

Aesop

_ 120 signature stores in 18 countries in Europe, Asia, Oceania, United States and Latin America

_ First signature store opened in Brazil in June 2015, on Rua Oscar Freire in São Paulo

_ 20% growth in same store sales in 2015 vs. 2014



■ Gross Revenue R\$ MM
 ■ EBITDA R\$ MM

Market context

New habits and multichannel approach

- _More brands on the market and development of retail channel
- _Consumers demand pleasurable buying experience, experimentation and various payment means

Consultants are becoming more multibrand

- _Natura Consultants sell 2.4 brands (1.6 in 2011)
- _Challenge of winning back their preference

Slowdown in consumer spending

- _End consumers have reduced the number of visits to points of sale
- _Search for promotions and lower prices





VOCÊ_CONECT@

Launched in July 2015

_Mechanism for recommending products and platform that consolidates information and services on clients, inventories and promotions

_App is positively evaluated by CNs and already account for 7% of daily orders

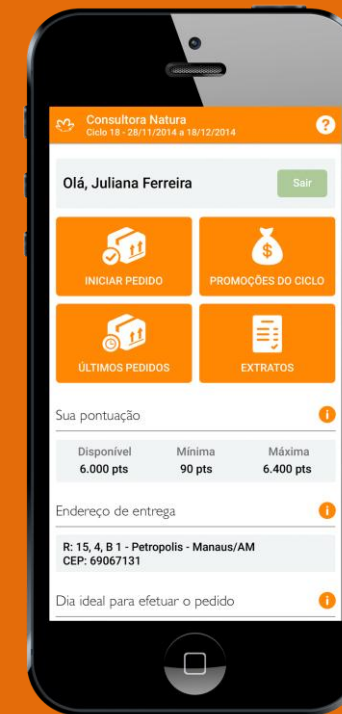
_More convenient payment options for consumers

_Exclusive promotions for consultants with Chips

93 mil
Chips

175 mil
Apps

44 mil
POS



Ordering

Payment

SOU line offered in drugstores

_Pilot project at 29 RaiaDrogasil drugstores in the cities of Campinas, Valinhos and Vinhedo

_Initial results are above forecast



Revitalization of Points of Sales

_ 105 Points of Sales since Dec/14

_ 15% gain in productivity

_ 4.4 p.p. gain in market share at POSs



New credit policy for CNs

_ Customized credit

80% increase in the initial credit limit

_ Opportunities for everyone

Pre-paid option

Expansion of the social inclusion program

R\$170MM of incremental gross revenue
since april/15



Rede Natura

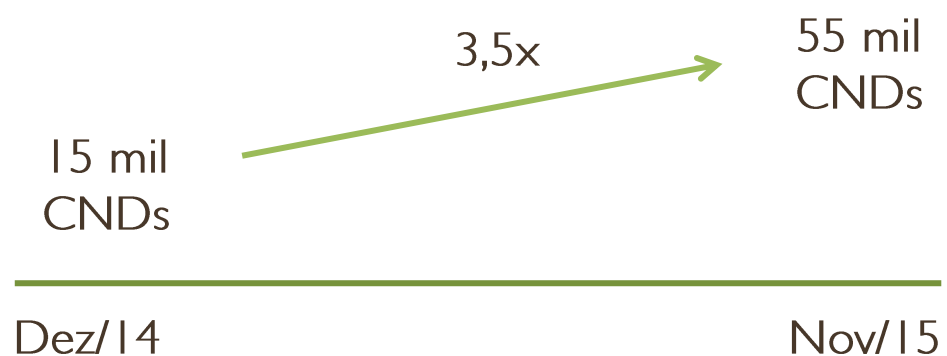
_500,000 consumers registered since launch (Dec/15)

_Consumers from A/B income class

_Highlight is daily-use products due to greater convenience

_Digital entrepreneurs

_Ebit Diamond Store



Important launches in last 12 months in body, face, fragrance and makeup categories



Sustainability

value creation for the business and society

In the last years we focused on the reduction and mitigation of environmental impact and promotion of social impact

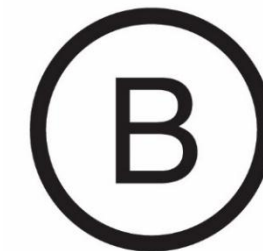
- _Carbon neutro since 2007
- _Investments in the Amazon region
- _Reduction of impact from products
- _Positive social impact with the network of stakeholders
- _Vegetal ingredients

