

## NATURA ANNOUNCES EBITDA OF R\$104.5 MILLION IN THE QUARTER

**São Paulo, Brazil, October 27, 2004** – Natura Cosméticos S.A. (Bovespa: NATU3) announces today its results for the third quarter 2004. Financial and operational information included in this report is presented on a consolidated basis, according to the dispositions of the Brazilian Corporate Law, except when otherwise indicated. Comparisons refer to the third quarter 2003 (3Q03), unless otherwise indicated.

### Conference Calls: October 29, 2004

09:00 a.m. US EST (port)  
11:00 a.m. US EST (eng)

### Meeting with Investors and Analysts:

#### November 11, 2004

5:00 p.m. (Brazilian time)  
Rio de Janeiro Stock Exchange  
Rio de Janeiro

### Investor Relations:

#### Helmut Bossert

[helmutbossert@natura.net](mailto:helmutbossert@natura.net)  
Tel +55 (11) 4446-2180

### NATU3 – 10/27/04

Closing price R\$ 58.20  
Appreciation Pos IPO + 59.4%  
Volume R\$ 7,780 thousand



### 3Q04 HIGHLIGHTS

*This report is presented on a consolidated basis, except when otherwise indicated.*

- ✓ The number of units sold rose from 35.9 million in 3Q03 to 47.4 million in 3Q04 (growth of 32.2%);
- ✓ Consolidated net revenue grew 35.1% in the same comparison of quarters;
- ✓ The gross margin increased from 67.1% in 3Q03 to 68.4% in 3Q04;
- ✓ EBITDA rose 38.0% over the same period, and the EBITDA margin grew from 22.8% in 3Q03 to 23.3% in 3Q04;
- ✓ Net income amounted to R\$77.4 million for 3Q04, and totaled R\$200.9 million for the first nine months of the year;
- ✓ The number of consultants available in Brazil<sup>1</sup> increased from 340,200 in 3Q03 to 392,100 in 3Q04, growing 15.3%;
- ✓ The number of consultants available<sup>1</sup> in Latin America<sup>2</sup> increased from 18,300 in 3Q03 to 24,100 in 3Q04, growing 31.6%;
- ✓ For the second consecutive year, Natura was elected the Best Company for Women to Work For (according to Exame-Você S/A magazines);
- ✓ The magazine Carta Capital released the InterScience research, which granted to Natura the award for the Most-Admired Company in Brazil;
- ✓ Other awards in the quarter: for the second consecutive year, the Company was voted as having the Best Annual Report for closely-held companies (Abrasca) and the 2003 Best Social Balance sheet (Aberj, Apimec, Ethos, Fides and Ibase). It was also voted as having the best financial statements for closely-held companies – 2004 Transparency Trophy (Anefac, Fipecafi and Serasa).

(1) By the end of sales cycle 13.

(2) Argentina, Chile and Peru.

## 1. Financial Summary (consolidated)

R\$ million	3Q04	3Q03	% Change	9M04	9M03	% Change
Units Sold (million)	47.4	35.9	32.2	131.7	101.4	29.8
Gross Revenues	645.7	481.8	34.0	1,738.4	1,289.4	34.8
Net Revenues	448.2	331.7	35.1	1,205.9	893.8	34.9
Gross Profit	306.3	222.5	37.7	809.7	576.1	40.6
<i>Gross Margin (%)</i>	68.4	67.1	---	67.1	64.5	---
EBITDA	104.5	75.7	38.0	289.0	186.0	55.4
<i>EBITDA Margin</i>	23.3	22.8	---	24.0	20.8	---
Net Income	77.4	18.4	319.8	200.9	35.4	467.8
Net Debt/(Investments)	(32.0)	54.2	n/a	(32.0)	54.2	n/a
Available consultants <sup>(1)</sup> in Brazil (thousand)	392.1	340.2	15.3	392.1	340.2	15.3
Available consultants <sup>(1)</sup> in Latin America (thousand) <sup>(2)</sup>	24.0	18.3	31.6	24.0	18.3	31.6

