natura
bem estar bem

São Paulo, February 23, 2011 – Natura Cosméticos S.A.(BM&FBovespa:NATU3), industry leader in cosmetics, fragrances and personal care products in Brazil, announces today its results for the fourth quarter of 2010 (4Q10) and the 2010 fiscal year.

INTRODUCTION

In 2010 we increased our leadership in the Brazilian market and maintained an accelerated pace of growth in our international operations. We consolidated structural changes in our management model, focused on developing leaders and expanded investments in infrastructure.

Consolidated net revenue in the year was R$5,136.7 million, an increase of 21.1% over 2009. EBITDA reached R$1,256.8 million, up 24.6%, with a margin of 24.5%, compared to 23.8% in 2009. Net income in 2010 reached R$744.1 million, an increase of 8.8%. Without the goodwill amortization benefit that concluded in 2009, net income would have expanded 27.9% compared to that year.

Our core market grew 13.9% in the first 10 months of 2010 according to data released by SIPATESP/ABIHPEC[1]. Natura captured a market share of 23.6% in the same period, growing our market leadership by 110 basis points. The table below exhibits overall market growth as well as Natura's market share in the cosmetics, fragrances and personal care segments.

> Target Market and Market Share of Nature in Brazil (10 months accumulated)

	Market Size	Change %	Market Share Natura		
	10M10	**10 x 09**	**2010**	**2009**	**2008**
Cosmetics and Fragrances	7.677	18,4%	34,3%	33,6%	33,1%
Toiletries	7.883	9,9%	13,2%	12,5%	11,1%
Total	**15.559**	**13,9%**	**23,6%**	**22,5%**	**21,4%**

Source: SIPATESP

Our business model remains strong, demonstrated by our continued success in the Brazilian market. Also according to ABIHPEC/SIPATESP, the direct sales channel increased 15.8% during the first 10 months of 2010, a rate greater than that our core market. According to

[1]São Paulo State Personal Care and Hygiene Union/Brazilian Association for the Cosmetics, Toiletry and Fragrance Industry

ABEVD[2], today Brazil has more than 2.7 million resellers, up 12.2% from the 2.4 million at the end of 2009.

In this context, we present the highlights of 2010:

- Our total consultant base grew 18.0% over 2009, reaching 1,221 thousand. In Brazil, growth was 17.5% to 1,029 thousand consultants in 2010. International operations grew 20.8% to 192 thousand consultants.

- In Brazil, the number of Super Consultants (CNOs) reached 11,217, up 23.2%. Operating indicators show that our sales channel is improving, with a reduction in turnover - both total turnover and consultants who have been with the company for less than a year - reflecting our focus on training and welcome programs for new consultants.

- Preference for the Natura brand in Brazil increased to 49% in 2010, compared to 46% in 2009, according to a study by *Brand Essence/Ipsos*. In international operations, we perceive an increase in brand awareness in all countries, achieving good levels of preference. In Argentina and Peru, we are among the top three preferred brands in thepersonal care, fragrances and cosmetics market.

- Our innovation index was 65.7%, the same level as recent years. We launched 191 products in 2010, highlighted by the new Natura UNA cosmetic line (85 SKUs[3]), the Natura AMÓ perfume line, the new Natura EKOS soap line and the re-launch of Natura Chronos.

- In 2010, we completed the 2008-2010 Action Plan with additional marketing investments of R$409.5 million financed by productivity gains of R$449.2 million in the period.

- We have consolidated the organization of our Brazilian Business Units and Regional Units, bringing our management, consultants and consumers closer, decentralizing decisions, and becoming more agile. In 2010, we redefined market planning and promotions management, focusing on the specific needs of each region in Brazil.

- Internationally, we continue to move toward the implementation of our strategy of incorporating more local culture and demands into our operations. We have improved management systems, built-out our international leadership team at our regional headquarters in Buenos Aires, Argentina, and in other countries where we operate. We replicated the model adopted in Brazil in 2009 and established international business

[2] Brazilian Association of Direct Sales Companies
[3] Stock keeping units

units that will allow us to operate in-line with the needs of each market (adapting local marketing and portfolios).

- We strengthened our organizational culture, focusing on the development and attraction of leaders aligned with our values. We improved our personnel structure to serve as the foundation for the creation of regional and business units, support our processes and ensure focus and quality in implementing our priority projects.

- Our commitment to sustainability continues to produce significant results. In 2010, we recorded a 7.3% relative reduction in greenhouse gas (GHG) emissions, that is, in kilos of CO_2 per kilo of billed product. Our fundraising for the "Crer para Ver"(Believing is Seeing) Program reached a record high of approximately R$10.0 million.

- Natura closed the year with a cash balance of R$560.2 million, with net debt corresponding to 0.1x EBITDA. Free cash flow for the year was R$716.3 million, an increase of 71.1% compared to 2009.

Infrastructure Improvements

We improved the production and logistics model to prepare us for the future. The planned investments and innovations are designed to improve service to our consultants and consumers as well as reduce cost and environmental impact.

