

Natura

bem estar bem

September/2012



VALUE PROPOSITION



Economic

- _ Strong cash generation
- _ Growth and profitability
- _ Consistent dividend payout

Social

- _ Wealth creation for consultants
- _ Benefits shared with communities involved in extractive activities

Environmental

- _ Carbon neutral
- _ Use of refill packaging
- _ Sustainable extraction
- _ Use of recycled and recyclable materials

RELEVANT MARKET WITH DIFFERENTIATED GROWTH

DIRECT SALES SHARE IN THE CF&T MARKET

Region	Direct Sales (%)
Latin America	29.1%
Brazil	28.6%
Argentina	27.4%
Chile	18.8%
Colombia	35.1%
Mexico	30.9%
Peru	41.1%
Eastern Europe	19.3%
Asia Pacific	11.8%
Australasia	8.9%
North America	7.4%
Western Europe	3.4%
Africa / Middle East	3.1%

Source: Euromonitor 2011

SIZE OF CF&T MARKET (in US\$ billion, Fixed FX)

Countries	2011	CAGR % '06- '11
United States	63	1.4%
Japan	47	-0.5%
 Brazil	43	12.3%
 Mexico	10	7.6%
 Argentina, Chile, Colombia and Peru	12	11.8%
Countries in which Natura operates	65	11.4%
World	425	5.0%

Source: Euromonitor 2011

YoY BRAZIL TARGET MARKET GROWTH (nominal)

Market growth in nominal terms	
2004	20.7%
2005	15.9%
2006	13.5%
2007	13.2%
2008	16.2%
2009	14.4%
2010	13.1%
2011	8.2%
CAGR '04- '11	13.5%

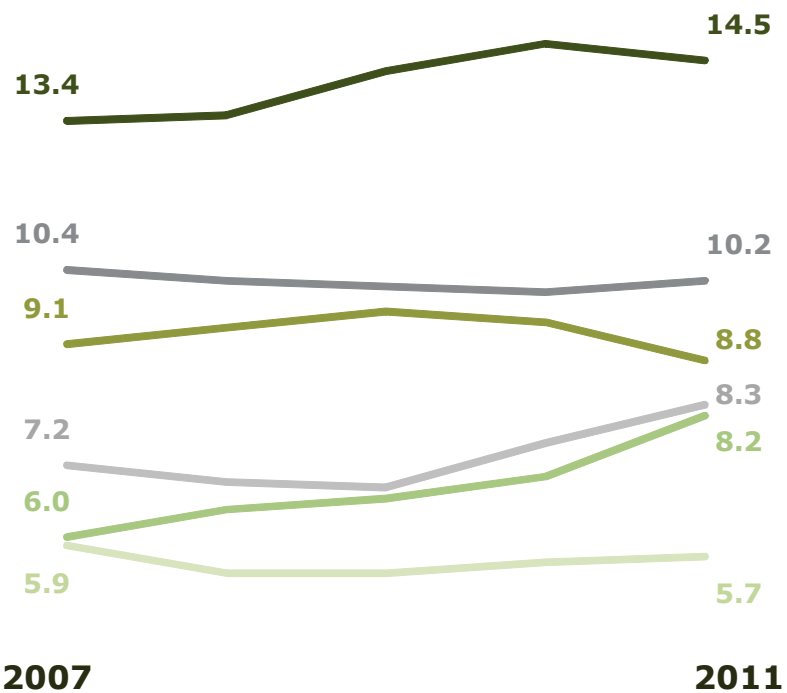
Source: Sipesp / ABEVD 2011

The markets in which Natura operates represent 15% of the global CF&T market and have a growth rate more than **2 times** of the total market

MARKET SHARE

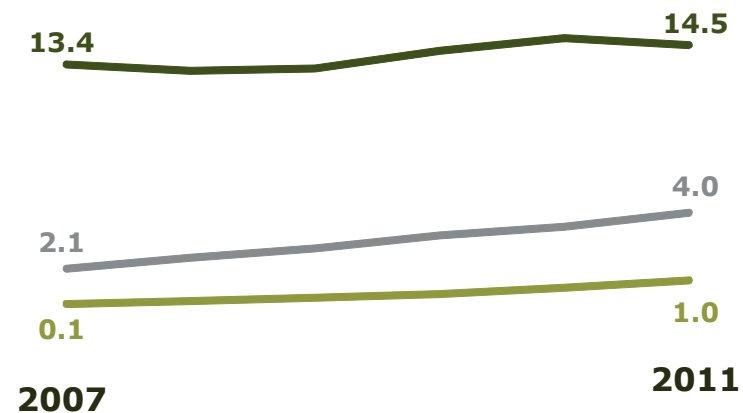
Major Players in Brazil

(Euromonitor)



