

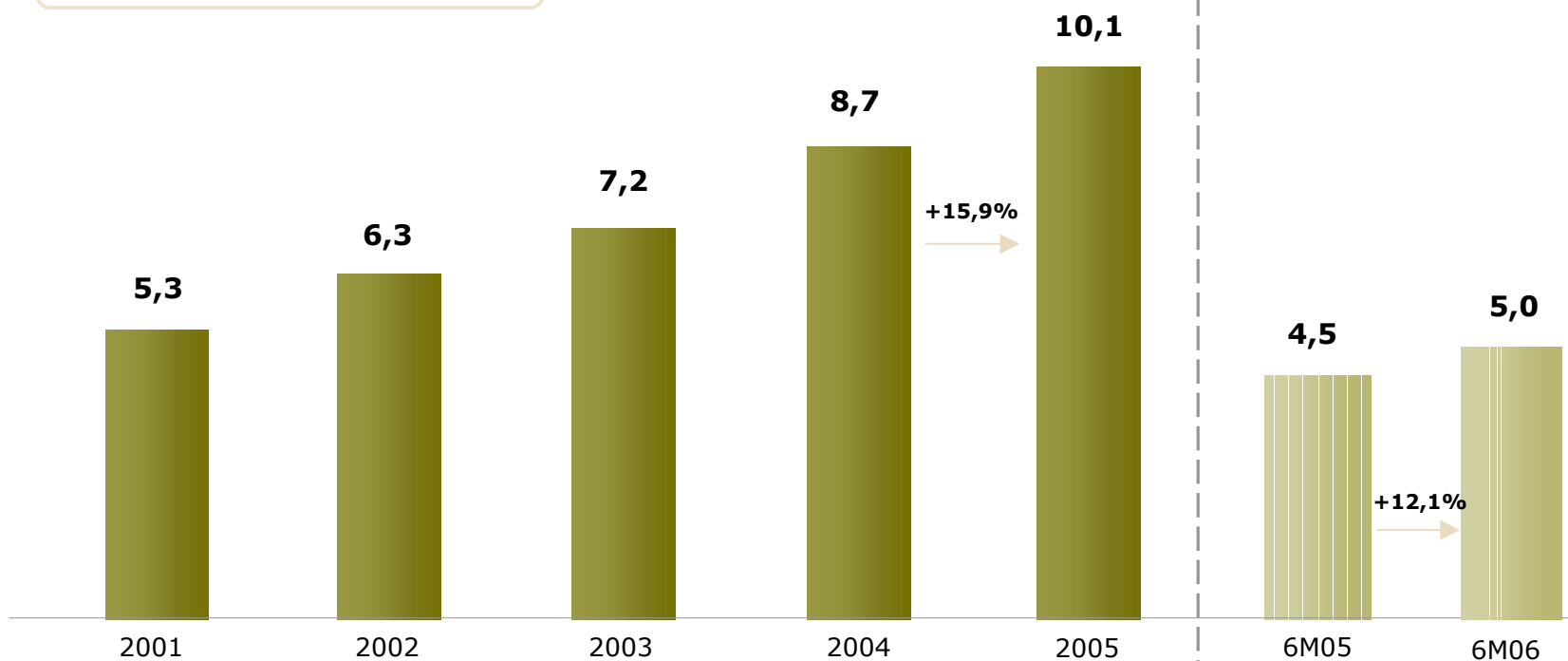


## 3Q06 Earnings Results

October 27, 2006

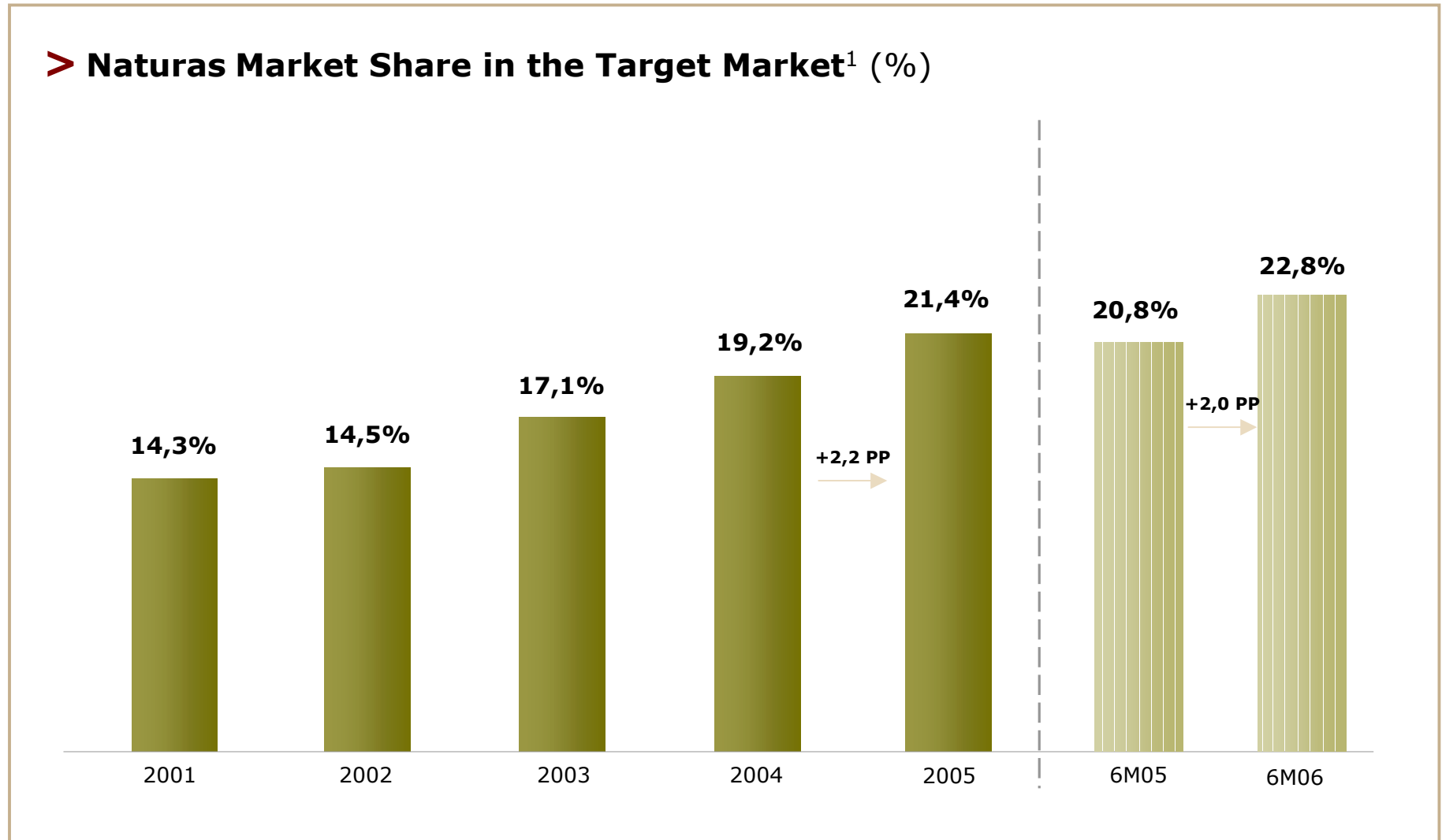
## > Target Market<sup>1</sup> – Net revenues (R\$ billion, nominal)