- In Brazil, we opened two new Distribution Centers, in Uberlândia, Minas Gerais State, and in Castanhal, Para State, and almost doubled the capacity of the Canoas facility, in Rio Grande do Sul State.

- We have expanded two of our distribution centers located in Chile and Peru, and we have modernized our picking lines in Argentina and Colombia.

- We started local production, through partnerships, in Argentina in late 2010 and will do the same in Colombia and Mexico in 2011. We also improved the planning process and parameterization of the logistical chain.

Among the initiatives in progress, we seek advances in Information Technology to modernize our systems platform, upgrading to applications with more features, capacity for scale gains, operating integration and connectivity with our consultant network.

Outlook

Looking forward after an intense cycle of structural changes, Natura now finds itself in an excellent position to seize the opportunities that the cosmetic, toiletry and fragrance market has to offer in Brazil and Latin America. Over the past three years, we have successfully combined significant business growth with the necessary changes in our management model, infrastructure and relationship with stakeholders.

We are strengthening our competitive advantages at a time when the region where we have operations are presenting a positive outlook. The economics expansion, the increasing participation of women on the labor force, falling unemployment rates and rising family incomes has meant that many Latin American countries are experiencing periods of prolonged economic growth.

We understand that the attractiveness of our market will also result in increased competition, but we still see plenty of room for growth in Brazil, both through the regionalization of our activities and by moving into new areas where our brand is still not present. Our international operations are growing more robust each year. And we now have the right infrastructure, market knowledge, management, products, sales channel and relationship network that can drive up our share in these markets.

We are embarking on a cycle in which innovation will be increasingly more important in all aspects of our business, not only in product development, but also in the commercial model, in building relationships and in finding solutions for social and environmental challenges. We believe that we are mature enough to step up our initiatives. Inspired by our culture, we should radicalize the search for solutions so we can play our part as change agents in society.

We are in a position to contribute to the development of a new civilizational process and we believe that the markets and the communities we engage with will increasingly appreciate the initiatives of companies that are committed to this change.

Social and Environmental Highlights

In 2010, we continued important projects and sought to develop innovative tools and practices to reduce the environmental impact of our operations and our products and maintain our social and environmental leadership.

We greatly improved in the area of carbon emissions. We have added new processes prioritizing materials and measuring tools. Relative GHG emissions fell 7.3% compared to 2009, totaling a 21.2% decline from 2007 and 2010.

We reduced our water consumption by 10% thanks to eco-efficiency initiatives in our processes and awareness and control programs, in addition to stability in absolute consumption, even with an increase in our production.

Our fundraising for the “Crer para Ver” Program reached a record high of approximately R$10.0 million, showing the commitment of our consultants to this educational program. We reached 5,690 schools in 350 Brazilian cities, involving approximately 450 thousand people including students, teachers, coordinators and principals.

We accelerated our relationship quality management, expanding engagement practices that, for the first time, reached international operations.

The table below shows the final result of these indicators and their respective targets for 2010:

Indicator	2009 Commitment	2009 Results	2010 Commitment	2010 Results
Greenhouse gases	Reduce greenhouse gas emissions by 33% by 2011, considering the inventory we conducted in 2006.	-5.2% (16,1% Throughout the year)	Reduce gas emissions by 2.7% (over 2009)	-7,3% (21.2% Throughout the year)
Water consumption	None	0.527 liter/unit billed	Reduce water consumption per unit billed by 10%.	0.47 liter/unit billed (10% reduction)
Collections CPV	Collect R$ 3.744 million from the sales of products	R$ 3.77 million	Collect R$ 6 million from the sales Crer Para Ver line.	R$ 10 million

Capital Markets and Corporate Governance

➢ Sarbanes-Oxley Act of 2002

Always seeking best market practices and in line with our business leadership, we voluntarily decided to take another step forward in the continuous process of improving our Corporate Governance model, adapting our internal controls to be in compliance with the United States Sarbanes-Oxley Act of 2002.

In our view, the main benefit of a more efficient control environment is providing transparency and security to our stakeholders regarding the execution of our operations, guaranteeing that the financial statements accurately present our business processes.

