

# 3Q04 Results

October 2004

**Core Business**

**Financial Performance**

**Final Remarks**



**Core Business**

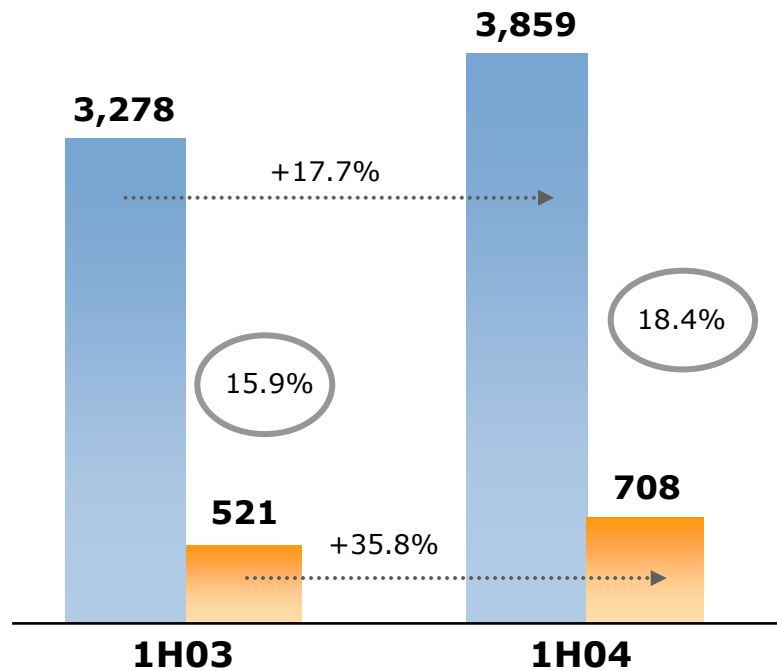
Financial Performance

Final Remarks

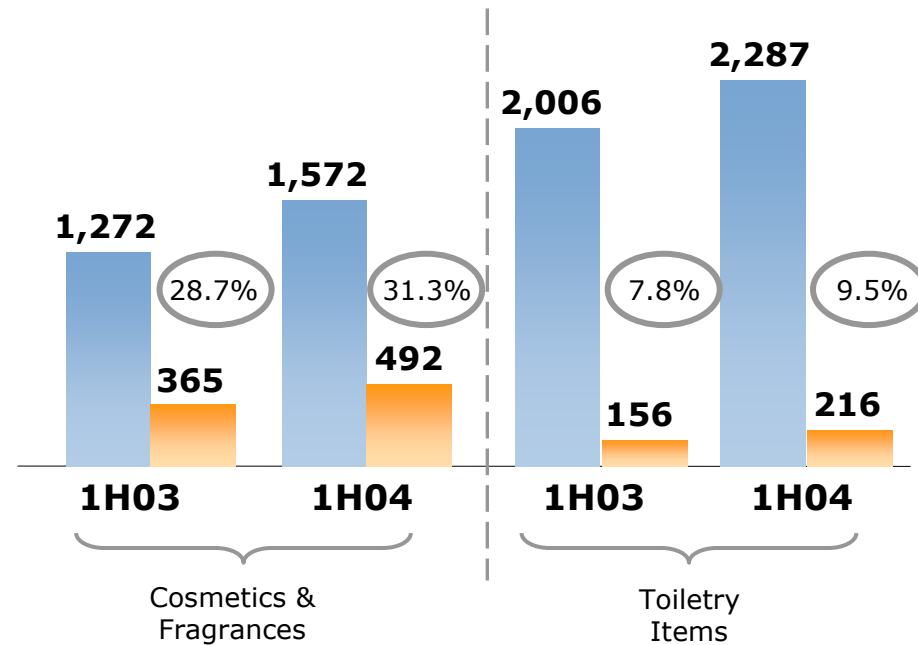
# CF&T target market growth Brazil (accumulated 1H04)

