São Paulo, October 26, 2011 – Natura Cosméticos S.A. (BM&FBOVESPA: NATU3) announces today its results for the third quarter of 2011 (3Q11). Except where stated otherwise, the financial and operating information in this release is presented on a **consolidated basis**, in accordance with International Financial Reporting Standards (IFRS).

Introduction

In the third quarter of 2011 (3Q11), Natura's consolidated net revenue was R$1,381.4 million, growing 7.8% in relation to 3Q10. EBITDA was R$333.3 million in the quarter, advancing 3.0% from 3Q10, with EBITDA margin of 24.1%. Net income in the quarter was R$201.6 million, for growth of 5.2% on the year-ago period.

In the first nine months of the year (9M11), consolidated net revenue was R$3,920.9 million, for an increase of 9.5% on the same period of 2010. EBITDA in 9M11 was R$924.6 million, up 2.9% from the same period of 2010, with EBITDA margin of 23.6%. Net income was R$540.2 million, growing 2.9% from 9M10.

In our Brazilian operations, net revenue grew 5.5% in the quarter to R$1,249.3 million (R$3,576.6 million in 9M11, up 7.8% on 9M10). EBITDA margin in the quarter was 27.9%, in comparison with 29.4% in 3Q10 (27.3% in 9M11, versus 28.9% in the year-ago period).

Our international operations continue to post strong growth. In 3Q11, revenue from these operations grew 42.8% in weighted local currency to reach R$ 132.1 million, while in 9M11 this revenue grew 38.8% to R$ 344.3 million. EBITDA[1] posted a loss of R$14.8 million in 3Q11, improving by 39.3% from the R$24.2 million EBITDA loss in 3Q10. In 9M11, the EBITDA loss was R$52.0 million (R$59.8 million in 9M10). In 9M11, revenue from the international operations already represented 8.8% of total income, expanding from 7.3% in the same period of 2010.

The operations in consolidation (Argentina, Chile and Peru) registered revenue growth in weighted local currency of 40.3% in the quarter and 33.7% in 9M11. Operating income as measured by EBITDA continued to grow, reaching R$9.4 million in 3Q11 (EBITDA margin of 10.3%), in comparison with R$2.8 million in 3Q10. In 9M11, EBITDA came to R$18.8 million,

[1] Based on pro-forma EBITDA

for EBITDA margin of 8.3%. In the operations in implementation (Mexico and Colombia), sales revenue grew by 56.6% in the quarter (56.4% in the year to date).

We continue working on enhancements to our sales model in order to foster entrepreneurship, while integrating the generation of economic, social and environmental value. On this front, in Mexico we continued to implement the Sustainable Relations Network and in Colombia we began implementing the CNO (Super Consultant) model at the end of the third quarter.

Our sales channel continued its strong pace of growth, which is the product of the investments we have made over the last few years. The consolidated consultant base ended the quarter at 1,362,000, expanding by 16.3% from a year earlier. In Brazil, we reached 1,131,000 consultants, for expansion of 14.9% on the previous year. In the international operations, the base grew by 23.2% to reach 230,000 consultants.

A highlight of this quarter was the launch of the new product line VôVó, which features the innovative proposal of celebrating the bond between grandparents and grandchildren. We also began the re-launch (which will be concluded by year-end) of the Natura Ekos line, which features new formulas and packaging that strengthen the connection these products enjoy with Brazil's biodiversity. In the third quarter, we launched 69 new products, which, combined with the 40 products launched in the first six months of this year, brought to 109 the total number of product launches in 9M11.

Based on the latest data from ABIHPEC / SIPATESP[2], Natura's core market, grew by 9.3% in nominal terms in the first six months of this year. Natura maintained its market share stable at 24.6%.

This year, Natura's operations in Brazil grew at a slower pace than last year, with the results coming in below our expectations. This performance reflected external factors, such as the slower growth in the CFT[3] market and the increased competition in this market, as well as internal factors.