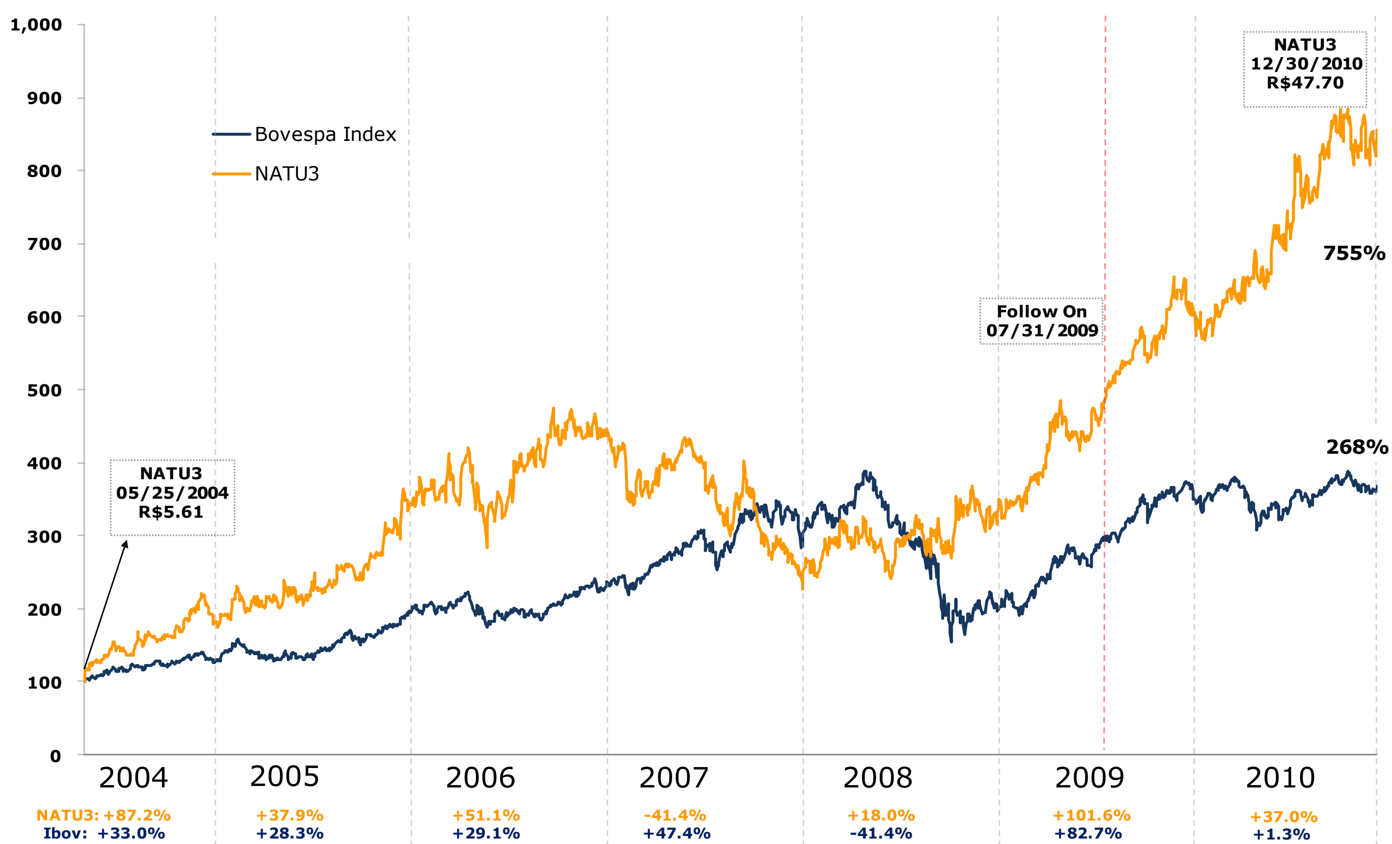
On February 23, 2011, our external auditors issued a final report regarding the internal controls of the financial statements as of December 31, 2010, unqualified opinion, which means, we are in compliance with the Sarbanes-Oxley Act of 2002.

- **Natura Shares (NATU3)**

Natura's shares are part of the most important indexes of the Brazilian stock exchange — Ibovespa, IBrX-50 (which lists the 50 most liquid shares on the exchange), the Special Tag Along Index (Itag), the Corporate Governance Index (IGC), and the Corporate Sustainability Index (ISE).The stock is also on the Morgan Stanley Composite Index (MSCI), a reference for foreign investors.In 2010, the BM&FBovespa created the Carbon Efficient Index (ICO2), which considers the efficiency of GHG emissions and free float, and Natura is included in its theoretical portfolio.

Natura's shares appreciated 37.0% in 2010, compared to the 1.3% rise in the Ibovespa, with an average daily trading volume of R$33 million.

The table below shows the performance of our shares since IPO:



- **Acknowledgements**

In 2010, Natura received important awards for its recognized innovation in the evolution of corporate governance:

- Creation of Value for Shareholders Award (Capital Aberto magazine)
- Financial Times Award (Corporate Responsibility Study – FT ArcelorMittal Boldness in Business Awards) – top 5 best companies in "Corporate Responsibility"
- IR Magazine Awards – Best Corporate Governance; Best Social Environmental Sustainability

RESULTS

- **Consolidated Income–**Pro-forma Financial Highlights (R$ millions)

