



# 1Q05 Earnings Results

*April 29, 2005*

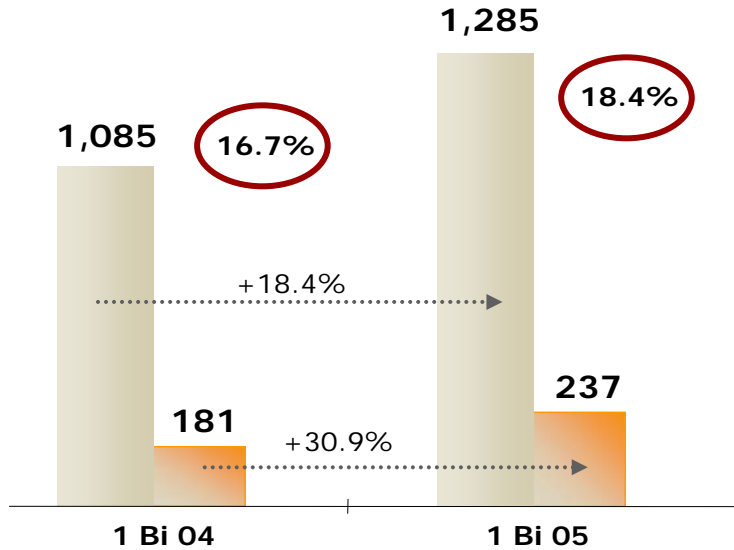


**core business**

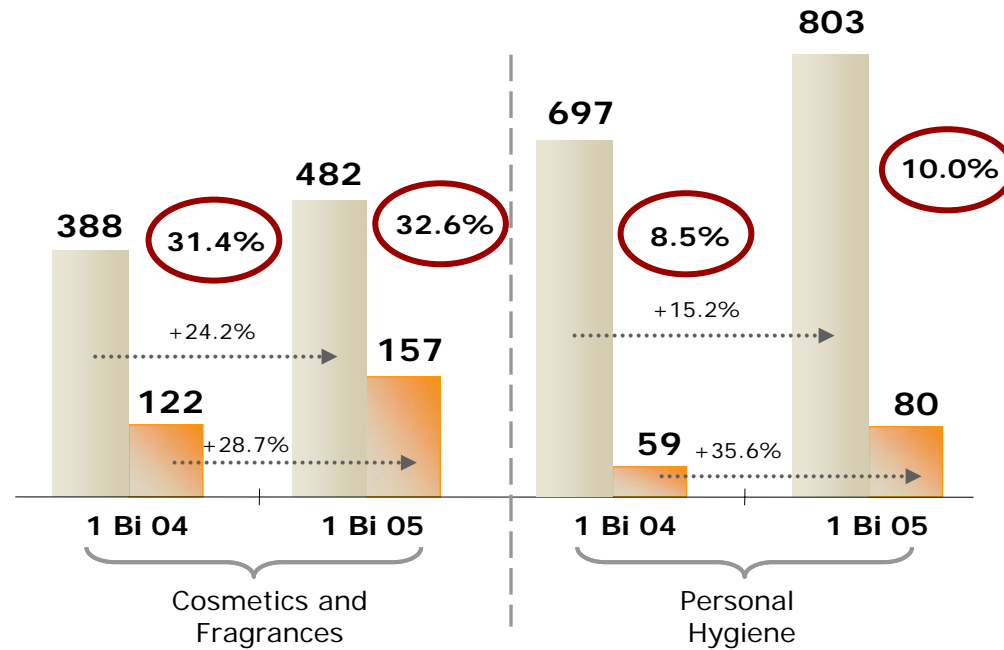
financial performance

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.