This quarter, the simultaneous implementation of projects aimed at promoting important improvements in our ordering and billing systems and in our logistics model, with the opening of new distribution centers and the reformulation of our planning processes, led to significant instability in our transaction systems and processes, which adversely affected our service

[2] The Brazilian Cosmetics, Fragrance and Toiletries Industry Association and the São Paulo State Perfumery and Toiletry Association
[3] Cosmetics, Fragrance and Toiletries

quality and led to more products being out of stock. We have already made available all of the resources and energy required to stabilize our operations in the short term and we are certain that these initiatives will improve the level of service and support our company's continued growth.

We also identified opportunities to capture efficiency gains in the management of our promotions that should leverage performance while reducing costs, with these impacts beginning to be felt at the start of next year. Another important development was the initiative to strengthen the cost-cutting and operational-efficiency programs, the results of which will help generate the investment resources needed to ensure our competitiveness in the Brazilian market.

We believe the continuous expansion of our consultant base represents an excellent opportunity to support Natura's growth by increasing productivity, for which we have adopted a series of measures to improve service quality and the management of promotions and to expand the product portfolio into new price and category segments. Bear in mind that these initiatives will be supported by investments in both the research and development of new products and concepts and in innovating our sales model, with a focus on digital midia, which will play an important role in expanding our relationship with consultants and ultimately create an even better buying experience for our final consumers.

Cosmetics, Fragrance and Toiletries Industry

According to ABIHPEC/SIPATESP data, Natura's target market expanded by 9.3% in the period. Natura maintained its market share stable at 24.6%.

- **ABIHPEC/SIPATESP – target market of cosmetic, fragrance and toiletry products in Brazil and Natura's market share**

	Core Market (R$ million)			Market Share - Natura (%)		
	6M11	**6M10**	**Change %**	**6M11**	**6M10**	**Change %**
Cosmetics and Fragrances	4,323.3	3,996.7	8.2%	37.9%	37.3%	0.6
Toiletries	5,025.4	4,556.0	10.3%	13.1%	13.4%	(0.3)
Total	**9,348.7**	**8,552.7**	**9.3%**	**24.6%**	**24.6%**	**0.0**

Source: SIPATESP

Social and environmental performance

A highlight of this quarter was the implementation of our new process for selecting and developing suppliers, which in a practical and objective way incorporates social and environmental performance into the profit criterion, which effectively aligns our decisions involving the supply chain with the triple-bottom line concept while leveraging the sustainable development of our partners. We have developed a methodology that translates into monetary values the social and environmental performance of each supplier. This process was structured and applied in accordance with the following aspects: CO2, water, solid waste, education, training, workplace safety, social inclusion and direct investments in society. The results of the first implementation phase have been encouraging. We observed both a high level of engagement by our suppliers and excellent results, which were accompanied by reductions in costs and significant improvements in social and environmental aspects.

Our main social and environmental indicators show that we continue working to reduce our greenhouse gas emissions (GGE), achieving at the end of 2Q11 a decline of 5.2% from a year earlier. Water consumption, however, was above our target for the year due to a reduction in the estimated number of billed units. Nevertheless, we remain confident that the ecoefficiency initiatives we have adopted are contributing to improvements in this indicator over the long run. On the social front, the proceeds from product sales under the Seeing Is Believing Program also were below the targeted figure for the period. However, recent launches have already contributed to a slight improvement in the figure for 9M11.

The following table presents the performance we have achieved on some of our commitments for 2011:

Indicator	2010 Commitment	2010 Results	2011 Commitment	2Q11 Results
Greenhouse gases	Reduce greenhouse gas emissions by 33% by 2013, considering the inventory we conducted in 2006.	-7,3% (21.2% Throughout the year)	Reduce gas emissions by 2.7% (over 2009)	-5,2% (25.1% Throughout the year)
Water consumption	Reduce water consumption per unit billed by 10%.	0.47 liter/unit billed (10% reduction)	Reduce water consumption per unit billed by 10%.	0.56 liter/unit billed
Collections CPV	Collect R$ 6 million from the sales Crer Para Ver line.	R$ 10 million	Collect R$ 6 million from the sales Crer Para Ver line.	R$ 5.02 million