	4Q10	4Q09	Change %	2010	2009	Change %
Total Consultants - end of period* (in thousands)	1,221.0	1,034.4	18.0	1,221.0	1,034.4	18.0
Units sold – items for resale (in million)	122.8	109.0	12.7	420.6	377.9	11.3
Gross Revenues	2,111.1	1,786.0	18.2	6,959.8	5,789.3	20.2
Net Revenues	1,557.5	1,319.2	18.1	5,136.7	4,242.1	21.1
Gross Profit	1,076.9	901.9	19.4	3,579.9	2,947.5	21.5
Gross Margin (%)	*69.1%*	*68.4%*	*0.8 pp*	*69.7%*	*69.5%*	*0.2 pp*
Sales Expenses	(500.7)	(445.2)	12.5	(1,704.3)	(1,496.1)	13.9
General and Administrative Expenses	(216.6)	(148.8)	45.6	(605.4)	(450.9)	34.3
Management compensation	(4.2)	(3.3)	27.3	(14.4)	(14.1)	2.5
Other Operating Income / (Expenses), net	(3.4)	(20.0)	(83.2)	(17.5)	(14.6)	19.4
Financial Income / (Expenses), net	(14.9)	(11.1)	34.7	(49.7)	(41.9)	18.8
Earnings Before Taxes	319.6	259.4	23.2	1,118.2	874.2	27.9
Net Income (Losses)	219.3	186.5	17.6	744.1	683.9	8.8
Net Margin (%)	*14.1%*	*14.1%*	*-0.1 pp*	*14.5%*	*16.1%*	*-1.6 pp*
EBITDA**	357.9	294.9	21.4	1,256.8	1,008.5	24.6
EBITDA Margin (%)	*23.0%*	*22.4%*	*0.6 pp*	*24.5%*	*23.8%*	*0.7 pp*

(*) Positon at the [illegible] of the 18th sales cycle

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

Consolidated net revenue in 4Q10 was R$1,557.5 million, up 18.1% compared to the R$1,319.2 million in 4Q09.In the 2010 fiscal year, **consolidated net revenue** increased 21.1% to R$5,136.7 million, as compared to the R$4,242.1 million in 2009. In addition to quality execution and successful launches, this growth reflects an 18.0% increase in consolidated consultants.

In our **Brazilian operation**, net revenue grew 16.5% in the quarter to R$1,447.2 million while increasing 20.6% to R$4,764.6 million in 2010.

International operations posted net revenue of R$110.3 million in 4T10, growing 44.0% in Brazilian currency (reais) and 34.1% in weighted local currency. In the year, net revenues reached R$372.1 million, growing 27.2% in reais and 37.3% in local weighted currency. International operations accounted for 7.2% of consolidated net revenue in the year, versus 6.9% in 2009.

Cost of Goods Sold (COGS) decreased from 31.6% of net revenue in 4Q09 to 30.9% in 4Q10, representing a decline of 70 bps.In the year, COGS decreased slightly from 30.5% in 2009 to 30.3% in 2010. Inflationary pressure on costs was kept under control due to continued negotiations with suppliers; the foreign exchange rate was favorable in the period and the price increase strategy proved efficient, with lesser dispersion among categories. These positive effects were partially offset by an increase in losses in Brazil as a result of the additional inventory stocked in 2009 as a means of reducing the unfilled orders index in that year. For 2011, the loss prevention process was reinforced and we expect significant improvements in this indicator.

The table below presents the main components of COGS:

> Composition of Cost of Good Sold
(% Net Revenues)

	4Q10	4Q09	2010	2009
RM/PM*	81.8	83.0	82.0	81.2
Labor	6.8	6.9	7.6	7.6
Depreciation	2.4	2.7	3.0	3.4
Others	9.0	7.4	7.4	7.8
Total	**100.0**	**100.0**	**100.0**	**100.0**

(*) Raw material and packaging material

Selling expenses, which accounted for 33.7% of net revenue in 4Q09, fell 160 bps to 32.1%. In the year, selling expenses fell 210 bps to 33.2% of net revenue. In 2010, we increased investment in training, consultant events as well as in marketing to support product launches. This increase was mitigated by greater logistical efficiency and dilution of costs within our sales team. The number of orders made via internet in Brazil reached 89.9% and 86.0% of total orders in 4Q10 and 2010, respectively, compared to 78.3% in 4Q09 and 71.2% in 2009.

General and administrative expenses represented 13.9% of net revenue in the quarter, compared to 11.3% in 4Q09. In the year, this percentage was 11.8%, up 120 bps over the 10.6% in 2009. The annual growth in administrative expenses - in line with our plans - is due to:(i) the increase in expenses with research and development, reaching 2.8% of net revenues (2.5% in 2009); (ii) more investments in strategic projects that will allow corporate growth, chiefly in the information technology and commercial innovation areas; (iii) Increase in the number of employees, chiefly aiming to develop leadership and adapt the process management system; (iv) maintenance costs and investments in information technology.

Income before income tax and social contribution was R$319.6 million in 4Q10, increasing 23.2% year-on-year. **Consolidated net income** was R$219.3 million in 4Q10 versus R$186.5 million in 4Q09, an increase of 17.6%. In the year, the consolidated net income reached R$744.1 million, growing 8.8% over 2009. In 2009, the effective income tax and social contribution rates were lower due to the accelerated goodwill amortization in the period, the tax benefit that expired in that year. This year, the effective applicable tax rate is 33.5%.

