



2006 Fourth Quarter  
and Full Year  
Earnings Results

march 02, 2007



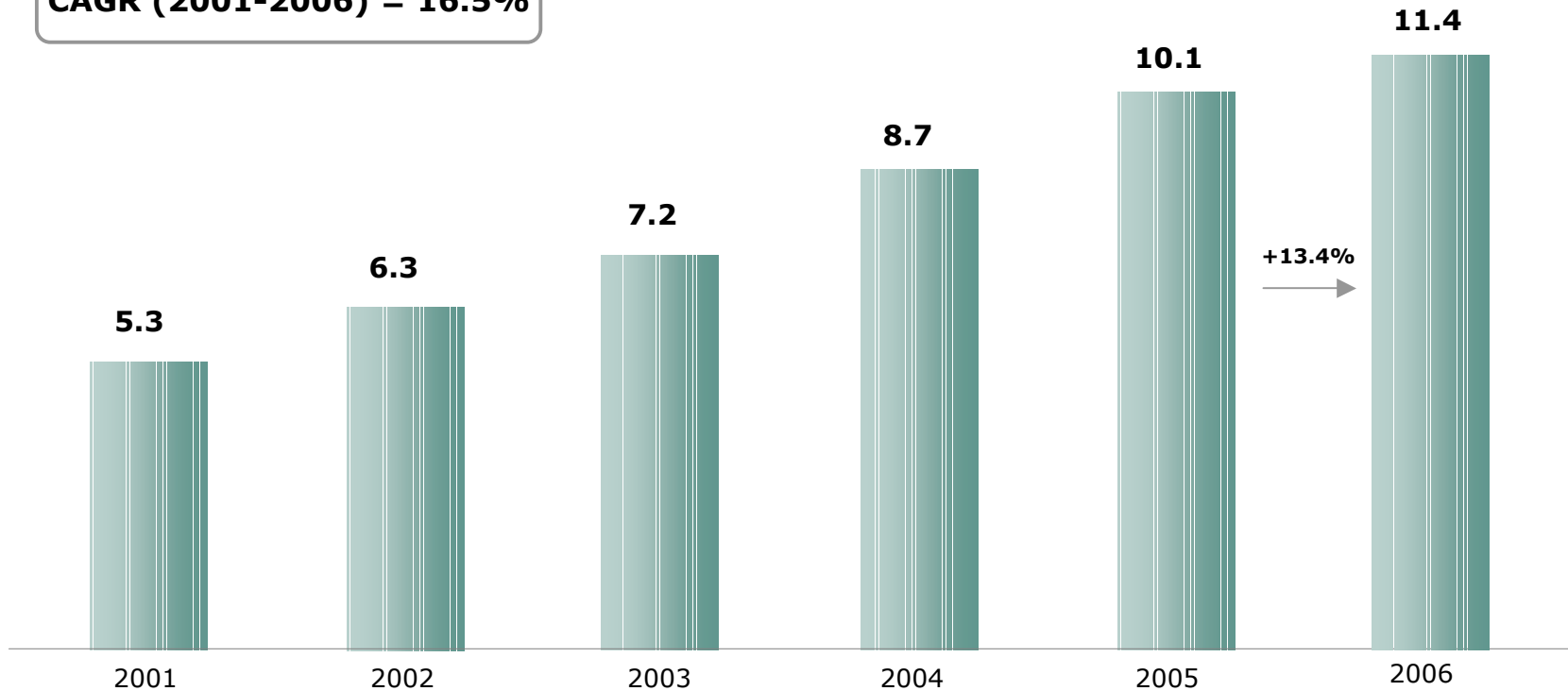


## CF&T core market – Brazil



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

CAGR (2001-2006) = 16.5%



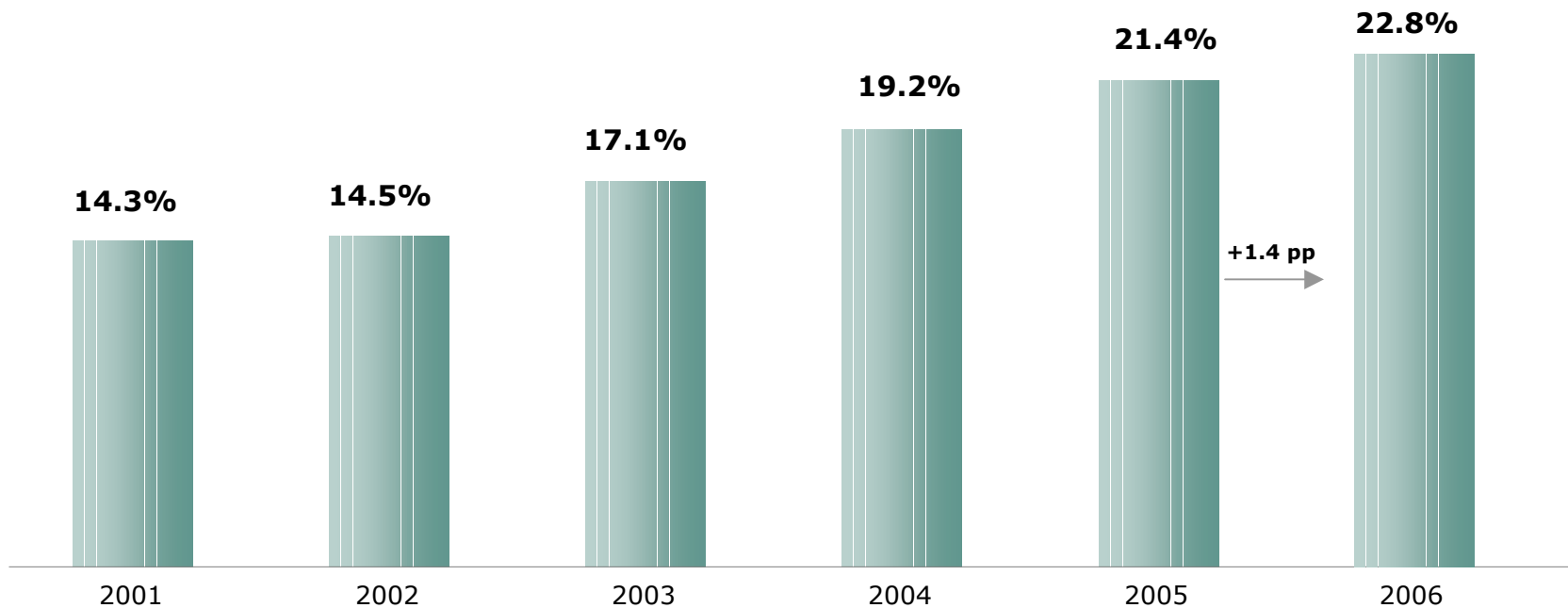
(1) Core market: Skin care, sunscreen, makeup, perfums, fragrances, hair care, shaving products and deodorant - excludes diapers, nail polishes, sanitary pads, hair dyes and oral hygiene. **Source: Sipatesp/ ABHIPEC.**



## market share – Brazil



### > Natura's Market Share in the Core Market<sup>1</sup> (%)



(1) Core 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: Sipaesp/ ABHIPEC.**



## market share – Brazil



### > CF&T Core Market Net Revenues Breakdown and Natura's Market<sup>1</sup> Share in Brazil

	Core Market (R\$ million)			Natura's Market Share (%)		
	2006	2005	growth%	2006	2005	points percentage
Cosmetics and Fragrances	5,203	4,455	16.8%	36.2%	34.3%	1.8
Personal Hygiene	6,240	5,638	10.7%	11.7%	11.3%	0.4
<b>Total</b>	<b>11,443</b>	<b>10,093</b>	<b>13.4%</b>	<b>22.8%</b>	<b>21.4%</b>	<b>1.4</b>