** Note: In the year to 1H11*

***Note: in the year to Sep/11*

2. CONSOLIDATED RESULTS

(R$ million)	3Q11	3Q10	Change %	9M11	9M10	Change %
Total Consultants - end of period* (in thousands)	1,361.6	1,171.2	*16.3*	1,361.6	1,171.2	*16.3*
Units sold – items for resale (in million)	118.3	103.6	*14.2*	327.7	294.5	*11.3*
Gross Revenues	1,862.0	1,731.0	*7.6*	5,303.2	4,848.7	*9.4*
Net Revenues	1,381.4	1,281.2	*7.8*	3,920.9	3,579.2	*9.5*
Gross Profit	967.6	916.8	*5.5*	2,750.8	2,503.0	*9.9*
Sales Expenses	(500.2)	(441.0)	*13.4*	(1,409.5)	(1,203.6)	*17.1*
General and Administrative Expenses	(163.7)	(164.3)	*-0.4*	(507.0)	(441.6)	*14.8*
Management compensation	(2.8)	(3.4)	*-16.1*	(9.7)	(10.2)	*-4.9*
Other Operating Income / (Expenses), net	4.2	(1.0)	*n/a*	21.0	(14.1)	*n/a*
Financial Income / (Expenses), net	(4.4)	(15.5)	*-71.3*	(35.7)	(34.9)	*2.5*
Earnings Before Taxes	300.7	291.7	*3.1*	809.9	798.7	*1.4*
Net Income (Losses)	201.6	191.7	*5.2*	540.2	524.7	*2.9*
EBITDA**	333.3	323.5	*3.0*	924.6	898.8	*2.9*
Gross Margin	*70.0%*	*71.6%*	*-1.5 pp*	*70.2%*	*69.9%*	*0.2 pp*
Sales Expenses/Net Revenues	*36.2%*	*34.4%*	*1.8 pp*	*35.9%*	*33.6%*	*2.3 pp*
General and Admin. Expenses/Net Revenues	*11.8%*	*12.8%*	*-1.0 pp*	*12.9%*	*12.3%*	*0.6 pp*
Net Margin	*14.6%*	*15.0%*	*-0.4 pp*	*13.8%*	*14.7%*	*-0.9 pp*
EBITDA Margin	*24.1%*	*25.3%*	*-1.1 pp*	*23.6%*	*25.1%*	*-1.5 pp*

(*) Positon at the end of the 13th sales cycle

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

Consolidated net revenue in 3Q11 reached R$1,381.4 million, for growth of 7.8% from 3Q10 (R$3,920.9 million in 9M11, up 9.5%).

In Brazil, net sales revenue came to R$1,249.3 million in 3Q11, increasing 5.5% from same quarter last year (R$3,576.6 million in 9M11, up 7.8%).

In the international operations, net revenue in the quarter was R$132.1 million, for growth in relation to 3Q10 of 36.2% in Brazilian real and 42.8% in weighted local currency (R$344.3 million in 9M11, up 31.5% and 38.8% in BRL and weighted local currency, respectively).

Cost of Goods Sold (COGS) remained in line with the result observed in the first six months of this year. In 3Q11, COGS corresponded to 30.0% of consolidated net revenue, for an increase of 160 basis points in our cost base in relation to 3Q10. The gains from price increases and better cost management were offset by the greater use of promotions and the higher losses in relation to 3Q10, a period when these indicators had reached record lows. In the nine months to September, COGS improved by 30 basis from the same period a year earlier, corresponding to 29.8% of net revenue.

The following table presents the main components of COGS:

> Composition of Cost of Good Sold

	3Q11	3Q10	9M11	9M10
RM/PM*	86.6	81.1	83.1	81.9
Labor	6.1	6.0	8.6	8.0
Depreciation	2.4	3.3	2.5	3.3
Others	4.9	9.6	5.9	6.8
Total	**100.0**	**100.0**	**100.0**	**100.0**

(*) Raw material and packaging material

Selling expenses corresponded to 36.2% of net revenue in 3Q11, for an increase of 180 bps in relation to 3Q10. In the quarter, selling expenses followed the trend observed in prior quarters, with the lower dilution of fixed costs with our logistics operations and sales team. In comparison with the overall industry, our marketing investments remain competitive. In the nine months to September, selling expenses increased from 33.6% in 2010 to 35.9% in 2011.