Natura

(Euromonitor)



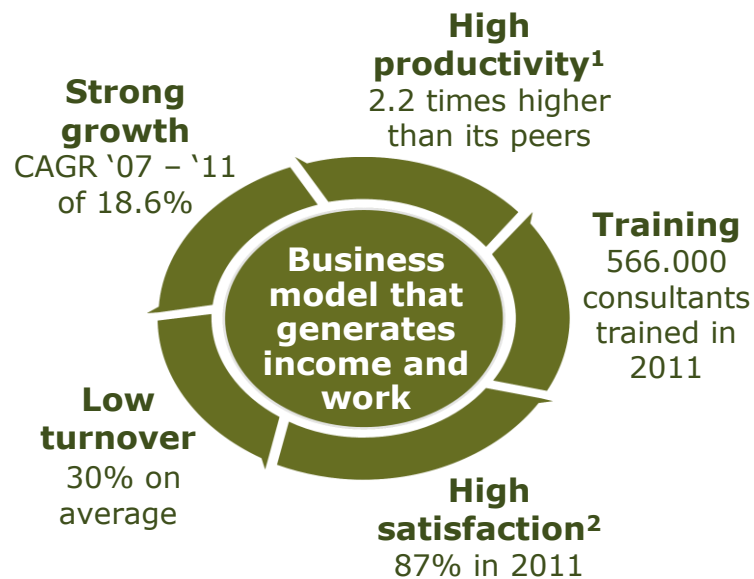
SALES CHANNEL

Number of consultants

(thousand; CAGR '07- '10)



Channels differentiations



_Consultants are Natura's first consumers

_Sales driven through personal relationships

_Channel disseminates Natura's values with consultants acting as agents of social transformation

¹ Source: Company. ABEVD (Brazilian Association of Direct Sales Companies)

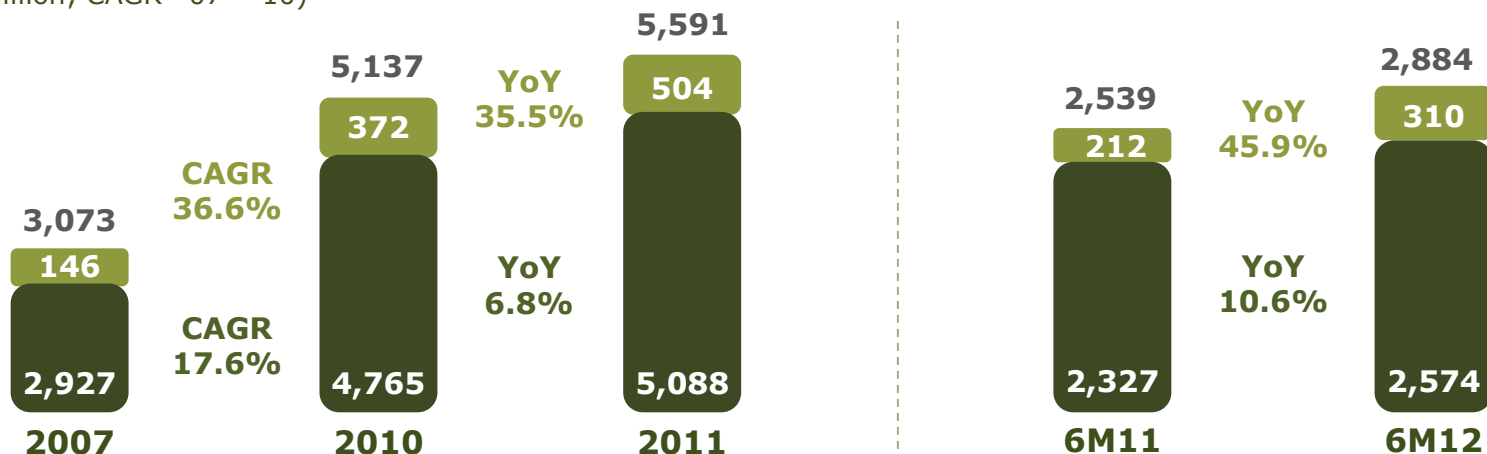
² HAY Consultant annual opinion poll for consultants satisfaction