(1) Position at the end of the 13<sup>th</sup> sales cycle

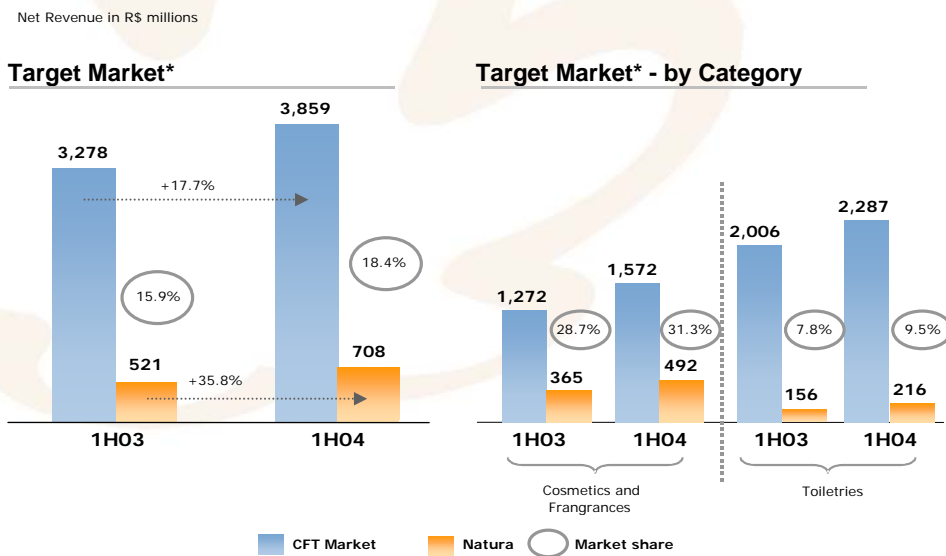
(2) Argentina, Chile and Peru

## 2. DATA ON THE SECTOR IN BRAZIL (1H04)

Cosmetics, fragrance and toiletries companies in Brazil had net revenue of R\$5,939.6 million in 1H04, compared to R\$4,997.9 million in 1H03 (growth of 18.8% in the period), according to data from sector associations SIPATESP / ABIHPEC. Natura's net revenue in Brazil, considering only cosmetics, fragrance and toiletries business, went from R\$523.2 million in 1H03 to R\$710.6 million in 1H04, with growth of 35.8%. Thus, according to the data presented, our market share grew from 10.5% in 1H03 to 12.0% in 1H04.

Considering only Natura's core categories (excluding diapers, oral hygiene, hair dyes, nail polish, sanitary napkins, etc.), the sector's net revenue in Brazil went from R\$3,278.3 million in 1H03 to R\$3,859.1 million in 1H04, growing 17.7%. Natura's share of this target market grew from 15.9% to 18.4% in the same comparison. Considering the cosmetics and fragrances category, our market share was 31.3% in 1H04 (28.7% in 1H03). In toiletries, our market share grew to 9.5% in 1H04 (7.8% in 1H03).

Target Market in Brazil – Net Revenues (R\$ million)



Source: Sipatesp, ABIHPEC

(\*) Comprising only the market in which Natura operates, excluding diapers, oral hygiene, hair dyes, nail polishes, sanitary pads, etc.

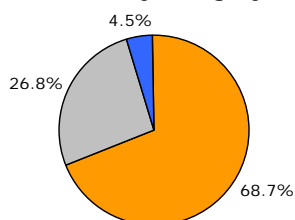
### 3. Overview of Sales

#### Consolidated Gross Revenue

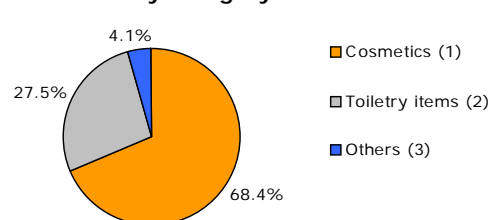
Natura's consolidated gross revenue totaled R\$645.7 million in 3Q04, representing growth of 34.0% over the same period in 2003 (R\$481.8 million). In 9M04, consolidated gross revenue was R\$1,738.4 million, with growth of 34.8% compared to the same period in 2003 (R\$1,289.4 million). The graphs below present the breakdown of gross revenue by category and region.