General and administrative expenses corresponded to 11.8% of net revenue in 3Q11, down from 12.8% in 3Q10 (12.9% in 9M11 and 12.3% in 9M10). In the quarter, these expenses were impacted by the partial reversal of the provision for our profit-sharing plan. We continue to invest in innovating our products and sales model and in intensifying our initiatives to capture efficiency gains and prioritize projects, with these initiatives expected to gain strength as of 4Q11 and 2012.

Other operating revenue and expenses registered revenue of R$4.2 million, driven by the nonrecurring effect from the recognition of PIS and Cofins tax credits on services relative to other periods. In the first nine months of the year, the R$21.0 million in revenue also includes the nonrecurring effects from the recognition of a contingent PIS and Cofins asset (credits from taxes on both financial income and storage operations).

Consolidated net income before income tax and social contribution tax (CSLL) in the third quarter was R$300.7 million, in comparison with R$291.7 million 3Q10. In 9M11, these taxes came to R$809.9 million, versus R$798.7 million in 2010. **Consolidated net income** was R$201.6 million in 3Q11, representing growth of 5.2% in relation to 3Q10. In 9M11, net income was R$540.2 million, for an increase of 2.9% from the year-ago period.

Consolidated EBITDA in 3Q11 was R$333.3 million, growing by 3.0% from R$323.5 million in 3Q10. EBITDA margin compressed from 25.3% in 3Q10 to 24.1% in 3Q11. In 9M11, EBITDA stood at R$924.6 million, growing 2.9% from 9M10. Meanwhile, EBITDA margin declined to 23.6%, from 25.1% in 9M10.

> EBITDA (R$ million)

(R$ million)	3Q11	3Q10	Change %	9M11	9M10	Change %
Net Revenues	1,381.4	1,281.2	*7.8*	3,920.9	3,579.2	*9.5*
(-) Cost of Sales and Expenses	1,076.3	974.0	*10.5*	3,075.3	2,745.7	*12.0*
EBIT	**305.1**	**307.2**	***-0.7***	**845.6**	**833.5**	***1.5***
(+) Depreciation/Amortization	28.2	16.3	*72.7*	79.0	65.3	*20.9*
EBITDA	**333.3**	**323.5**	***3.0***	**924.6**	**898.8**	***2.9***

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

(R$ million)	3Q11	3Q10	Change %	9M11	9M10	Change %
Brazil	348.1	347.9	*0.1*	976.6	958.6	*1.9*
Argentina, Chile and Peru	9.4	2.8	*232.9*	18.8	4.6	*304.9*
Mexico and Colombia	(7.2)	(11.8)	*(39.4)*	(20.6)	(24.6)	*(16.4)*
Others Investments	(17.0)	(15.4)	*10.8*	(50.3)	(39.8)	*26.3*
Total	**333.3**	**323.5**	***3.0***	**924.6**	**898.8**	***2.9***

➢ Cash Flow Statement (pro-forma)

> Consolidated cash flow – *pro-forma* (R$ million)

(R$ million)	9M11	9M10	Var %
Net income	**540.2**	**524.7**	***2.9***
(+) Depreciation and amortization	79.0	65.3	*20.9*
Internal cash generation	**619.2**	**590.1**	***4.9***
Cashflow (Increase) / Decrease	(141.0)	58.1	*na*
(+) Non-cash	10.5	4.9	*na*
Operating cash generation	**488.7**	**653.1**	***(25.2)***
Capex	(251.8)	(138.8)	*81.4*
Free cash flow*	**236.9**	**514.3**	***(53.9)***

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

Internal cash flow in 9M11 was R$619.2 million, up 4.9% from 9M10, slightly outpacing the 2.9% growth in net income in the period. Of this sum, R$141.0 million was invested in working capital and R$251.8 million in fixed assets. As a result, free cash flow was R$236.9 million, declining 53.9% in relation to 9M10.

We continue to observe increases in inventory coverage, which reflects the strategy we adopted for year-end holiday sales and the increase in recoverable taxes, which were partially mitigated by the longer term for payments to suppliers.

We continue to work on reducing inventory coverage and on a robust action plan to significantly reduce the balance of recoverable taxes.

In 2010, working capital was benefitted primarily by the recovery of taxes and by the changes in the policy for paying income tax and CSLL taxes.

Investments in fixed assets reached R$251.8 million at the end of the quarter. For the whole of this year, we expect to exceed our guidance of R$300 million.