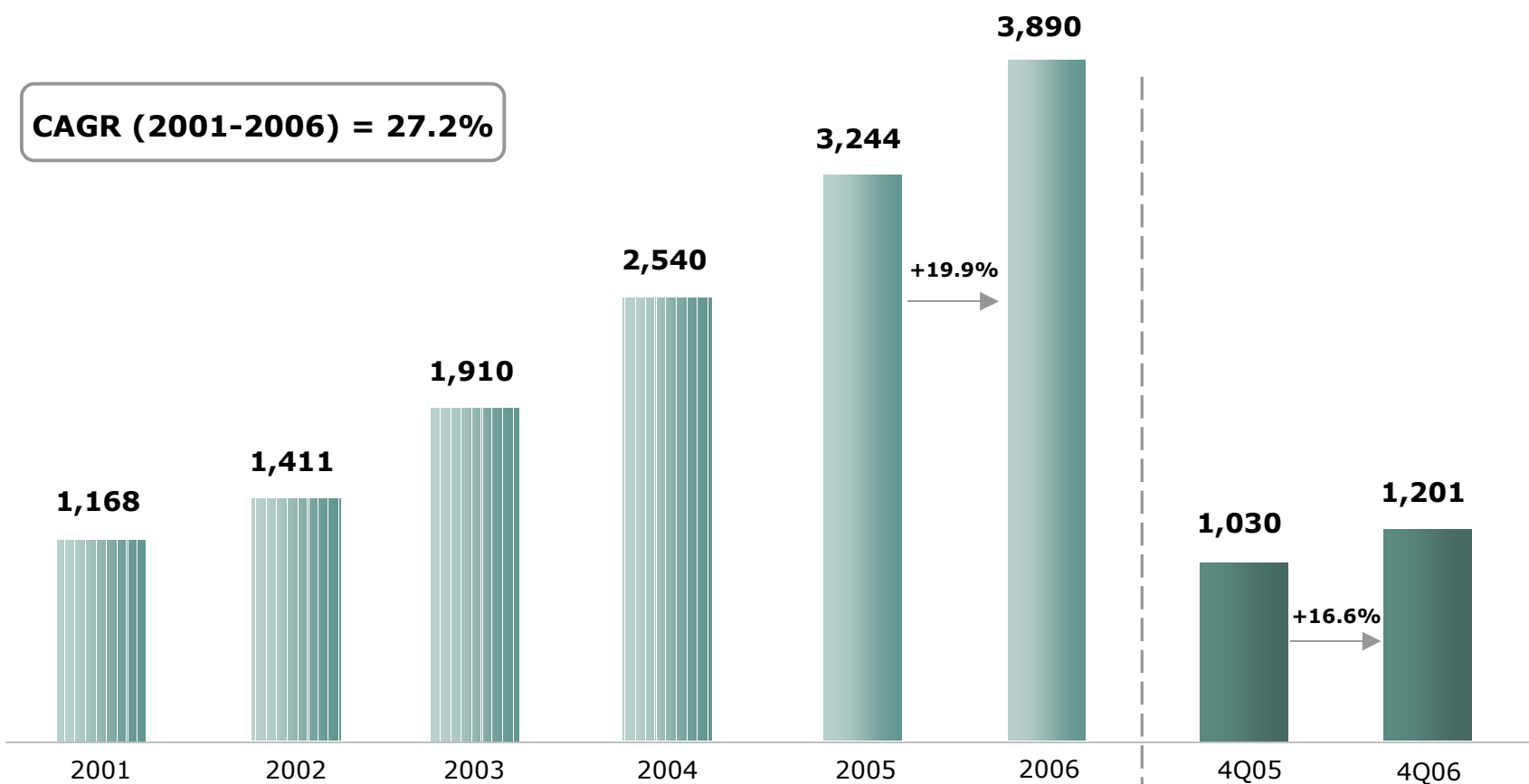
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# consolidated gross revenues



## > Consolidated Gross Revenues (R\$ million)



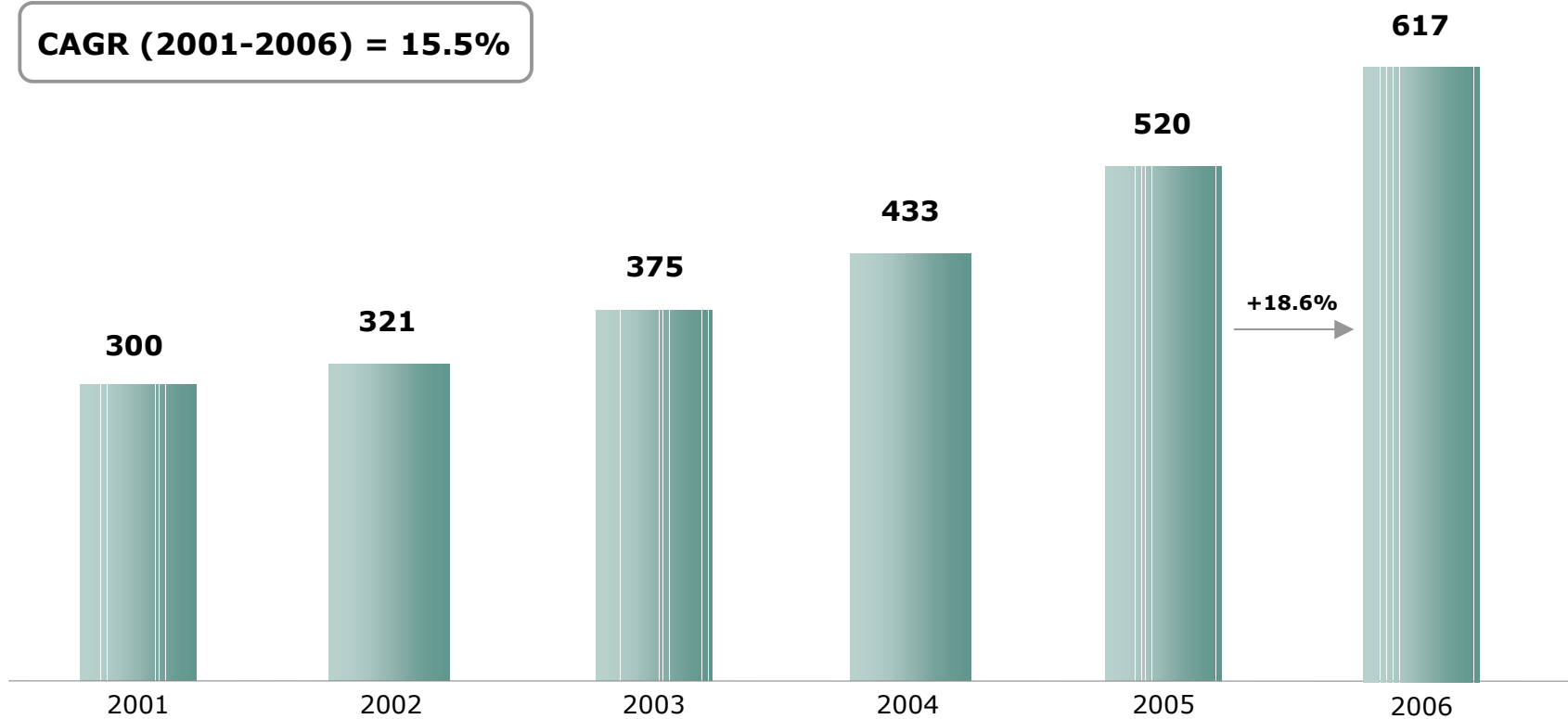


# consolidated number of consultants



## > Total Number of Consultants<sup>1</sup> (thousands)

**CAGR (2001-2006) = 15.5%**



(1) Consultants in Argentina, Brazil, Chile, Peru e Mexico.

