

# 2004 Earnings Results

February 2005

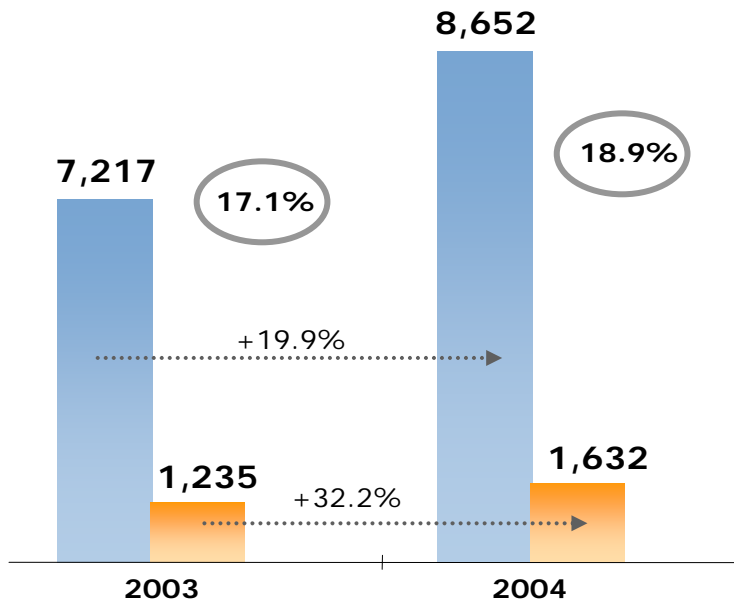
**Opening Remarks**

**Core Business**

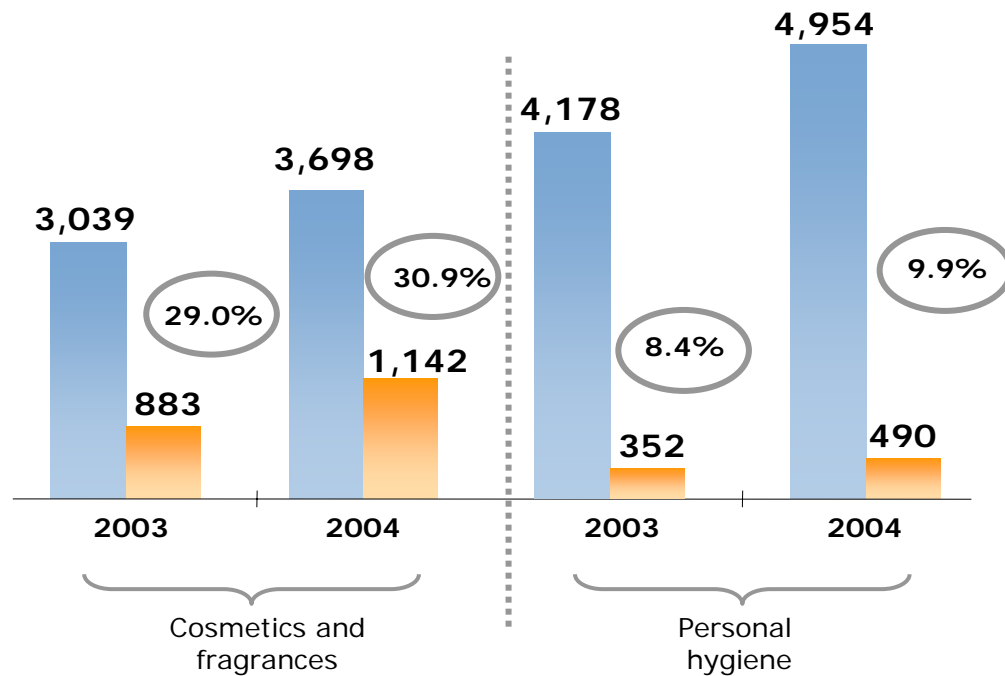
**Financial Performance**

Net revenues in R\$ million

## Target Market\*



## Target Market\* - by Category



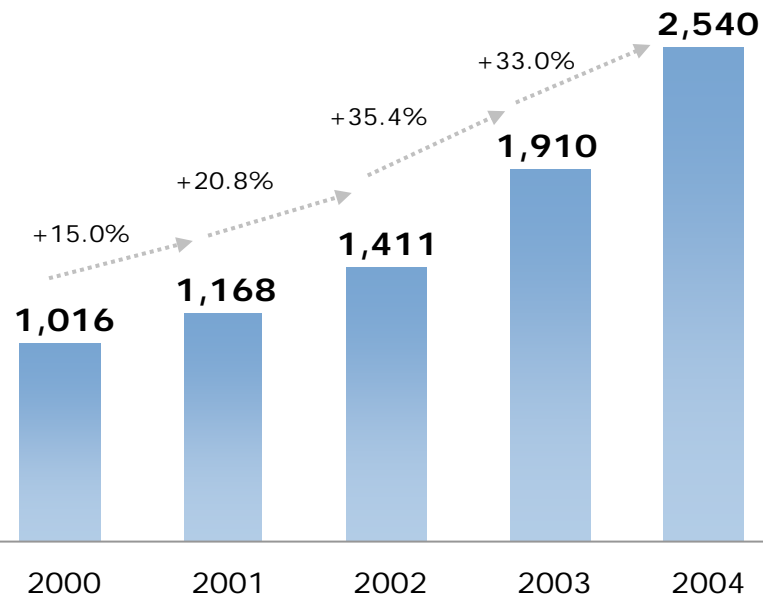
■ Market 
 ■ Natura 
 ○ Market Share

(\*) Considers only segments where Natura operates. Excludes diapers, oral hygiene items, hair dye, nail polishes, sanitary pads among others.  
 Note: net revenue at industry prices.  
 Source: Sipaesp, ABIHPEC.