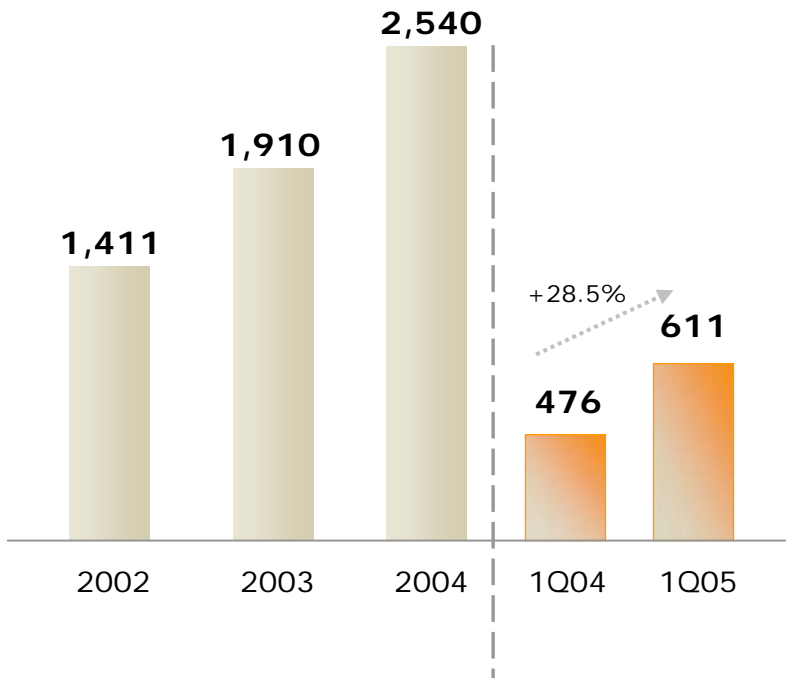
Note: net revenue at industry prices.

Source: Sipatesp, ABIHPEC.