Consolidated EBITDA was R$357.9 million in 4Q10, 21.4% greater than the R$294.9 million posted in 4Q09. EBITDA margin increased from 22.4% in 4Q09 to 23.0% in 4T10. In 2010, EBITDA reached R$1,256.8 million, expanding 24.6% over 2009. Margin grew from 23.8% to 24.5% in 2010.

> EBITDA (R$ million)

	4Q10	4Q09	Change %	2010	2009	Change %
Net Revenues	1,557.5	1,319.2	18.1	5,136.7	4,242.1	21.1
(-) Cost of Sales and Expenses	1,223.1	1,048.8	16.6	3,968.8	3,326.0	19.3
EBIT	**334.4**	**270.5**	**23.6**	**1,167.9**	**916.1**	**27.5**
(+) Depreciation/Amortization	23.5	24.4	-3.8	88.8	92.4	-3.9
EBITDA	**357.9**	**294.9**	**21.4**	**1,256.8**	**1,008.5**	**24.6**

The table below shows the reconciliation of consolidated EBITDA per operating segment:

> EBITDA *pro-forma* by areas of operation (R$ million)

	4Q10	4Q09	Change %	2010	2009	Change %
Brazil	376,6	315,3	19,4	1335,2	1085,9	23,0
Argentina, Chile and Peru	8,5	(0,8)	na	13,1	8,9	47,8
Mexico and Colombia	(7,9)	(10,0)	(21,4)	(32,5)	(42,3)	(23,2)
Others Investments	(19,3)	(9,5)	102,4	(59,1)	(44,1)	34,1
Total	**357,9**	**294,9**	**21,3**	**1.256,8**	**1.008,5**	**24,6**

➢ **Cash flow (Pro-forma) –** R$ million

	2010	2009	Var %
Net income	**744.1**	**683.9**	**8.8**
(+) Depreciation and amortization	88.8	92.4	(3.9)
Internal cash generation	**832.9**	**776.3**	**7.3**
Cashflow (Increase) / Decrease	99.6	(189.9)	(152.4)
(+) Non-cash	20.7	(27.5)	(175.3)
Operating cash generation	**953.2**	**558.9**	**70.5**
Capex	(236.9)	(140.4)	68.7
Free cash flow*	**716.3**	**418.6**	**71.1**

(*) (Internal cash generation) +/- (changes in working capital and long-term assets and liabilities) – (acquisitions of property, plants, and equipment).

Internal cash flow was up 7.3% in the period to R$832.9 million, line with the 8.8% increase in net income. Despite the increase in fixed asset investments, the reduction in working capital resulted in free cash flow of R$716.3 million, up 71.1% over 2009's R$418.6 million.

The increased working capital efficiency, which resulted in a R$99.6 million reduction, was due to: (i) extended payment due dates for suppliers; (ii) reduction in inventory supply days due to measures taken throughout the year; (iii) a decrease in the balance of recoverable taxes; and (iv) change from annual to quarterly calculation and payment of taxes. We seek to improve our cash flow management process, which should bring increased efficiency in 2011.

Investments in fixed assets in 2010 were R$236.9 million, slightly below our guidance. Investments were focused on information technology, manufacturing capacity and logistical infrastructure.

Investments in fixed assets for 2011 are estimated at R$300 million, concentrated on the continuous evolution of our information technology platform, including a robust base for the international area and the continuation of our logistics improvement project.

Pro Forma Income State

The profit margin of Brazilian exports for international operations was subtracted from the COGS of the respective operations to show the actual impact of these subsidiaries on the company's consolidated result. Thus, the pro-forma Income Statement for the Brazilian operations presents only domestic sales figures.

➤ **Income from Brazilian Operations –** Pro-forma Financial Highlights (R$ millions)

	4Q10	4Q09	Change %	2010	2009	Change %
Total Consultants - end of period* (in thousands)	1,028.7	875.2	17.5	1,028.7	875.2	17.5
Units sold – items for resale (in million)	110.2	100.8	9.4	378.7	348.1	8.8
Gross Operating Revenues	1,971.6	1,687.7	16.8	6,489.6	5,418.5	19.8
Net Operating Revenues	1,447.2	1,242.7	16.5	4,764.6	3,949.5	20.6
Gross Profit	1,009.6	857.2	17.8	3,356.4	2,761.4	21.5
Gross Margin (%)	*69.8%*	*69.0%*	*0.8 pp*	*70.4%*	*69.9%*	*0.5 pp*
Sales Expenses	(440.2)	(394.3)	11.7	(1,487.4)	(1,300.5)	14.4
General and Administrative Expenses	(190.3)	(133.5)	42.6	(516.2)	(376.5)	37.1
Management compensation	(4.2)	(3.3)	27.3	(14.4)	(14.1)	2.5
Other Operating Income / (Expenses), net	(2.7)	(20.1)	(86.7)	(15.7)	(15.8)	(1.0)
Financial Income / (Expenses), net	(14.3)	(10.0)	42.8	(47.9)	(40.9)	17.1
Earnings Before Taxes	340.4	282.0	20.7	1,204.4	957.8	25.7
Net Income (Losses)	239.4	211.1	13.4	836.0	778.6	7.4
EBITDA	376.6	315.3	19.4	1,335.2	1,085.9	23.0
EBITDA Margin (%)	26.0%	25.4%	*0.7 pp*	28.0%	27.5%	*0.5 pp*

(*) Number of consultants by the end of the 18th cycle of sales

➢ Gross margin in 4Q10 was 69.8%, the highest in a single quarter since 2005 (compared to the others fourth quarters), despite the strong influence of promotional Christmas kit sales.In 2010, gross margin expanded 50 bps to 70.4%.