CAGR (2001-2005) = 17,5%



(1) Target market: Skin care, sunscreen, makeup, perfums, fragrances, hair care, shaving products and deodorant - excludes diapers, nail polishes, sanitary pads, hair dyes and oral hygiene. **Source: Sipatesp/ ABHIPEC.**

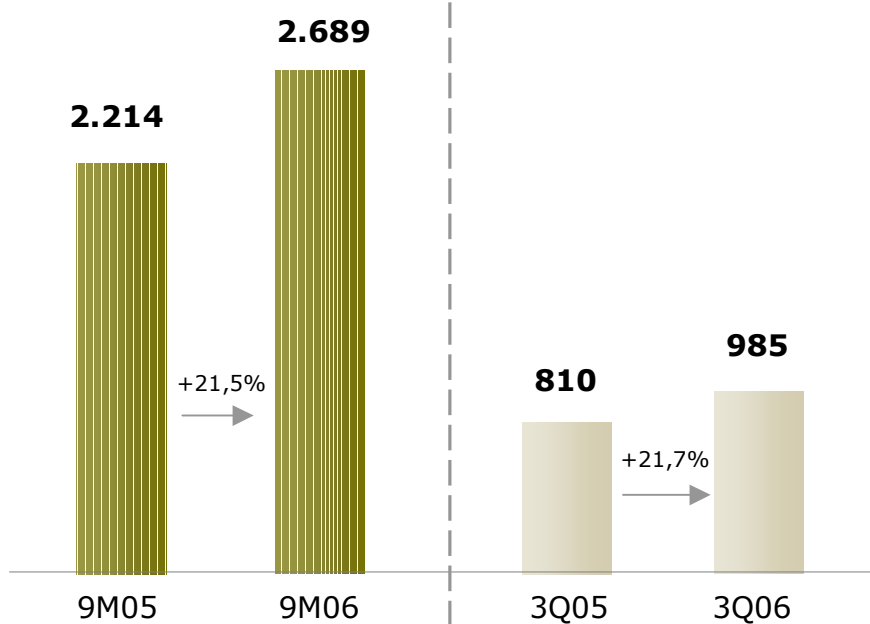
## > Naturas Market Share in the Target Market<sup>1</sup> (%)



(1) Target market: Skin care, sunscreen, makeup, perfums, fragrances, hair care, shaving products and deodorant - excludes diapers, nail polishes, sanitary pads, hair dyes and oral hygiene. **Source: Sipatesp/ ABHIPEC.**

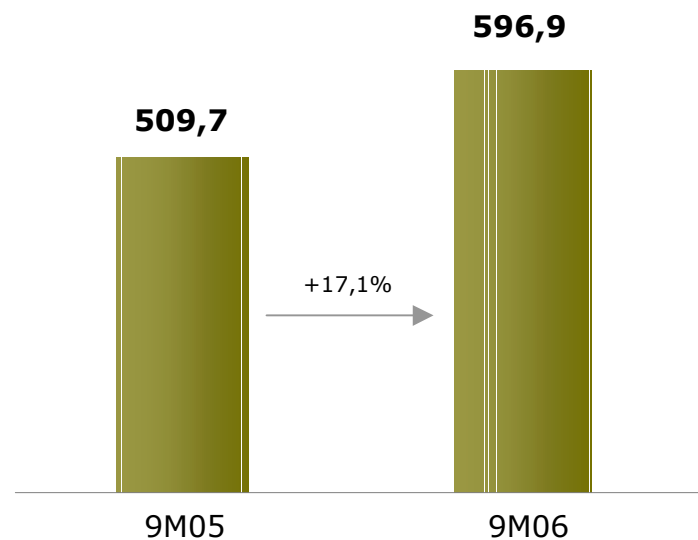
## > Consolidated Gross Revenues – R\$ million

