

EARNINGS RELEASE

4Q16



São Paulo, February 22, 2017 – Natura Cosméticos S.A. (BM&FBOVESPA: NATU3) announces today its results for the fourth quarter of 2016 (4Q16) and the year 2016. Except where stated otherwise, the financial information in this release is presented on a consolidated basis, in accordance with International Financing Reporting Standards (IFRS).

Contents

Introduction	1
1. social and environmental highlights.....	5
2. economic performance	8
2.1. revenue.....	9
2.2. innovation & products.....	10
2.3. gross margin.....	10
2.4. operating expenses	11
2.5. other operating income and expenses.....	11
2.6. EBITDA	12
2.7. net income (loss).....	12
2.8. cash flow	14
2.9. indebtedness.....	14
3. dividends.....	15
4. NATU3 performance	16
5. conference call & webcast	17
6. investor relations.....	17
7. balance sheet	18
8. statement of income.....	19
9. statement of cash flows.....	20
10. glossary.....	22

Introduction

In the fourth quarter of 2016, consolidated gross revenue stood at R\$ 3,198.7 million (stable vs. 2015). In Brazil, gross revenue advanced 1.6% over 4Q15, showing a reversal of the results reported in 3Q16. Consolidated EBITDA was R\$ 462.1 million (+2% vs. 4Q15), net income was R\$ 201.8 million (+38.8% vs. 4Q15) and free cash flow came to R\$ 402.9 million.

In the year, consolidated gross revenue was R\$ 10,993.1 million (+1.7% vs. 2015), while net revenue stood at R\$ 7,912.7 million (+0.2% vs. 2015). EBITDA was R\$ 1,343.6 million (-10% vs. 2015), net profit was R\$ 296.7 million (-42.2 vs. 2015) and free cash generation was R\$ 469.9 million.

The series of advances made in 2016 support our belief that we will successfully recover the performance of our operation in Brazil. This will be achieved primarily through the strategy to revitalize direct selling, which is our focus for 2017. We are launching a new value proposition for our consultants that will further their professional development, modernize the way they work and consistently increase their income. Our consumers will receive better service that will strengthen their experience with our products, while our consultants will perceive Natura as an opportunity for growth and prosperity through new ways of relating with the company.

Technology is a powerful enabler for driving **our consultants' businesses** by providing the means and information required for intensifying the relationship with consumers. We are already past the stage of using technological resources only as transactional facilitators and are looking to become a data-oriented company, which supports the decision-making process, productivity and the quality of the relations between Natura, consultants and end consumers.

The Rede Natura (Natura Network, our online business unit) doubled its sales compared to 2015, ending the year with R\$ 106.7 million (R\$ 50.1 million in 2015), registering 93,000 Digital Natura Consultants and 1.5 million consumers.

We progressed with our retail strategy by launching five exclusive brick-and-mortar stores in shopping centers in the city of São Paulo, all of which have performed better than expected. We also started distributing the Sou line in major drugstore chains in Brazil.

We had important relaunches during the year, such as the brands Ekos, Tododia, Chronos, Una and Humor, as well as the launch of the Ekos Flor do Luar fragrance for women.

In Latin America, gross revenue advanced 30.9% in local currency during the year, driven by productivity gains and expansion of our network of consultants. We are the preferred brand of consumers in Argentina, Chile and Peru. Aesop, in which we already hold a 100% interest, grew 33.5% in local currency during the year, with the opening of 41 signature stores, bringing the total to 176 units across 20 countries.