➢ Our consultant´s productivity[4] grew 0.7% in the year to R$9,559 in 2010, compared to R$9,493 the previous year.

➢ **Consolidated Operating Income**– Pro-Forma Financial Highlights: Argentina, Chile and Peru (R$ million)

	4Q10	4Q09	Change %	2010	2009	Change %
Total Consultants - end of period* (in thousand)	129.6	113.6	14.1	129.6	113.6	14.1
Unit sold – items for resale (in million)	8.3	6.3	31.5	28.4	22.6	26.2
Gross Revenues	97.3	78.9	23.3	335.9	285.4	17.7
Net Revenues	73.8	60.5	22.0	255.7	218.5	17.0
Gross Profit	46.3	34.2	35.5	157.3	138.1	13.9
Gross Margin (%)	*62.7%*	*56.5%*	*6.2 pp*	*61.5%*	*63.2%*	*-1.7 pp*
Sales Expenses	(33.7)	(28.7)	17.4	(124.4)	(109.3)	13.8
General and Administrative Expenses	(4.2)	(6.8)	(38.4)	(21.5)	(23.4)	(8.1)
Others Income / (Expenses), net	(0.9)	0.0	n/a	(1.7)	1.4	n/a
Financial Income / (Expenses), net	(0.7)	0.2	n/a	(0.8)	0.3	n/a
Earnings Before Taxes	6.8	(1.1)	n/a	8.9	7.1	25.6
Net Income (Losses)	6.4	(3.5)	n/a	3.7	(1.1)	n/a
EBITDA	8.5	(0.8)	n/a	13.1	8.9	47.8
EBITDA Margin (%)	11.5%	-1.4%	*12.9 pp*	5.1%	4.1%	*1.1 pp*

(*) Number of consultants by the end of the 18th cycle of sales

➢ Operations in consolidation (Argentina, Chile and Peru) grew 22.6% in weighted local currency and 22.0% in reais in the quarter. In the year, these operations grew 27.1% in local currency and 17.0% in reais.

➢ The Gross Margin of 62.7% in 4Q10 was up 620 bps, chiefly due to the higher volume of losses in 4Q09.

[4] Productivity measured at retail prices.

- Consolidated pro forma EBITDA for these operations was positive R$13.1 million in the year, growing 47.8% over 2009, reflecting the dilution of selling and administrative expenses, despite the increasing investment in our brand in these countries.

- **Consolidated Operating Income**– Pro-Forma Financial Highlights: Mexico and Colombia (R$ million)

	4Q10	4Q09	Change %	2010	2009	Change %
Total Consultants - end of period* (in thousand)	60.2	44.2	36.3	60.2	44.2	36.3
Unit sold – items for resale (in million)	4.0	1.8	120.8	13.1	7.1	83.6
Gross Revenues	34.8	20.4	70.6	114.0	76.3	49.4
Net Revenues	30.0	17.7	69.5	98.3	66.5	47.8
Gross Profit	17.8	10.0	78.2	56.3	41.8	34.8
Gross Margin (%)	*59.3%*	*56.4%*	*2.9 pp*	*57.3%*	*62.8%*	*-5.5 pp*
Sales Expenses	(21.9)	(17.0)	29.1	(76.0)	(69.7)	9.0
General and Administrative Expenses	(4.4)	(3.5)	27.5	(14.8)	(16.1)	(7.9)
Others Income / (Expenses), net	0.2	0.0	n/a	(0.1)	(0.2)	(54.3)
Financial Income / (Expenses), net	0.1	(1.2)	n/a	(1.0)	(1.3)	n/a
Earnings Before Taxes	(8.2)	(11.7)	n/a	(35.6)	(45.5)	(21.8)
Net Income (Losses)	(7.0)	(11.5)	(39.4)	(36.0)	(48.0)	(25.0)
EBITDA	(7.9)	(10.0)	(21.4)	(32.5)	(42.3)	(23.2)
EBITDA Margin (%)	-26.2%	-56.5%	*30.3 pp*	-33.1%	-63.6%	*30.5 pp*

(*) Number of consultants by the end of the 18th cycle of sales

- Operations in Implementation (Mexico and Colombia) presented net income growth rates on the order of 66.0% in weighted local currency and 69.5% in reais. In the year, these operations grew 69.2% in local currency and 64.5% in reais, as always excluding revenues from the Venezuela operation in 2009.

- The number of consultants of these operations grew 36.3%, exceeding 60 thousand.

- Pro forma EBITDA was negative R$32.5 million, as compared to the R$42.3 million in 2009, as a result of continuing investments in the expansion of these operations.