## Consolidated Gross Revenues

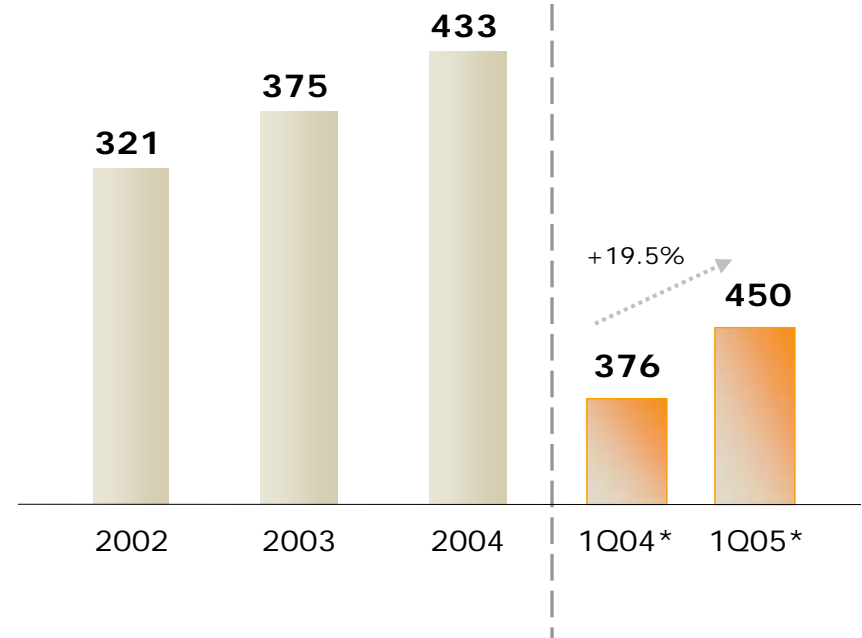
R\$ million

CAGR (02-04) = 34.2%



## Consolidated Total Number of Consultants - thousands

CAGR (02-04) = 16.1%

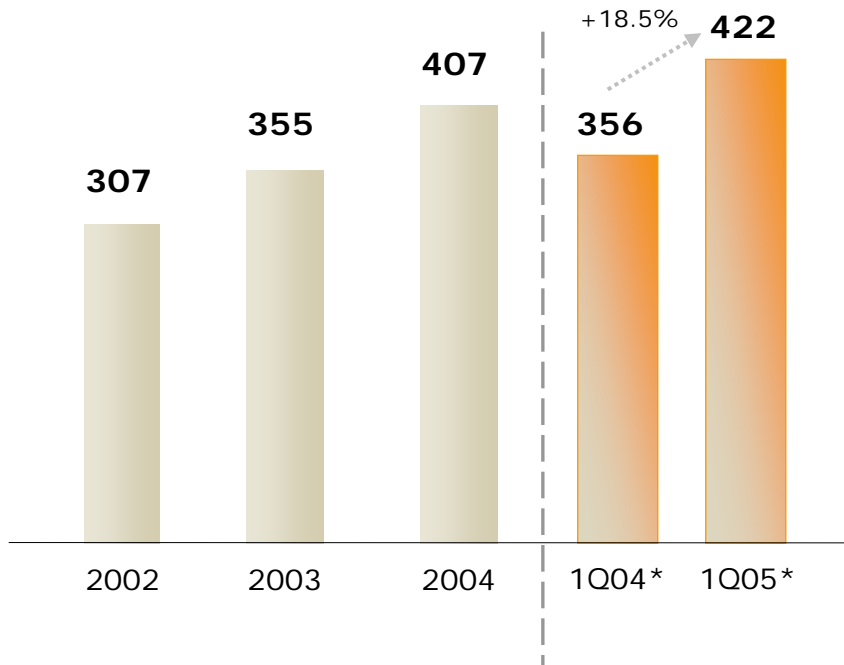


(\*) number of consultants at the end of 4th sales cycle.

### Consultants in Brazil

thousands

CAGR (02-04) = 15.1%

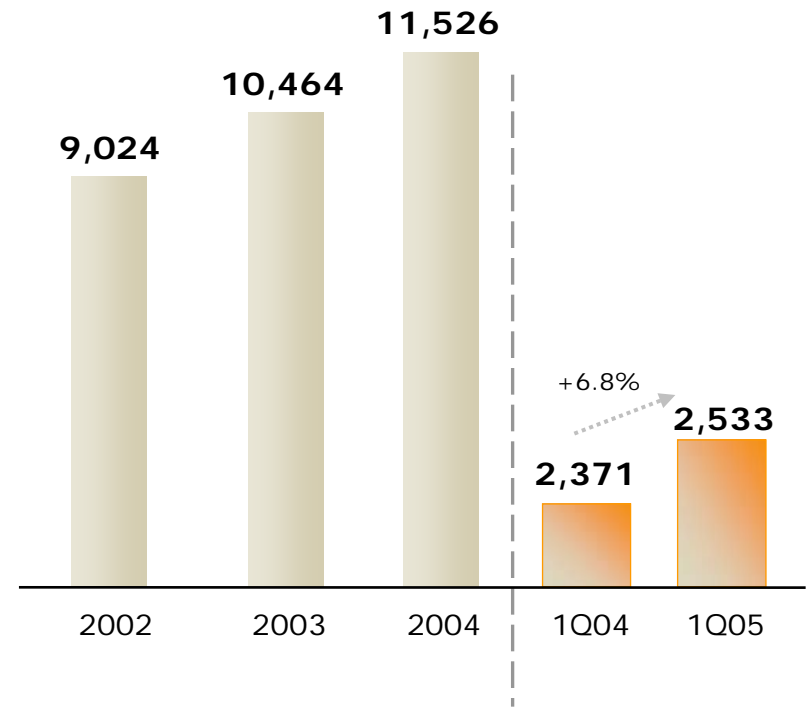


(\*) number of consultants at the end of 4th sales cycle.