#### Consolidated Gross Revenue – Breakdown by category

Breakdown by Category - 9M03



Breakdown by Category - 9M04



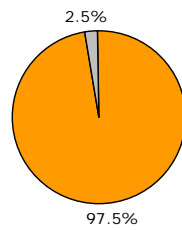
(1) - Fragrances, makeup, creams and lotions, and sunscreen.

(2) - Hair care products, soaps, deodorants, shaving products and oral hygiene products.

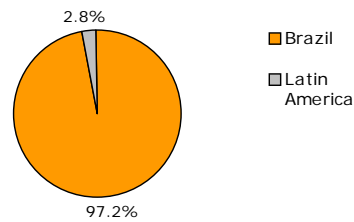
(3) - Mainly resale support material, samples, demonstrators, accessories (cosmetics bags, hand bags, etc.), sales by Flora Medicinal, among others.

Consolidated Gross Revenue – Breakdown by region

Breakdown by Region - 9M03



Breakdown by Region - 9M04



By category, the growth in sales of toiletries in 9M04 was slightly higher than in cosmetics and fragrances.

By region, sales in other Latin American countries accounted for 2.8% in 9M04, compared to 2.5% in 9M03.

The table below shows the evolution in sales in physical units.

Evolution in sales volume by category (in millions of units)

Categories	9M04	9M03	Change %
Cosmetics and Fragrances (A)	61.4	42.1	45.8
Toiletry Items (B)	63.9	45.8	39.5
<b>(A) + (B)</b>	<b>125.3</b>	<b>87.9</b>	<b>42.6</b>

*Note: excludes units sold regarding other products such as: support material, samples, demonstrators, accessories (cosmetics bags, hand bags, etc.), sales by Flora Medicinal, among others.*

Gross Revenues in Brazil

In the domestic market, gross revenue was R\$628.6 million in 3Q04, accounting for 97.4% of total revenue, with growth of 34.1% in relation to the same period in 2003 (R\$468.8 million).

Domestic sales volume in 3Q04 was 46.4 million units (35.3 million in 3Q03), with growth of 31.4% between the two periods. Prices had been adjusted by an average 6.2% at the end of March 2004.

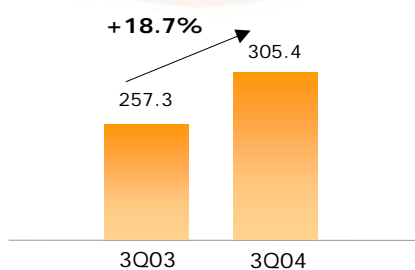
A highlight in the period was the growth in the number of consultants. The number of consultants available in Brazil, at the end of the 13<sup>th</sup> sales cycle, was 392,100 in 3Q04 (340,200 in 3Q03), with growth of 15.3%.

The average number of active consultants went from 257,300 in 3Q03 to 305,400 in 3Q04 (18.7% increase), and the average productivity of active consultants (average sales in R\$, in terms of final consumer prices, per active consultant for the period) increased 12.2% between the two quarters.

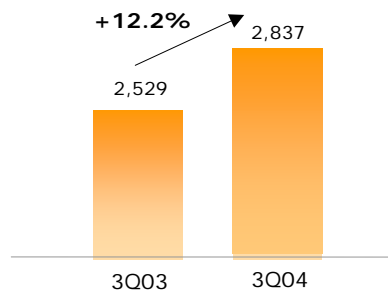
consultants (sales in Reais at consumer prices per average active consultant in the period) increased 12.2% when comparing both quarters.

Evolution of consultants number vs. productivity (Brazil)

**Average Active Consultants <sup>(1)</sup>  
In Brazil (thousand)**



**Productivity <sup>(2)</sup> in Brazil  
(R\$)**



*(1) Active Consultants – corresponds to the number of consultants who have made at least one order per month. The number represents the average active consultants in 3Q03 and 3Q04.*

*(2) Productivity – average sales in R\$, in terms of final consumer prices, per active consultant for the period.*

In summary, the growth of domestic sales, at the same pace as in prior quarters, reflects the success of the Company's strategy over the year, fundamentally based on continued investment in research & development, in the marketing program and the increase in the sales channel. It should be observed that, even with the increase in the sales channel, our consultants' average productivity grew 12.2% in the comparison of quarters.