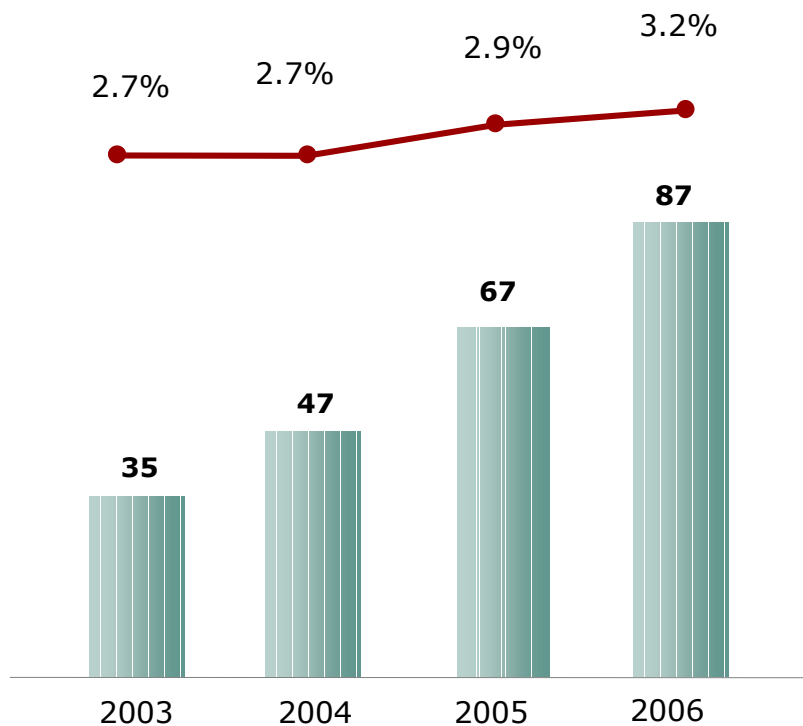


# innovation



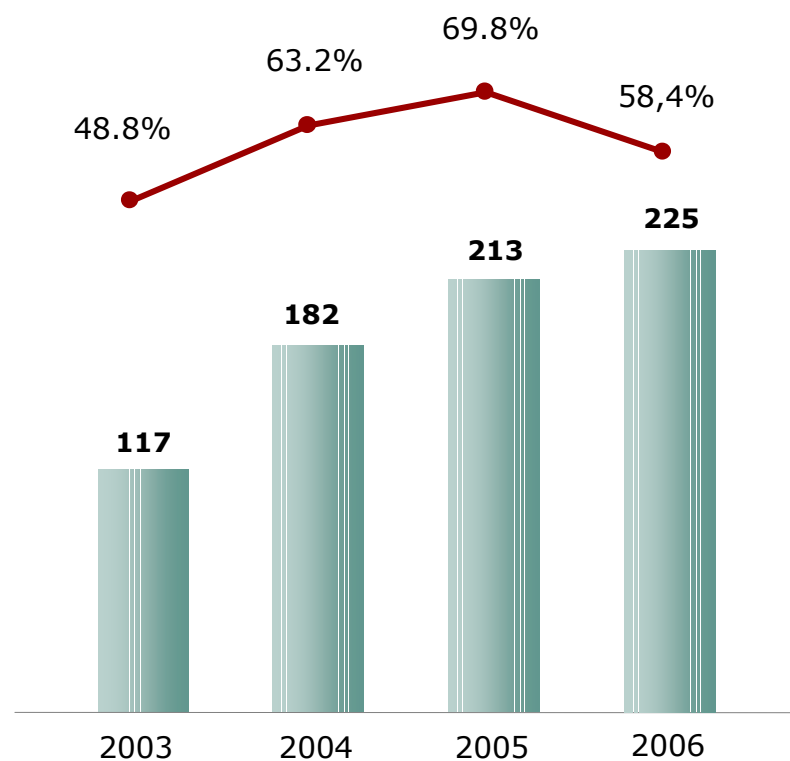
## > Investments in Innovation

R\$ million



## > Number of New Products and Total Innovation Index

– innovation + improvements



— % of net revenues



Investments in innovation

— Total innovation index



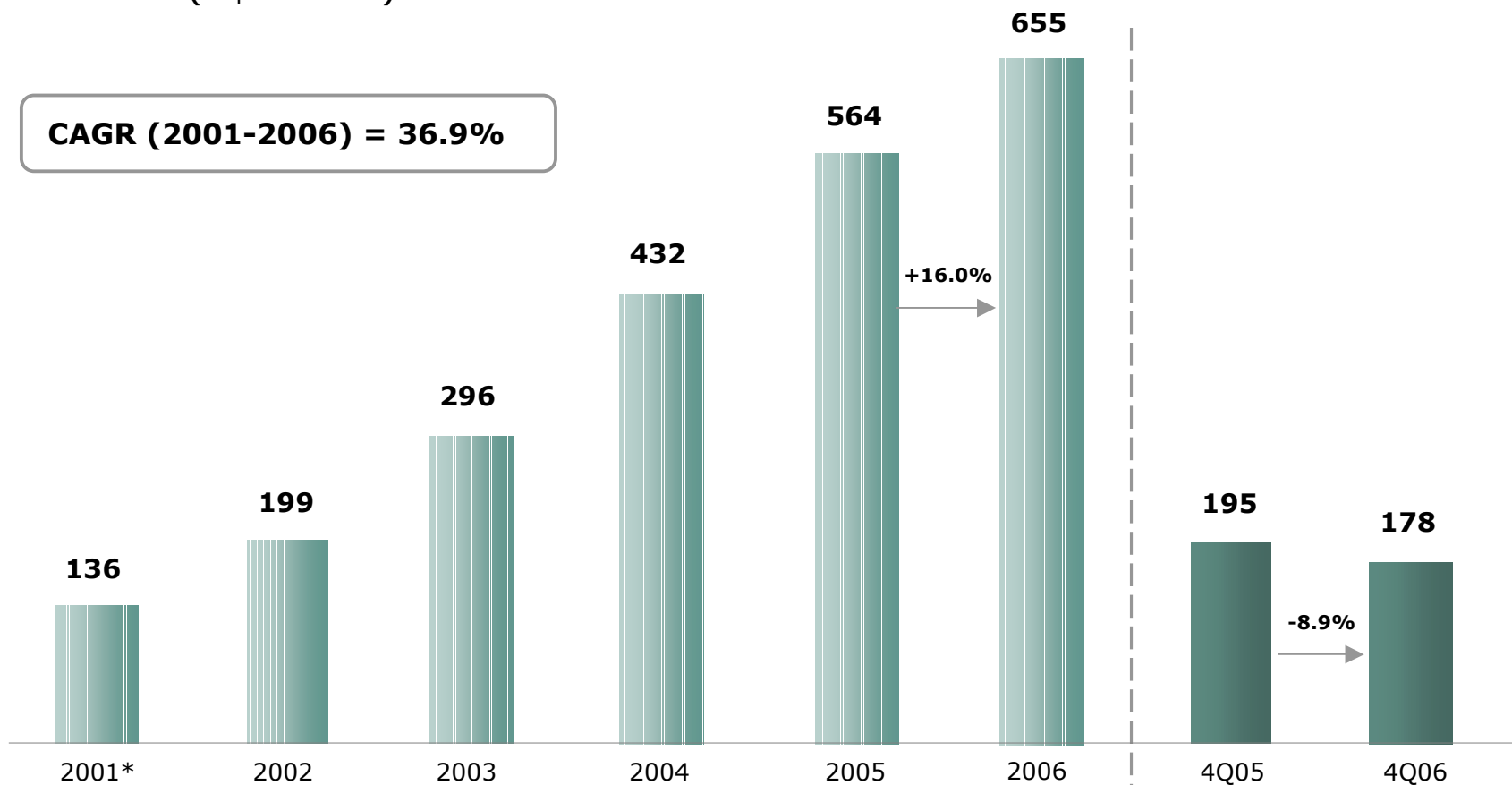
Number of new products



# consolidated EBITDA



## > EBITDA (R\$ million)



(\*) Natura Empreendimentos.