## Consolidated Gross Revenues

R\$ million

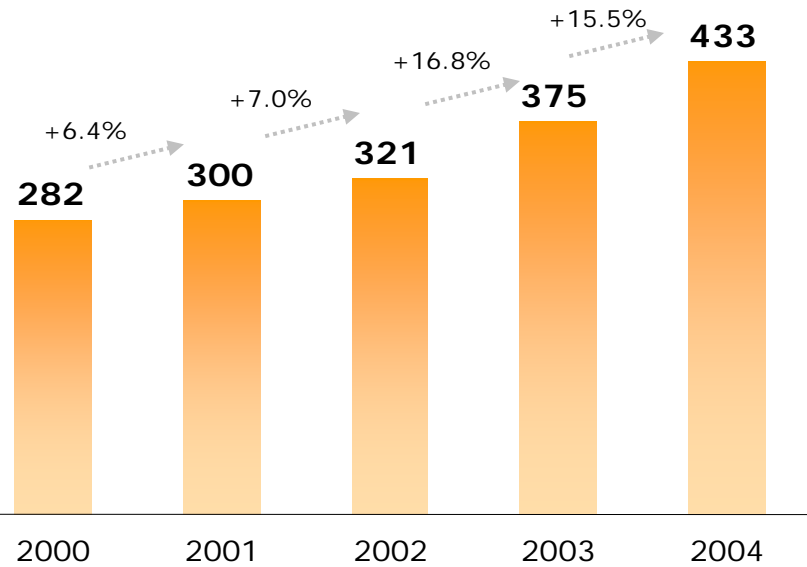
CAGR (00-04) = 25.7%



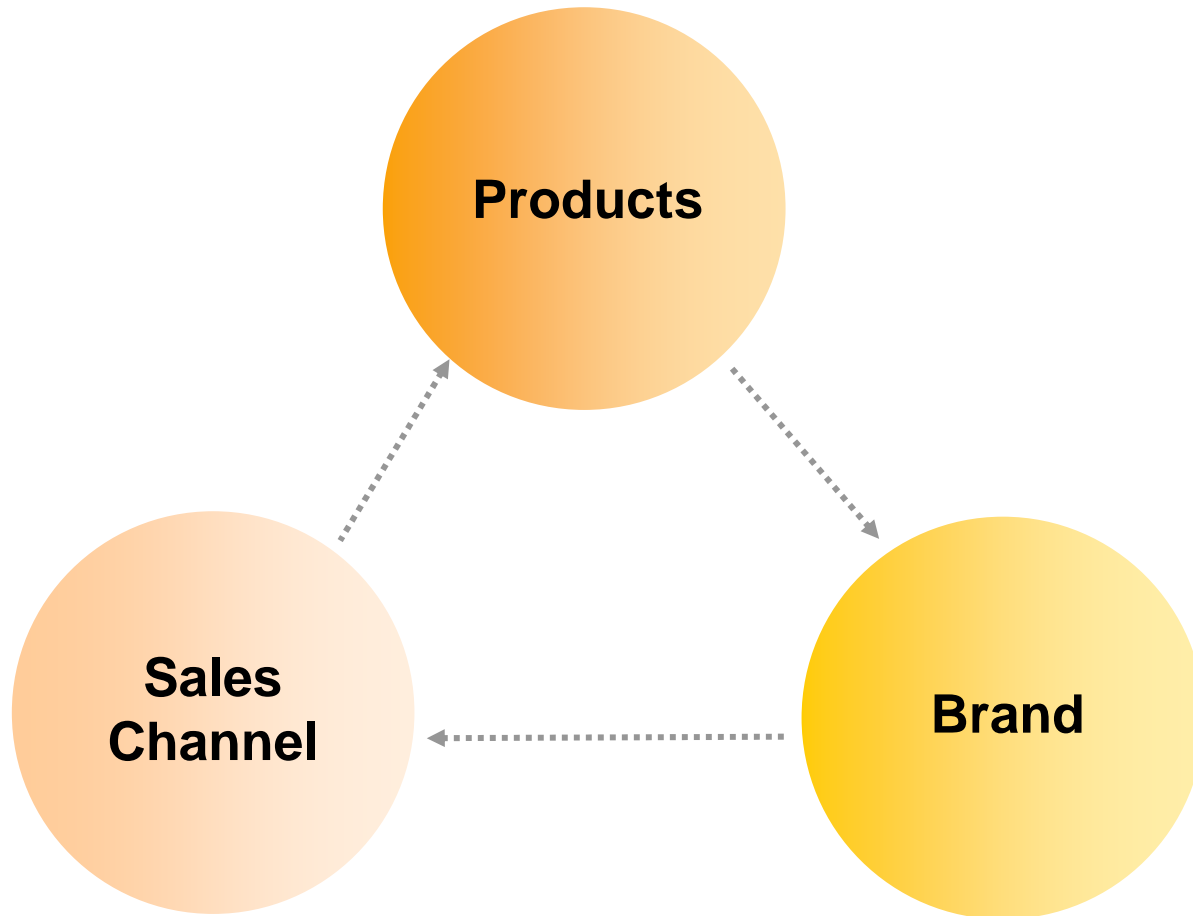
Note: data for 2000 refers to Natura Empreendimentos.