#### 4. Cost of Sales

Cost of sales, in relation to net revenue, fell from 32.9% in 3Q03 to 31.6% in 3Q04. The factors that contributed to this reduction were essentially (i) the change in tax legislation, which allowed the Company to take credits on PIS and COFINS (taxes on revenue) embedded in our suppliers' prices, and (ii) the dilution of fixed costs, in the items labor, depreciation and other costs, as shown in the table below:

Composition of Cost of Sales (% of net revenue)

<b>Item</b>	<b>3T04</b>	<b>3T03</b>
Raw Material	24.8%	24.9%
Labor Cost	2.5%	2.6%
Depreciation	1.2%	1.6%
Others	3.2%	3.9%
<b>Total</b>	<b>31.6%</b>	<b>32.9%</b>

The share of the item raw materials in total net revenue remained stable, in the comparison between the periods, despite the aforementioned change in tax legislation on PIS and COFINS, due to the fact that in 3Q03, part of the losses due to the discontinuation of products, already recorded over the course of 1H2003, were recovered through promotional actions.

Oscillations in these losses did not affect the comparative analysis of cost of sales in 9M03 and 9M04. These losses maintained the same share of net revenue, of approximately 0.7%.

## 5. Gross Profit

The gross profit verified in 3Q04 was R\$306.3 million, 37.7% above the R\$222.5 million registered in 3Q03. Consequently, the gross margin increased from 67.1% in 3Q03 to 68.4% in 3Q04. In the nine-month period ended on September 30, 2004, gross profit was R\$809.7 million, 40.6% above the R\$576.1 million obtained in the first nine months of 2003.

## 6. Expenses

### Selling Expenses

Selling expenses increased in relation to revenue, going from 31.1% in 3Q03 to 31.5% in 3Q04. This increase is due to greater investment in the marketing program in 3Q04.

### Administrative Expenses

Administrative expenses in relation to net revenue was reduced from 15.6% in 3Q03 to 14.8% in 3Q04.

It is important to point out that in the comparison between the periods there was a change in the corporate structure. In this change, in February 2004, Natura Inovação, responsible for the research & development process for new products, became a wholly-owned subsidiary of Natura Cosméticos S.A. In 3Q03, the R&D expenses recorded in Natura Cosméticos S.A. included the profit margin of Natura Inovação. If we eliminated this effect, administrative expenses, as a percentage of net revenue, would go from 13.3% in 3Q03 to 14.8% in 3Q04, a 1.5% increase, on a more comparable basis.

This increase, which occurred despite the dilution of fixed costs, is mainly due to (i) expenses referring to the process of going public (not including commissions to banks), in the amount of R\$3.5 million (these expenses already total R\$6.8 million for 9M04), and (ii) the increase in accrued profit-sharing, as a result of the growth in income at a higher rate than sales.

## 7. EBITDA

EBITDA in 3Q04 was R\$104.5 million, growing 38.0% in relation to 3Q03 (R\$75.7 million). EBITDA margin was 23.3% in 3Q04, against 22.8% in 3Q03.

In 9M04, EBITDA totaled R\$289.0 million (R\$186.0 million in 9M03), representing growth of 55.4%. EBITDA margin went from 20.8% in 9M03 to 24.0% in 9M04, due to efficient cost and expense management, and the dilution of fixed costs.

## 8. Net Income

Net income generated in 3Q04 was R\$77.4 million (R\$18.4 million in 3Q03). In addition to the evolution of revenue and margins explained above, the increase in net income between the periods was also due to: (i) the end of subordinated debenture participation in income (redeemed on March 2, 2004), and (ii) the reduction in average net debt between the two periods. Net margin increased from 5.6% in 3Q03 to 17.3% in 3Q04.

In 9M04, net income totaled R\$200.9 million, compared to R\$35.4 million in the same period in 2003. The reasons for this increase are the same as those presented in the paragraph above.

## 9. Investments

Investments in 3Q04 totaled R\$21.5 million, of which the highlight was construction work for the new vertical warehouse (R\$7.5 million) and the renewal of the vehicle fleet of approximately one third of the sales promoters (R\$5.8 million). For 9M04, investments totaled R\$44.2 million, concentrated mainly in the increase in storage capacity.