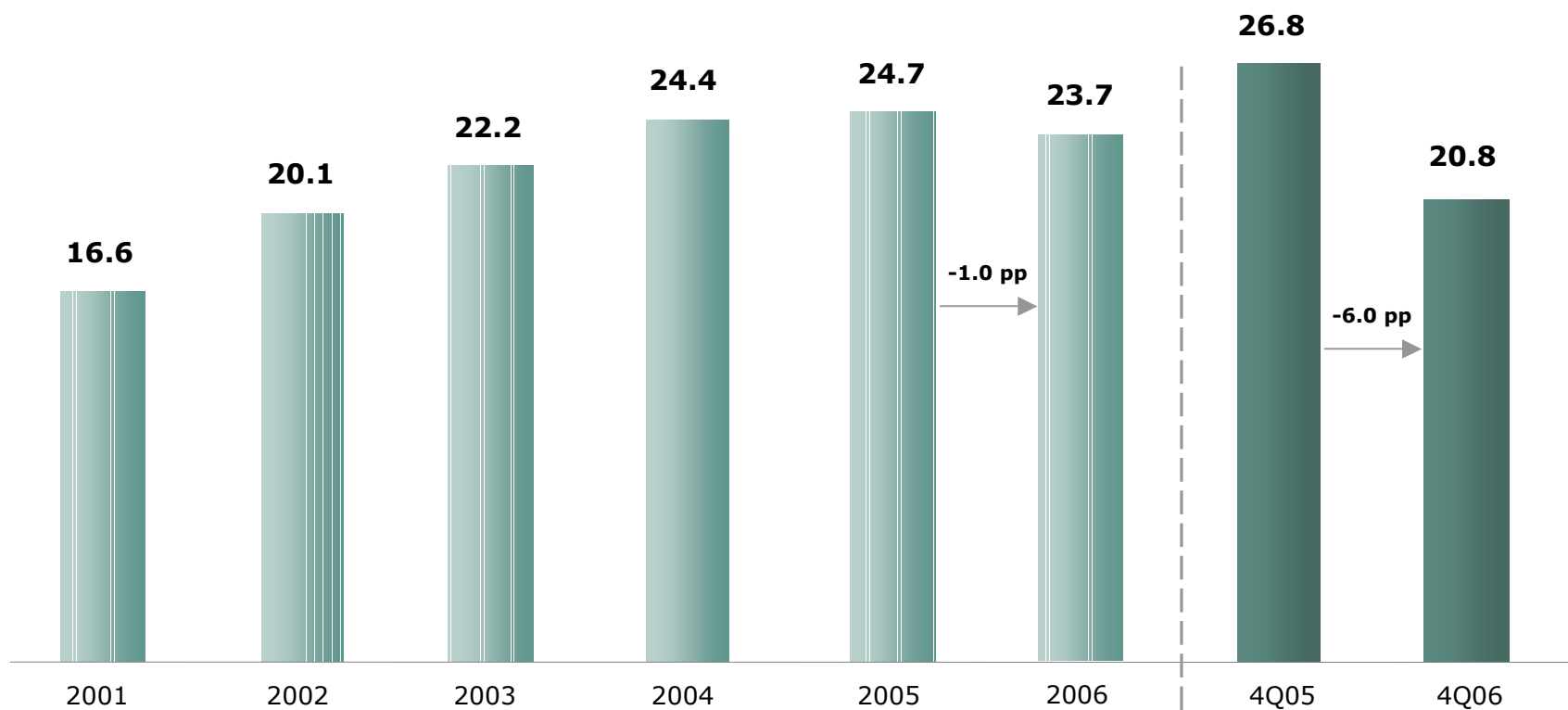




# consolidated EBITDA margin



## > EBITDA Margin (%)

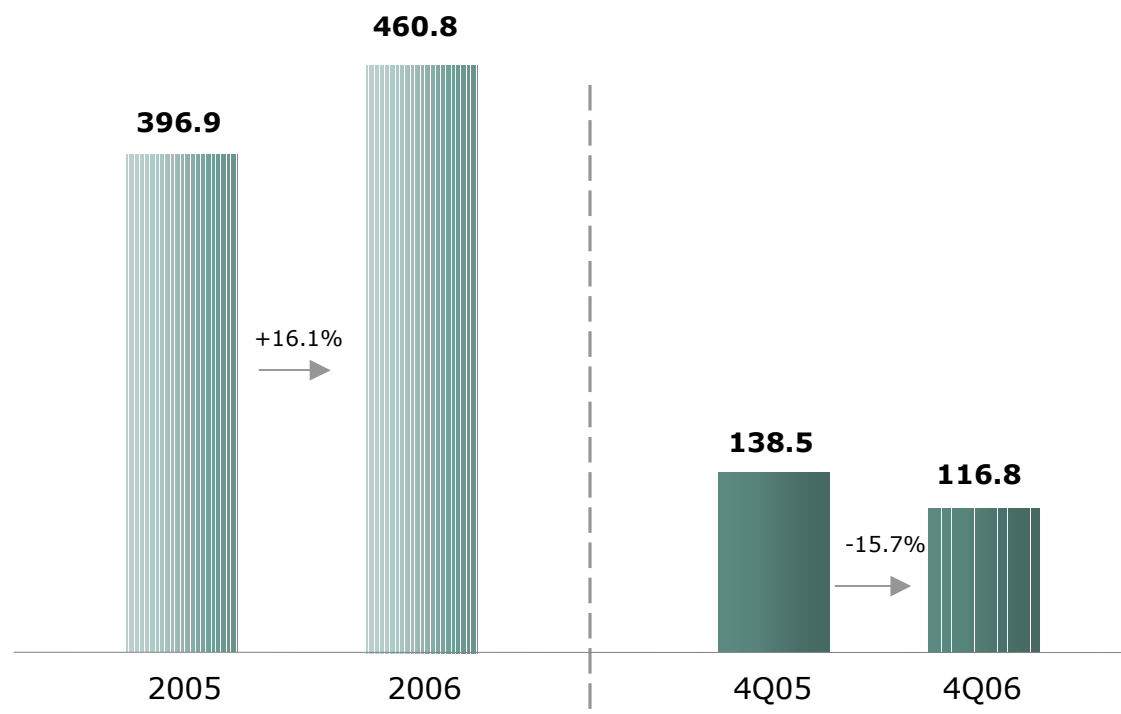




# consolidated net income



## > Net Income – R\$ million

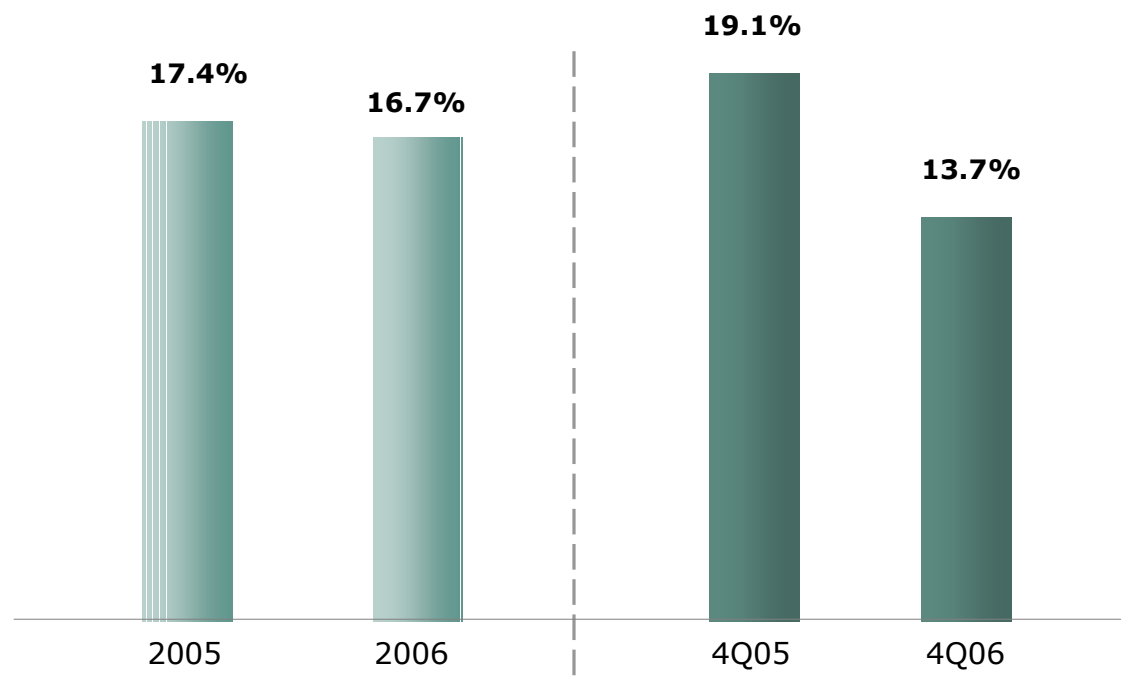




## consolidated net income



### > Net Income Margin – %





## international expansion



### > Financial Highlights – Argentina, Chile and Peru (US\$ million)

	4Q06	4Q05	Change%	2006	2005	Change%
Total de Consultants <sup>1</sup>	51.2	36.2	41.7%	51.2	36.2	41.7%
Units sold – items for resale (in millions)	4.0	2.2	83.3%	11.6	7.0	65.0%
Gross Revenues	17.6	11.6	52.0%	54.9	36.2	51.8%
Net Revenues	13.5	8.9	51.6%	42.0	27.8	51.1%
Ebitda	-3.4	-1.5	135.9%	-6.8	-4.5	51.1%
<i>Ebitda Margin</i>	<i>-25.4%</i>	<i>-16.3%</i>		<i>-16.3%</i>	<i>-16.3%</i>	

(1) Position at the end of the 17<sup>th</sup> sales cycle period.



