# 2004 Earnings Results



**Opening Remarks** 

**Core Business** 

**Financial Performance** 

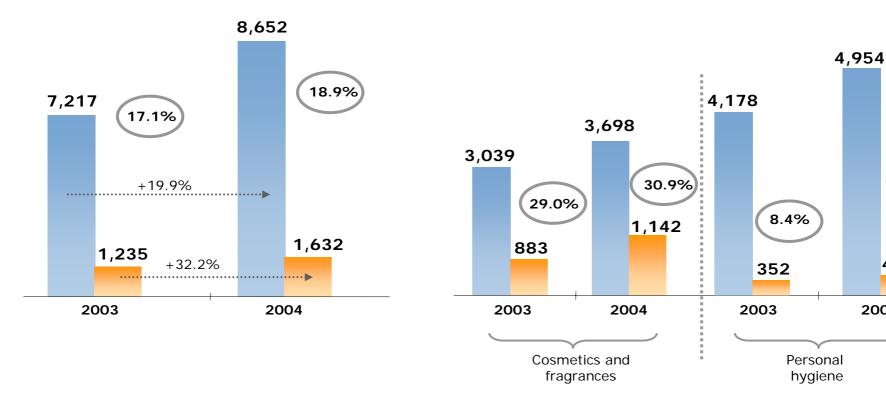


#### CF&T target market growth Brazil

Net revenues in R\$ million

#### Target Market\*

#### Target Market\* - by Category





<sup>(\*)</sup> Considers only segments where Natura operates. Excludes diapers, oral hygiene items, hair dye, nail polishes, sanitary pads among others. Note: net revenue at industry prices. Source: Sipatesp, ABIHPEC.

9.9%

490

2004

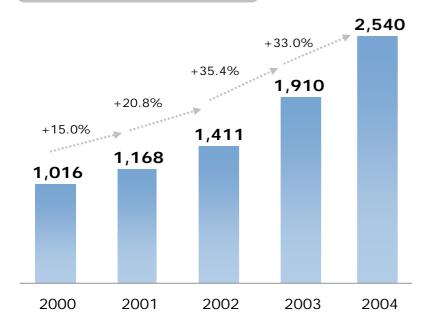


#### continuous growth

#### **Consolidated Gross Revenues**

R\$ million

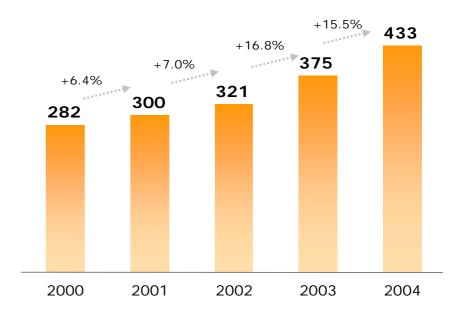
CAGR (00-04) = 25.7%



Note: data for 2000 refers to Natura Empreendimentos.

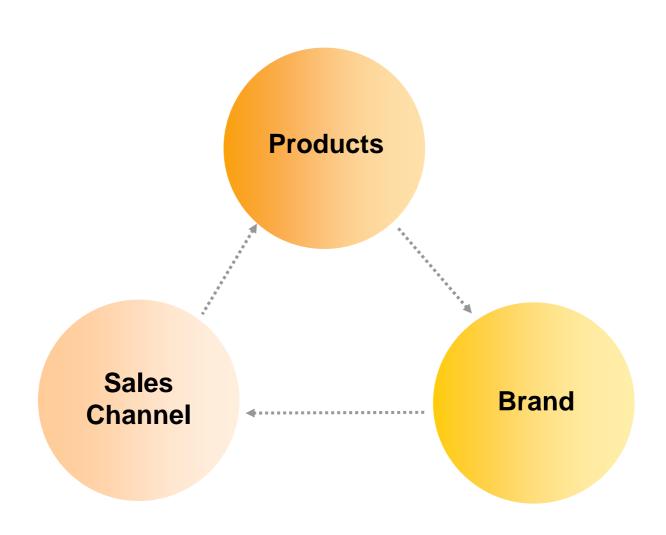
# Consolidated Total Number of Consultants - thousands

CAGR 
$$(00-04) = 11.3\%$$



Note: number of consultants at the end of 17th sales cycle.