Net Revenues - R\$ MM

## Target Market\*



## Target Market\* - by Category

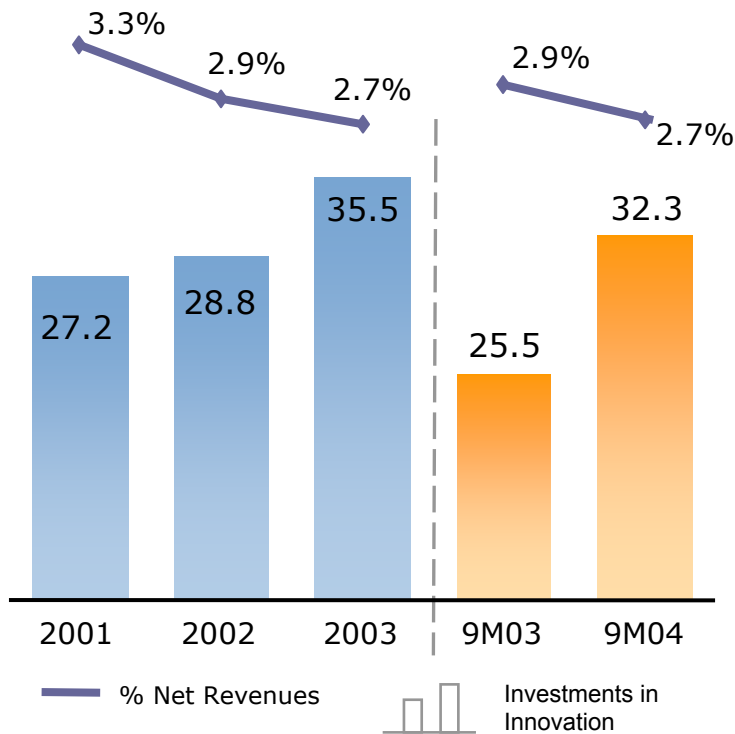


■ CF&T Market 
 ■ Natura 
    Market share

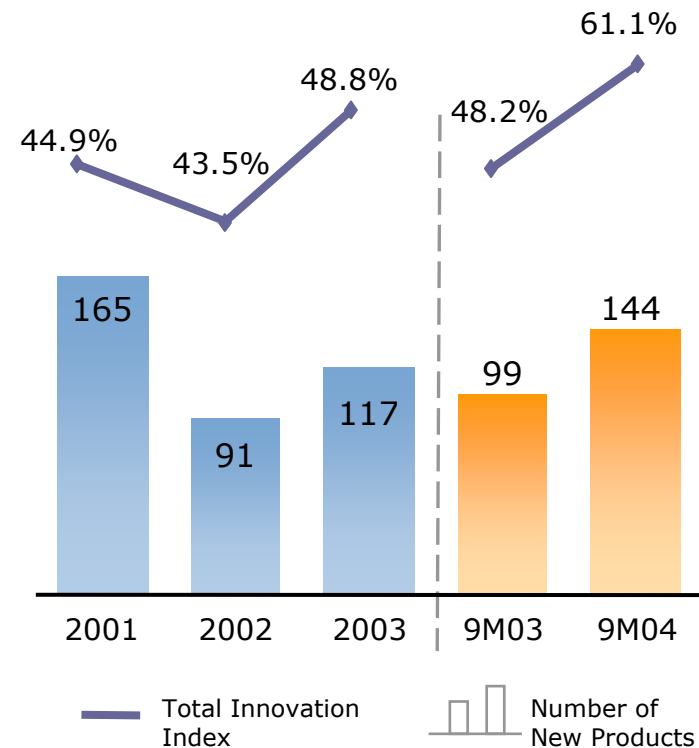
(\*) Considers only segments where Natura operates. Excludes diapers, oral hygiene items, hair dye, nail polishes, sanitary pads among others.  
 Note: wholesale prices, net.  
 Source: Sipatesp, ABIHPEC (CF&T industry associations)

Investments in innovation are essential to renew the portfolio. The return on these investments is verified by the effective participation of new products in total revenues.

