



2Q04 Earnings Presentation

Natura Cosméticos S.A.



July 2004

Initial Public Offering at Bovespa

Natura's IPO was quite successful – a milestone in the Brazilian market – having significant participation from individual investors. The appreciation of Natura's shares following the IPO reflects the Company's determination to balancing financial, social and environmental results.

Number of Trades and Trading Value – NATU3

Period	Average number of trades	Share ¹	Average daily volume (R\$ 000)	Share ²
June 1-15	204	0.4%	12,212	1.4%
June 16-30	92	0.2%	7,318	0.6%
July 1-15	93	0.2%	3,815	0.3%
July 16-23	106	0.2%	4,293	0.4%

1 Share in Bovespa's total number of trades

2 Share in Bovespa's trading value

Company Commitment

Natura is a Company that creates value for both its shareholders and society, and all of its governance and management actions are determined by its commitment to sustainable development.

Brand Recognition



3rd Most Valuable Brand in Brazil

Isto É Dinheiro / Interbrand



Best Annual Report for a Privately-Held Company



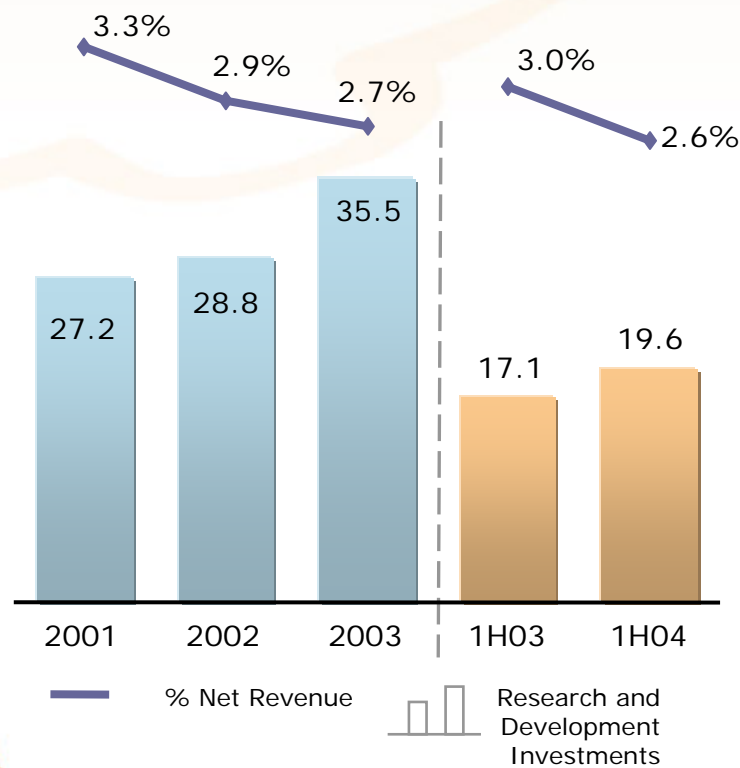
1st Company in the Pharmaceutical, Hygiene and Cosmetic Industry