CAGR (2001-2005) = 29,1%



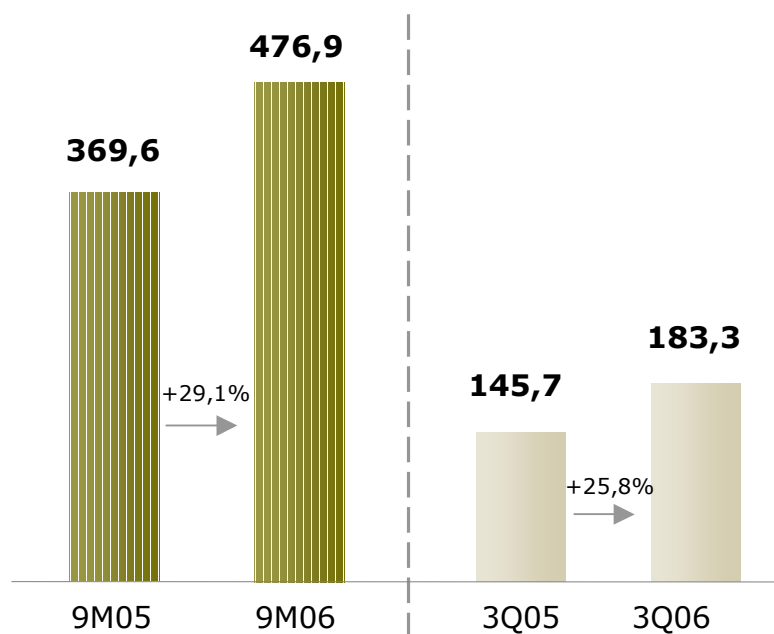
## > Consolidated total number of Consultants – thousands