## Consolidated Total Number of Consultants - thousands

CAGR (00-04) = 11.3%

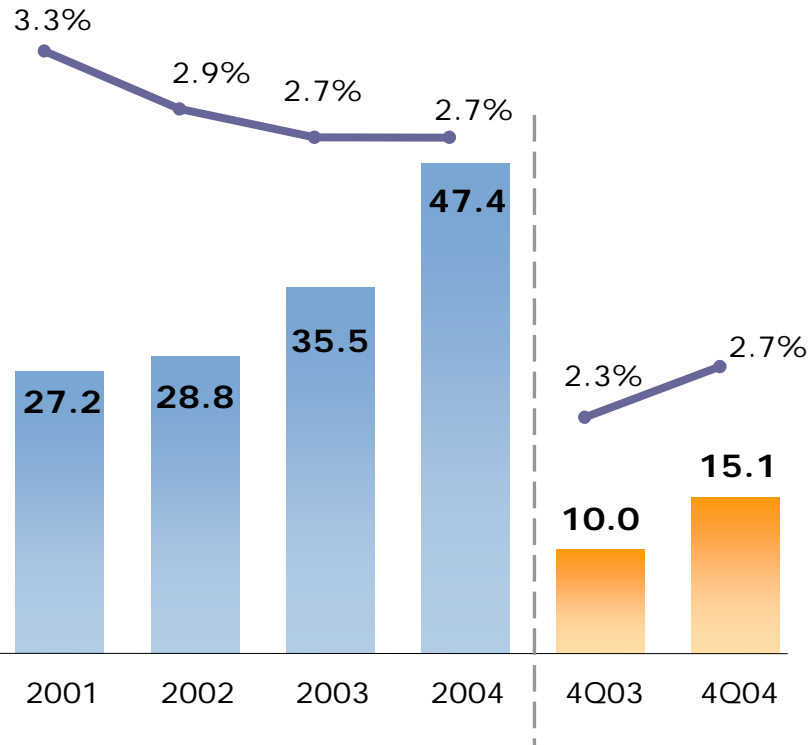


Note: number of consultants at the end of 17th sales cycle.