New sustainability vision launched in December/2014

- _Commitments and ambitions for 2010
- _Generation of positive impacts in all dimensions of the business until 2050



Empresa



Certificada

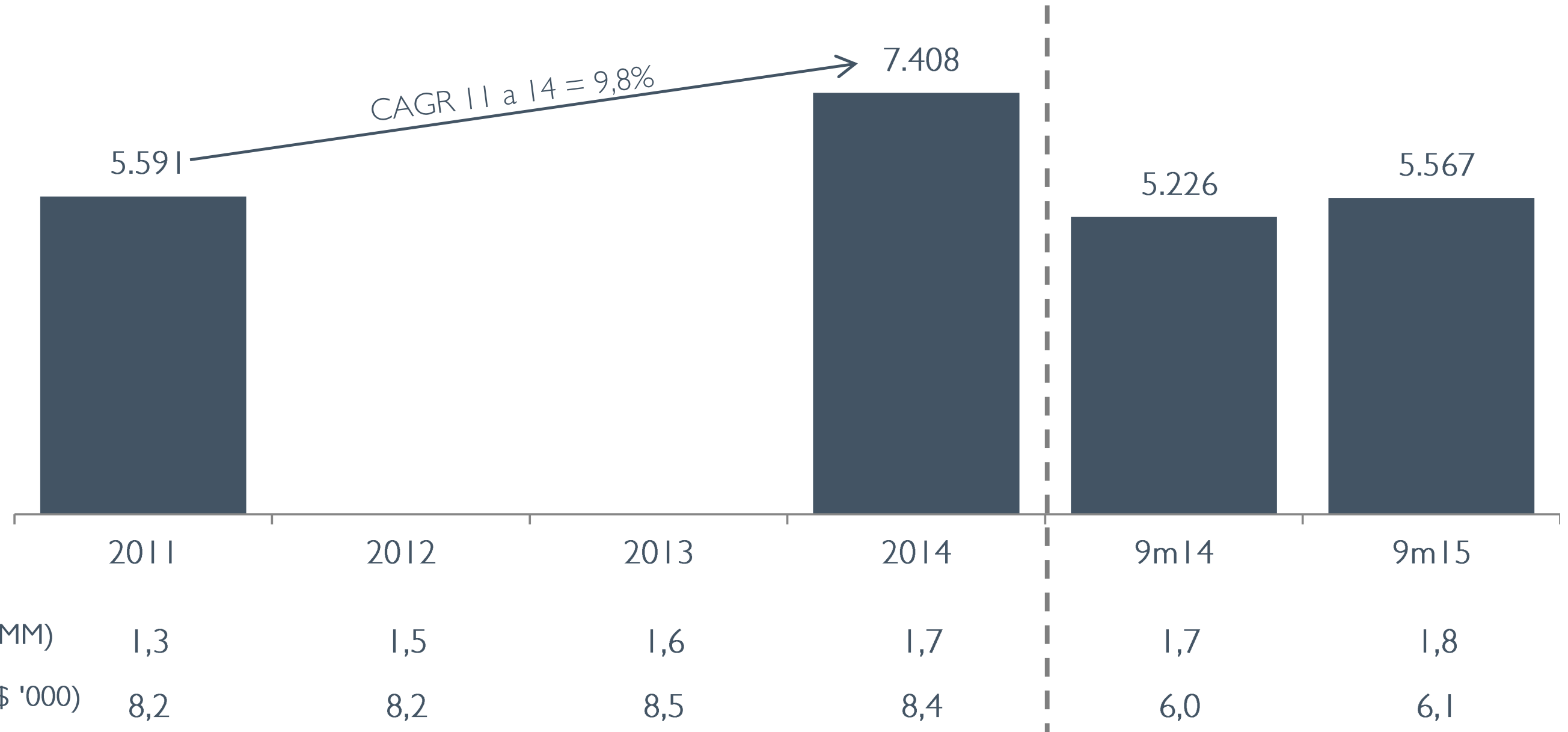