CAGR (2001-2005) = 14,7%

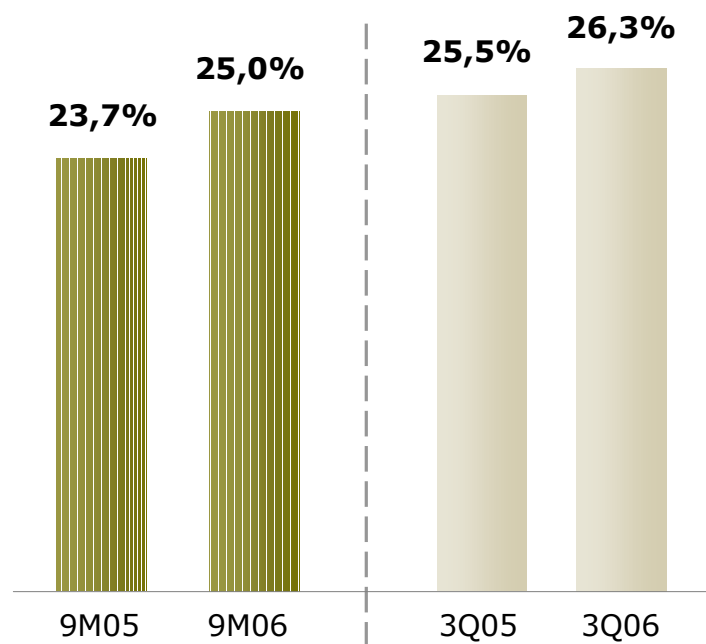


## > EBITDA – R\$ million

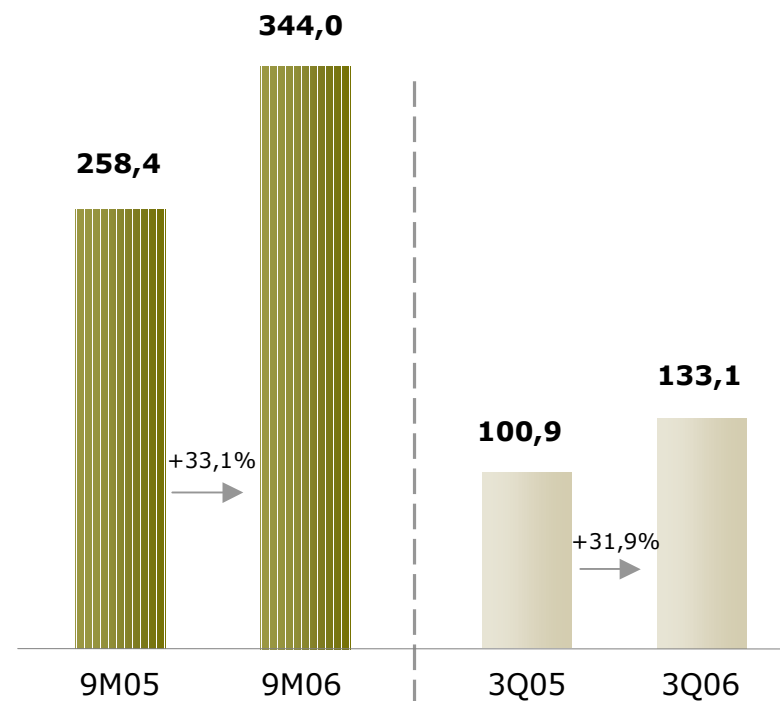
CAGR (2001-2005) = 42,7%



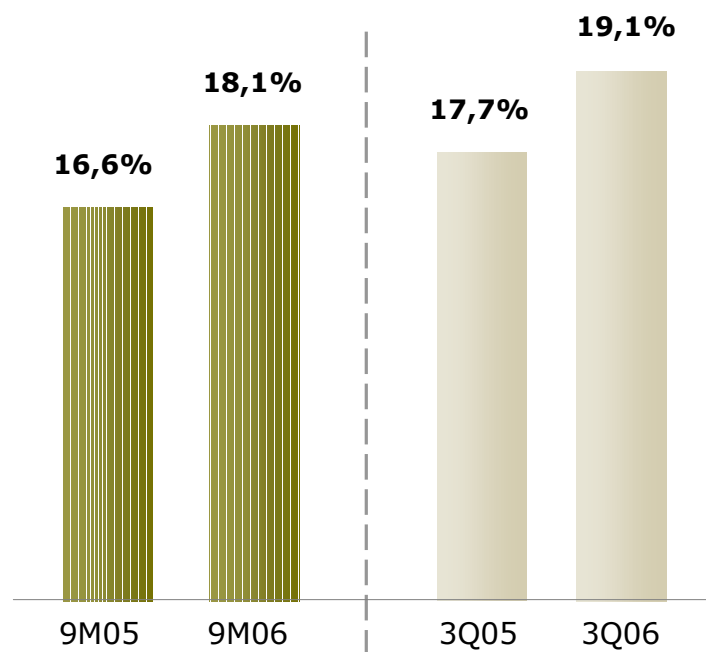
## > EBITDA Margin – %



## > Net Income – R\$ million

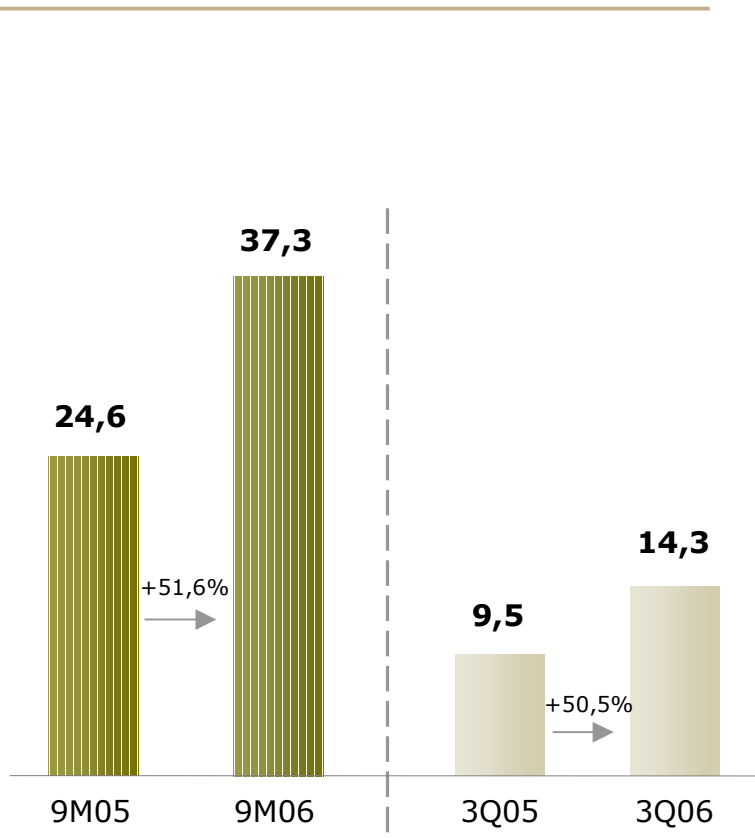


## > Net Income Margin – %

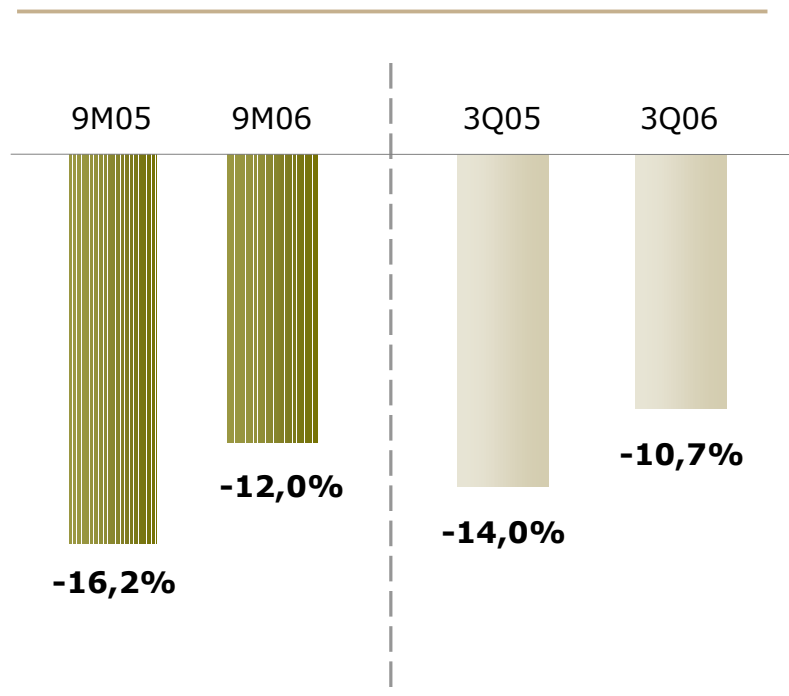


## > Gross Revenues –

US\$ million



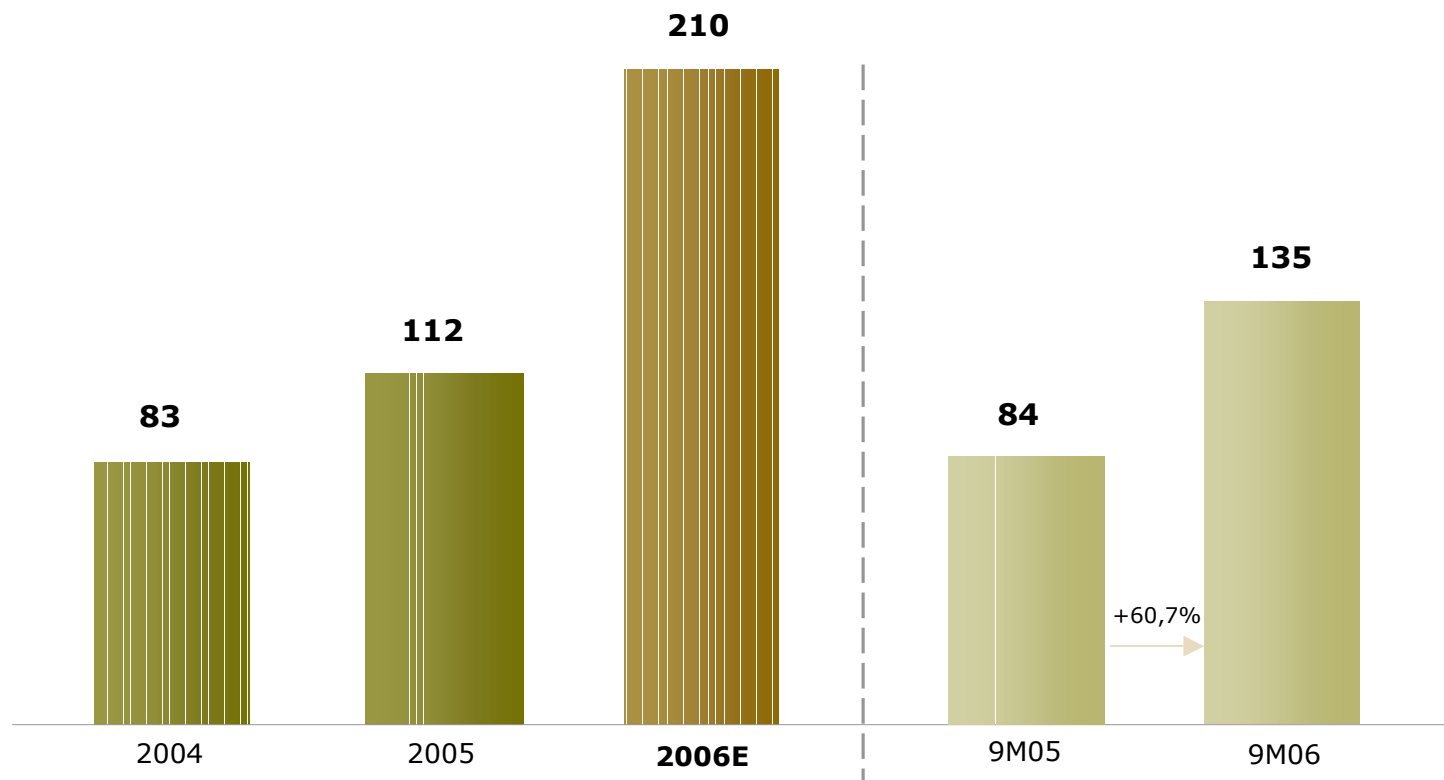
## > Ebitda Margin<sup>2</sup> - %



1. Argentina, Chile and Peru

2. Since 3Q06, we started to report the Ebitda Margin instead of Operational Margin.

## > CAPEX (R\$ million)





R\$ million	9M06	9M05	Change %
<b>Net Income</b>	<b>344</b>	<b>258</b>	<b>33</b>
(+) Depreciation	41	31	31