## international expansion



### > Financial Highlights – Mexico, Venezuela and France (US\$ million)

	4Q06	4Q05	2006	2005
Total de Consultants <sup>1</sup>	5.0	1.4	5.0	1.4
Units sold – items for resale (in millions)	0.23	0.05	0.58	0.06
Gross Revenues	2.0	0.7	5.1	1.2
Net Revenues	1.7	0.6	4.4	1.1
Ebitda	-5.4	-3.3	-16.7	-10.0

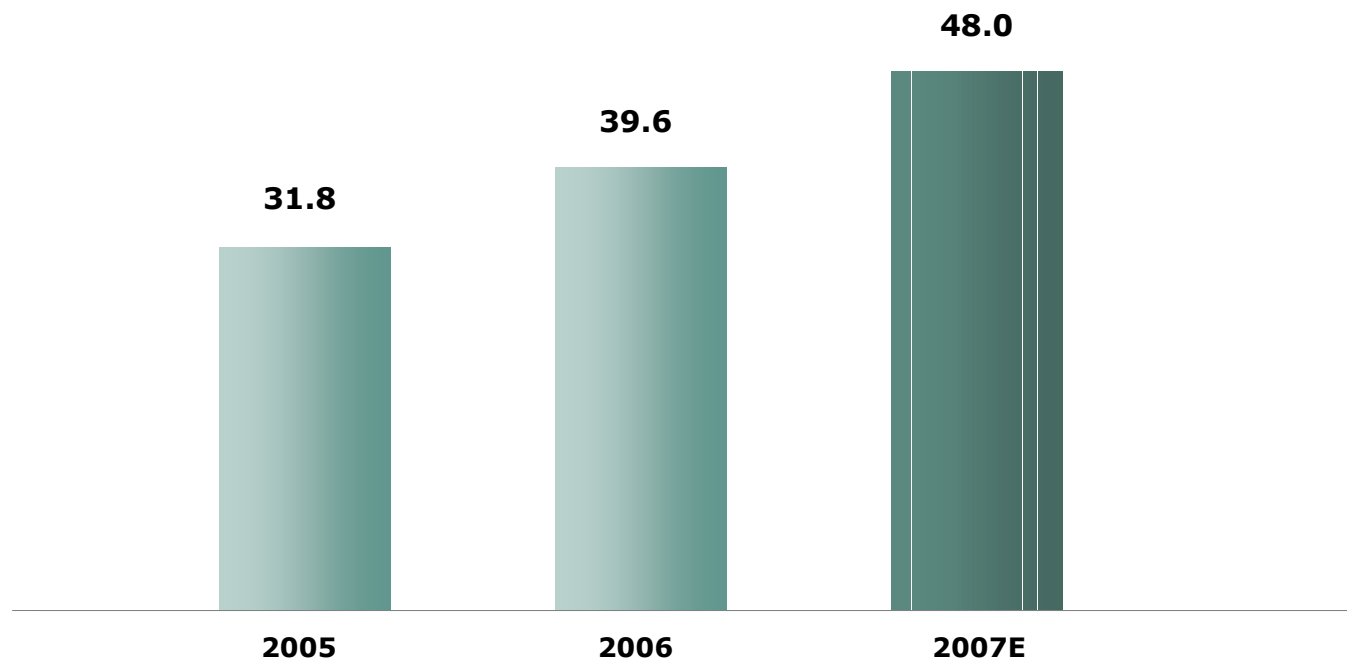
(1) Position at the end of the 17<sup>th</sup> sales cycle period.



## international expansion



### > Total Net Expenses<sup>1</sup> (R\$ million)



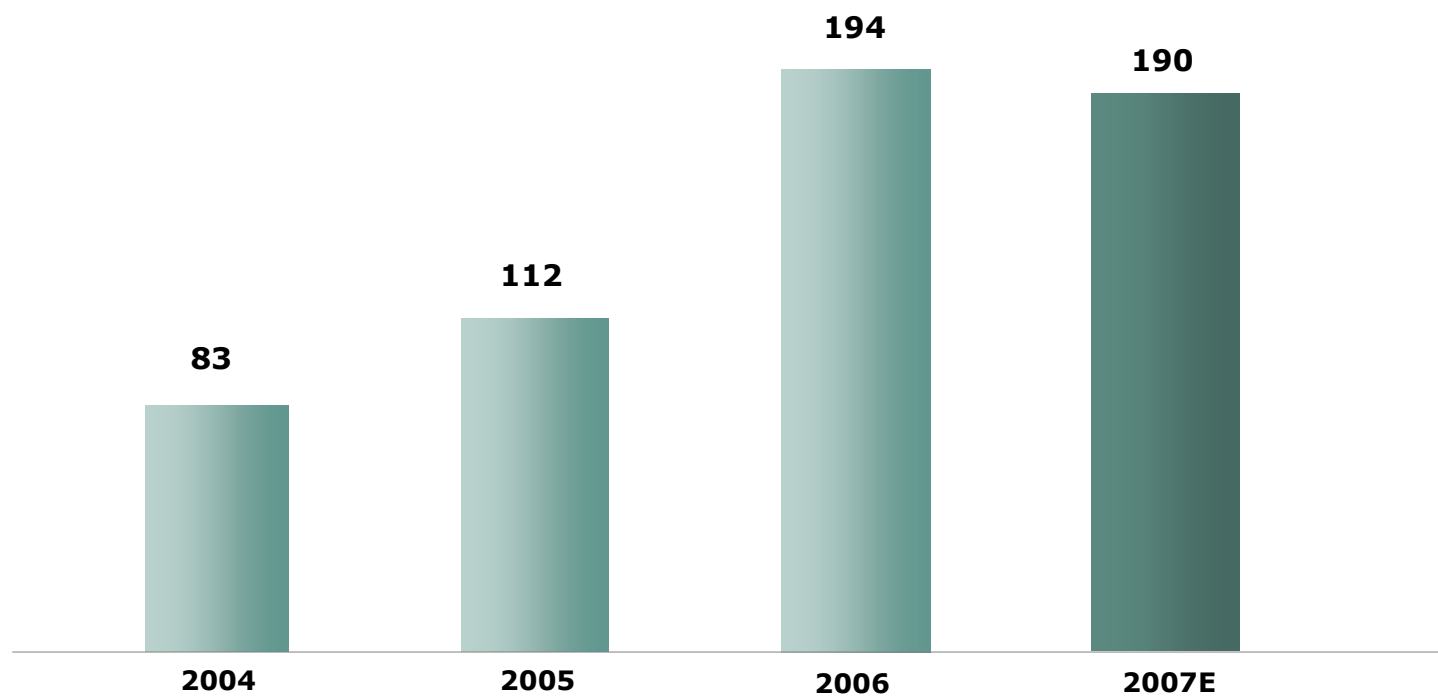
(1) Considers operating loss from operations under consolidation (Argentina, Chile and Peru) added to operations under implementation (Mexico, Venezuela and France); and exchange rate impact on controlled companies balance sheet translations, excluding reported gains in trading from Brazil to these companies.