➢ **Other International Investments**

Other international investments posted losses (EBITDA) of R$19.3 million in 4Q10 compared to losses of R$9.5 million in 4Q09. In the year, these investments represented losses of R$59.1 million, compared to losses of R$44.1 million in 2009.

In 2010, these investments consist of our French operations and projects and expenses relating to our Latin American corporate office in Buenos Aires for which the team is complete. In 2009, investments included our French operations and expenses with the deactivation of the U.S. project.

> DIVIDENDS AND INTEREST ON EQUITY

On February 23, 2011, the Board of Directors approved the proposal to be submitted to the Annual General Meeting, which will be held on April 8, 2011, for the payment of dividends and interest on equity relative to the earned income for the 2010 fiscal year, in the amount of R$659.6 million and R$59.9 million (R$50.9 million net of withholding income tax), respectively.

On August 12, 2010, we had already paid dividends in the amount of R$253.9 million and interest on equity in the amount of R$ 35.4 million (R$30.1 million net of withholding income tax) "ad referendum" of the 2011 Annual General Meeting. The remaining balance to be paid on April 14, 2011, after approval by the Annual General Meeting, will be R$405.6 million as dividends and R$ 24.5 million (R$20.7 million net of withholding income tax) as interest on equity.

These dividends and interest on equity relative to the 2010 fiscal year together represent net remuneration of R$1.65 per share (R$1.37 per share in 2009), corresponding to 99% of free cash flow[5] and 95% of net income[6] in 2010.

[5](Internal cash flow) +/- (variations in working capital and long term assets and liabilities) – (fixed asset acquisitions)
[6]Net Income as per Law no. 6,404/76

> CONFERENCE CALL & WEBCAST

Portuguese:	**Friday, February 25, 2011** **10:00 A.M. - Brasília time**
English:	**Friday, February 25, 2011** **12:00 A.M. - Brasília time**
	Calling from Brazil: +55 11 4688-6341 Calling from the U.S.:Toll Free 1 888 700 0802 Calling from other countries: +1 786924 6977 Access code:Natura

Live webcast at :www.natura.net/investidor

> INVESTOR RELATIONS

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>Appendix 1 – Consolidated Balance Sheet for FY2010 – BR GAAP – Law no. 11,638

R$ million	2010	2009
NET REVENUE	**5,136.7**	**4,242.1**
Cost of sales	(1,556.8)	(1,294.6)
GROSS PROFIT	**3,579.9**	**2,947.5**
OPERATING (EXPENSES) INCOME		
Selling	(1,704.3)	(1,496.1)
Administrative and general	(605.4)	(450.9)
Employee profit sharing	(70.4)	(55.8)
Management compensation	(14.4)	(14.1)
Other operating (expenses) income, net	(17.5)	(14.6)
INCOME FROM OPERATIONS BEFORE FINANCIAL (EXPENSES) INCOME	**1,167.9**	**916.0**
Financial expenses	53.6	84.2
Financial income	(103.4)	(126.1)
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	**1,118.2**	**874.2**
Income tax and social contribution	(374.1)	(190.2)
NET INCOME	**744.1**	**683.9**

>Appendix 2 – Consolidated Balance Sheet as of 12/31/2010 and 12/31/2009 - according to Law no. 11,368

ASSETS	Dec/10	Dec/09
CURRENT ASSETS		
Cash and cash equivalents	560.2	500.3
Trade accounts receivable	570.3	452.9
Inventories	571.5	509.6
Recoverable taxes	101.5	191.2
Other receivables	66.4	62.5
Total current assets	**1,869.9**	**1,716.4**
NONCURRENT ASSETS		
Long-term assets:		
Recoverable taxes	109.3	63.9
Deferred income tax and social contribution	180.3	146.1
Escrow deposits	337.0	232.4
Other noncurrent assets	44.9	7.4
Property, plant and equipment	560.5	492.3
Intangible assets	120.1	82.7
Total noncurrent assets	**1,352.0**	**1,024.9**
TOTAL ASSETS	**3,221.9**	**2,741.2**

LIABILITIES AND SHAREHOLDERS' EQUITY	Dec/10	Dec/09
CURRENT LIABILITIES		
Borrowings and financing	226.6	569.4
Trade and other payables	366.5	255.3
Payroll, profit sharing and related taxes	162.7	130.8
Taxes payable	371.8	239.6
Provision for tax, civil and labor risks	-	1.5
Derivatives	4.1	8.7
Other payables	64.7	30.2
Total current liabilities	**1,196.5**	**1,235.4**
NONCURRENT LIABILITIES		
Borrowings and financing	465.1	135.0
Taxes payable	371.8	239.6
Provision for tax, civil and labor risks	73.8	71.4
Provision for healthcare plan	19.7	9.3
Total noncurrent liabilities	**767.9**	**366.0**
SHAREHOLDERS' EQUITY		
Capital	418.1	404.3
Capital reserves	149.6	143.0
Earnings reserves	282.9	253.7
Proposed additional dividend	430.1	357.6
Other comprehensive losses	(23.2)	(18.7)
Total equity attributable to owners of the Company	**1,257.5**	**1,139.8**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**3,221.9**	**2,741.2**