RESULTS

Consolidated 4Q16

R\$ million	4Q16	4Q15	Change (%)	2016	2015	Change (%)
Brazil Gross Revenue	2,293,1	2,256,3	1,6	7.760,5	7.892,1	(1,7)
International Gross Revenue	905,6	943,9	(4,1)	3.232,6	2.914,3	10,9
Consolidated Gross Revenue	3.198,7	3.200,2	0,0	10.993,1	10.806,4	1,7
Brazil Net Revenue	1.571,7	1.579,8	(0,5)	5.335,1	5.593,7	(4,6)
International Net Revenue	723,0	752,6	(3,9)	2.577,6	2.305,2	11,8
Consolidated Net Revenue	2.294,7	2.332,4	-1,6	7.912,7	7.899,0	0,2
<i>% Share International Net Revenue</i>	<i>31,5%</i>	<i>32,3%</i>	<i>(0,8) pp</i>	<i>32,6%</i>	<i>29,2%</i>	<i>3,4 pp</i>
Brazil pro-forma EBITDA	358,5	345,4	3,8	1.004,1	1.251,3	(19,8)
<i>% Brazil pro-forma EBITDA Margin</i>	<i>22,8%</i>	<i>21,9%</i>	<i>0,9 pp</i>	<i>18,8%</i>	<i>22,4%</i>	<i>(3,5) pp</i>
International pro-forma EBITDA	103,6	107,7	(3,8)	339,6	244,6	38,8
<i>% International pro-forma EBITDA Margin</i>	<i>14,3%</i>	<i>14,3%</i>	<i>0,0 pp</i>	<i>13,2%</i>	<i>10,6%</i>	<i>2,6 pp</i>
Consolidated EBITDA	462,1	453,2	2,0	1.343,6	1.495,9	(10,2)
<i>% Consolidated EBITDA Margin</i>	<i>20,1%</i>	<i>19,4%</i>	<i>0,7 pp</i>	<i>17,0%</i>	<i>18,9%</i>	<i>(2,0) pp</i>
Consolidated Net Income*	201,8	145,4	38,8	296,7	513,5	(42,2)
<i>% Consolidated Net Margin</i>	<i>8,8%</i>	<i>6,2%</i>	<i>2,6 pp</i>	<i>3,7%</i>	<i>6,5%</i>	<i>(2,8) pp</i>
Internal cash generation	248,9	257,7	(3,4)	631,4	887,5	(28,9)
Free cash flow	402,9	169,4	137,8	469,9	818,2	n/a
Net Debt / EBITDA	n/a	n/a	n/a	1,40	1,13	23,79

*Net (Loss) income attributable to owners of the Company

Note: Growth in Local Currency ex Aesop: 26,4% in 4Q16 vs. 4Q15 and 29,3% in 2016 vs. 2015

Consolidated EBITDA grew in the quarter due to the following factors:

_Expenses in Brazil: rigorous management of expenses which resulted in greater savings and efficiency;

_New Business units: improvements from new initiatives implemented in 2016 – Rede Natura (online channel), retail and drugstores;

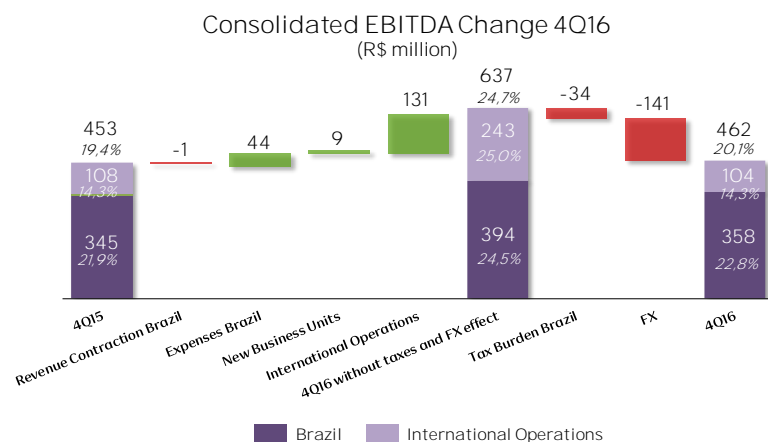
_International Operations: positive results coming from Latin America and Aesop, disregarding the FX impact;

_Tax burden: 1.5pp. increase given higher ICMS excise tax rate and higher "MVA" (value value margin);

_FX: Brazilian real appreciation over the basket of currencies in Latin America, which impacted both costs and the translation of the region's results.