# CAPEX



> **CAPEX** (R\$ million)





## consolidated cash flow – *pro forma*



R\$ million	2006	2005	Change %
<b>Net income</b>	<b>460.8</b>	<b>396.9</b>	<b>16.1</b>
(+) Depreciation and amortization	54.6	44.0	24.0
<b>(=) Internal cash generation</b>	<b>515.4</b>	<b>440.9</b>	<b>16.9</b>
(-) Operating working capital <sup>1</sup>	-73.1	-3.7	
(-) Other assets and liabilities <sup>2</sup>	-46.7	1.5	
<b>(=) Operating cash generation</b>	<b>395.5</b>	<b>438.7</b>	<b>-9.8</b>
(-) Capex	-193.6	-111.6	
<b>(=) Free cash flow</b>	<b>202.0</b>	<b>327.1</b>	<b>-38.3</b>

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

(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 taxes, civil and labor contingencies

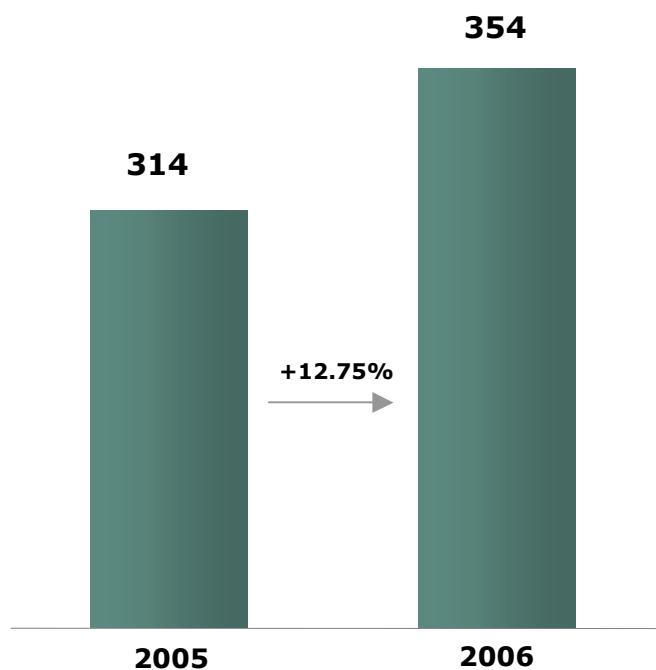




## dividends and interest on capital



### > Dividends and Interest on Capital, net (R\$ million)



#### Pay-out 2006

Net income	77%
Free cash generation	175%

#### Dividends + Interest on Capital, net per share

2005	R\$0.74
2006	R\$0.83



## perspectives



- **Improve efficiency in our marketing and commercial actions**
- **Independent teams for Brazil and International operations**
- **Achieve the break even in Latin America operations**
- **Maintain investments in the Mexican operation, that is presenting excellent results**
- **Start up operations in Colombia and Venezuela**
- **Prospect new markets, special attention to USA and Russia**

attachments

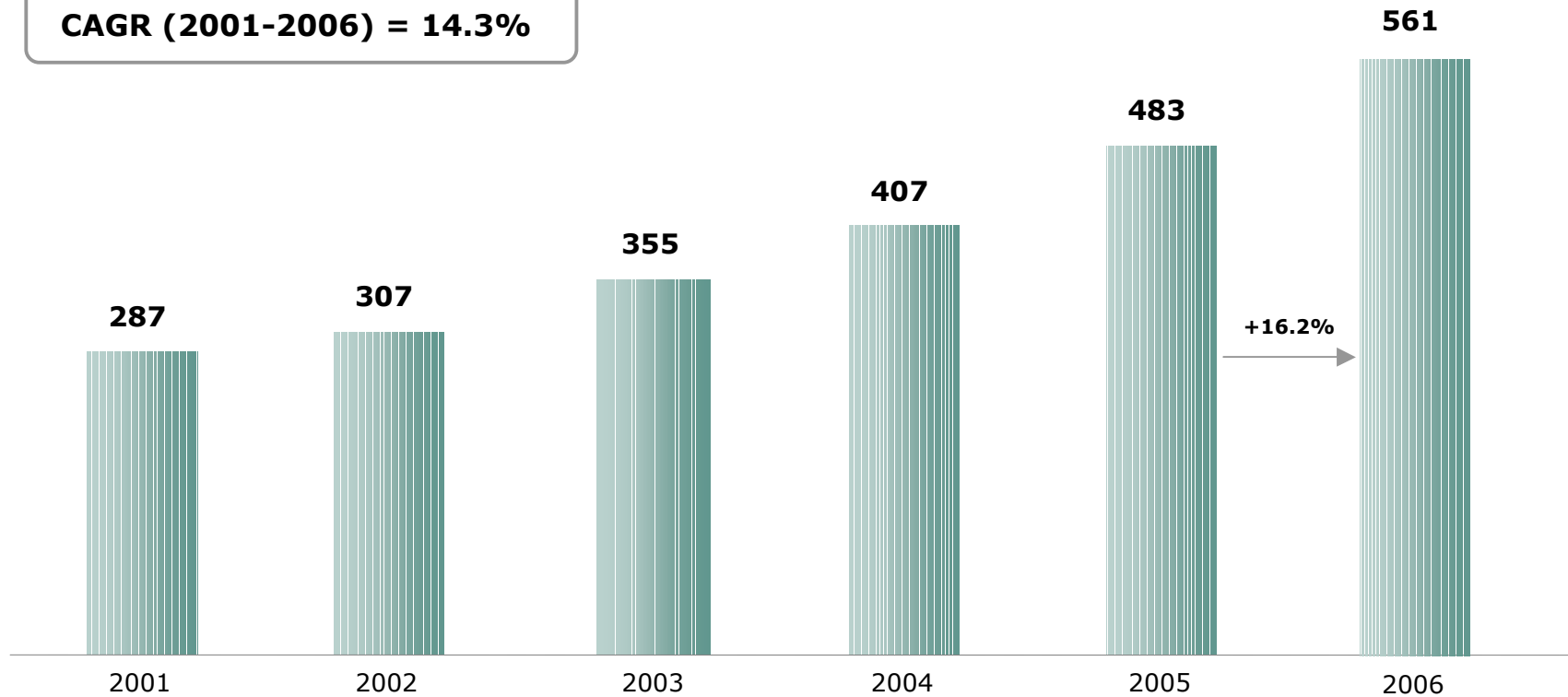


## sales channel – Brazil



### > Consultants in Brazil<sup>1</sup> (thousands)

CAGR (2001-2006) = 14.3%



(1) Number of consultants at the end of the 17<sup>th</sup> sales cycle.