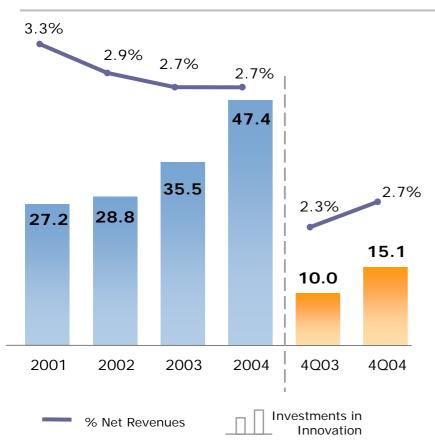




#### continuous innovation

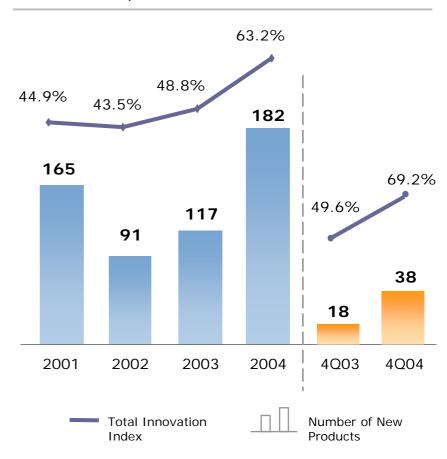
#### **Investments in Innovation**

R\$ million



# Number of New Products and Total Innovation Index

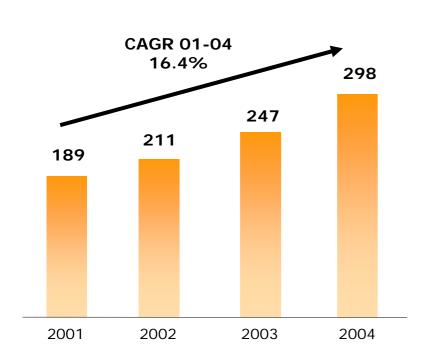
Innovation + Improvement





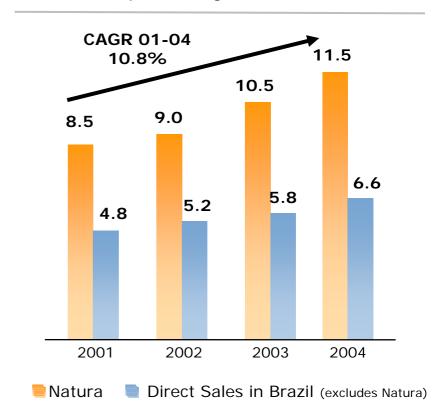
# sales channel in Brazil growth and productivity

### **Average Active Consultants** thousands



#### **Productivity**<sup>1</sup> in Brazil

R\$ thousand per average active consultant



Source: Natura, ABEVD (Brazilian Direct Sales Association)
(1) Volume of orders per average active consultants in the periods.

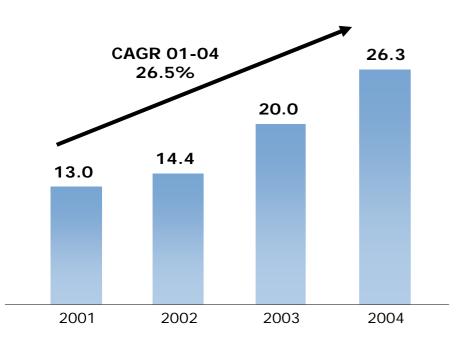


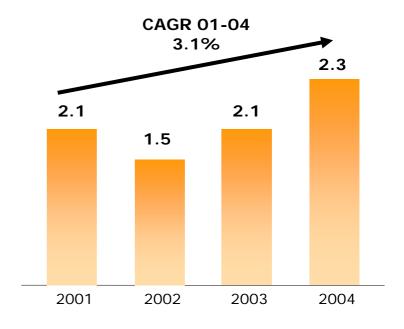
# sales channel in Latin America growth and productivity

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

Consultants<sup>1</sup> International Operations - thousands

Productivity<sup>2</sup> International Operations - US\$ thousands





<sup>(1)</sup> Considers the number of available consultants in Argentina, Chile and Peru by the end of the 17th sales cycle.