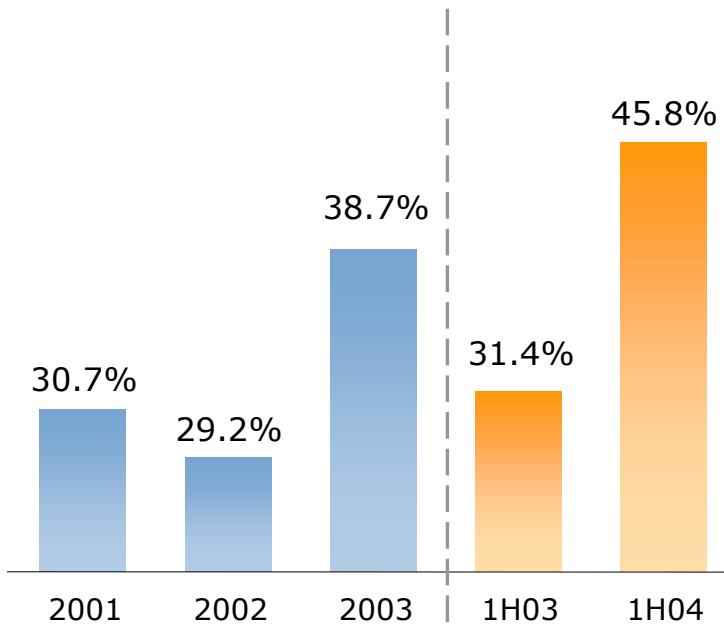
## Investments in Innovation (R\$ MM)



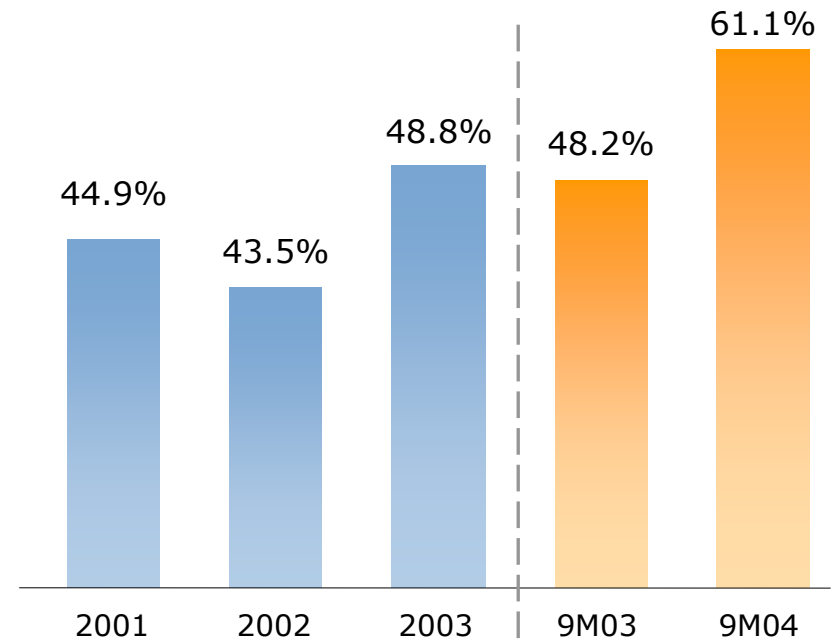
## Number of New Products and Total Innovation Index (Innovation + Improvement)



## Innovation Index<sup>1</sup>



## Total Innovation Index (Innovation + Improvement)<sup>2</sup>



(1) According to figures release up to the first half 2004 .

(2) The calculation includes all new products (both regular and refill), collection's new shades and re-packaging, new kits and sets among others.