## Investments in Innovation

R\$ million

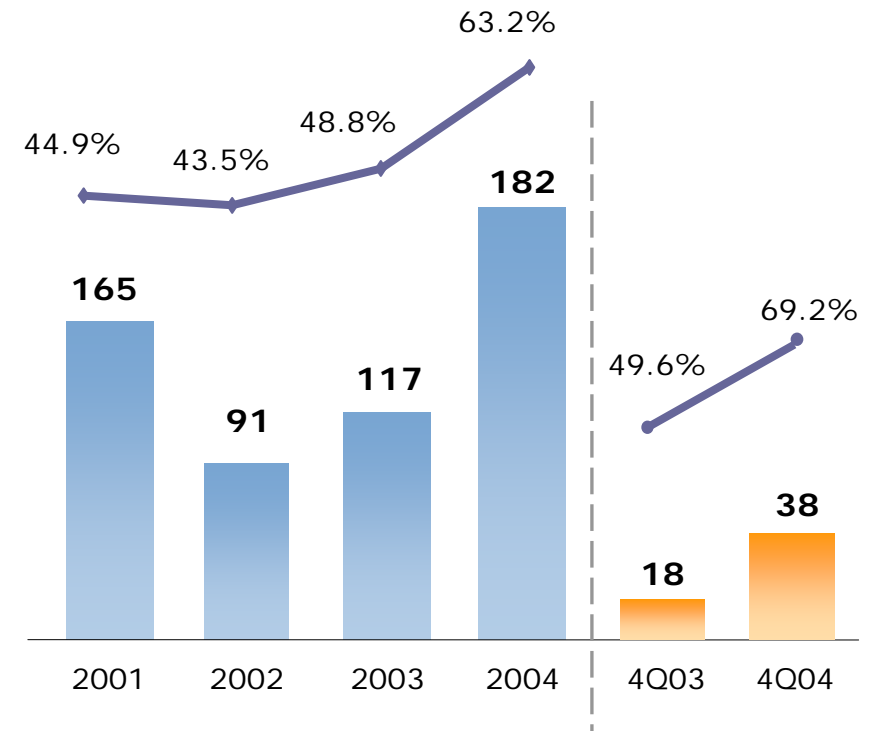


— % Net Revenues


 Investments in Innovation

## Number of New Products and Total Innovation Index

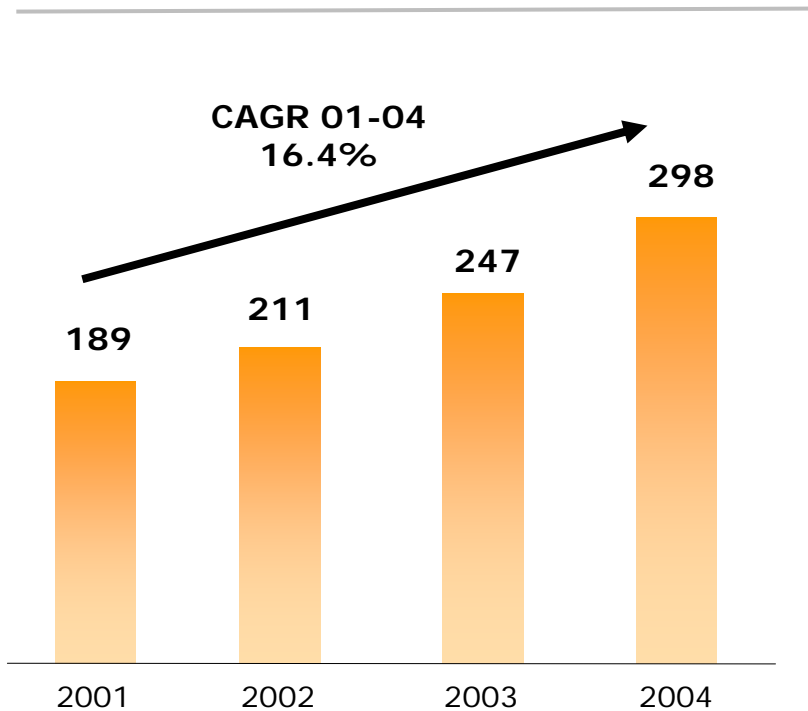
Innovation + Improvement



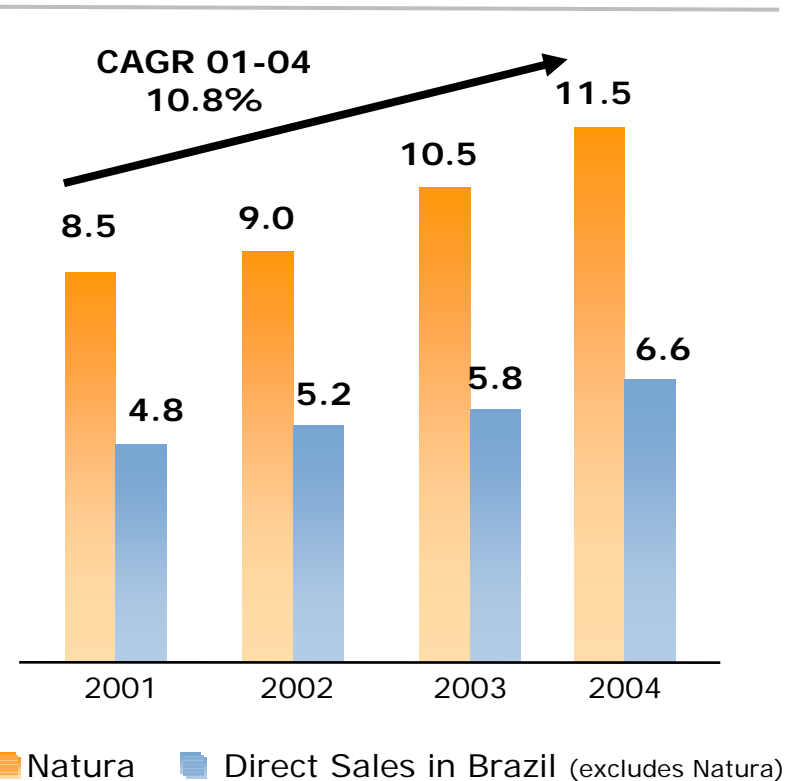
— Total Innovation Index

 Number of New Products

## Average Active Consultants thousands



## Productivity<sup>1</sup> in Brazil R\$ thousand per average active consultant



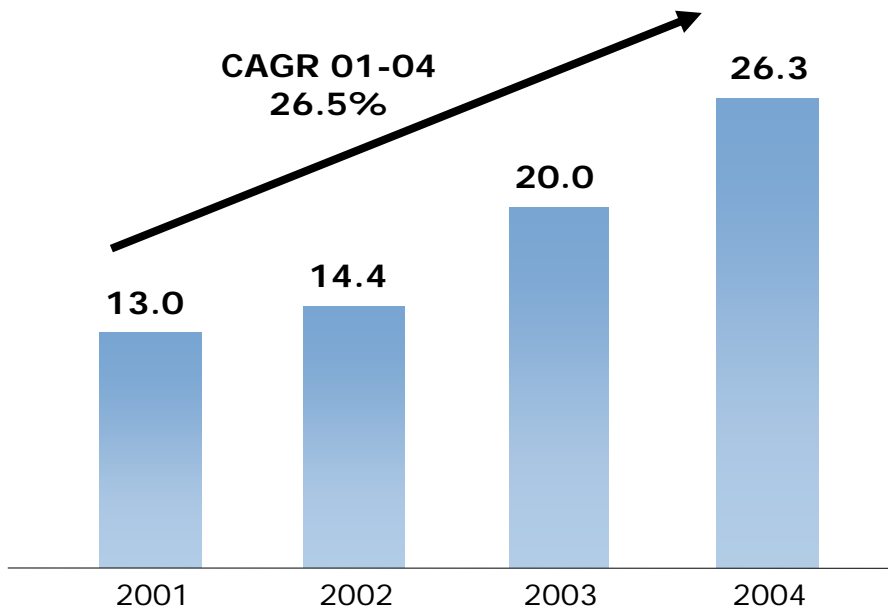
Source: Natura, ABEVD (Brazilian Direct Sales Association)

(1) Volume of orders per average active consultants in the periods.

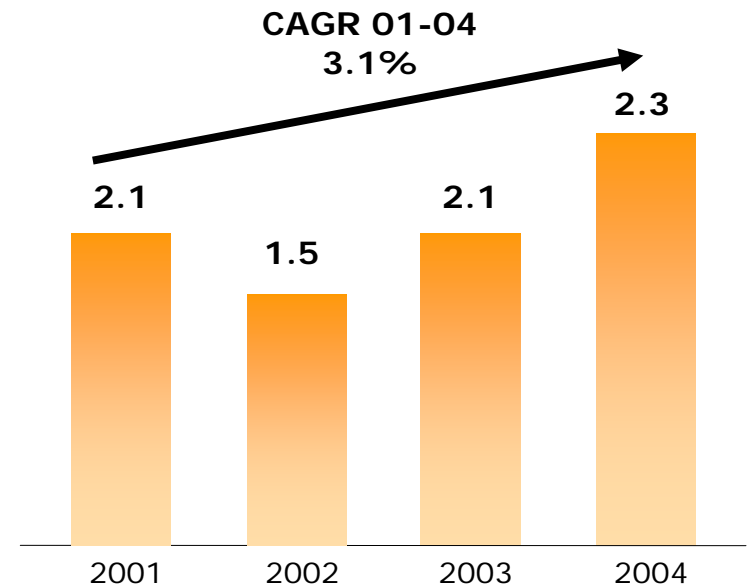
# sales channel in Latin America growth and productivity

In Latin America, excluding Brazil, the sales channel has been growing in a strong pace.