## 10. Operations in Latin America (Argentina, Chile and Peru)

### Financial Highlights (US\$ million)

	3Q04	3Q03	Change %	9M04	9M03	Change %
Units Sold (thousand)	980.2	572.8	71.1%	2,494.2	1,504.8	65.8%
Net Revenues	5.1	3.2	60.9%	12.7	8.1	57.6%
Loss from Operations	-0.6	-0.8	-21.5%	-2.1	-2.2	-5.5%
<i>Operating Margin</i>	-12.5%	-25.6%	-	-16.3%	-27.3%	-

Our operations in the rest of Latin America had significant results in 3Q04 compared to 3Q03. Net revenue in US dollars of these operations grew 60.9% and operating loss decreased 21.5%. As a result of the dilution of fixed costs, operating loss, as a percentage of net revenue, decreased from (25.6%) in 3Q03 to (12.5%) in 3Q04.

The number of available consultants grew 31.6%, from 18,300 in 3Q03 to 24,000 in 3Q04.

## 11. Conference Calls

**English:** Friday, October 29, 2004  
11:00 a.m. US EST  
Phone: +1 (973) 582-2757 (Code: Natura or 5119020)

**Portuguese:** Friday, October 29, 2004  
9:00 a.m. US EST  
Phone: +55 (11) 2101-1490 (Code: Natura)

Live webcast of conference calls at: [www.natura.net/investor](http://www.natura.net/investor).

### Investors Relations:

Phone: +55 (11) 4446-2180  
Helmut Bossert, [helmutbossert@natura.net](mailto:helmutbossert@natura.net)  
**Manager**

Ricardo Capella, [ricardocapella@natura.net](mailto:ricardocapella@natura.net)  
Sandra Matsumoto, [sandramatsumoto@natura.net](mailto:sandramatsumoto@natura.net)  
**Coordinators**



*This press release contains forward-looking statements. Such statements are not statements of historical fact, and reflect the beliefs and expectations of the Natura's management. The words "anticipates", "wishes", "expects", "estimates", "intends", "forecasts", "plans", "predicts", "projects", "targets" and similar words are intended to identify these statements, which necessarily involve known and unknown risks and uncertainties. Known risks and uncertainties include, but are not limited to, the impact of competitive products and pricing, market acceptance of products, product transitions by the Company and its competitors, regulatory approval, currency fluctuations, production and supply difficulties, changes in product sales mix, and other risks. This press release also includes pro-forma information prepared by the Company for information and reference purposes only, which has not been audited. Forward-looking statements speak only as of the date they are made, and the Company does not undertake any obligation to update them in light of new information or future developments.*

11. ANNEX I – Statement of Income

NATURA COSMÉTICOS SA – Consolidated figures (R\$ thousand)