## Chronos (Elastinol + R) (anti-wrinkle items)



## Plants (hair treatment items)

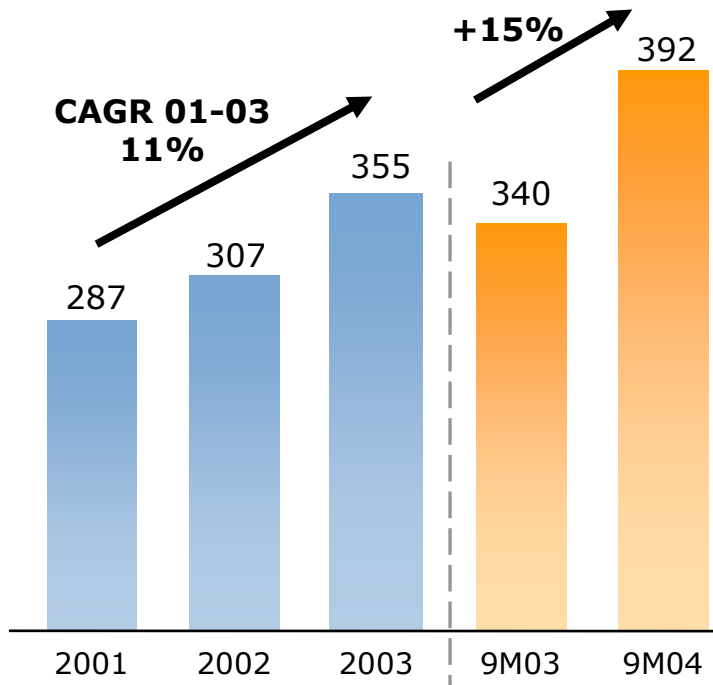


## Aquarela (lipsticks)

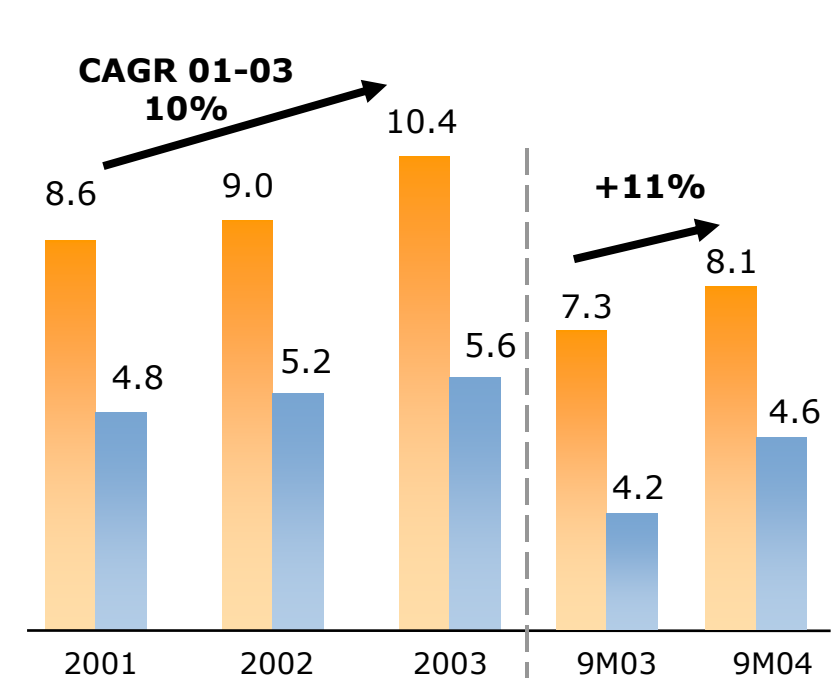


The importance of Natura's brand combined to its relationship with consultants makes the channel grow both in size and productivity.