José Roberto Lettiere

CFO e DRI

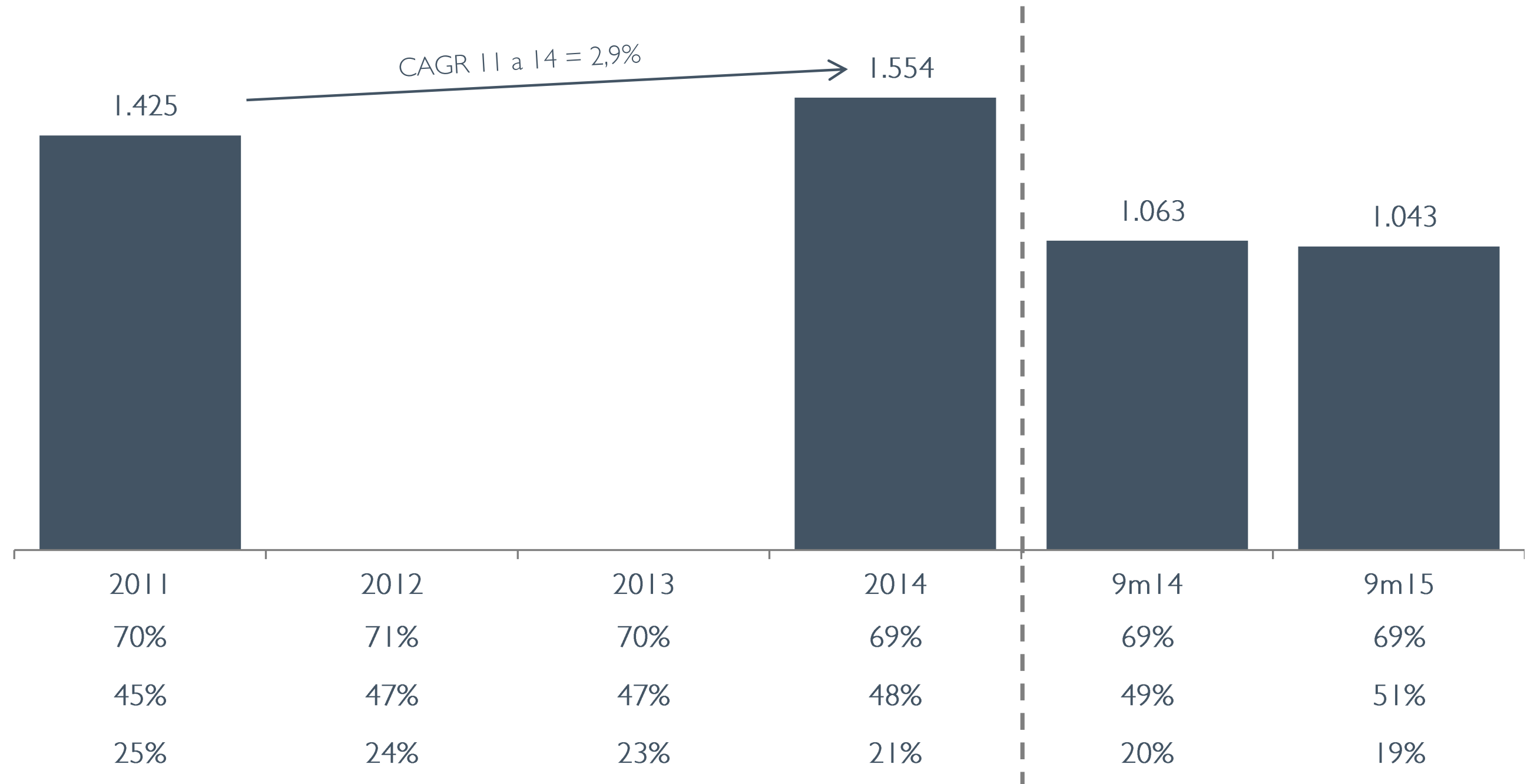
Consolidated Net Revenue

The strong growth in our International Operations has offset the recent slowdown in sales in Brazil