Brazil in 4Q16

Despite the still-challenging macro-economic scenario, with falling household income and consumers seeking lower-priced alternatives, we posted gross revenue growth of 2% on 4Q15, driven by our Christmas strategy. On the other hand, net revenue fell 0.5% compared to 4Q15, pressured by the 1.5 p.p. increase in the effective tax rate due to the higher rates of ICMS tax and higher value added margin (MVA).



EBITDA improved by 4% on 4Q15, with EBITDA margin expanding 0.9 p.p. Our selling, general and administrative expenses remained stable in relation to 4Q15, despite the higher inflation rate in the year, which is explained by the ongoing efforts to make our operations more efficient.

International Operations in 4Q16

In Latam, we maintained accelerated gross revenue growth of 29% in local currency, with operating leverage gains, which were negatively impacted at consolidation level by the appreciation in the Brazilian real against a basket of the region's currencies. Our network (average number of consultants in the period) expanded 8% compared to 4Q15.

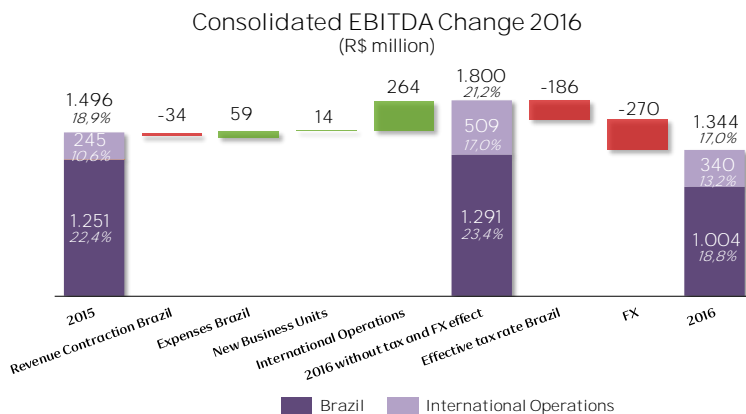
Aesop also maintained accelerated revenue growth in local currency of 29% compared to 4Q15. We opened 41 new signature stores, and posted same-store sales growth of 12% in the year; the department stores reached 85 units, up from 73 in December 2015, and posted same-store sales growth in the year of 16%.

EBITDA from the International Operations, including Latam, Aesop and France, stood at R\$ 103.6 million and was 4% lower than in 4Q15 (R\$107.7 million). The main impact was from the stronger Brazilian real in relation to the other currencies, and the fact that in France we had a non-recurring expense of circa R\$ 6 million from the termination of the direct selling channel.

Consolidated annual result

Gross revenue advanced 2% from 2015, with a 0.3 p.p. drop in gross margin, mainly reflecting a higher effective tax rate in Brazil and currency headwinds in Latam. In Brazil, the effective tax rate increased by 2.1 p.p. compared to 2015 and by 4.4 p.p. compared to 2014, which impacted the P&L by R\$343.4 million. In the year, the basket of Latam currencies weakened by 24% against the Brazilian real.

EBITDA fell 10% in 2016 as a result of similar factors that impacted the results in the quarter:



_Expenses in Brazil: improvement due to a more rigorous budget management which resulted in greater savings and efficiency;

_New Business Units: positive results from the initiatives implemented in 2016, such as our Rede Natura (Natura Network), entrance in the retail segment and distribution drugstore chains;

_International Operations: growth in Latin America and Aesop, not accounting for the FX effects;

_Effective tax rate: 2.1p.p. increase over 2015;

_FX: Brazilian real appreciation over the basket of currencies in Latin America, which impacted the COGS as well as the translation of the region's results.

Net income decreased 42%, reflecting the performance in Brazil, the unfavorable foreign exchange variation and non-cash effects (revaluation of the acquisition of the remaining interest in Aesop and the mark-to-market adjustment of hedge instruments).

We maintained our efforts to efficiently and rigorously manage CAPEX (R\$ 306 million in 2016 vs. R\$ 383 million in 2015) and expenses. We optimized working capital investment in our operations, with lower

inventory coverage and improvement in cash conversion cycle. As a result, our free cash generation in the year was R\$ 470 million.