## Available Consultants in Brazil<sup>1</sup> (thousand)



## Productivity<sup>2</sup> in Brazil (R\$ thousand per active consultant)



■ Natura ■ Direct Sales in Brazil (excludes Natura)

Source: Natura, ABEVD (Brazilian Direct Sales Association)

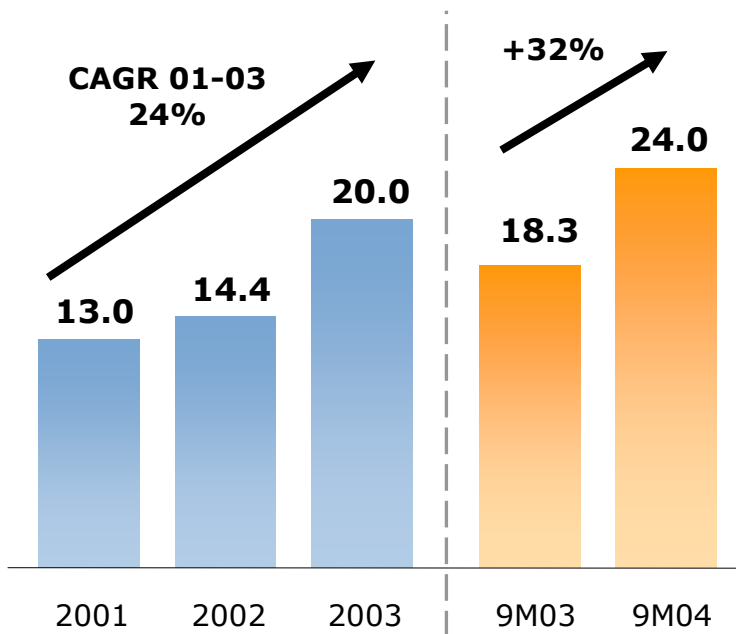
(2) Volume of orders per average active consultant in the periods.

(1) In 9M, it considers the number of available consultants in Brazil by the end of sales cycle 13.



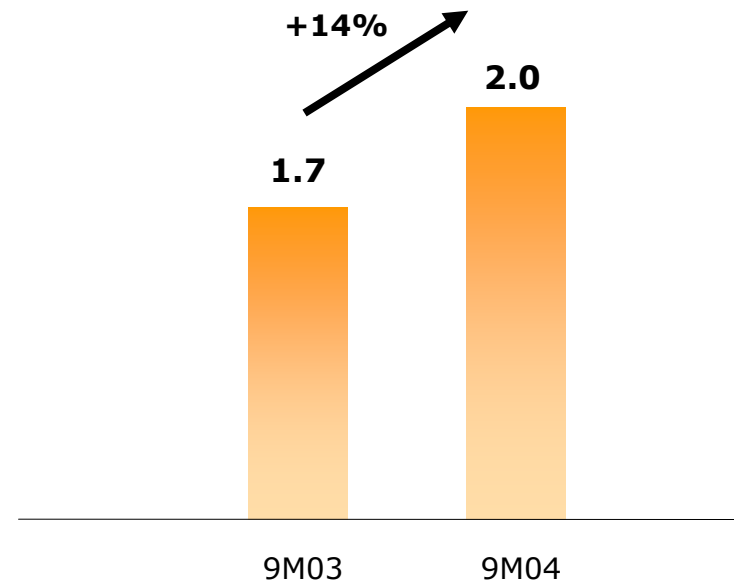
In Latin America, excluding Brazil, the sales channel has been growing in a strong pace.

## Available Consultants<sup>1</sup> in Latin America (thousand)



(1) In 9M, it considers the number of available consultants in Latin America by the end of sales cycle 13.