## Consultants<sup>1</sup> International Operations - thousands



## Productivity<sup>2</sup> International Operations - US\$ thousands



(1) Considers the number of available consultants in Argentina, Chile and Peru by the end of the 17th sales cycle.

(2) Volume of orders per average active consultants in the periods.



## Top of Mind

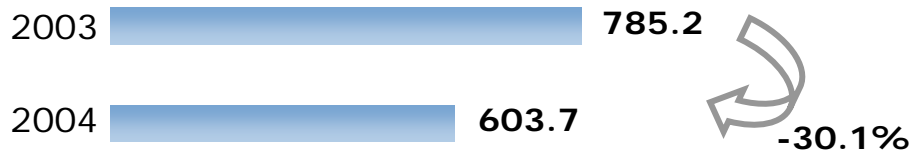
Ranked 1<sup>st</sup> in "Product and Beauty Moisturizer"



## Water consumption per unit sold (liters/unit)



## Energy consumption per unit sold (tjoules/unit)

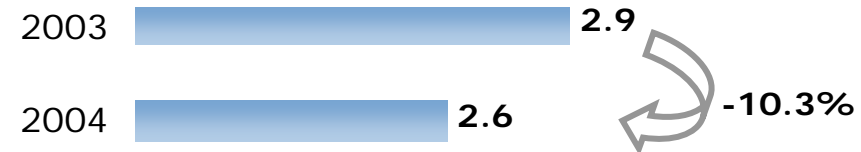


## Water re-usage (%)\*



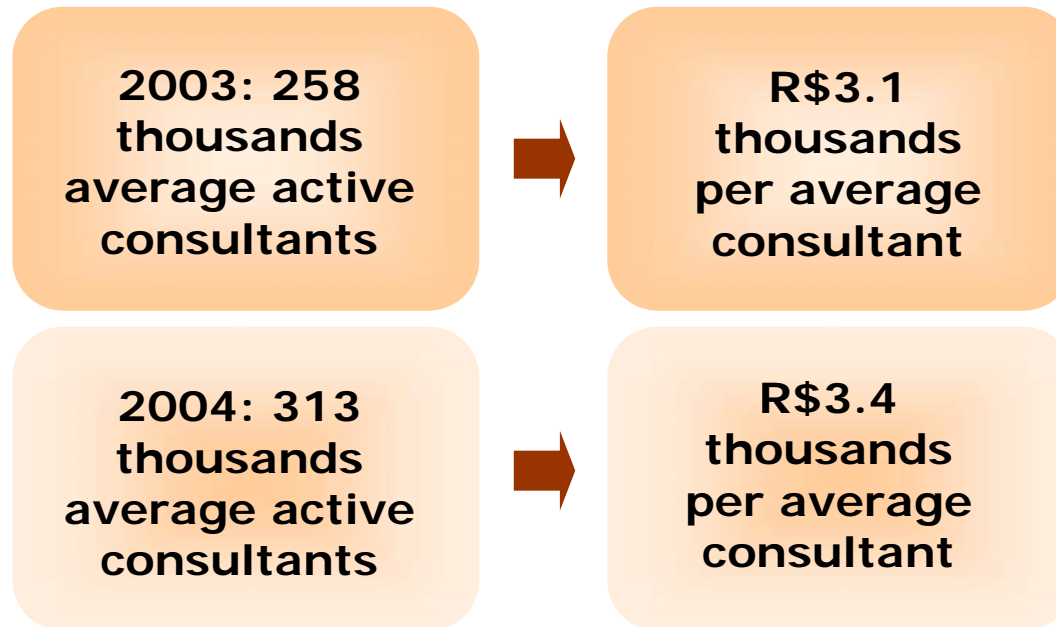
\* % of treated water re-usage

## Generation of waste per unit sold (gram/unit)



- In 2004, Natura applied to 100% of its product portfolio, the packaging Life Cycle Assessment.

## Natura Consultants - Income Generation



Opening Remarks

Core Business



**Financial Performance**

R\$ million - Consolidated

4Q04	4Q03	% change
54	41	33.8
564	435	29.6
385	294	30.7
68.2	67.7	0.5pp

## Units resold<sup>1</sup>

(million of units)