3. Income Statement (pro-forma)

The profit margin obtained on exports from Brazil to the international operations was subtracted from the COGS of the respective operations in order to show the actual impact of these subsidiaries on the company’s consolidated results. Accordingly, the pro-forma Income Statement for the Brazilian operations considers only the sales made in the domestic market.

3.1 BRAZIL OPERATIONS (pro-forma Income Statement)

(R$ million)	3Q11	3Q10	Change %	9M11	9M10	Change %
Total Consultants - end of period* (in thousands)	1,131.4	984.3	*14.9*	1,131.4	984.3	*14.9*
Units sold – items for resale (in million)	105.0	93.6	*12.1*	292.7	268.4	*9.0*
Gross Operating Revenues	1,693.9	1,608.2	*5.3*	4,868.1	4,518.0	*7.7*
Net Operating Revenues	1,249.3	1,184.2	*5.5*	3,576.6	3,317.4	*7.8*
Gross Profit	884.1	858.6	*3.0*	2,538.9	2,346.7	*8.2*
Sales Expenses	(426.3)	(380.6)	*12.0*	(1,217.9)	(1,047.2)	*16.3*
General and Administrative Expenses	(138.3)	(141.5)	*-2.2*	(432.3)	(379.7)	*13.9*
Management compensation	(2.8)	(3.4)	*-16.1*	(9.7)	(10.2)	*-4.9*
Other Operating Income / (Expenses), net	5.0	0.1	*n/a*	23.4	(12.0)	*n/a*
Financial Income / (Expenses), net	(1.7)	(15.8)	*-89.1*	(33.5)	(33.6)	*-0.4*
Earnings Before Taxes	320.0	317.5	*0.8*	869.0	864.0	*0.6*
Net Income (Losses)	224.3	219.8	*2.0*	607.9	596.6	*1.9*
EBITDA	348.1	347.9	*0.1*	976.6	958.6	*1.9*
Gross Margin	*70.8%*	*72.5%*	*-1.7 pp*	*71.0%*	*70.7%*	*0.2 pp*
Sales Expenses/Net Revenues	*34.1%*	*32.1%*	*2.0 pp*	*34.1%*	*31.6%*	*2.5 pp*
General and Admin. Expenses/Net Revenues	*11.1%*	*11.9%*	*-0.9 pp*	*12.1%*	*11.4%*	*0.6 pp*
Net Margin	*18.0%*	*18.6%*	*-0.6 pp*	*17.0%*	*18.0%*	*-1.0 pp*
EBITDA Margin	*27.9%*	*29.4%*	*-1.5 pp*	*27.3%*	*28.9%*	*-1.6 pp*

(*) Number of consultants by the end of the 13th cycle of sales

- The sales channel continues to register solid growth, expanding by 14.9% to 1,131,400 consultants in Brazil.
- This led to a decline in the aggregate productivity[4] of our consultants of 6.9% to R$6,379 in 9M11, versus R$6,852 in 9M10.
- The innovation index[5] ended the quarter at 64.6% (67.0% in 2010).

[4] Productivity measured at retail prices.
[5] The innovation index is measured based on the revenue from products launched in the last 24 months.