### Productivity<sup>1</sup> in Brazil

R\$ thousand per average active consultant

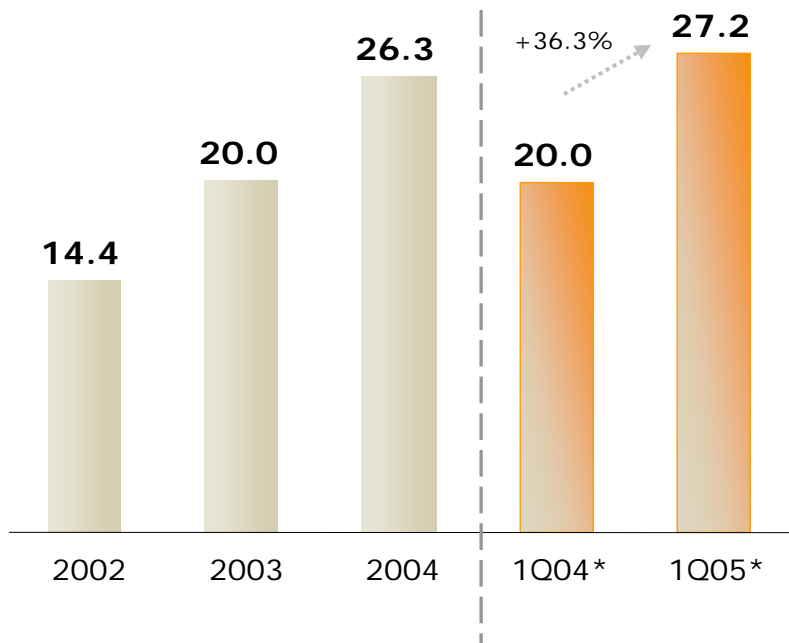
CAGR (02-04) = 13.0%



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

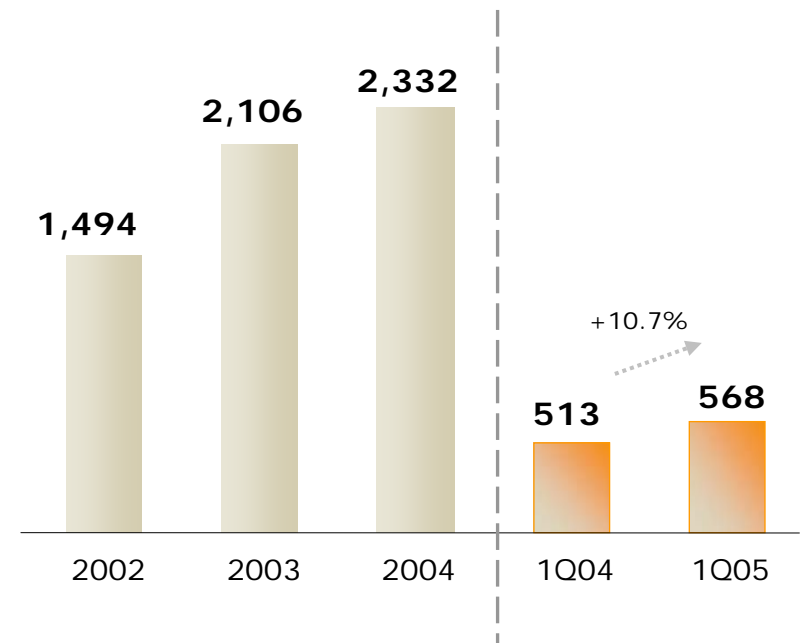
### Consultants<sup>1</sup> International Operations - thousands

CAGR (02-04) = 35.1%



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

CAGR (02-04) = 24.9%

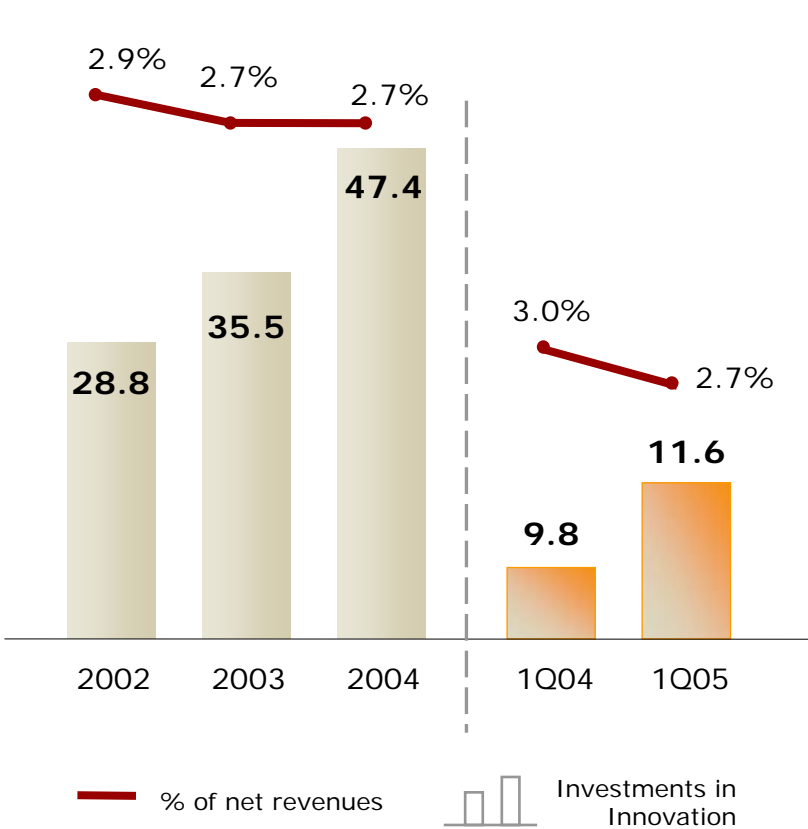


(\*) number of consultants at the end of 4th sales cycle.  
 (1) Considers the number of available consultants in Argentina, Chile and Peru.