1. social and environmental highlights

Partnerships that generate positive impacts

Natura partners with Google Brasil and with the NGOs Ecam, Kaninde and Imaflora in the New Technologies and Traditional Communities Project, which seeks to improve the protection and sustainable use of territories covering more over 20% of the Brazilian Amazon. The goal is to reach, by 2020, 615 people from 25 communities, cooperatives and associations be trained in improving the management of natural resources on 1.7 million hectares of the Amazon. The project will last four years and received funding of around US\$3.8 million in November from the U.S. Agency for International Development (USAID), while the other organizations will make an additional contribution of US\$1.2 million.

December marked the launch of the pre-acceleration phase of the Natura Amazon Challenge: Businesses for the Standing Forest, in partnership with Artemisia. The entrepreneurs of the four winning solutions and another 13 projects stood out among the 140 initiatives submitted and presented business solutions to local challenges that are aligned with the UN Sustainable Development Goals (e.g., education, solid waste treatment, entrepreneurship and production chains in social and biodiversity, etc.). Participants underwent a high-impact, five-day immersion in the Amazon, with group experiences, training and a visit to an agro-extractivist community. The event featured the participation of representatives from Pará state and Guilherme Leal (Co-Chairman of Natura's Board of Directors), as well as of important agents in impact entrepreneurship, such as MOV Investimentos, Impactix, Telefônica and Imazon.

The CN Education program reinforces the investment in our direct selling network in Brazil and was created based on the results of the HDI-CN index, which measures the human development of Natura Consultants. It ended the year with strong results: in July to December 2016, 12,000 people already were studying with the program's support. In CN Education, the consultants and their family members can further their studies through on-site and e-learning programs nationwide, receiving discounts or full scholarships. The incentive is made possible by partnerships between Natura and Universidade Estácio de Sá (higher education), Prepara Cursos (vocational courses), Wizard by Pearson (language courses) and the online platforms Khan Academy (various programs) and Geekie Games (preparatory programs for university admissions exams).

Natura recognized in Brazil and around the world

In the last quarter of 2016 we received national and international accolades that consolidate our strategic activities in sustainability: Época Empresas Verdes award for the case study Ekos Ucuuba; Exame Sustainability Guide, in which we once again placed first in the consumer goods category; Thomson Reuters's Diversity and Inclusion Index (D&I), in which Natura was the only Brazilian company; Global Recognition of Good Practices for Employees with Disabilities, an initiative by the São Paulo State Department for the Rights of Persons with Disabilities. In addition, Natura stock was included once again in the Corporate Sustainability Index (ISE) of the BM&FBovespa.

Indicator	Unit	2020 ambition	2016	2015
Relative carbon emissions (scopes 1, 2 e 3)	kg CO2/kg prod billed	2,15	3,17	3,17
% post consumption recycled materials ¹	% (g recycled mat/g packaging)	10,0	4,3	2,9
% product recyclability ²	% (g recycled mat/g packaging)	74,0	51,2	50,0
Eco-efficient packaging ³	% (eco-efficient packaging units billed/ total units billed)	40,0	20,3	26,0
Amazon inputs consumed in relation to total inputs	% (R\$ Amazon inputs/R\$ total inputs)	30,0	19,1	12,2
Cumulative business volume in the Pan-Amazon region ⁴	R\$ millions	1000,0	972,6	751,9
Water consumption	Liters / units manufactured	0,32	0,53	0,49
Funding for "Crer Para Ver" program - Brazil ⁵	R\$ millions	23,6	23,7	19,5

¹ The indicator considers the % of packaging materials sourced from post-consumer recycling in relation to total mass of packaging billed.

² The indicator considers the % of packaging that can be recycled in relation to the total mass of packaging billed.

³ Eco-efficient packaging is 50% lighter in relation to regular/similar packaging or which has at least 50% in potentially marketable recyclable materials and/or renewable materials, as long as there is no mass increase.

⁴ Cumulative amounts since 2011.

⁵ Refers to the profit before income tax attributed to the Crer Para Ver product line.