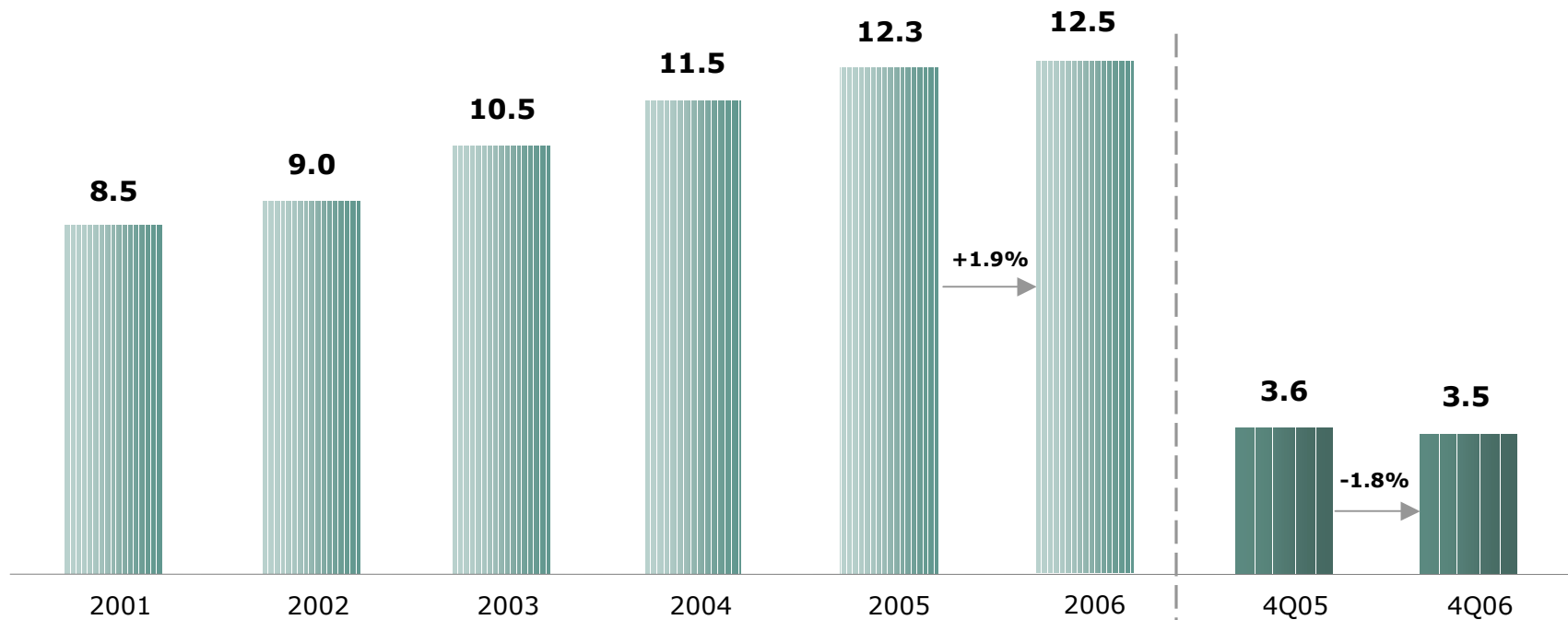


## sales channel – Brazil



### > Productivity in Brazil (R\$ thousand per average active consultant)

CAGR (2001-2006) = 8.0%



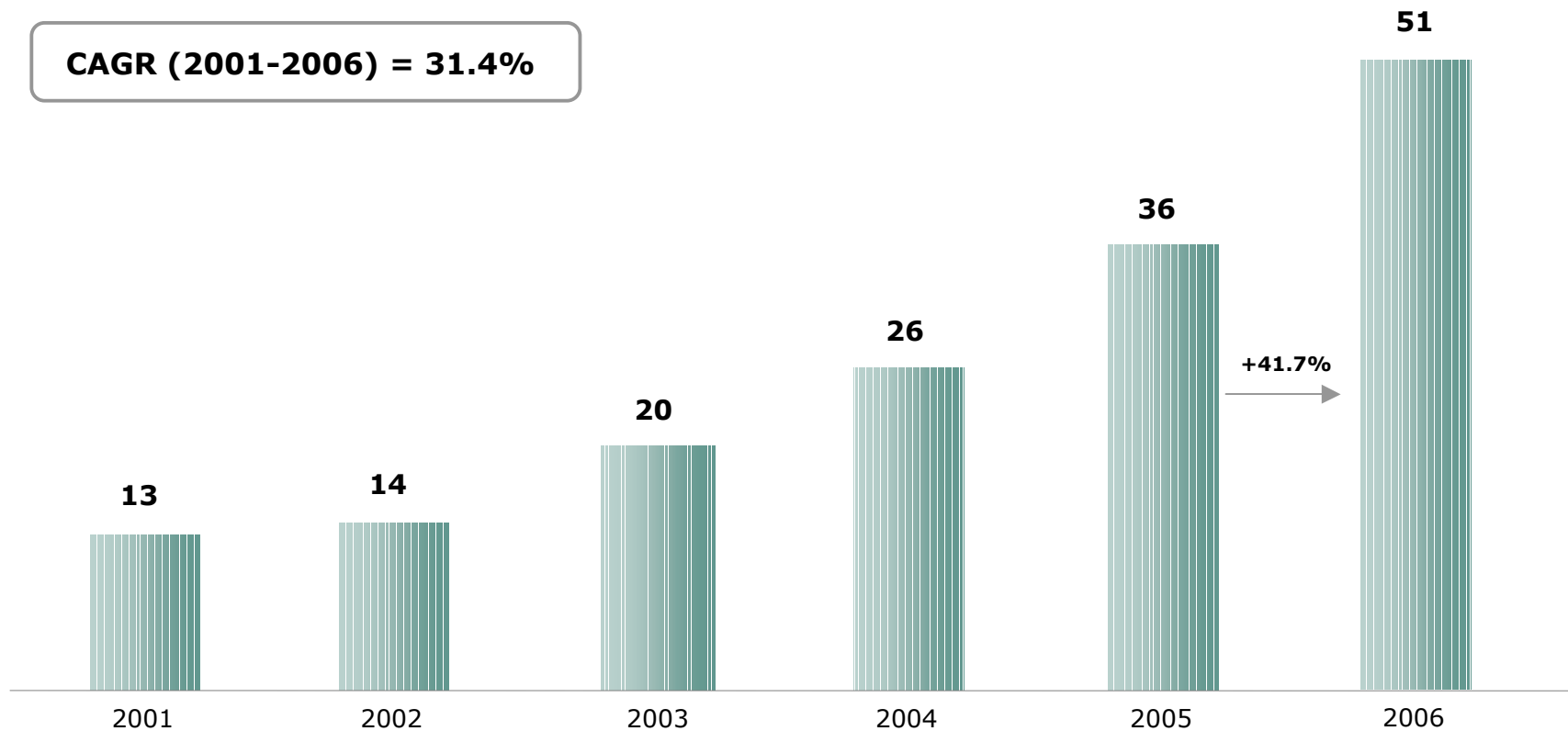


## sales channel – operations under consolidation



### > Consultants in Argentina, Chile and Peru<sup>1</sup> (thousands)

CAGR (2001-2006) = 31.4%



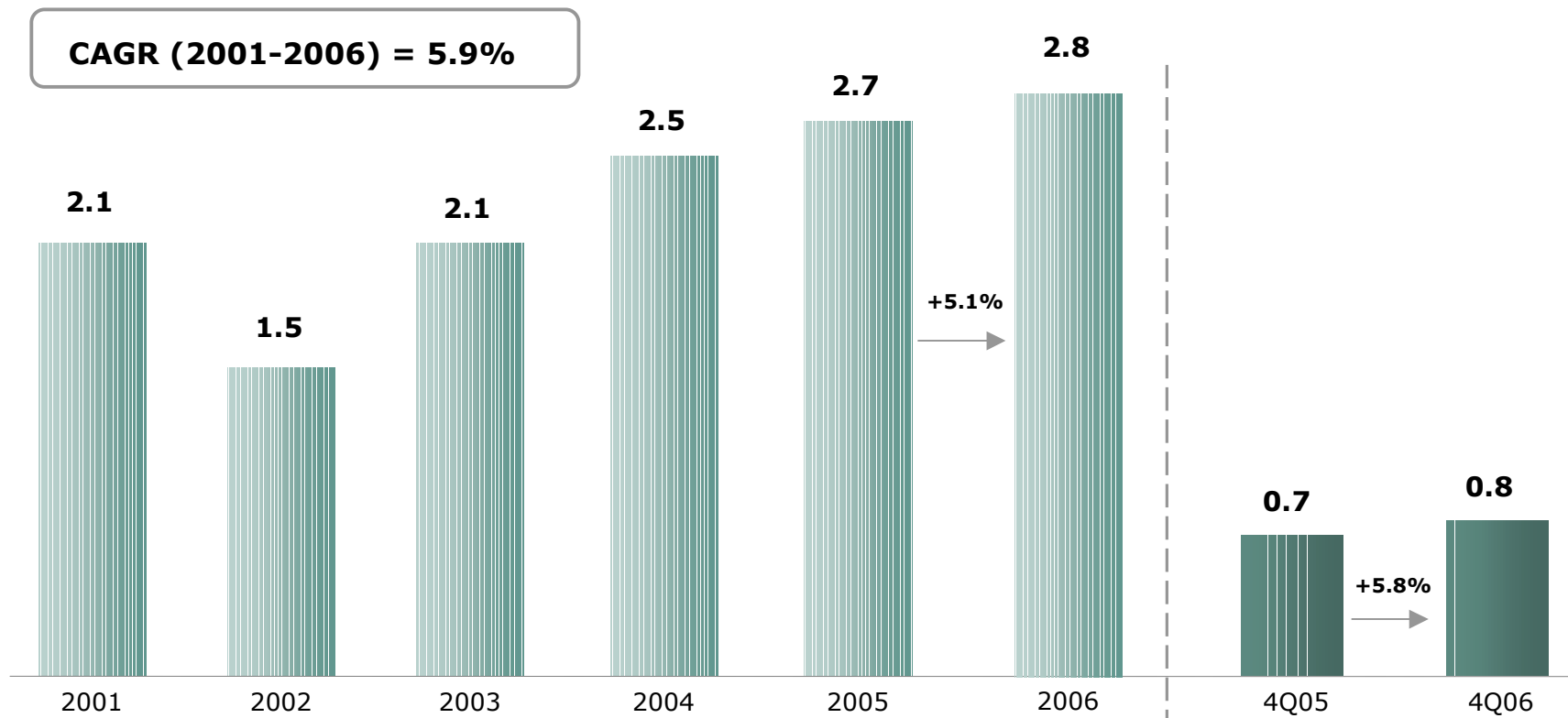
(1) Number of consultants at the end of the 17<sup>th</sup> sales cycle.



## sales channel – operations under consolidation



> **Productivity in Argentina, Chile e Peru** (US\$ thousand per average active consultant)