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

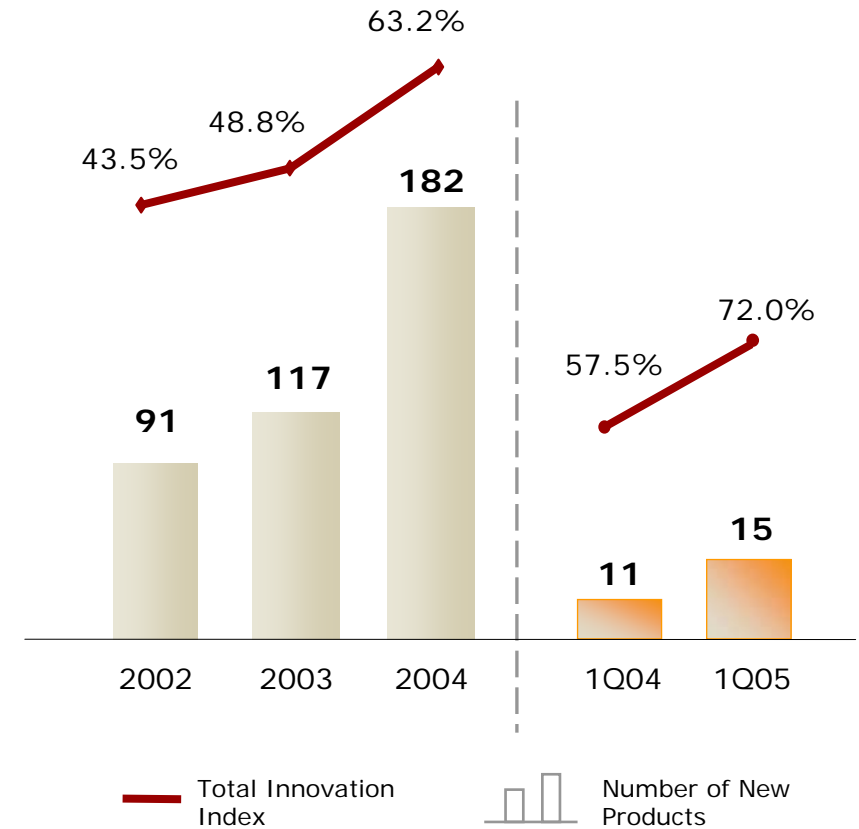
## Investments in Innovation

R\$ million





## Number of New Products and Total Innovation Index

Innovation + Improvement



## Brand Strength

Criteria	 natura 2003*	 natura 2004
<b>Global Perception</b>		
Global evaluation	64%	78%
Own the product	32%	58%
Recommends	37%	68%
Preference	35%	42%
<b>Attributes</b>		
Commitment to the truth	57%	63%
Development opportunity	49%	62%
Innovation	55%	64%
Sustainable Development	57%	58%
Quality	64%	71%