P&L Highlights

Net revenues¹

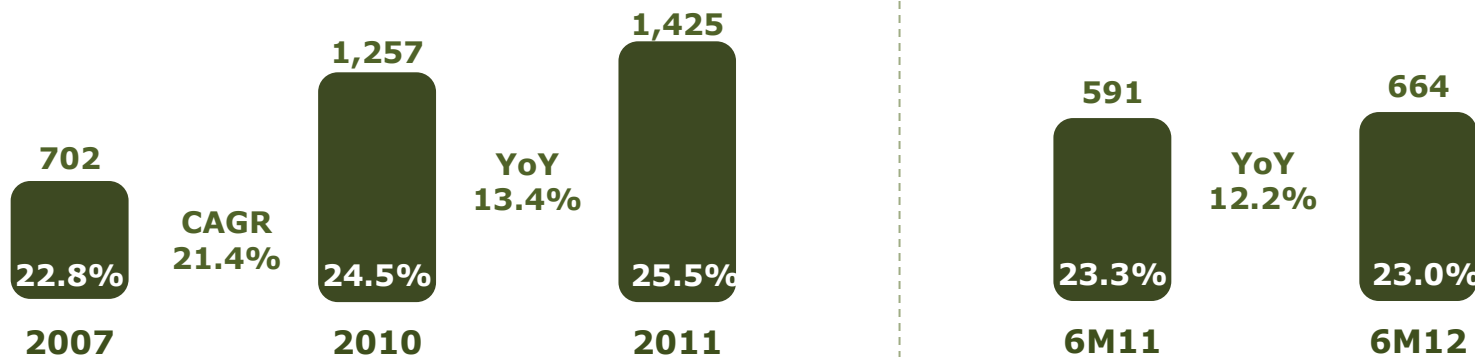
(R\$ Million; CAGR '07 - '10)

■ Brazil
■ International



Ebitda consolidated

(R\$ Million; CAGR '07 - '10)



¹ Net Revenues and Ebitda growth in Brazilian Real. International Operations Net Revenues growth, in weighted local currency, of 40.0% in 2011 and of 31,8% in 6M12.

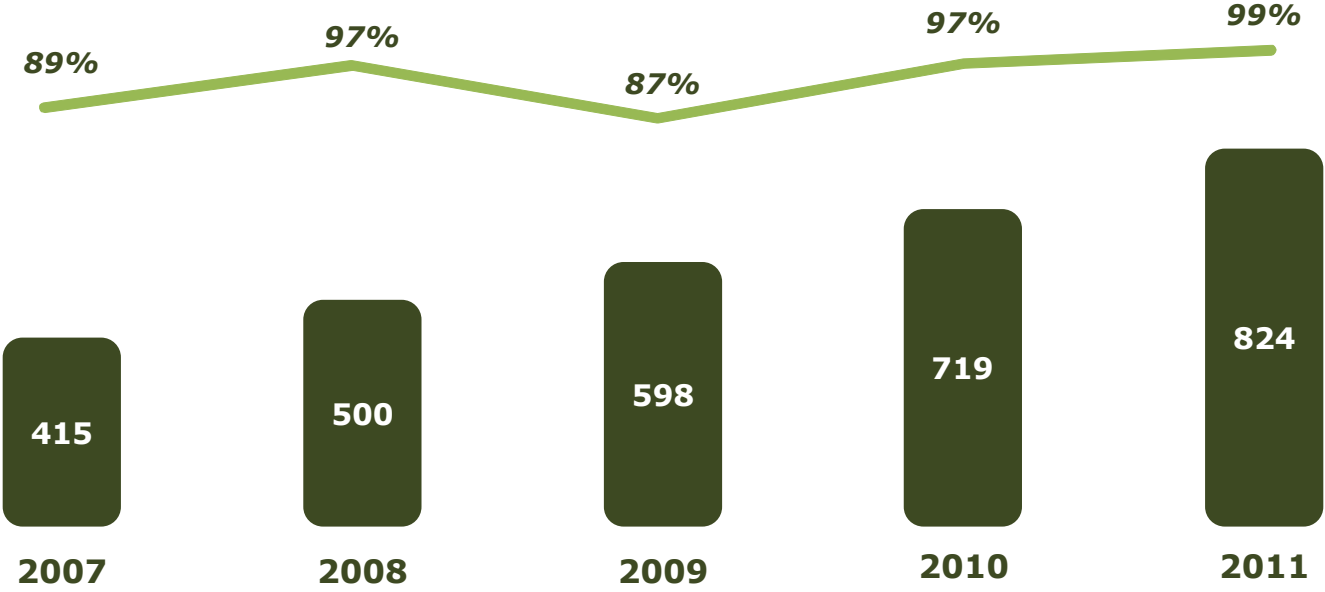
² Excluding other operating expenses and revenues from EBITDA in both semesters, EBITDA margin was 22.6% in 6M11 and 23.1% in 6M12, growing by 15.8% in 6M12 vs 6M11.