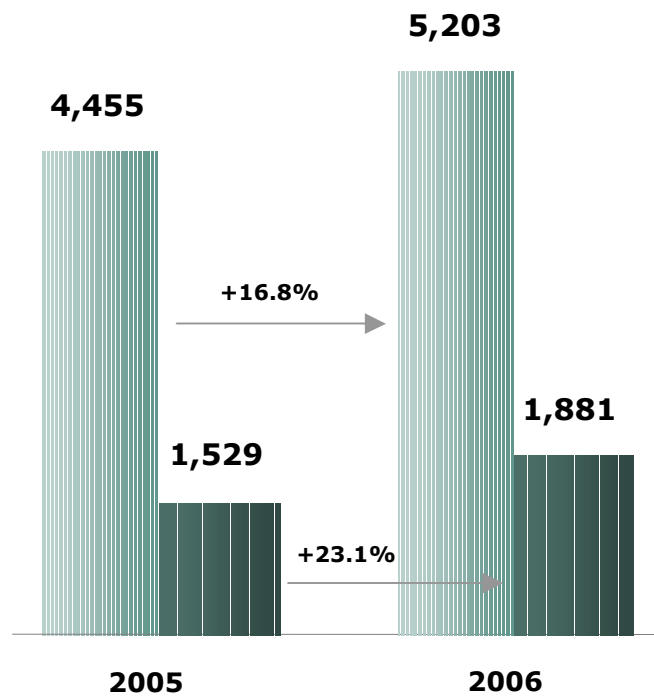




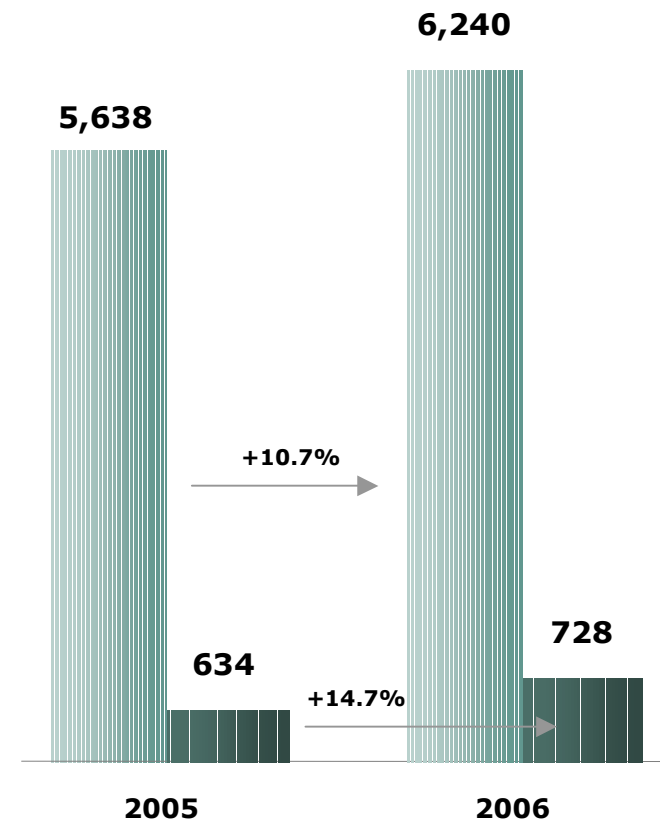
# CF&T target market – Brazil net revenues per category



## > Cosmetics and Fragrances – R\$ Million



## > Personal Hygiene – R\$ Million



■ Market ■ Natura



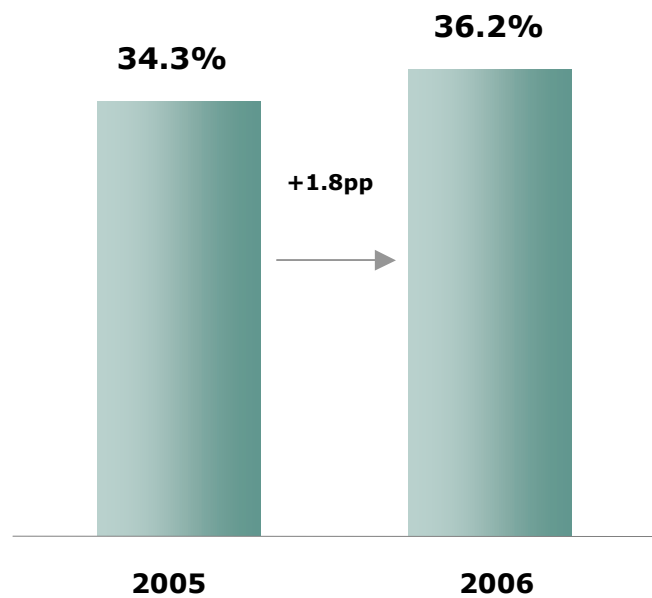


# CF&T target market – Brazil

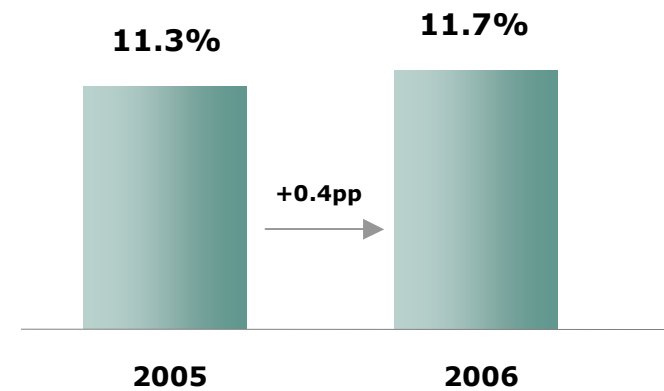
## Natura's market share per category



### > Cosmetics and Fragrances – %



### > Personal Hygiene – %





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