3.2 OPERATIONS IN CONSOLIDATION (Argentina, Chile and Peru) pro-forma Income Statement

	3Q11	3Q10	Change %	9M11	9M10	Change %
Total Consultants - end of period (in thousand)	154.4	130.1	*18.7*	154.4	130.1	*18.7*
Unit sold – items for resale (in million)	9.1	7.1	*27.9*	23.8	18.6	*28.3*
Gross Revenues	120.0	89.2	*34.5*	300.5	238.6	*26.0*
Net Revenues	90.5	67.8	*33.4*	227.9	181.9	*25.3*
Gross Profit	58.5	42.2	*38.6*	143.0	111.1	*28.8*
Sales Expenses	(43.3)	(33.6)	*28.8*	(108.2)	(90.6)	*19.4*
General and Administrative Expenses	(6.1)	(6.0)	*1.7*	(16.9)	(16.4)	*3.2*
Others Income / (Expenses), net	(0.8)	(0.8)	*0.1*	(1.7)	(1.8)	*-4.5*
Financial Income / (Expenses), net	(1.5)	0.1	*n/a*	(0.8)	(0.1)	*n/a*
Earnings Before Taxes	6.9	2.0	*244.3*	15.3	2.1	*625.6*
Net Income (Losses)	4.7	0.4	*1153.9*	9.2	(2.7)	*n/a*
EBITDA	9.4	2.8	*232.9*	18.8	4.6	*304.9*
Gross Margin	*64.7%*	*62.2%*	*2.4 pp*	*62.7%*	*61.1%*	*1.7 pp*
Sales Expenses/Net Revenues	*47.8%*	*49.5%*	*-1.7 pp*	*47.5%*	*49.8%*	*-2.3 pp*
General and Admin. Expenses/Net Revenues	*6.7%*	*8.8%*	*-2.1 pp*	*7.4%*	*9.0%*	*-1.6 pp*
Net Margin	*5.2%*	*0.6%*	*4.6 pp*	*4.0%*	*-1.5%*	*5.5 pp*
EBITDA Margin	*10.3%*	*4.1%*	*6.2 pp*	*8.3%*	*2.6%*	*5.7 pp*

- In 3Q11, net revenue from operations in consolidation was R$90.5 million, for growth of 41.9% in weighted local currency (33.4% in Brazilian real) from 3Q10. In 9M11, net revenue reached R$227.9 million, for growth of 33.7% and 25.3%, respectively.

- The number of consultants grew 18.7% to end 3Q11 at 154,400.

- These operations posted positive EBITDA of R$9.4 million in 3Q11 and R$18.8 million in 9M11. The higher investments in marketing were offset by the dilution of expenses with our administrative operations and sales team and by the higher efficiency of our logistics operations.

3.3 OPERATIONS IN IMPLEMENTATION (Mexico and Colombia)

Pro-forma Income Statement

	3Q11	3Q10	Change %	9M11	9M10	Change %
Total Consultants - end of period (in thousand)	73.1	54.9	*33.2*	73.1	54.9	*33.2*
Unit sold – items for resale (in million)	3.9	2.6	*52.2*	10.4	7.0	*49.5*
Gross Revenues	43.3	28.9	*49.7*	120.0	79.2	*51.6*
Net Revenues	37.4	25.0	*50.0*	103.5	68.2	*51.7*
Gross Profit	23.1	13.6	*69.8*	62.3	38.5	*61.8*
Sales Expenses	(26.3)	(22.0)	*19.6*	(71.7)	(54.1)	*32.5*
General and Administrative Expenses	(4.5)	(3.8)	*18.4*	(12.1)	(10.4)	*16.8*
Others Income / (Expenses), net	(0.0)	(0.3)	*n/a*	(0.7)	(0.3)	*n/a*
Financial Income / (Expenses), net	(1.2)	0.2	*n/a*	(1.5)	(1.1)	*n/a*
Earnings Before Taxes	(9.0)	(12.3)	*-27.0*	(23.7)	(27.4)	*-13.6*
Net Income (Losses)	(10.1)	(13.0)	*-22.1*	(25.9)	(29.0)	*-10.9*
EBITDA	(7.2)	(11.8)	*-39.4*	(20.6)	(24.6)	*-16.4*
Gross Margin	*61.7%*	*54.5%*	*7.2 pp*	*60.2%*	*56.4%*	*3.8 pp*
Sales Expenses/Net Revenues	*70.3%*	*88.1%*	*-17.8 pp*	*69.3%*	*79.3%*	*-10.0 pp*
General and Admin. Expenses/Net Revenues	*12.1%*	*15.3%*	*-3.2 pp*	*11.7%*	*15.2%*	*-3.5 pp*
Net Margin	*n/a*	*n/a*	-	*n/a*	*n/a*	-
EBITDA Margin	*n/a*	*n/a*	-	*n/a*	*n/a*	-

- Operations in implementation in 3Q11 recorded net revenue of R$37.4 million, for growth of 56.6% in weighted local currency and 50.0% in BRL. In 9M11, net revenue was R$103.5 million, for increases of 56.4% and 51.7%, respectively.

- The number of consultants expanded by 33.2% to reach 73,100 at the end of 3Q11.