Exame Melhores e Maiores

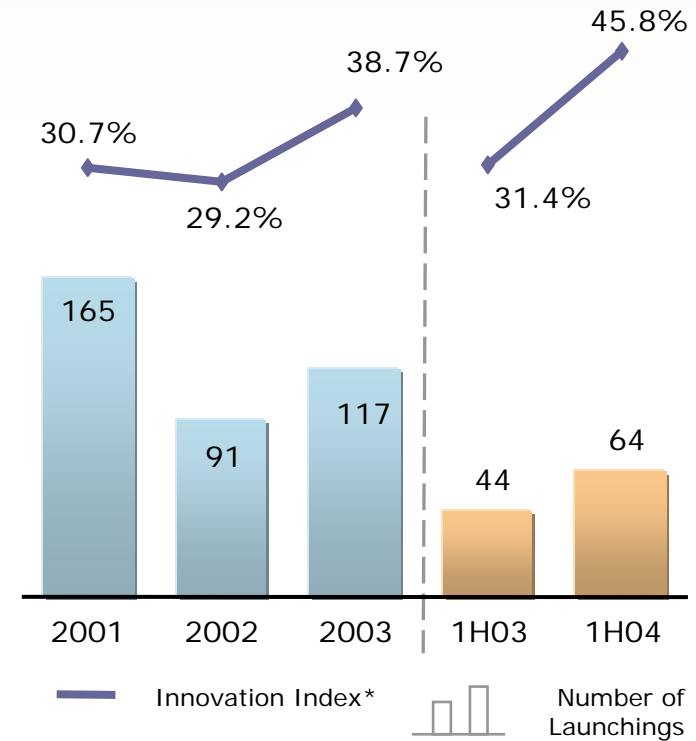
Ongoing Innovation

Investments in innovation are important to renew our product portfolio. The return on such investments is made clear by the share of new products in the Company's total revenue.

Investments in Innovation (R\$ MM)



Number of launchings and Natura's Innovation Index*



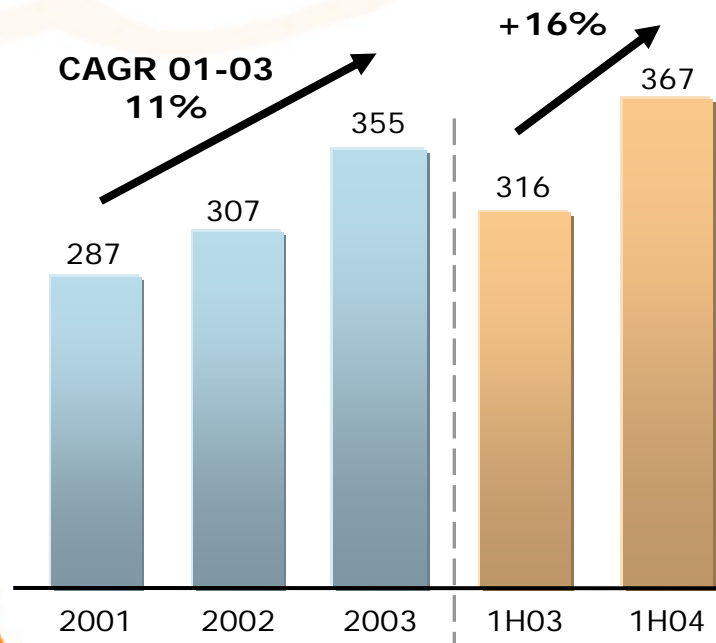
* **Innovation Index** measures the share of innovative products (launched in the past 24 months) in the total revenue of the period - Brazil.

Sales Channel - Brazil

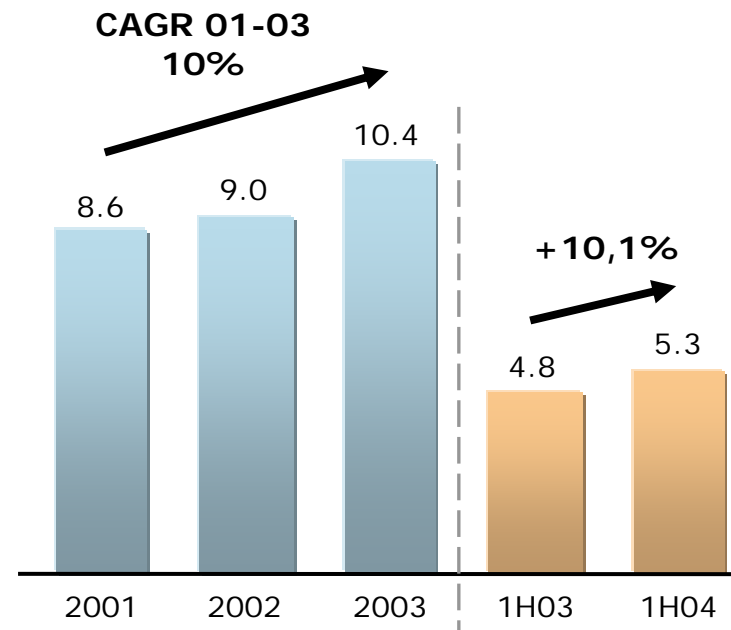
Size and Productivity Growth

The brand equity combined to the relationship kept with Natura Consultants develop the sales channel, both in size and productivity.