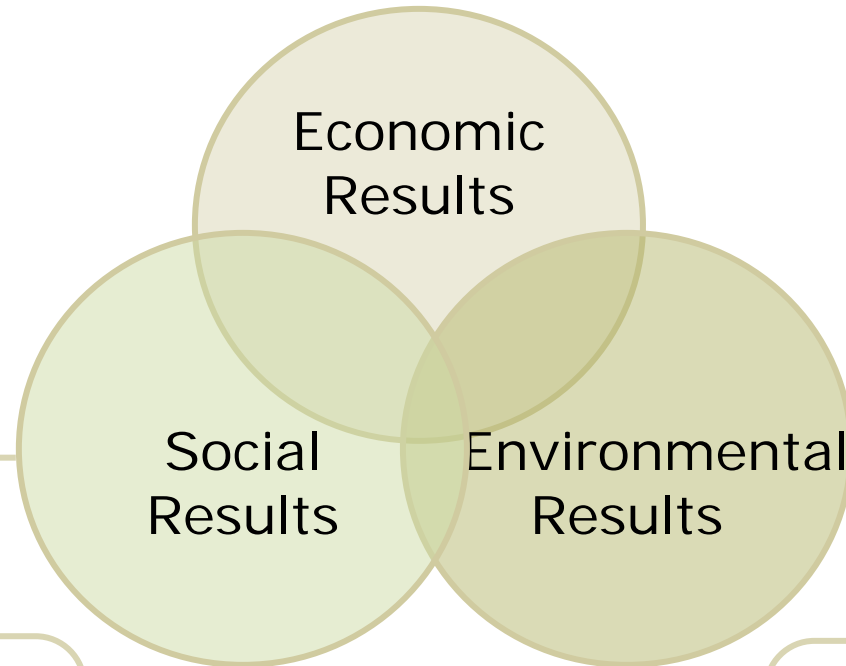
Source: Ipsos

Survey requested by Natura in 2004, conducted with 1,200 people among men and women across different social classes in 3 large Brazilian cities.

(\*) 2003 figures were weighted to be comparable to the figures posted in the 2004 survey.



Natura`s business model is based on the integration of **economic development** coupled with **social and environmental** needs.



*Crer para Ver*

**Life Cycle Assessment (LCA)**

## Social Results => Crer para Ver/EJA

Results obtained by Consultants spontaneous initiative to:

Sell products from Crer para Ver line:

	1Q05	1Q04	05 x 04
Gross revenue (R\$ million)	1.7	1.3	30.8%

Enroll students in Young and Adults Education Program\*

Number of effective enrollments **32,000** students

(\* Enrollments for the First Semester 2005 (Jan to Mar).

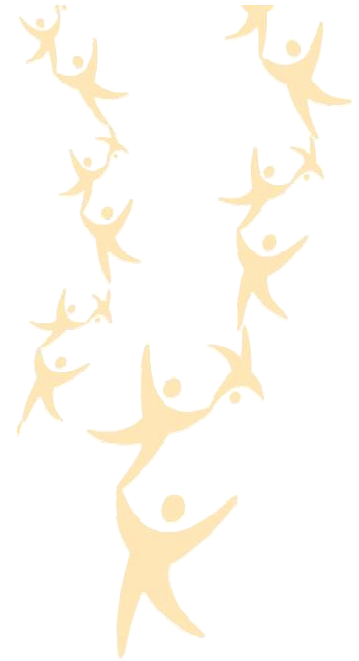
## Environmental Results => Life Cycle Assessment

LCA Results in the First quarter 2005

	1Q05	1Q04
Natura's average environmental impact*	9.8	10.4

100 % of launched products under LCA packaging analysis

(\* This indicator considers weighted average environmental impact and number of items sold.