>Appendix 3 – Consolidated Cash Flow – BR GAAP – Law no. 11,638

R$ million	2010	2009
CASH FLOW FROM OPERATING ACTIVITIES		
Net income	**744.1**	**683.9**
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	88.8	92.4
Provision for losses on swap and forward contracts	8.8	(4.0)
Provision for tax, civil and labor contingencies	3.5	9.1
Interest and inflation adjustment of escrow deposits	(18.1)	(13.2)
Income tax and social contribution	374.1	190.2
(Gain) Loss on sale on property, plant and equipment and intangible assets	32.6	19.8
Interest and exchange rate change on borrowings and financing and other liabilities	(5.1)	10.8
Stock options plans expenses	11.3	8.6
Provision for discount on sale of ICMS credits	0.5	2.4
Allowance for doubtful accounts	9.1	10.1
Allowance for inventory losses	30.1	9.7
Provision for healthcare plan	10.4	9.3
	1,290.2	**1,029.1**
(INCREASE) DECREASE IN ASSETS		
Current:		
Trade accounts receivable	(126.6)	7.5
Inventories	(92.1)	(185.6)
Recoverable taxes	89.7	(83.9)
Other receivables	(3.9)	8.7
Noncurrent:		
Recoverable taxes	(44.6)	(30.4)
Other receivables	(37.5)	(0.1)
Subtotal	**(215.0)**	**(283.8)**
INCREASE (DECREASE) IN LIABILITIES		
Current:		
Domestic and foreign suppliers	111.2	45.5
Payroll, profit sharing and related taxes, net	32.0	0.1
Taxes payable	(8.2)	(94.1)
Other payables	34.5	(1.0)
Noncurrent:		
Taxes payable	59.0	150.3
Provision for tax, civil and labor contingencies	(2.7)	(22.2)
Other payables	-	(10.7)
Subtotal	**225.9**	**67.9**
OTHER CASH FLOWS FROM OPERATING ACTIVITIES		
Payments of income tax and social contribution	(269.0)	(184.4)
Payments of derivatives	(13.4)	(16.3)
Payment of interest on borrowings and financing	(44.9)	(19.9)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**973.8**	**592.7**
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and intangible assets	(236.9)	(140.6)
Proceeds from sale of property, plant and equipment and intangible assets	9.9	6.1
Escrow deposits	(86.5)	(55.9)
Dividends received from subsidiaries		
Investments in subsidiaries		
NET CASH USED IN INVESTING ACTIVITIES	**(313.5)**	**(190.4)**
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of borrowings and financing - principal	(781.9)	(827.1)
Proceeds from borrowings and financing	819.3	1,109.5
Payment of dividends and interest on capital	(647.0)	(551.9)
Capital increase through subscription of shares	13.8	12.8
NET CASH USED IN FINANCING ACTIVITIES	**(595.8)**	**(256.6)**
Gains (losses) on translation of foreign-currency cash and cash equivalents	(4.5)	4.2
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**59.9**	**149.8**

EBITDA is not used in the accounting practices adopted in Brazil, and thus it does not represent the cash flow for the periods.It should also not be considered an alternative to net income as an indicator of operating performance or as an alternative to cash flow as an indicator of liquidity.EBITDA does not have a standardized meaning and its definition by the company may not be comparable to the Brazilian LAJIDA or to EBITDA as defined by other companies.Although, according to the accounting practices adopted in Brazil, EBTIDA does not provide a measure of cash flow, the Management utilizes it to measure the Company's operating performance.Furthermore, we understand that certain investors and financial analysts utilize EBITDA as an indicator of the operating performance and/or cash flow of companies.

This report contains forward-looking statements.This information represents not only historical facts, but also reflects the wishes and expectations of Natura's management.The words "anticipate," "wish," "expect," "forecast," "intend," "plan," "predict," "project," "aim" 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 competition, product acceptance in the market, product transitions of the Company and its competitors, regulatory approval, currencies, currency fluctuation, supply and production difficulties and changes in product sales, among other risks.This report also contains "pro forma" information prepared by the Company to be used exclusively for information and reference purposes, since it is not audited.This report is current up to the present date and Natura does not undertake to update it in the event of new information and/or future events.

Glossary

SKU - Stock Keeping Unit

EBITDA - Earnings Before Interest, Taxes, Depreciation and Amortization

Stakeholders – interested parties such as shareholders, owners, employees, suppliers, governments, etc.

Sarbanes Oxley – U.S. law that seeks to guarantee shareholders corporate compliance with internal control standards for financial information.

Tag Along – tag along guarantees minority shareholders the right to sell their shares for at least 80% of the amount paid to controlling shareholders.Natura offers tag along of 100%.

Free Float – the number of shares available for trading on the stock exchange.Normally, the number of shares that are not held by controlling shareholders.

Guidance – orientation for investors regarding the company's performance projections.