Growth in the Number of Natura Available Consultants in Brazil
(thousand)



Productivity Growth
(R\$ thousand per active consultant)



Financial Summary

R\$ MM - Consolidated

	2Q04	2Q03	change %
Units sold (million)	46.3	36.2	27.9
Net Revenues	428.5	322.2	33.0
Gross Profit	282.6	202.4	39.6
<i>Margin (%)</i>	<i>65.9</i>	<i>62.8</i>	-
EBITDA	102.2	67.4	51.5
<i>Margin (%)</i>	<i>23.8</i>	<i>20.9</i>	-
Net Income	78.8	11.9	562.3
Net Debt (cash)	(84.6)	94.7	n/a

n/a – not applicable

Financial Summary

R\$ MM - Consolidated

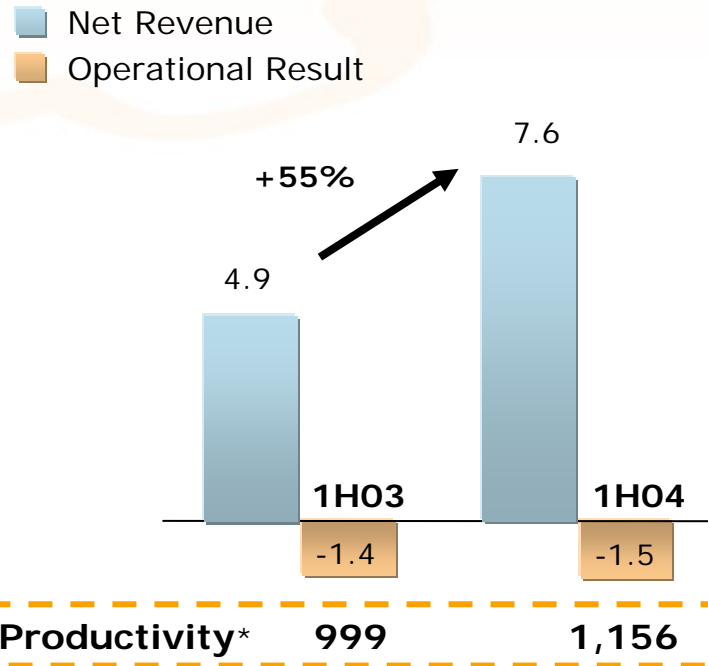
	1H04	1H03	change %
Units sold (million)	84.3	65.6	28.5
Net Revenues	757.7	562.1	34.8
Gross Profit	503.4	353.6	42.4
<i>Margin (%)</i>	<i>66.4</i>	<i>62.9</i>	-
EBITDA	184.5	110.1	67.6
<i>Margin (%)</i>	<i>24.3</i>	<i>19.6</i>	-
Net Income	123.5	16.9	630.8
Net Debt (cash)	(84.6)	94.7	n/a