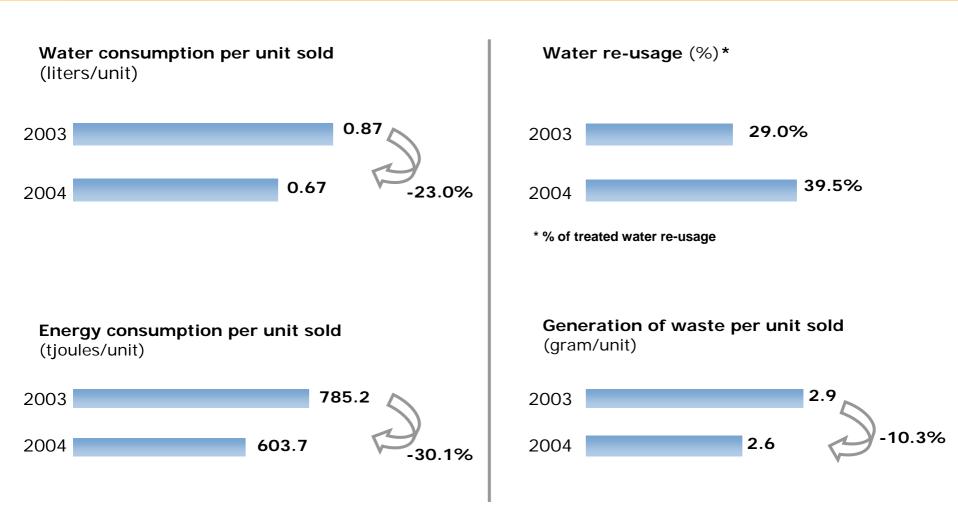


# brand - top of mind award





#### environmental indicators

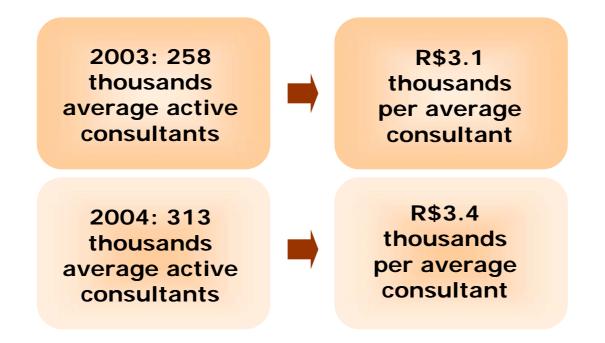


• In 2004, Natura applied to 100% of its product portfolio, the packaging Life Cycle Assessment.



#### social indicators

#### **Natura Consultants - Income Generation**







Opening Remarks

Core Business



**Financial Performance** 



## revenues and gross profit

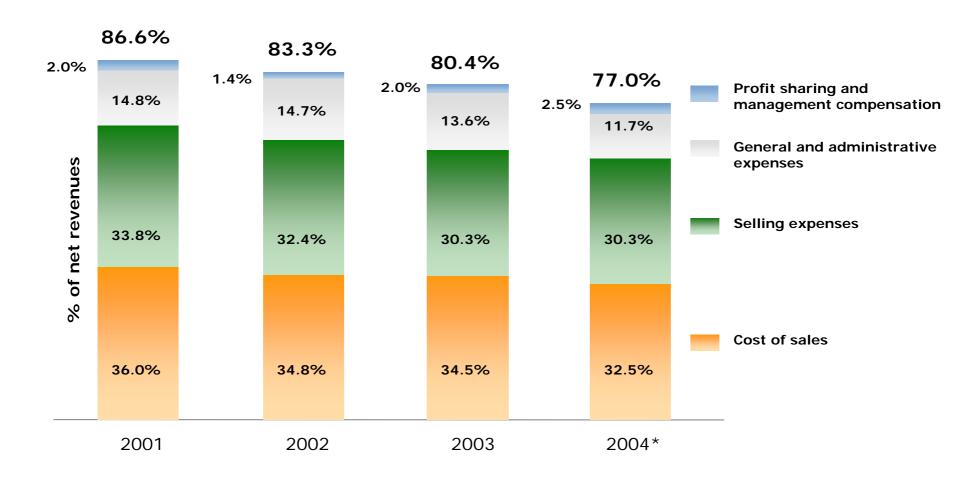
R\$ million - Consolidated

4004	4003	% change		2004	2003	% change
54	41	33.8	Units resold <sup>1</sup> (million of units)	177	129	36.7
			(			
564	435	29.6	Net revenues	1,770	1,329	33.2
385	294	30.7	Gross profit	1,194	871	37.2
68.2	67.7	0.5pp	Margin (%)	67.5	65.5	2.0pp

<sup>(1)</sup> Total consolidated number of CFT products resold by consultants. Therefore, excludes samples, gifts, resale support material, Crer para Ver product line among others.