	3Q04	%NR	3Q03	%NR	Change	9M04	%NR	9M03	%NR	Change
<b>GROSS OPERATING REVENUES</b>	<b>645,656</b>	<b>100.0</b>	<b>481,757</b>	<b>100.0</b>	<b>34.0%</b>	<b>1,738,406</b>	<b>100.0</b>	<b>1,289,419</b>	<b>100.0</b>	<b>34.8%</b>
Taxes on sales, returns and rebates	(197,493)	30.6	(150,098)	31.2	31.6%	(532,528)	30.6	(395,635)	30.7	34.6%
<b>NET OPERATING REVENUES</b>	<b>448,163</b>	<b>100.0</b>	<b>331,659</b>	<b>100.0</b>	<b>35.1%</b>	<b>1,205,878</b>	<b>100.0</b>	<b>893,784</b>	<b>100.0</b>	<b>34.9%</b>
Cost of Sales	(141,835)	31.6	(109,127)	32.9	30.0%	(396,144)	32.9	(317,687)	35.5	24.7%
<b>GROSS PROFIT</b>	<b>306,328</b>	<b>68.4</b>	<b>222,532</b>	<b>67.1</b>	<b>37.7%</b>	<b>809,733</b>	<b>67.1</b>	<b>576,097</b>	<b>64.5</b>	<b>40.6%</b>
<b>OPERATING (EXPENSES) INCOME</b>	<b>(209,626)</b>	<b>46.8</b>	<b>(156,559)</b>	<b>47.2</b>	<b>33.9%</b>	<b>(545,729)</b>	<b>45.3</b>	<b>(414,275)</b>	<b>46.4</b>	<b>31.7%</b>
Selling	(140,987)	31.5	(103,270)	31.1	36.5%	(371,507)	30.8	(281,127)	31.2	33.2%
General and Administrative	(66,461)	14.8	(51,822)	15.6	28.2%	(168,046)	13.9	(129,089)	14.7	27.9%
Management Compensation	(2,178)	0.5	(1,467)	0.4	48.5%	(6,176)	0.5	(4,059)	0.5	52.4%
<b>INCOME FROM OPERATIONS BEFORE FINANCIAL EFFECTS</b>	<b>96,702</b>	<b>21.6</b>	<b>65,973</b>	<b>19.9</b>	<b>46.6%</b>	<b>264,004</b>	<b>21.9</b>	<b>161,822</b>	<b>18.1</b>	<b>63.1%</b>
Financial Expenses	(9,057)		(9,554)		-5.2%	(29,552)		(66,701)		-55.7%
Financial Income	10,781		4,268		152.6%	31,013		40,410		-23.3%
<b>INCOME FROM OPERATIONS</b>	<b>98,426</b>	<b>22.0</b>	<b>60,687</b>	<b>18.3</b>	<b>62.2%</b>	<b>265,465</b>	<b>22.0</b>	<b>135,531</b>	<b>15.2</b>	<b>95.9%</b>
Nonoperating income (expense)	(931)	0.2	1,207	(0.4)	-177.1%	(820)	0.1	80	(0.0)	-1125.0%
<b>INCOME BEFORE DEBENTURE PARTICIPATION</b>	<b>97,495</b>	<b>21.8</b>	<b>61,894</b>	<b>18.7</b>	<b>57.5%</b>	<b>264,645</b>	<b>21.9</b>	<b>135,611</b>	<b>15.2</b>	<b>95.2%</b>
Debenture Participation	-	-	(30,590)		-100.0%	(7,178)	0.6	(73,388)		-90.2%
<b>INCOME BEFORE TAXES ON INCOME</b>	<b>97,495</b>	<b>21.8</b>	<b>31,304</b>	<b>9.4</b>	<b>211.4%</b>	<b>257,467</b>	<b>21.4</b>	<b>62,223</b>	<b>7.0</b>	<b>313.8%</b>
Income and social contribution taxes	(20,108)	4.5	(12,879)	3.9	56.1%	(56,605)	4.7	(26,887)	3.0	110.5%
<b>NET INCOME BEFORE MINORITY INTEREST</b>	<b>77,387</b>	<b>17.3</b>	<b>18,425</b>	<b>5.6</b>	<b>320.0%</b>	<b>200,862</b>	<b>16.7</b>	<b>35,336</b>	<b>4.0</b>	<b>468.4%</b>
Minority Interest			9		-100.0%	-		37		-100.0%
<b>NET INCOME</b>	<b>77,387</b>	<b>17.3</b>	<b>18,434</b>	<b>5.6</b>	<b>319.8%</b>	<b>200,862</b>	<b>16.7</b>	<b>35,373</b>	<b>4.0</b>	<b>467.8%</b>

12. ANNEX II – Balance Sheet (as of September 30, 2004 and June 30, 2004)

NATURA COSMÉTICOS SA – Consolidated figures (R\$ thousand)