<b>(=) Internal cash generation</b>	<b>385</b>	<b>290</b>	<b>33</b>
(-) Operating working capital <sup>(1)</sup>	(68)	(24)	
(-) Other assets and liabilities <sup>(2)</sup>	(11)	(2)	
<b>(=) Operating cash generation</b>	<b>306</b>	<b>264</b>	<b>16</b>
(-) CAPEX	(135)	(84)	61
<b>(=) Free cash flow</b>	<b>171</b>	<b>180</b>	<b>-5</b>

Nota 1: Assets – Accounts receivable, inventories and recoverable taxes short term. Liabilities - suppliers, salaries, profit sharing and related charges, taxes payable, provisions and accrued freight.

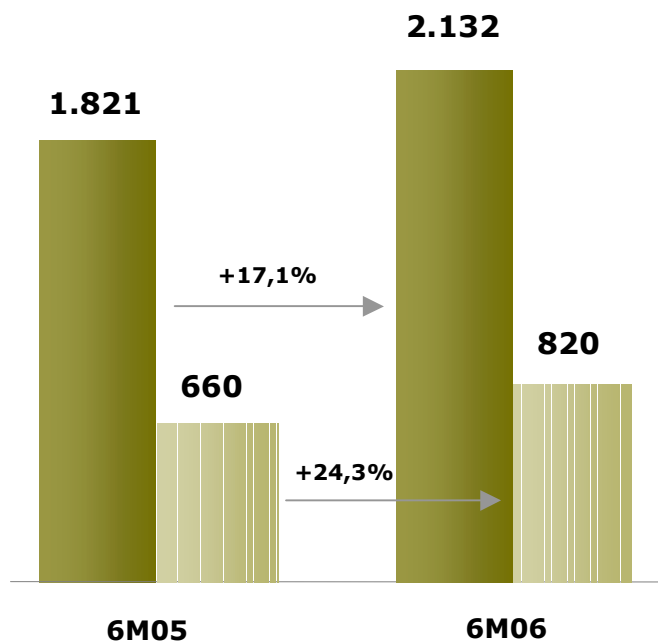
Nota 2: Assets - Advances to employees and suppliers, short term deferred income tax and social contribution, other credits and long term receivables. Liabilities: other short and long term payables and reserve for contingencies