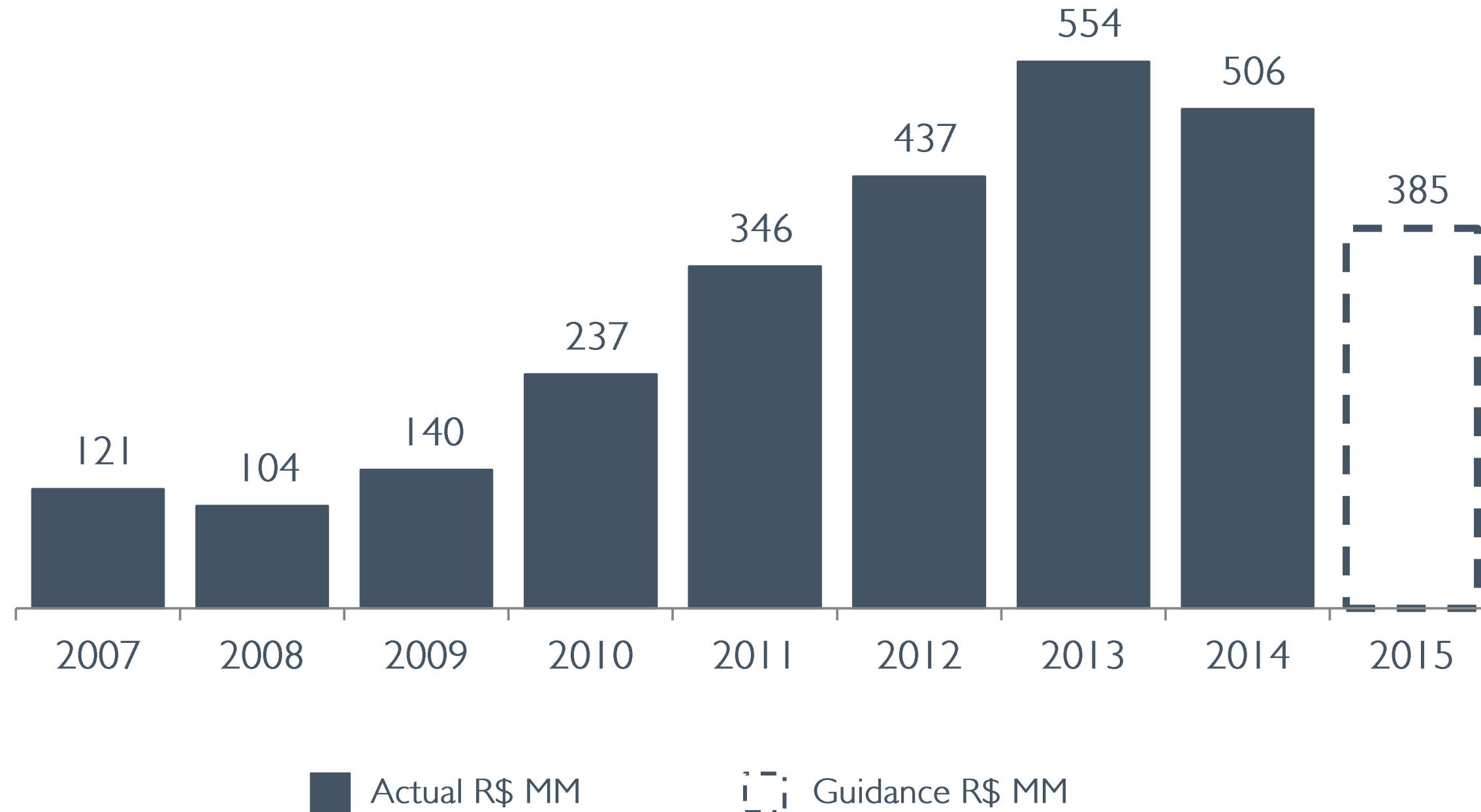
Consolidated EBITDA

Lower profitability due to unfavorable factors in Brazil: higher tax burden, local-currency depreciation and slower sales



Investments

From 2011 to 2014, we invested in our production, logistics and technology infrastructure



Free Cash Flow

Lower working capital and optimization of capex helped increase free cash flow

Favorável / (Desfavorável)	2008	2009	2010	2011	2012	2013	2014	9m15
Lucro líquido do período	517,9	683,9	744,1	830,9	874,4	842,6	732,8	368,1
Depreciações e amortizações	90,0	92,4	88,8	109,9	141,2	193,0	189,8	172,5
Itens não caixa / Outros	(65,7)	(27,5)	20,7	23,3	3,3	(11,7)	0,0	12,9
Geração interna de caixa	542,2	748,8	853,6	964,1	1.018,9	1.023,9	922,6	553,5
(Aumento) / Redução do Capital de Giro	45,0	(189,9)	99,6	(207,2)	297,3	(175,0)	(206,9)	257,7
Geração operacional de caixa	587,2	558,9	953,2	756,9	1.316,2	849,0	715,7	811,2
Adições / Exclusões do imobilizado e intangível	(102,8)	(140,6)	(236,9)	(346,4)	(437,4)	(553,9)	(505,7)	(162,6)
Geração de caixa livre	484,4	418,3	716,3	410,5	878,8	295,1	210,0	648,6

Natura Day 2015

Thank you