Solid **DIVIDEND** Growth

Dividends Declared

(R\$MM; % Net Income)

CAGR 2007-11: 19%



■ Dividends Declared ■ Pay-Out Ratio (%)

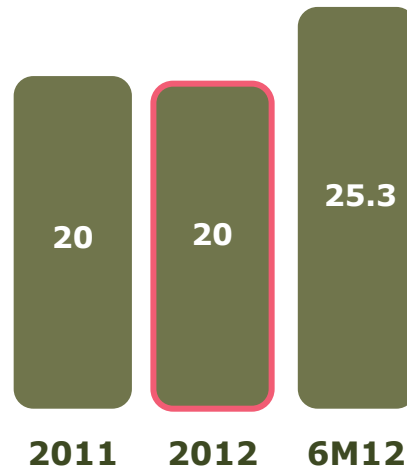
Creating ENVIRONMENTAL VALUE

 2012 Commitment

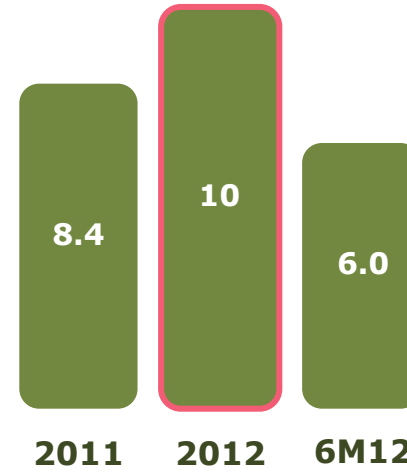
CO₂ emissions (CO₂ emitted / Kg of product produced)



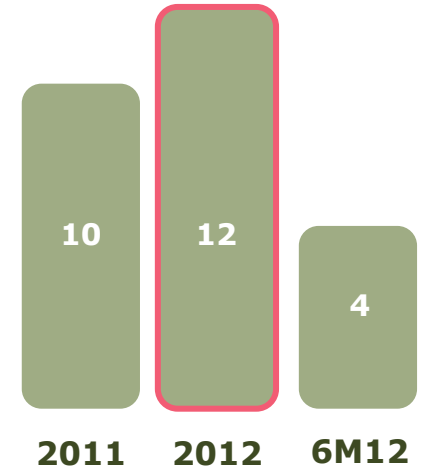
Solid Waste (grams / unit produced)



Collections CPV (R\$MM)



Funding to Supplier Communities (R\$MM)



Brazil Water Consumption (liter/unit produced) = 0.4 in 2011, 2Q12 and 2012 Commitment.

Amazônia Program:

- _Launched in 2011, the Amazônia program expands and reinforces the commitment of promoting new sustainable business based on science, innovation, production chains and local entrepreneurship;
- _In August 2012 Natura launched NINA (Núcleo de Inovação Natura Amazônia) whose mission is stimulating the creation of a network for scientific researches and technologic development in Amazon.
- _Until 2020, our target is surround around 1000 researchers in NINA's network.

Opportunities to enhance the strategy in Brazil

2007 - 2011

2012 - ...