n/a – not applicable

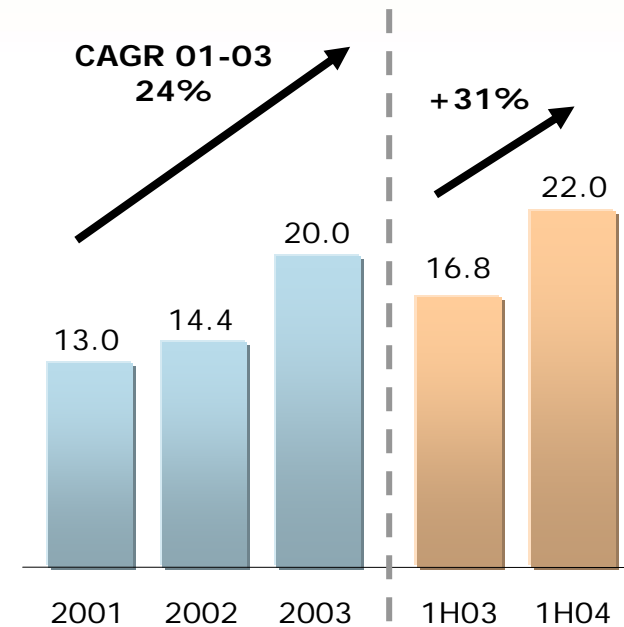
Operations – Latin America

Latin American operations have been reporting a strong growth. We have just achieved the breakeven at Peru's subsidiary.

Net Revenue x Operational Result in the Semester (US\$ MM)



Available Consultants in the Latin American Channel (thousand)

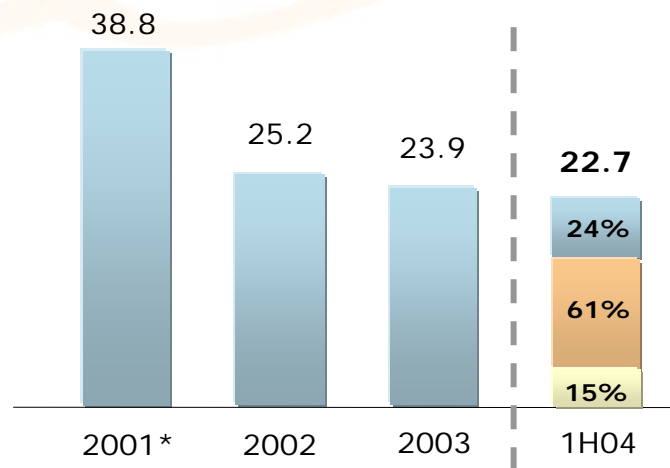


* US\$/Active Consultant

CAPEX

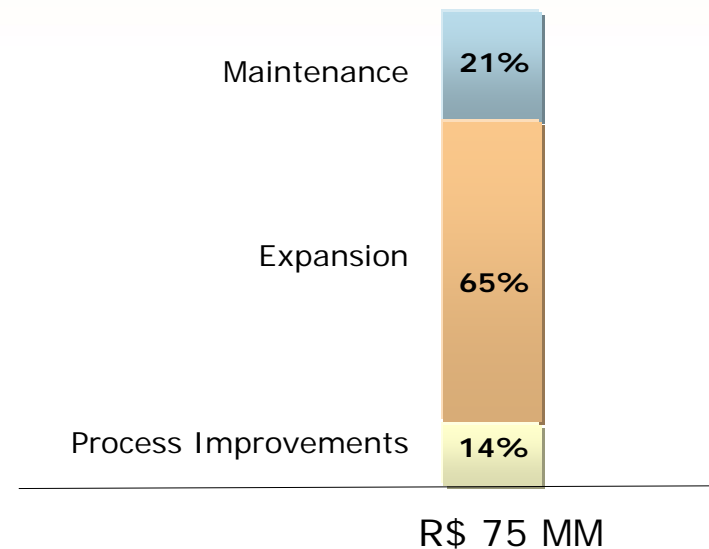
Capital expenditures in fixed assets reached R\$ 22.7 million in the first half of 2004. Most of it was concentrated on the construction of the new Vertical Storehouse.