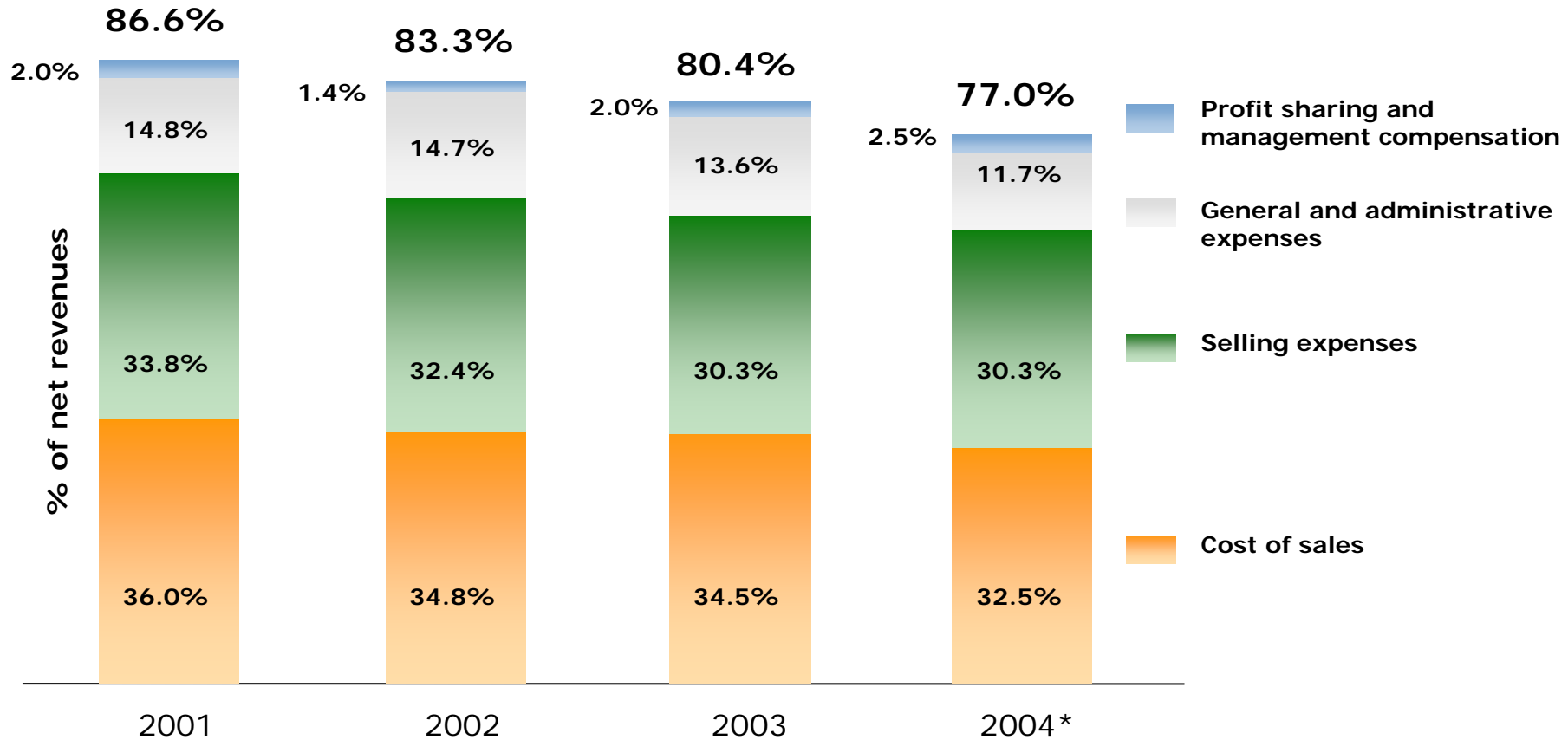
## Net revenues

## Gross profit

## Margin (%)

2004	2003	% change
177	129	36.7
1,770	1,329	33.2
1,194	871	37.2
67.5	65.5	2.0pp

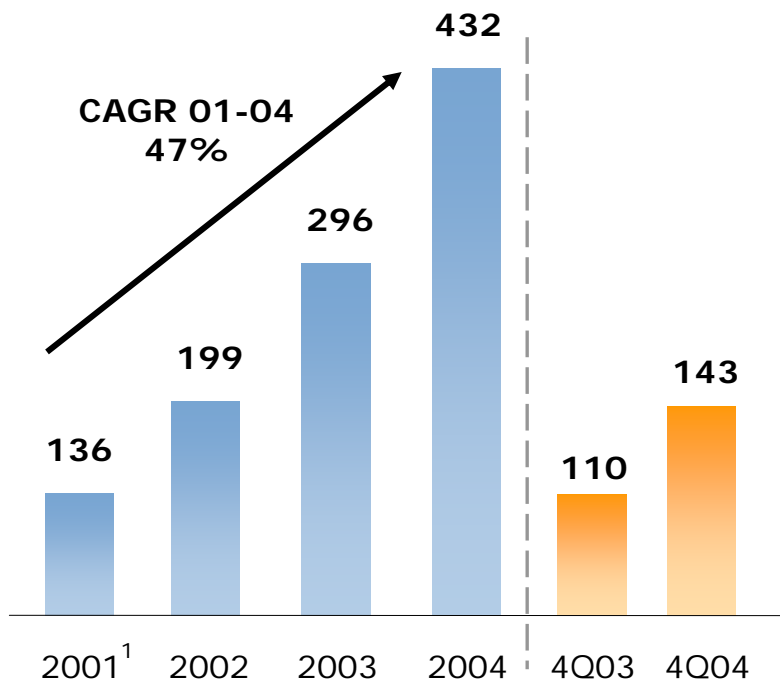
(1) Total consolidated number of CFT products resold by consultants. Therefore, excludes samples, gifts, resale support material, Crer para Ver product line among others.