Relative carbon emissions (scopes 1, 2 and 3): For 2016, a decline in carbon emissions efficiency was expected in view of the business projections. However, we remained at the same level of 2015, a highlight was the efficiency gains captured in key processes, such as air freight for exports to Latam, higher use of cabotage for destinations in the North and Northeast, improvements in product delivery to CNs in Brazil (transfer and last mile), lower electricity consumption at Natura sites, optimization of magazine printing in Latam and higher use of materials with low environmental impacts for making our products.

Percentage of post-consumer recycled materials: The strong sales performance of fragrances with post-consumer recycled glass leveraged the result for the year. Another highlight was the use of post-consumer recycled material in the body category for the relaunch of Ekos.

Percentage of product recyclability: The result was stable in relation to the previous year. The challenge proposed for 2020 will depend on redesigning certain products in the portfolio that allow for separating components and on using materials with higher recycling rates.

Eco-efficient packaging: The result was lower than in the previous year, due to the lower share of sales from items with eco-efficient packaging. In addition to making available refill options and packaging with a lower environmental impact, such as for the SOU line, we must resume our efforts to encourage consumers to use refills and expand our use of post-consumer recycled materials to include more items in our portfolio.

Consumption of Amazonian inputs in relation to Natura's total consumption: The higher share of Amazonian inputs in the total volume of inputs was mainly due to the increase in palm oil purchases to make soap and to the decrease in total spending on raw materials in 2016. The increased use of

ingredients obtained under a more sustainable production model in our formulations is our challenge for reaching the 2020 goal, helping to conserve forest regions.

Cumulative business volume in the Pan-Amazon region: The accumulated result of R\$972.6 million in business conducted in the Pan-Amazon region since 2010 already points to meeting the 2020 ambition. Acquiring inputs for soap production has contributed more significantly to the business conducted in the Pan-Amazon region (which comprises the Amazon Forest in Brazil and neighboring countries). The investments in Ecoparque, the technology park built in the state of Pará, make an important contribution.

Water consumption: the increase in the relative consumption of water in production processes reflects the lower production volume, which results in fewer lots and consequently more frequent equipment cleaning. We have ongoing projects to optimize the washing and sanitization processes by reducing water consumption and to increase the use of recycled water in our facilities to reverse this situation. A comprehensive analysis of our EP&L and water footprint, which include the company's entire value chain, showed that the use of products represents a much bigger impact than the industrial stage. We will direct our efforts to shared management with the consumer to reduce this impact.

Funding for Crer para Ver (Education) program: The 22% increase in results compared to last year is mainly due to the new launches in the portfolio, accompanied by an increase in the average price of items and the mobilization of the sales team. The performance of our product sales was excellent in terms of profitability, which was allocated to investments in education through the Natura Institute. A portion of the funds will be allocated to education for Natura Consultants that includes high school, vocational and undergraduate programs. Around 160,000 consultants engage in this cause in each cycle (every 21 days).

2. economic performance

As from the second quarter of 2015, the following business segmentation was adopted: "Brazil," "Latam" (operations in Latin America, including Latam Corporate) and "Aesop" (including the results of the holding companies Natura Brasil Pty Ltd. and Natura Cosmetics Australia Pty Ltd. domiciled in Australia).

The historical data series since 2011 is available in the new format at the following link:

<http://natu.foinvest.com.br/static/ptb/balancos-iterativos.asp?idioma=ptb>

Quarter	Pro-Forma														
	(R\$ million)			Consolidated ¹			Brazil			Latam			Aesop		
	4Q16	4Q15	Change (%)	4Q16	4Q15	Change (%)	4Q16	4Q15	Change (%)	4Q16	4Q15	Change (%)	4Q16	4Q15	Change (%)
Total Consultants - end of period ('000) ²	1800,1	1883,0	(4,4)	1256,0	1376,9	(8,8)	543,0	505,1	7,5	-	-	-	-	-	-
Total Consultants - average of period ('000)	1812,5	1871,4	(3,1)	1265,5	1366,0	(7,4)	546,0	505,4	8,0	-	-	-	-	-	-
Units sold - items for resale (in million)	1285	139,6	(8,0)	931	109,7	(15,1)	329	27,9	17,7	2,3	1,8	28,4	-	-	-
Gross Revenue	3.198,7	3.200,2	(0,0)	2.293,1	2.256,3	1,6	687,7	750,5	(8,4)	212,3	187,5	13,2	-	-	-
Net Revenue	2.294,7	2.332,4	(1,6)	1.571,7	1.579,8	(0,5)	526,0	576,3	(8,7)	192,3	171,4	12,2	-	-	-
COGS	(720,8)	(712,9)	1,1	(512,4)	(507,7)	0,9	(186,0)	(183,3)	1,5	(21,2)	(20,7)	2,1	-	-	-
Gross Profit	1.573,9	1.619,5	(2,8)	1.059,3	1.072,2	(1,2)	340,0	392,9	(13,5)	171,2	150,7	13,6	-	-	-
Selling, Marketing and Logistics Expenses	(863,5)	(850,4)	1,5	(599,5)	(559,1)	7,2	(233,3)	(266,4)	(12,4)	(19,8)	(16,9)	17,0	-	-	-
Administrative, R&D, IT and Projects Expenses	(356,8)	(393,4)	(9,3)	(190,7)	(232,5)	(18,0)	(57,9)	(77,5)	(25,2)	(105,0)	(86,5)	21,5	-	-	-
Other Operating Income / (Expenses), net	43,6	10,8	301,7	39,2	11,6	238,5	4,2	(1,0)	(524,7)	0,1	0,3	(49,4)	-	-	-
Financial Income / (Expenses), net	(130,9)	(66,2)	97,9	(119,5)	(52,8)	n/d	(8,8)	(11,5)	n/d	(2,7)	(1,9)	41,1	-	-	-
Earnings Before Taxes	266,2	320,3	(16,9)	188,8	239,3	(21,1)	44,1	36,6	20,4	43,8	45,7	n/d	-	-	-
Income Tax and Social Contribution	(57,4)	(165,6)	(65,3)	(43,0)	(144,5)	(70,3)	(4,2)	(8,3)	(49,7)	(10,3)	(12,8)	(19,4)	-	-	-
Noncontrolling shareholders	(7,0)	(9,4)	(24,9)	-	-	-	-	-	-	(7,0)	(9,4)	(24,9)	-	-	-
Net Income**	201,8	145,4	38,8	145,9	94,8	53,9	40,0	28,4	40,9	26,5	23,5	12,7	-	-	-
EBITDA*	462,1	453,2	2,0	358,5	345,4	3,8	58,3	52,6	10,8	55,8	55,4	0,7	-	-	-
Gross Margin	68,6%	69,4%	(0,8) pp	67,4%	67,9%	(0,5) pp	64,6%	68,2%	(3,6) pp	89,0%	87,9%	1,1 pp	-	-	-
Selling, Marketing and Logistics Expenses/Net Revenue	37,6%	36,5%	1,2 pp	38,1%	35,4%	2,8 pp	44,4%	46,2%	(1,9) pp	10,3%	9,9%	0,4 pp	-	-	-
Administrative, R&D, IT and Projects Expenses/Net Revenue	15,5%	16,9%	(1,3) pp	12,1%	14,7%	(2,6) pp	11,0%	13,4%	(2,4) pp	54,6%	50,5%	4,2 pp	-	-	-
Net Margin	8,8%	6,2%	2,6 pp	9,3%	6,0%	3,3 pp	7,6%	4,9%	2,7 pp	13,8%	13,7%	0,1 pp	-	-	-
EBITDA Margin	20,1%	19,4%	0,7 pp	22,8%	21,9%	0,9 pp	11,1%	9,1%	2,0 pp	29,0%	32,3%	(3,3) pp	-	-	-

(*) EBITDA - Income from operations before financial effects - depreciation & amortization.