**Channel expansion
(implementation of CNO)**

CN productivity, Innovation, White spaces

Investments in infrastructure

Service level as competitive advantage

IT investments: transactional

Leverage and strength CN - CF relationships (social and digital media)

Marketing: more investments

Marketing: efficiency gains

focus on increasing consultant productivity in Brazil, products and concepts innovation

With 100 million consumers and 47% brand preference, we have an opportunity to increase our focus on productivity

Innovation & Products (White Spaces; Price Points, Process)

Services

Promotion planning



Gradually leveraging productivity while taking advantage of synergies among actions

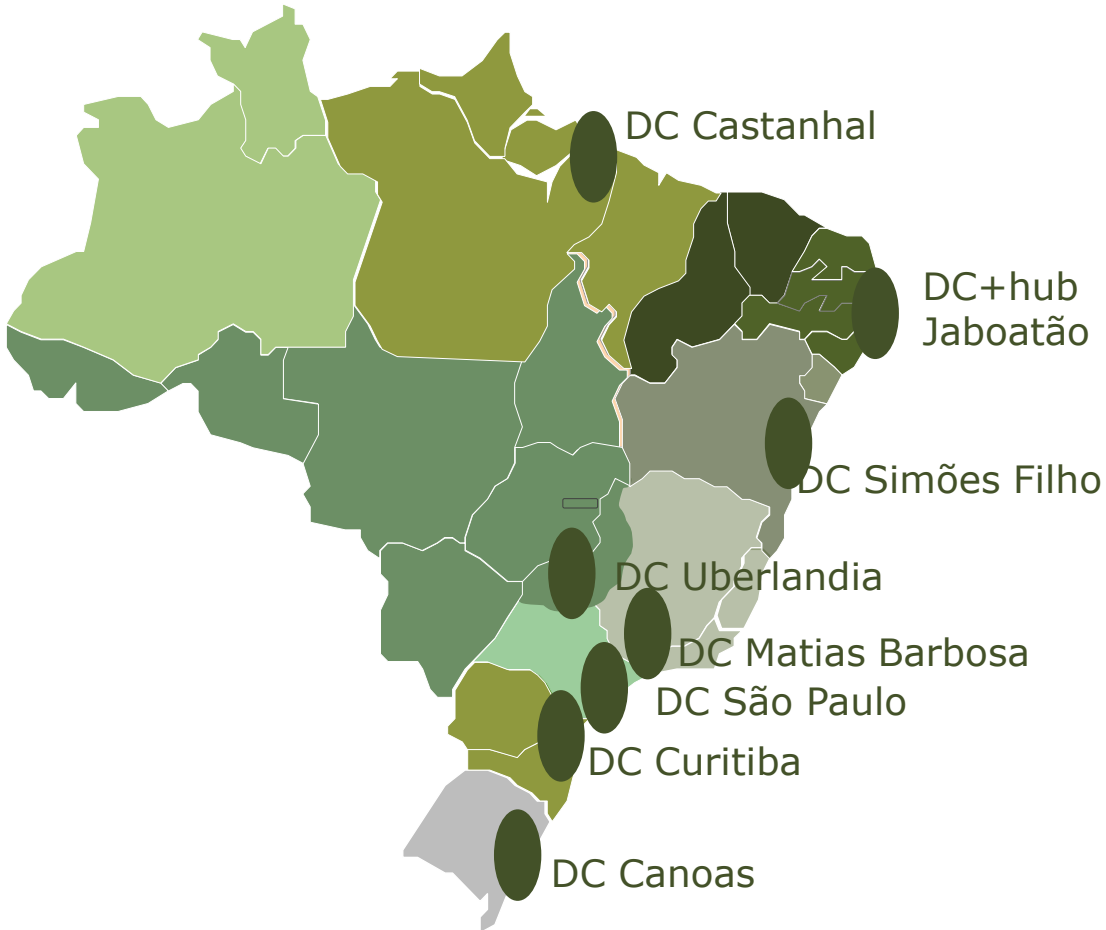
Relationships (training, recognition model)

Communication

Sales Force Management

BETTER SERVICE LEVEL:

NEW NETWORK CAN FILL UP TO 93% OF ORDERS WITHIN 48H



2010

- Opening of DC Uberlândia
- Opening of DC Castanhal
- Doubling of DC Canoas

2011

- Opening of DC São José dos Pinhais – PR
- Opening of New DC Matias
- Opening of New DC Jaboatão
- Doubling of DC Simões