## Productivity<sup>2</sup> in Latin America (US\$ thousand)



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



**Most Admired Company in Brazil  
Socially Responsible Company  
Carta Capital Magazine/InterScience  
(August 2004)**

**Best Company for Women to Work  
Exame - Você S/A Ranking  
(August 2004)**



**2003 Best Social Report  
Aberj, Apimec, Ethos, Fides, Ibase  
(September 2004)**

**2003 Best Annual Report  
(privately held company)  
Abrasca  
(September 2004)**



**2004 Transparency Award  
(privately held company)  
Anefac, Fipecafi and Serasa  
(September 2004)**

Core Business



**Financial Performance**

Final Remarks

R\$ MM - Consolidated

	<b>3Q04</b>	<b>3Q03</b>	<b>Change %</b>
Units sold (million)	47.4	35.9	32.2
Net revenues	448.2	331.7	35.1
Gross profit	306.3	222.5	37.7
<i>Margin (%)</i>	<i>68.4</i>	<i>67.1</i>	-
EBITDA	104.5	75.7	38.0
<i>Margin (%)</i>	<i>23.3</i>	<i>22.8</i>	-
Net Income	77.4	18.4	319.8
<i>Margin (%)</i>	<i>17.3</i>	<i>5.6</i>	-
Net Debt/(Cash)	(32.0)	54.2	n/a

*n/a - not applicable*

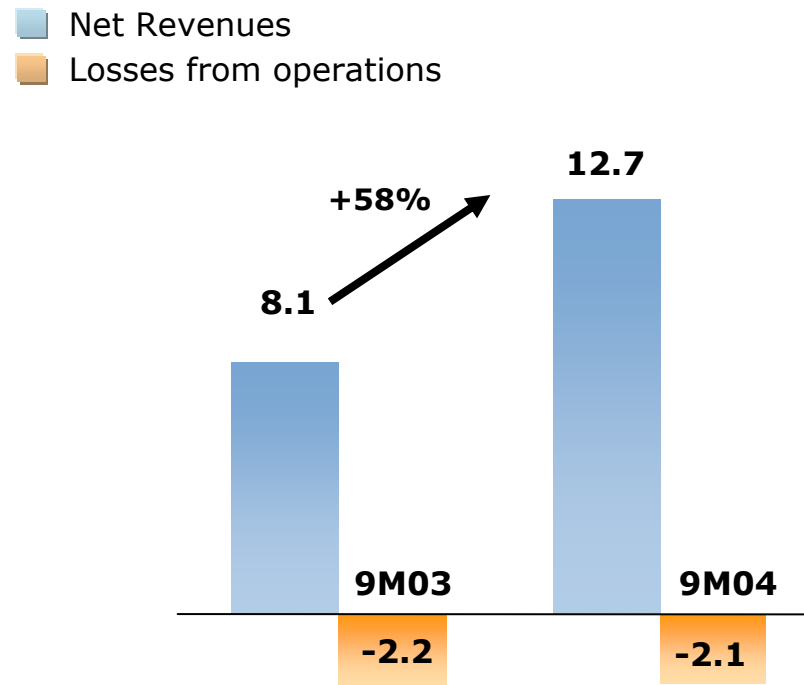
R\$ MM - Consolidated

	<b>9M04</b>	<b>9M03</b>	<b>Change %</b>
Units sold (million)	131.7	101.4	29.8
Net revenues	1,205.9	893.8	34.9
Gross profit	809.7	576.1	40.6
<i>Margin (%)</i>	<i>67.1</i>	<i>64.5</i>	-
EBITDA	289.0	186.0	55.4
<i>Margin (%)</i>	<i>24.0</i>	<i>20.8</i>	-
Net income	200.9	35.4	467.8
<i>Margin (%)</i>	<i>16.7</i>	<i>4.0</i>	-
Net Debt/(Cash)	(32.0)	54.2	n/a