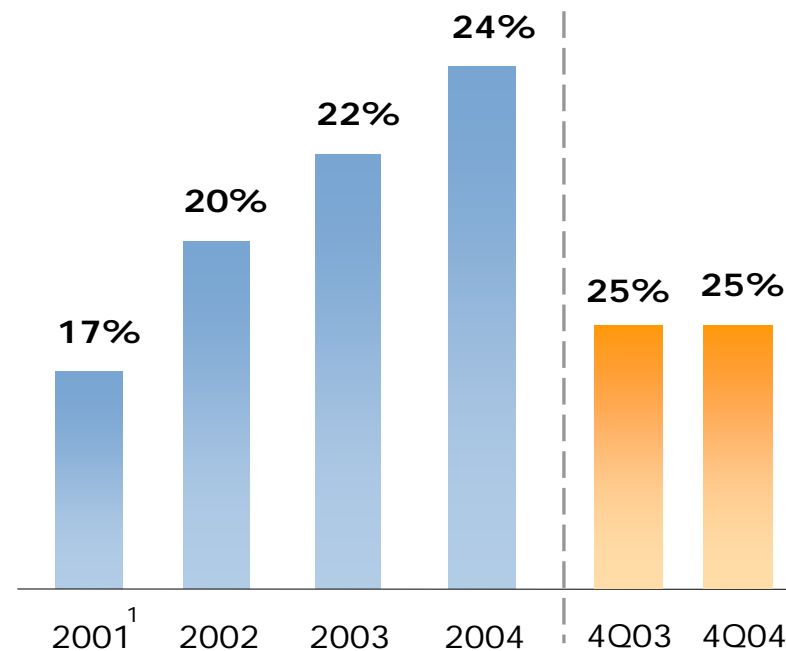
Note: For 2001 Natura Empreendimentos figures.

(\*) General and administrative expenses exclude R\$9.3 million from IPO expenses, in 2004.