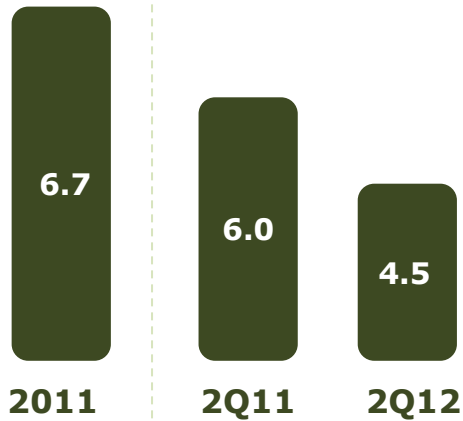
2012 onwards

- HUB PE
- New DC SP
- New HUB SP
- Opening of Two DCs N/NE
- Opening of HUB N/NE

IMPROVEMENTS ON SERVICE LEVEL

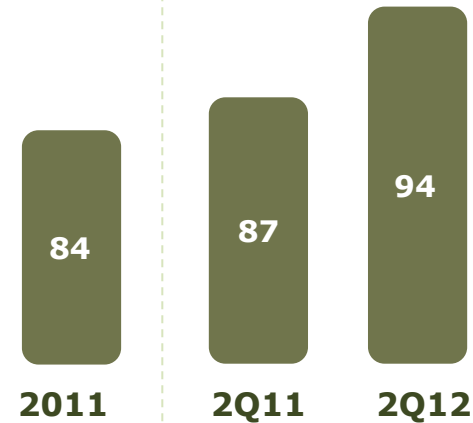
Delivery Time

(days)



Delivery on Promised Time

(%)



By the end of 2013 our logistic infrastructure should be prepared to deliver 90% of order in 48 hours

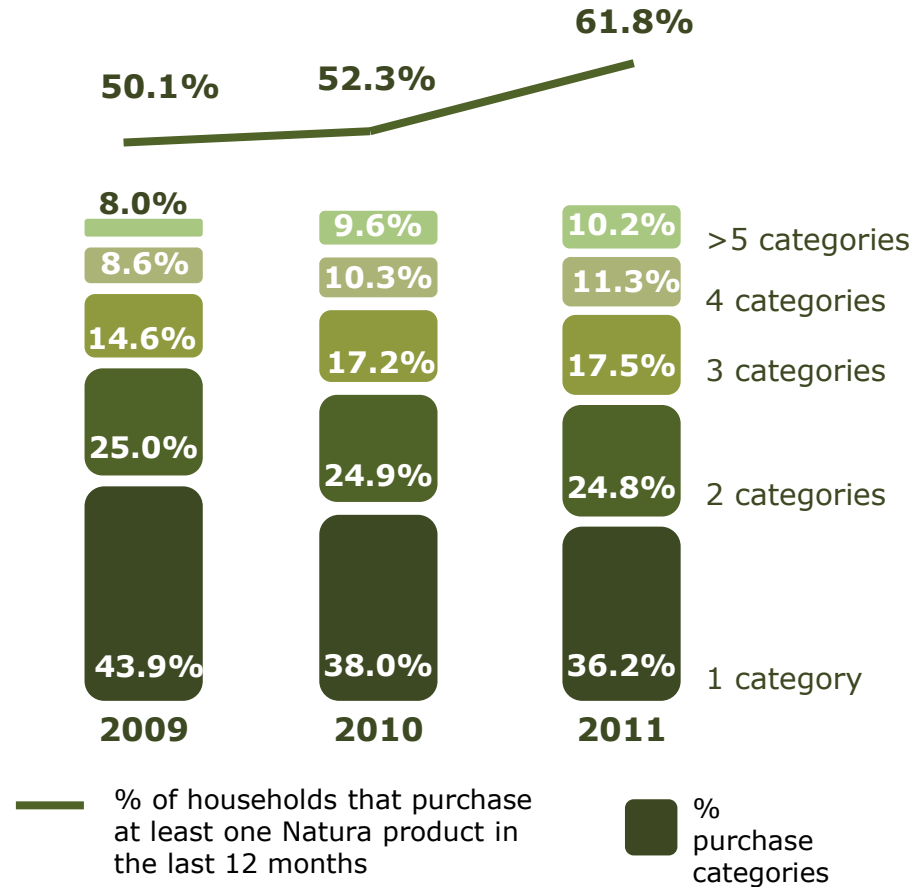
focus on increasing consultant productivity in Brazil, products and concepts innovation