ASSETS	09/2004	06/2004	LIABILITIES & SHAREHOLDERS' EQUITY	09/2004	06/2004
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
Cash and Banks	16,428	32,449	Loans and Financings	25,423	24,300
Cash Equivalents	123,030	157,299	Domestic Suppliers	82,170	64,846
Trade Accounts Receivable	190,153	162,071	Foreign Suppliers	1,191	1,983
			Payroll and related charges	64,357	45,046
Inventories	127,078	98,287	Taxes Payable	52,965	47,299
Recoverable taxes	13,140	13,518	Dividends	73	73,333
			Interests on Capital	5,485	11,418
Advances to Employees	6,537	5,010	Other Payables	23,153	23,091
Deferred Income and Social Contribution Taxes	27,526	21,462	Reserve for losses on sw ap contracts	4,857	1,016
Other receivables	12,855	12,172	<b>Total current liabilities</b>	<b>259,674</b>	<b>292,332</b>
<b>Total Current Assets</b>	<b>516,747</b>	<b>502,268</b>			
			<b>LONG-TERM LIABILITIES</b>		
<b>LONG-TERM ASSETS</b>			Loans and Financings	77,228	79,870
Advance for Future Capital Increase	12,019	2,689	Reserve for Contingencies	54,172	48,063
Receivables from Shareholders	139	1,721	Other payables	1,162	872
			<b>Total Long-term liabilities</b>	<b>132,562</b>	<b>128,805</b>
Tax Incentives	1,492	1,492			
Deferred Income Tax and Social Contribution Taxes	17,584	15,914	<b>MINORITY INTEREST</b>	<b>7</b>	<b>8</b>
Escrow Deposits	24,762	19,635			
Other receivables	1,716	1,717	<b>SHAREHOLDERS' EQUITY</b>		
<b>Total long-term assets</b>	<b>57,712</b>	<b>43,168</b>	Capital	230,762	230,762
			Treasury Shares	(3,781)	(3,554)
<b>PERMANENT ASSETS</b>			Capital Reserves	115,113	114,947
Investments	2,598	2,670	Profit Reserves	3,629	3,629
Property, plant and equipment	275,556	263,192	Retained Earnings	114,647	44,369
<b>Total Permanent Assets</b>	<b>278,154</b>	<b>265,862</b>	<b>Total Shareholders' Equity</b>	<b>460,370</b>	<b>390,153</b>
<b>TOTAL ASSETS</b>	<b>852,613</b>	<b>811,298</b>	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>852,613</b>	<b>811,298</b>

**13. ANNEX III – Consolidated Statement of Cash Flow Statement for the period ended September 30, 2004 (R\$ thousand)**

<b>OPERATING ACTIVITIES</b>	
<b>Net income</b>	<b>200,862</b>
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	25,821
Monetary and exchange variations, net	7,819
Loss on swap contracts	2,961
Restatement of reserve for contingencies	26,906
Increase in other reserves	6,949
Subsidiaries' unrealized profits	1,797
Deferred income and social contribution taxes	(11,814)
Net book value of property, plant and equipment written off/sold	752
Proceeds from debentures	5,743
Minority interest	(1)
	<u><b>267,795</b></u>
<b>(INCREASE) IN ASSETS</b>	
Current assets:	
Accounts receivable	(9,158)
Inventories	(54,926)
Other receivables	(1,503)
Long-term assets:	
Escrow deposits	(8,997)
Other receivables	(11,964)
<b>Subtotal</b>	<u><b>(86,548)</b></u>
<b>INCREASE (DECREASE) IN LIABILITIES</b>	
Current liabilities:	
Suppliers	20,192
Payroll and related charges	21,195
Taxes payable	(25,028)
Other payables	(10,047)
Long-term liabilities:	
Other payables	(918)
<b>Subtotal</b>	<u><b>5,394</b></u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><b>186,641</b></u>
<b>INVESTING ACTIVITIES</b>	
Purchase of property, plant and equipment	(44,125)
<b>NET CASH USED FOR INVESTING ACTIVITIES</b>	<u><b>(44,125)</b></u>
<b>FINANCING ACTIVITIES</b>	
Proceeds from loans and financing	41,849
Payment of loans - principal and interest	(83,498)
Payment of dividends	(129,997)
Payment of interest on capital	(11,402)
<b>NET CASH USED FOR FINANCING ACTIVITIES</b>	<u><b>(183,048)</b></u>
Acquisition of Natura Empreendimentos S/A and Natura Participações S/A with net assets	43,879
<b>NET INCREASE (DECREASE) IN CASH AND BANKS</b>	<u><b>3,347</b></u>
Cash and banks at beginning of period	136,111
Cash and banks at end of period	139,458
<b>CHANGE IN CASH AND BANKS</b>	<u><b>3,347</b></u>
<b>SUPPLEMENTARY CASH FLOW DISCLOSURE:</b>	
Income and social contribution taxes paid	46,279
Interest paid on loans and financing	9,296
Swap contracts paid	9,170