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# **Attachments**

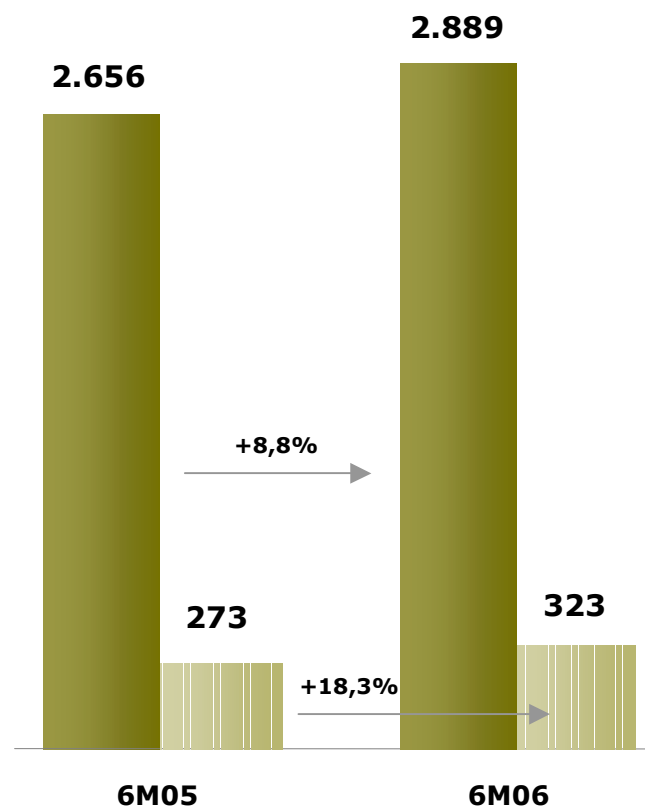
### > Cosmetics and Fragrances -

R\$ Million



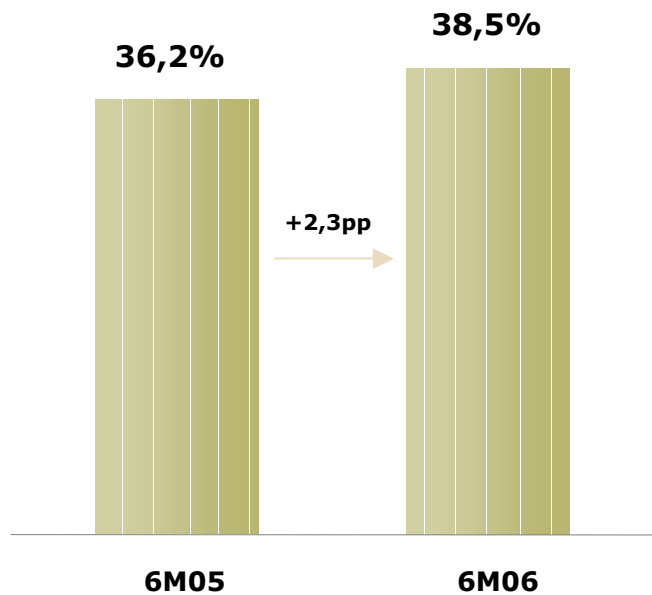
### > Personal Hygiene -

R\$ Million

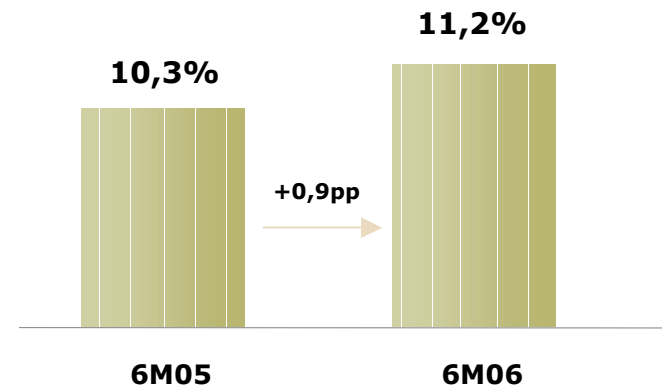


■ Market ■ Natura

## > Cosmetics and Fragrances - %

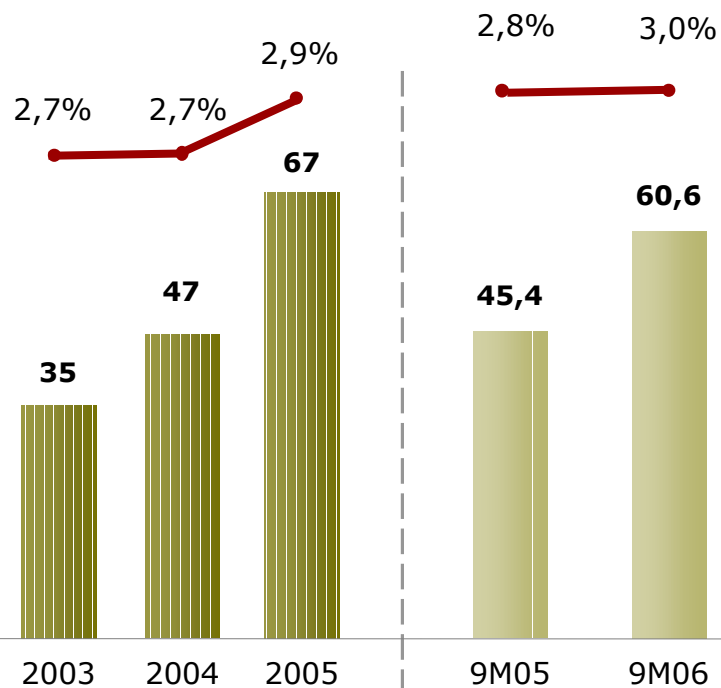


## > Personal Hygiene - %

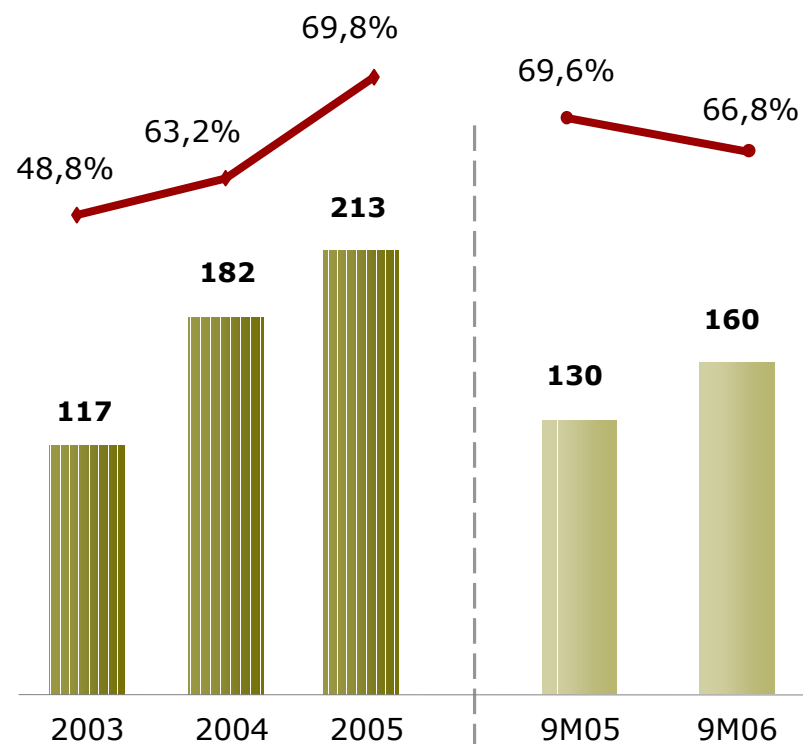


## > Investments in Innovation

R\$ million