**Democratic and aspirational brand.
opportunity for white spaces**



focus on increasing consultant productivity in Brazil, products and concepts innovation

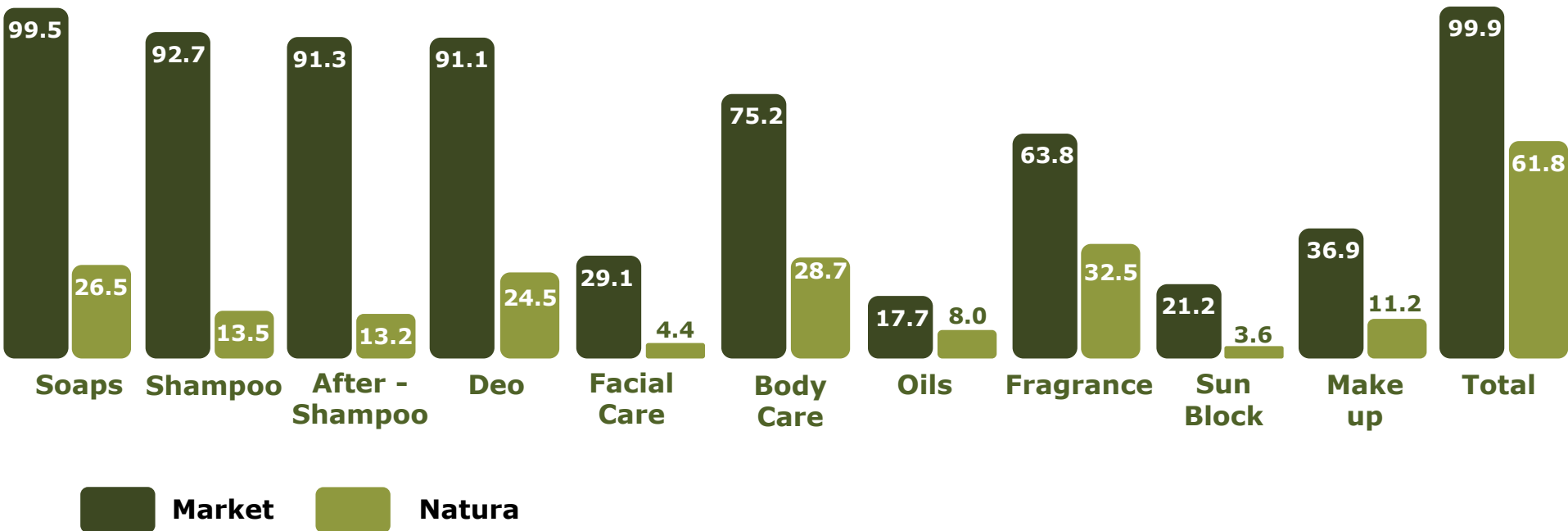
High Penetration in the households and low number of categories¹



focus on increasing consultant productivity in Brazil, products and concepts innovation

Penetration by category (%)

(2011)



INTERNATIONAL OPERATIONS

**International
Number of CNs: 279.500**



FRANCE
CNs: 2.800

MAIN DRIVERS:

- _Model adapted to local reality
- _Channel expansion
- _Brand awareness
- _Service quality

INTERNATIONAL OPERATIONS

CHANNEL:

_CNO implemented in Colombia (Aug/11), Chile (Oct/11) and Peru (Ma/12);

_Learning with Multilevel in Mexico.

SERVICE LEVEL:

_Significant improvements in service levels: delivery time and stock levels.

BRAND:

_Among the preferred brands in Argentina and Peru. Increase brand awareness in all countries.

Strategic Focus

Innovation in products and commercial model

Service Level as competitive advantage

Consultant & Consumer Productivity

International Expansion

Leadership

thank you



Roberto Pedote
Fabio Cefaly
Tatiana Bravin
Taísa Hernandez