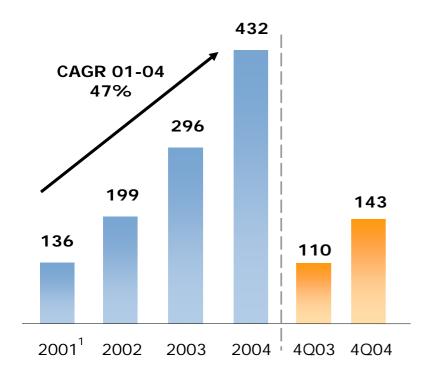
#### operating expenses



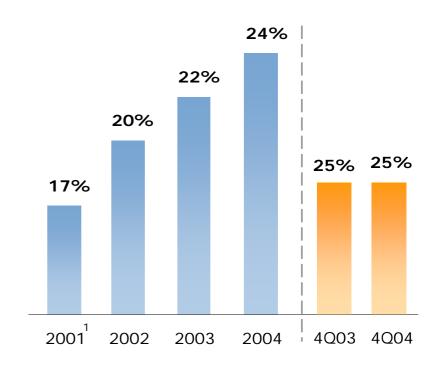


### ebitda growth

EBITDA - R\$ million



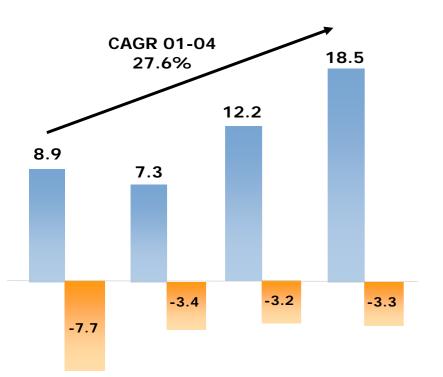
#### **EBITDA Margin - %**



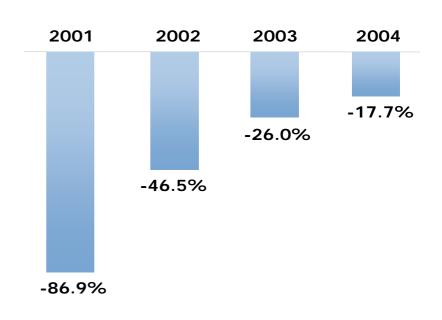


## international operations

# Net Revenues x Losses from Operations - US\$ million



#### **Operational Margin**



2002

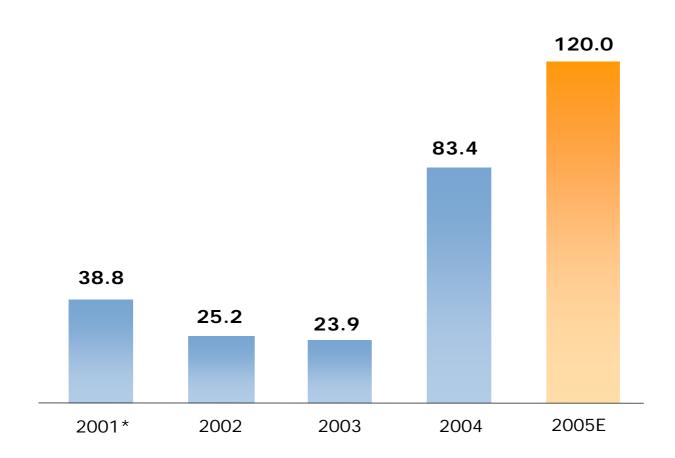
2001

2004

2003



#### **CAPEX -** R\$ million



<sup>\*</sup> In 2001 Natura Empreendimentos.



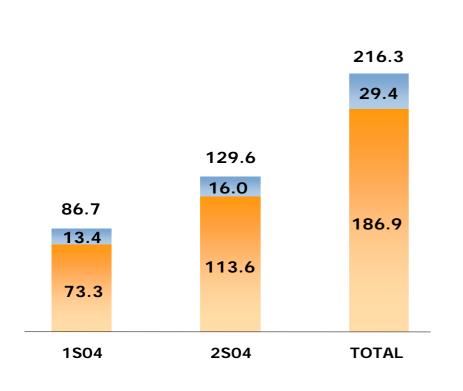
## cash flow

R\$ million	2004	2003	% change
Net income for the period	300.3	63.9	370.0
(+) Depreciation	34.3	33.7	1.8
(+) Other non-cash expenses	51.0	142.6	-64.2
(=) Cash generated before working capital, long-term receivables and long-term liabilities	385.6	240.2	60.5
(-) Changes in working capital, long-term receivables and long-term liabilities	99.4	38.6	157.5
(=) Operating cash generation	286.2	201.6	42.0
(-) CAPEX and Investments	83.1	23.9	247.7
(=) Free cash generation	203.1	177.7	14.3



# dividends and interest on capital

# Dividends and Interest on capital, gross - R\$ million



Pay-out

Net income 72.0% Free cash generation 106.5%

2004 Dividends + Interest on capital per share:

Gross R\$2.55 Net R\$2.50

Dividends

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