## > Number of New Products and Total Innovation Index – innovation + improvements

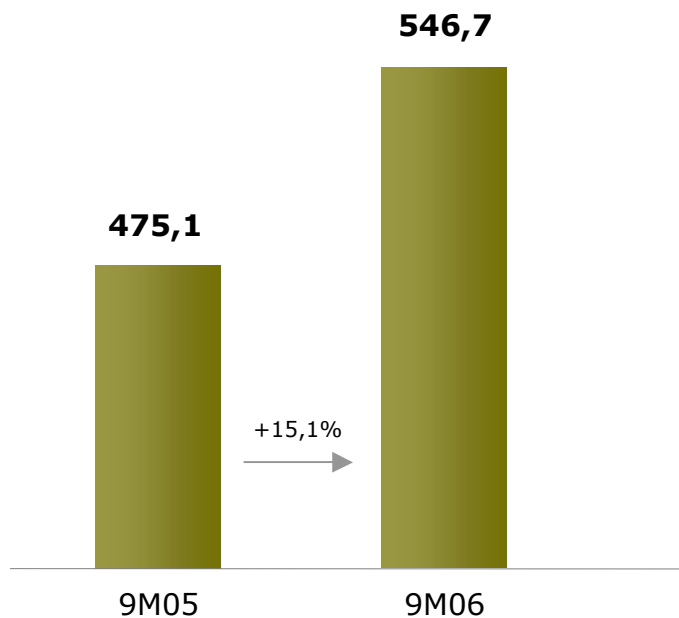


— % of Net Revenues  Investments in Innovation

— Total Innovation Index  Number of New Products

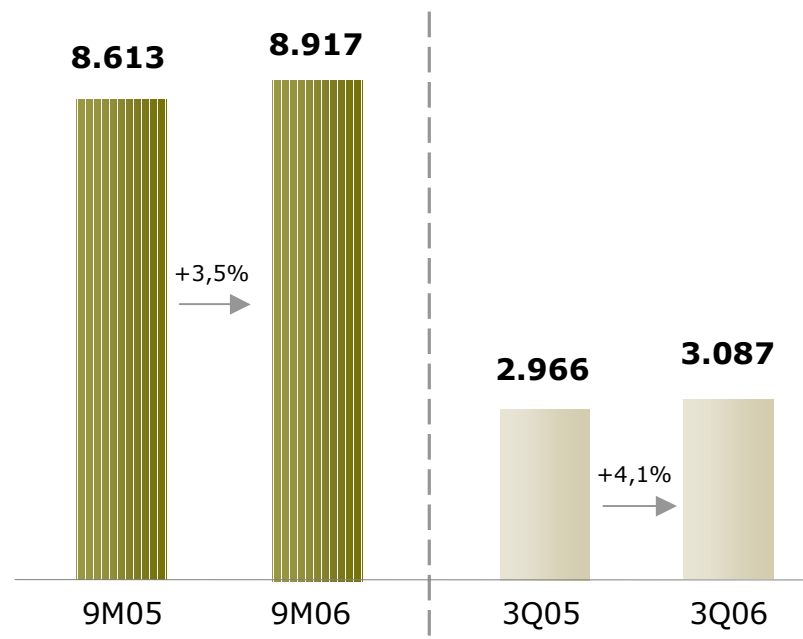
> **Consultants in Brazil –**  
thousands

CAGR (2001-2005) = 13,9%



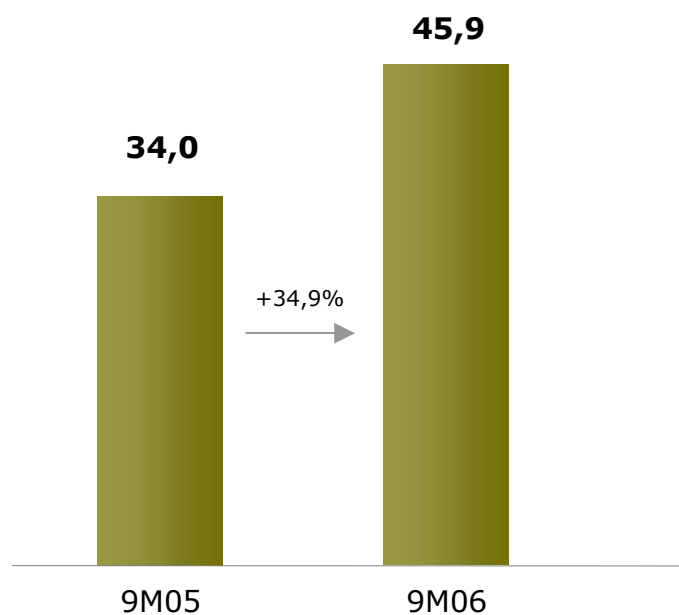
> **Productivity in Brazil<sup>1</sup> –**  
R\$ per average active consultant