core business

**financial performance**

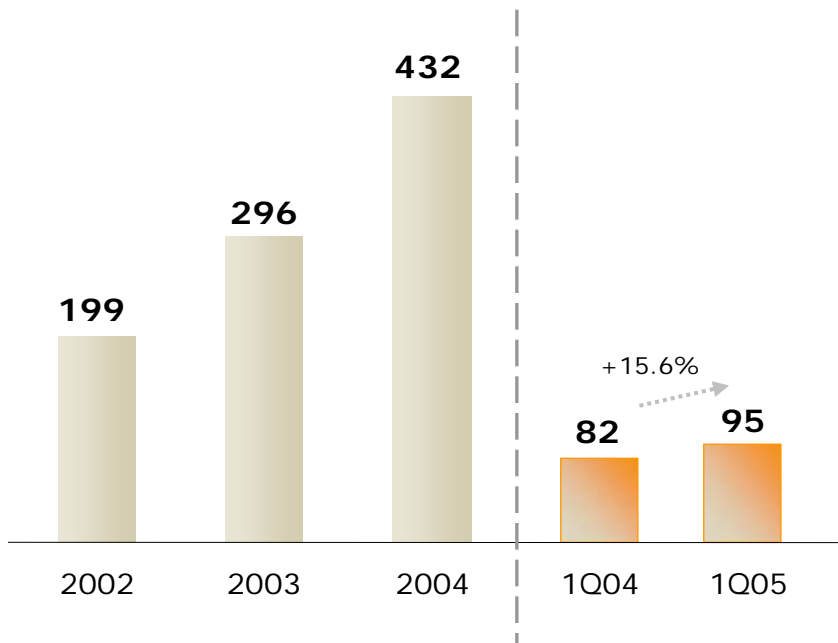


In R\$ million - Consolidated

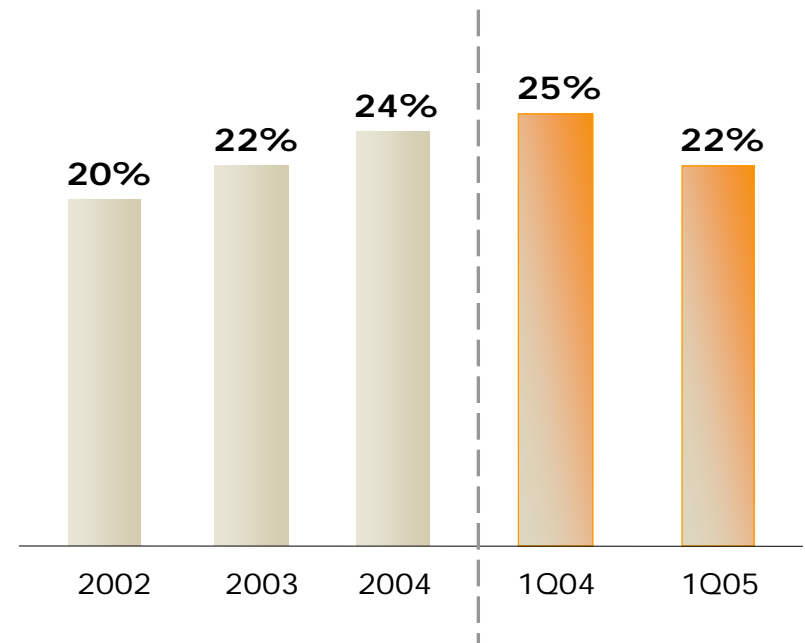
	1Q05	1Q04	% change
Units sold - Items for resale (in millions)	45.7	34.7	31.6
Net revenues	427.1	329.2	29.8
Gross profit	282.1	220.8	27.8
<i>Margin (%)</i>	<i>66.1</i>	<i>67.1</i>	<i>-1.0</i>
EBITDA	95.1	82.3	15.6
<i>Margin (%)</i>	<i>22.3</i>	<i>25.0</i>	<i>-2.7</i>
Net income	69.7	44.7	55.9
<i>Margin (%)</i>	<i>16.3</i>	<i>13.6</i>	<i>2.7</i>