- These operations continued to post EBITDA losses, of R$7.2 million in 3Q11 and R$20.6 million in 9M11, reflecting the ongoing investments made.

Other international investments, which involve our operations in France and expenses with projects and corporate structures dedicated to the international operations, posted EBITDA losses of R$17.0 million in 3Q11 and R$50.3 million in 9M11 (R$15.4 million in 3Q10 and R$39.8 million in 9M10). In 2011, the nonrecurring expenses related to the new sales model in Mexico, which are allocated to this line, came to R$8.1 million.

CONFERENCE CALL & WEBCAST

Portuguese:	**Friday, October 28, 2011** **10:00 a.m. (Brazil Daylight Time)**
English:	**Friday, October 28, 2011** **12:00 p.m. (Brazil Daylight Time)**
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> BALANCE SHEET AT SEPTEMBER 30, 2011

(in thousands of Brazilian real - R$)

ASSETS	Sep/11	Dez/10
CURRENT ASSETS		
Cash and cash equivalents	338.8	560.2
Trade accounts receivable	480.6	570.3
Inventories	738.7	571.5
Recoverable taxes	233.4	101.5
Derivatives	26.7	-
Other receivables	94.2	66.4
Total current assets	**1,912.4**	**1,869.9**
NONCURRENT ASSETS		
Recoverable taxes	112.2	109.3
Deferred income tax and social contribution	192.6	180.3
Escrow deposits	406.5	337.0
Other noncurrent assets	35.8	44.9
Property, plant and equipment	703.6	560.5
Intangible assets	145.2	120.1
Total noncurrent assets	**1,595.8**	**1,352.0**
TOTAL ASSETS	**3,508.3**	**3,221.9**

LIABILITIES AND SHAREHOLDERS' EQUITY	Sep/11	Dez/10
CURRENT LIABILITIES		
Borrowings and financing	455.1	226.6
Trade and other payables	473.8	366.5
Payroll, profit sharing and related taxes	161.5	162.7
Taxes payable	395.3	366.0
Derivatives	-	4.1
Other payables	51.6	64.7
Total current liabilities	**1,537.3**	**1,190.7**
NONCURRENT LIABILITIES		
Borrowings and financing	670.4	465.1
Taxes payable	259.0	215.1
Provision for tax, civil and labor risks	63.7	73.8
Provision for healthcare plan	22.4	19.7
Total noncurrent liabilities	**1,015.4**	**773.7**
SHAREHOLDERS' EQUITY		
Capital	427.1	418.1
Capital reserves	157.0	149.6
Retained earnings reserve	284.1	282.9
Earnings reserves	208.4	-
Treasury shares	(103.6)	(0.0)
Proposed additional dividend	-	430.1
Other comprehensive losses	(17.4)	(23.2)
Total equity attributable to owners of the Company	**955.6**	**1,257.5**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**3,508.3**	**3,221.9**

> STATEMENT OF INCOME FOR THE QUARTER AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2011

(in thousands of Brazilian real - R$, except earnings per share in the quarter and the nine months)

R$ million	3Q11	3Q10	9M11	9M10
NET REVENUE	**1,381.4**	**1,281.2**	**3,920.9**	**3,579.2**
Cost of sales	(413.7)	(364.4)	(1,169.9)	(1,076.2)
GROSS PROFIT	**967.8**	**916.8**	**2,751.0**	**2,503.0**
OPERATING (EXPENSES) INCOME				
Selling	(500.3)	(441.0)	(1,409.6)	(1,203.6)
Administrative and general	(163.7)	(164.3)	(507.0)	(441.6)
Management compensation	(2.8)	(3.4)	(9.7)	(10.2)
Other operating (expenses) income, net	4.2	(1.0)	21.0	(14.1)
INCOME FROM OPERATIONS BEFORE FINANCIAL (EXPENSES) INCOME	**305.1**	**307.3**	**845.6**	**833.6**
Financial income	49.8	2.1	99.6	39.8
Financial expenses	(54.3)	(17.6)	(135.3)	(74.7)
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	**300.7**	**291.8**	**809.9**	**798.7**
Income tax and social contribution	(99.1)	(100.1)	(269.7)	(274.0)
NET INCOME	**201.6**	**191.7**	**540.2**	**524.7**