CAPEX - R\$ MM



* Natura Empreendimentos in 2001

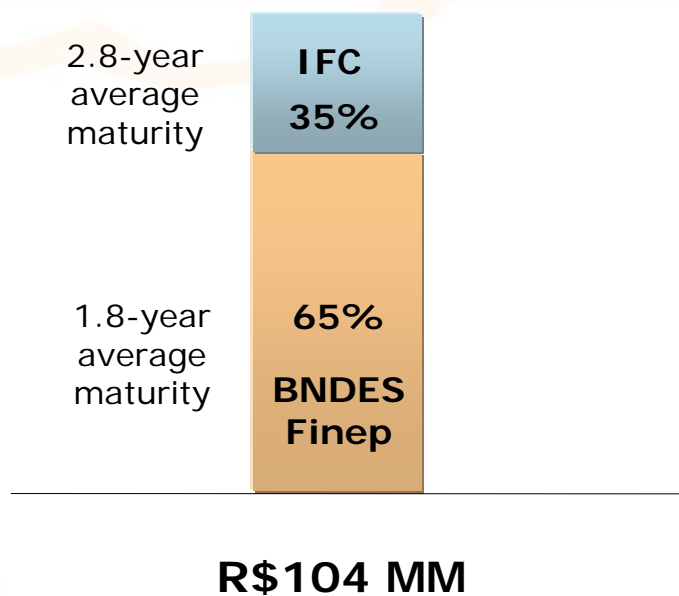
2004 Estimated CAPEX



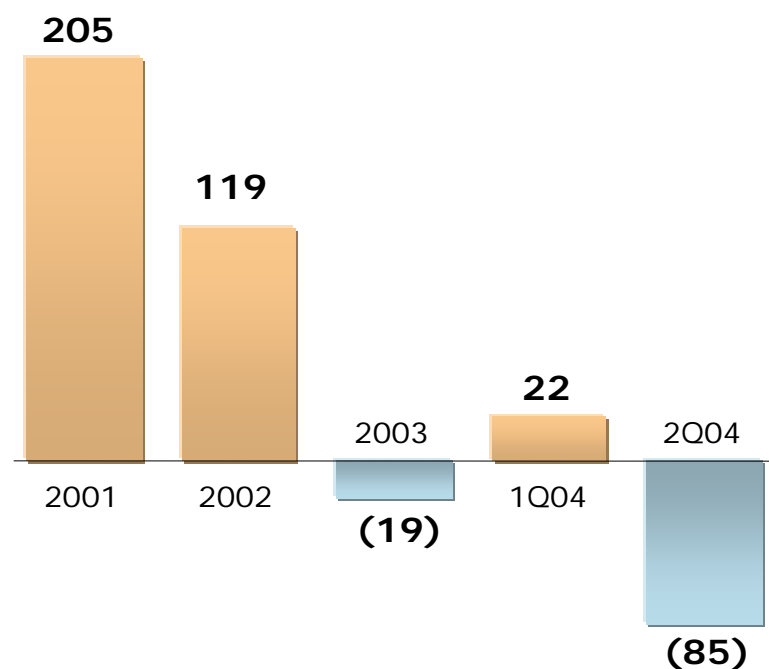
Indebtedness

After BNDESPAR converted debentures amounting to R\$ 34.4 million and cash generation in the period, Natura ended the semester with net cash of R\$ 84.6mm.

Indebtedness Breakdown



Net Debt / (Cash) Evolution (R\$ MM)



Dividends and Interests on Capital

On July 27, Natura's Board of Directors approved the distribution of dividends and the payment of interest on own capital totaling a gross amount of R\$ 86.8 million, being:

Dividends

R\$ 73.4 million
R\$ 0.865 per share

Interest on Own Capital

R\$ 13.4 million
R\$ 0.158 per share (gross amount)
R\$ 0.134 per share (net of income taxes)

Relation with the Capital Markets

APIMEC

August 18, 2004 – Natura – 9h30 (Brasília Time)

3Q04

October 27, 2004 – Earnings Release

October 29, 2004 – Conference Call and Webcast



This presentation contains forward-looking statements. Such statements are not statements of historical fact, and reflect the beliefs and expectations of the 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.



July 2004