## EBITDA - R\$ million

CAGR (02-04) = 47.3%

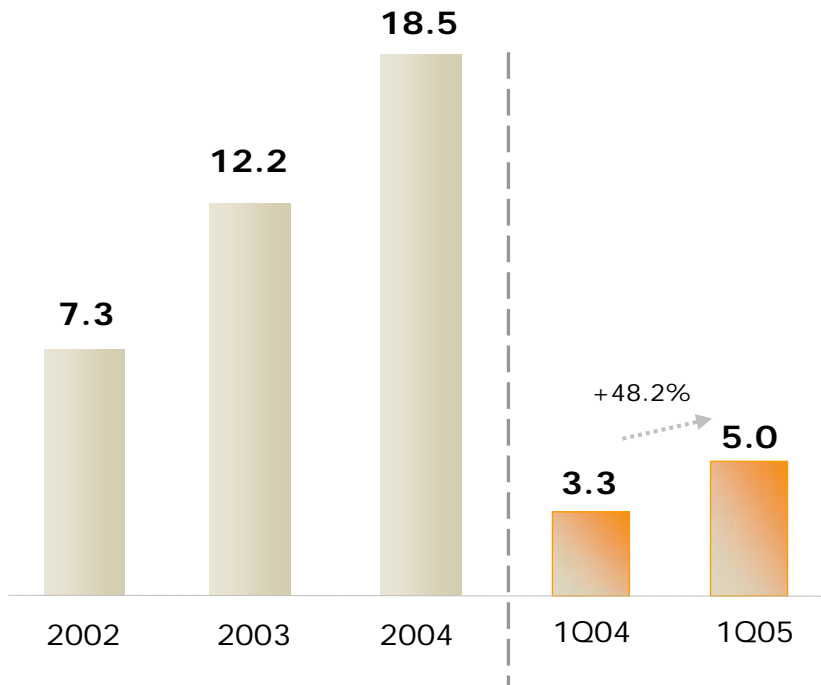


## EBITDA margin - %

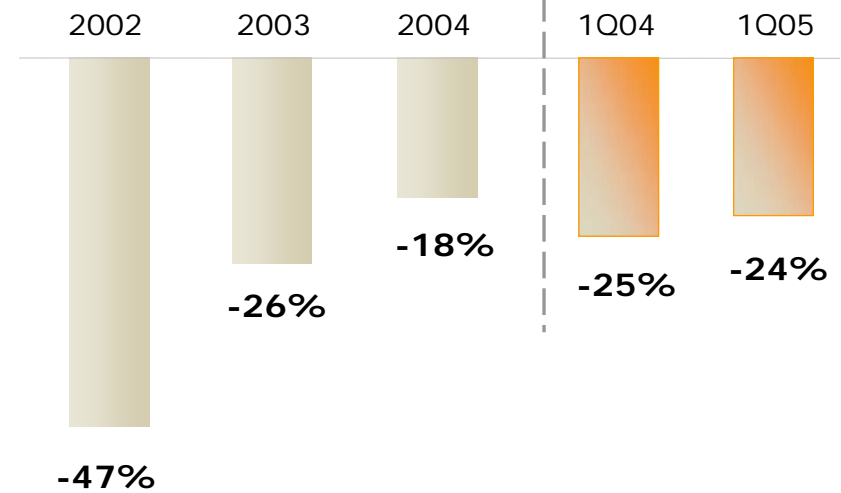


## Net Revenues - US\$ million

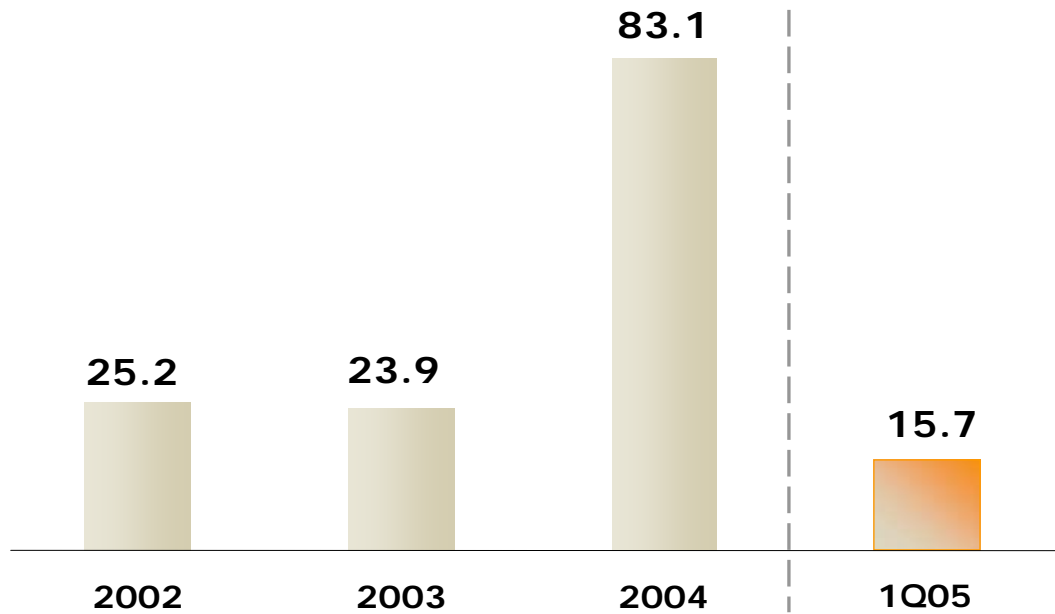
CAGR (02-04) = 59.2%



## Operational Margin



## CAPEX - R\$ million



**2005E : R\$120 million**

R\$ million	1Q05	1Q04	% change
<b>Net income for the period</b>	<b>69.7</b>	<b>44.7</b>	<b>55.9</b>
(+) Depreciation	9.5	8.5	11.8
(+) Other non-cash expenses	10.7	9.7	10.3
<b>(=) Cash generated before working capital, long-term receivables and long-term liabilities</b>	<b>89.9</b>	<b>62.9</b>	<b>43.1</b>
(-) Changes in working capital, long-term receivables and long-term liabilities	5.8	8.1	-28.4
<b>(=) Operating cash generation</b>	<b>84.1</b>	<b>54.8</b>	<b>53.5</b>
(-) CAPEX and Investments	15.7	11.2	40.2
<b>(=) Free cash generation</b>	<b>68.4</b>	<b>43.6</b>	<b>56.9</b>





*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.*

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