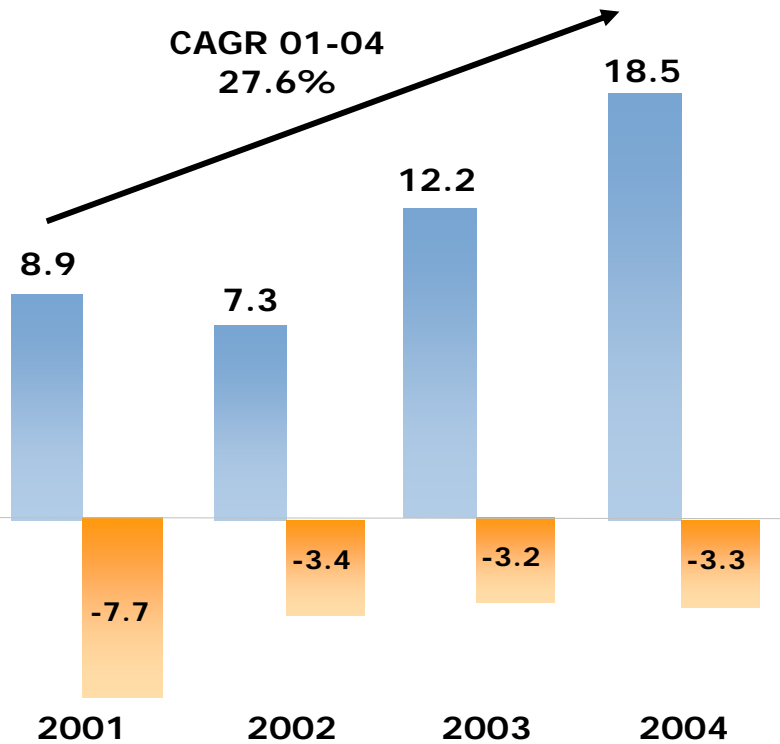
## EBITDA - R\$ million



## EBITDA Margin - %

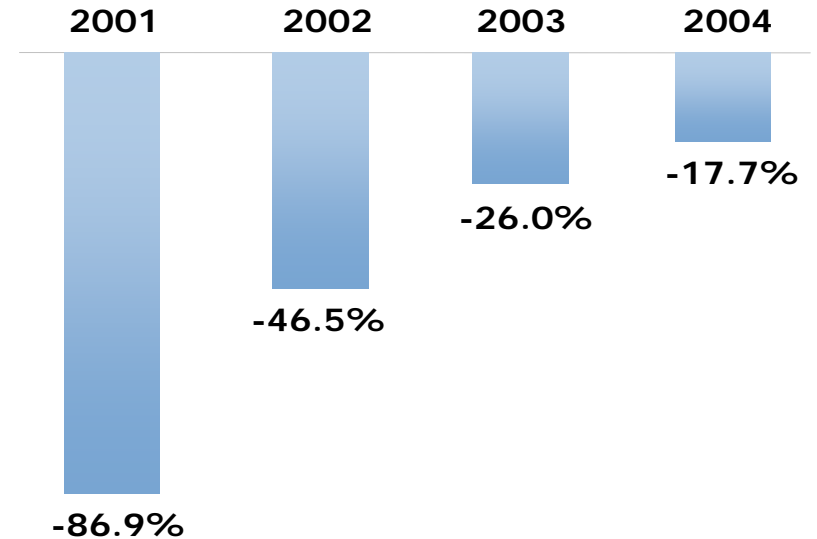


## Net Revenues x Losses from Operations - US\$ million



Net revenues      Losses from operations

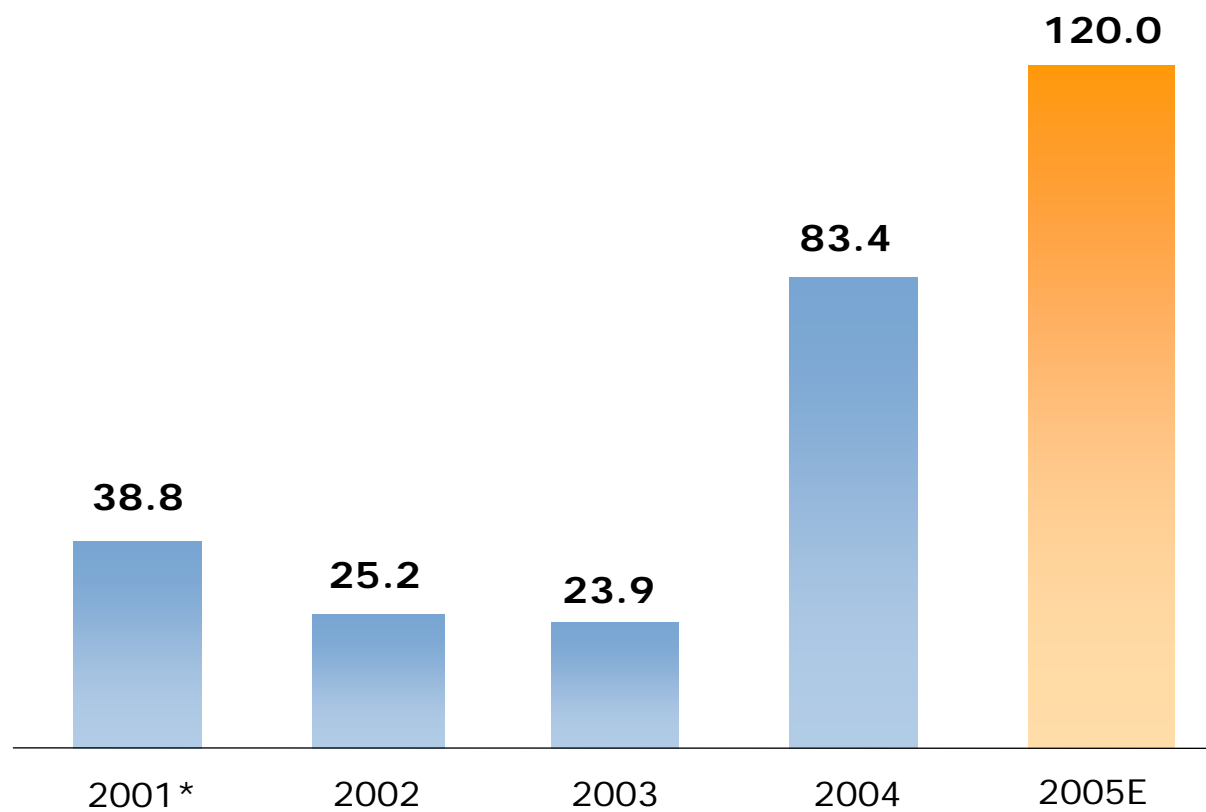
## Operational Margin





## CAPEX - R\$ million

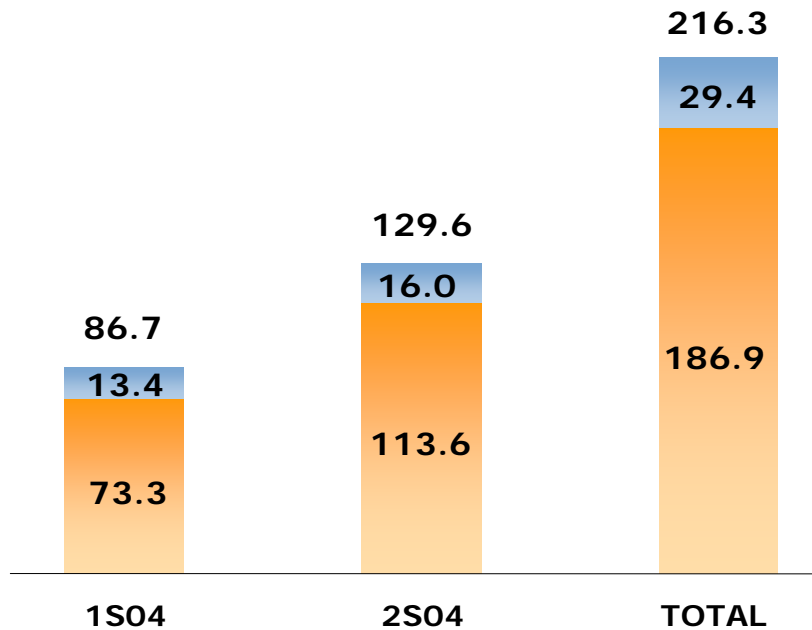
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\* In 2001 Natura Empreendimentos.

R\$ million	2004	2003	% change
<b>Net income for the period</b>	<b>300.3</b>	<b>63.9</b>	<b>370.0</b>
(+) Depreciation	34.3	33.7	1.8
(+) Other non-cash expenses	51.0	142.6	-64.2
<b>(=) Cash generated before working capital, long-term receivables and long-term liabilities</b>	<b>385.6</b>	<b>240.2</b>	<b>60.5</b>
(-) Changes in working capital, long-term receivables and long-term liabilities	99.4	38.6	157.5
<b>(=) Operating cash generation</b>	<b>286.2</b>	<b>201.6</b>	<b>42.0</b>
(-) CAPEX and Investments	83.1	23.9	247.7
<b>(=) Free cash generation</b>	<b>203.1</b>	<b>177.7</b>	<b>14.3</b>

## Dividends and Interest on capital, gross - R\$ million



■ Interest on capital, gross
 ■ Dividends

### Pay-out

Net income	72.0%
Free cash generation	106.5%

### 2004 Dividends + Interest on capital per share:

Gross	R\$2.55
Net	R\$2.50