*n/a – not applicable*

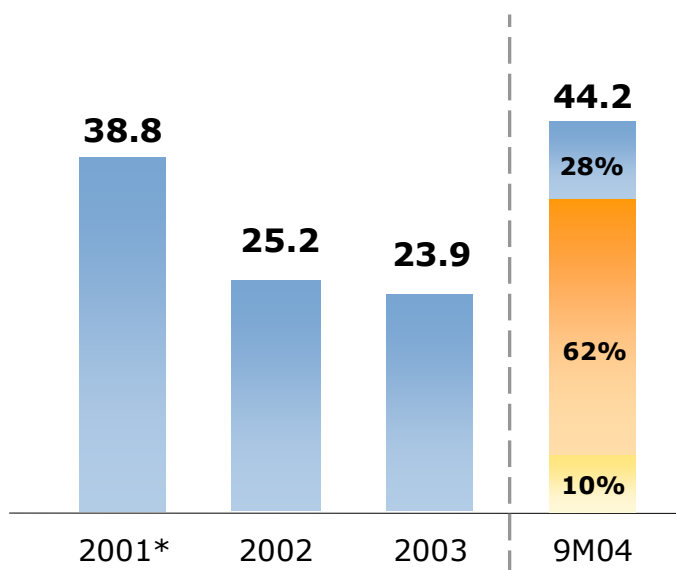
Operations in Latin America have been growing consistently. The breakeven of our subsidiary in Peru has been recently achieved.

## Net Revenues x Losses from Operations (US\$ MM)

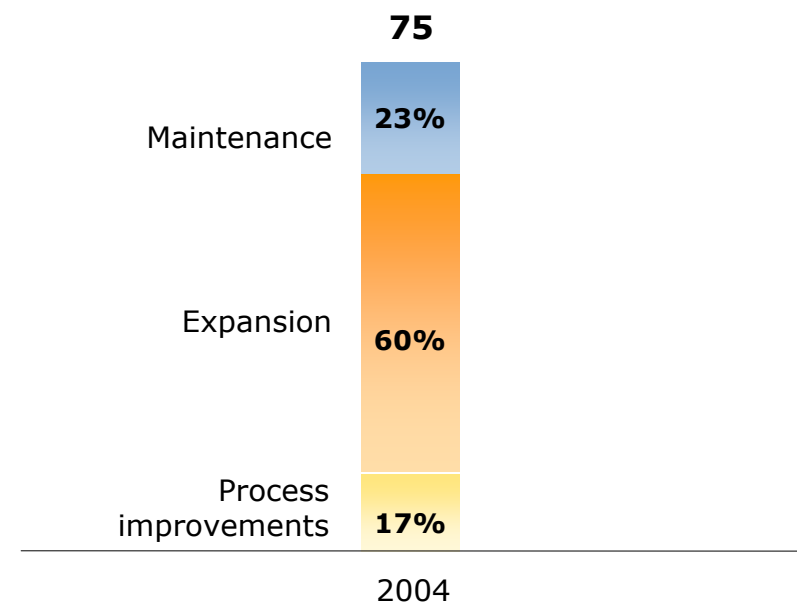


Investments in the first nine months of 2004 amounted to R\$44.2 million. Main investments were allocated to the construction of the new Vertical Warehouse.

## CAPEX - R\$ MM



## Estimated CAPEX - R\$ MM



\* Natura Empreendimentos in 2001

R\$ million

**9M04**

**Net Income in the period**

**200.9**

(+) Depreciation

25.8

(+) Other non-cash expenses

41.1

**(=) Cash generated before working capital,  
long-term receivables and long-term liabilities**

**267.8**

(-) Changes in working capital, long-term receivables  
and long-term liabilities

81.1

**(=) Operating cash generation**

**186.7**

(-) CAPEX

44.1

**(=) Free cash generation**

**142.6**



Core Business

Financial Performance

→ **Final Remarks**

**Meeting with  
Analysts/Investors**

November 11, 2004

Rio de Janeiro Stock Exchange

**2004**

February 24, 2005 – Earnings Release

February 28, 2005 – Conference Call and Webcast

*This presentation 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 presentation 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.*