CAGR (2001-2005) = 9,7%



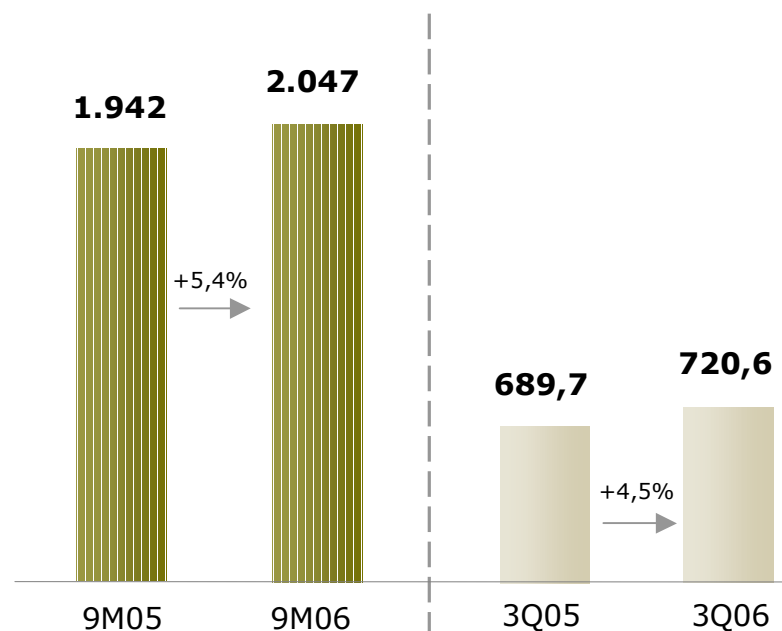
## > Consultants<sup>1</sup> International Operations – thousands

CAGR (2001-2005) = 29,0%



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

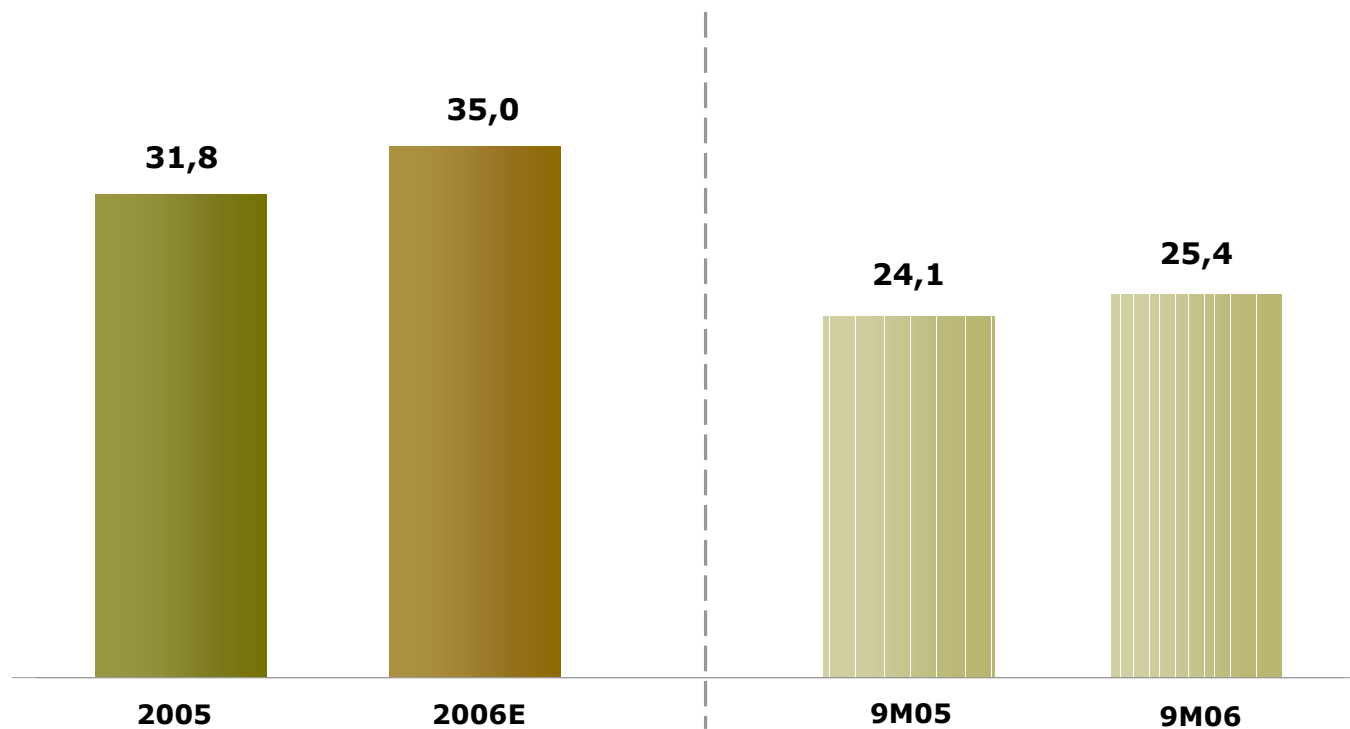
CAGR (2001-2005) = 6,5%



(1) Considers the number of available consultants in Argentina, Chile and Peru.

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

> **Total Net Expenses\*** (R\$ million)



(\*) Considers operating loss from existing operations (Argentina, Chile and Peru) added to, (i) new operations (Mexico and France); and (ii) exchange rate impact on controlled companies balance sheet translations, excluding reported gains in trading from Brazil to these companies.





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