> STATEMENT OF CASH FLOW FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2011

(in thousands of Brazilian real - R$)

R$ million	9M11	9M10
CASH FLOW FROM OPERATING ACTIVITIES		
Net income	**540.2**	**524.7**
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	79.0	65.3
Provision for losses on swap and forward contracts	(12.3)	4.3
Provision for tax, civil and labor contingencies	(9.7)	1.2
Interest and inflation adjustment of escrow deposits	(38.5)	(12.5)
Income tax and social contribution	269.7	274.0
(Gain) loss on sale on property, plant and equipment and intangible assets	5.7	14.7
Equity in subsidiaries	-	-
Interest and exchange rate change on borrowings and financing and other liabilities	48.0	5.1
Exchange rate change on other assets and other liabilities	(4.5)	0.7
Stock options plans expenses	9.7	8.3
Provision for discount on assignment of ICMS credits	0.3	0.5
Allowance for doubtful accounts	(6.7)	2.8
Allowance for inventory losses	44.7	21.2
Provision for healthcare plan	2.6	-
Recognition of untimely used tax credits	(13.9)	-
Recognition of tax credits related to lawsuit	(16.9)	-
	897.6	**910.2**
INCREASE / DECREASE IN ASSETS AND IN LIABILITIES		
Trade accounts receivable	96.3	22.5
Inventories	(211.9)	(135.2)
Recoverable taxes	(104.5)	(26.9)
Other assets	(15.5)	(9.2)
Domestic and foreign suppliers	103.6	64.1
Payroll, profit sharing and related taxes, net	(1.3)	35.6
Taxes payable	56.3	4.4
Other payables	(13.1)	23.0
Provision for tax, civil and labor contingencies	(0.4)	(2.7)
Subtotal	**(90.5)**	**(24.5)**
OTHER CASH FLOWS FROM OPERATING ACTIVITIES	**807.1**	**885.7**
Payments of income tax and social contribution	(265.1)	(174.1)
Payments of derivatives	(18.4)	(3.0)
Payment of interest on borrowings and financing	(40.2)	(21.6)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**483.5**	**686.9**
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and intangible assets	(251.8)	(138.8)
Proceeds from sale of property, plant and equipment and intangible assets	3.7	7.9
Escrow deposits	(31.0)	(56.9)
NET CASH USED IN INVESTING ACTIVITIES	**(279.1)**	**(187.7)**
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of borrowings and financing - principal	(321.4)	(643.3)
Proceeds from borrowings and financing	752.5	657.6
Payment of dividends and interest on capital	(430.1)	(357.6)
Interim dividends and interest on capital	(332.8)	(289.4)
Acquisition of treasury shares	(104.5)	-
Sale of treasury shares due to exercise of stock options	0.7	-
Capital increase through subscription of shares (353,289 common shares at the average price of	9.0	11.7
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**(426.6)**	**(620.9)**
Gains (losses) on translation of foreign-currency cash and cash equivalents	0.8	(3.9)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(221.4)**	**(125.7)**

EBITDA is not a measure under BR GAAP and does not represent cash flow for the periods presented. EBITDA should not be considered an alternative to net income as an indicator of operating performance or an alternative to cash flow as an indicator of liquidity. EBITDA does not have a standardized meaning and the definition of EBITDA used by Natura may not be comparable with that used by other companies. Although EBITDA does not provide under BR GAAP a measure of cash flow, Management has adopted its use to measure the Company's operating performance. Natura also believes that certain investors and financial analysts use EBITDA as an indicator of performance of its operations and/or its cash flow.

This report contains forward-looking statements. These forward-looking statements are not historical fact, but rather reflect the wishes and expectations of Natura's management. Words such as "anticipate", "wish", "expect", "foresee", "intend", "plan", "predict", "project", "desire" 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 competitiveness, the acceptance of products by the market, the transitions of the Company's products and those of its competitors, regulatory approval, currency fluctuations, supply and production difficulties and changes in product sales, among other risks. This report also contains certain pro forma data, which are prepared by the Company exclusively for informational and reference purposes and as such are unaudited. This report is up-to-date as of its publication date and Natura is under no obligation to update it in light of new information and/or future events.