(**) Net / (Loss) income attributable to owners of the Company

Year	Pro-Forma														
	(R\$ million)			Consolidated ¹			Brazil			Latam			Aesop		
	2016	2015	Change (%)	2016	2015	Change (%)	2016	2015	Change (%)	2016	2015	Change (%)	2016	2015	Change (%)
Total Consultants - end of period ('000) ²	1800,1	1883,0	(4,4)	1256,0	1376,9	(8,8)	543,0	505,1	7,5	-	-	0,0	-	-	0,0
Total Consultants - average of period ('000)	1834,5	1801,4	1,8	1303,1	1330,8	(2,1)	530,3	470,6	12,7	-	-	0,0	-	-	0,0
Units sold - items for resale (in million)	467,4	499,7	(6,5)	339,8	399,3	(14,9)	120,4	99,8	20,7	6,6	4,8	37,8	-	-	-
Gross Revenue	10.993,1	10.806,4	1,7	7.760,5	7.892,1	(1,7)	2.575,3	2.424,7	6,2	639,9	472,1	35,5	-	-	-
Net Revenue	7.912,7	7.899,0	0,2	5.335,1	5.593,7	(4,6)	1.983,3	1.859,1	6,7	579,7	431,5	34,3	-	-	-
COGS	(2.447,0)	(2.416,0)	1,3	(1.725,9)	(1.778,4)	(3,0)	(664,4)	(584,5)	13,7	(53,5)	(49,7)	7,6	-	-	-
Gross Profit	5.465,7	5.483,0	(0,3)	3.609,2	3.815,3	(5,4)	1.318,9	1.274,5	3,5	526,2	381,8	37,8	-	-	-
Selling, Marketing and Logistics Expenses	(3.110,2)	(3.020,5)	3,0	(2.144,0)	(2.081,0)	3,0	(873,8)	(866,0)	0,9	(68,1)	(50,3)	35,2	-	-	-
Administrative, R&D, IT and Projects Expenses	(1.327,1)	(1.271,5)	4,4	(709,9)	(742,9)	(4,4)	(224,5)	(255,2)	(12,0)	(381,9)	(267,6)	42,7	-	-	-
Other Operating Income / (Expenses), net	54,4	65,8	(17,3)	49,0	66,7	(26,5)	5,1	(0,3)	(1.729,9)	0,3	(0,6)	(154,6)	-	-	-
Financial Income / (Expenses), net	(656,0)	(381,4)	72,0	(614,3)	(395,7)	55,3	(40,6)	18,3	(322,2)	(1,1)	(4,0)	(73,0)	-	-	-
Earnings Before Taxes	426,9	875,4	(51,2)	190,0	662,4	(71,3)	185,1	171,3	8,1	75,5	59,3	27,4	-	-	-
Income Tax and Social Contribution	(118,6)	(352,6)	(66,4)	(51,1)	(261,1)	(80,4)	(47,8)	(69,1)	(30,9)	(19,7)	(22,4)	(12,0)	-	-	-
Noncontrolling shareholders	(11,5)	(9,2)	25,2	-	-	-	-	-	-	(11,5)	(9,2)	25,16	-	-	-
Net Income**	296,7	513,5	(42,2)	138,9	401,3	(65,4)	137,3	102,2	34,4	44,2	27,6	60,1	-	-	-
EBITDA*	1.343,6	1.495,9	(10,2)	1.004,1	1.251,3	(19,8)	247,6	169,7	45,9	115,0	90,2	27,5	-	-	-
Gross Margin	69,1%	69,4%	(0,3) pp	67,7%	68,2%	(0,6) pp	66,5%	68,6%	(2,1) pp	90,8%	88,5%	2,3 pp	-	-	-
Selling, Marketing and Logistics Expenses/Net Revenue	39,3%	38,2%	1,1 pp	40,2%	37,2%	3,0 pp	44,1%	46,6%	(2,5) pp	11,7%	11,7%	0,1 pp	-	-	-
Administrative, R&D, IT and Projects Expenses/Net Revenue	16,8%	16,1%	0,7 pp	13,3%	13,3%	0,0 pp	11,3%	13,7%	(2,4) pp	65,9%	62,0%	3,9 pp	-	-	-
Net Margin	3,7%	6,5%	(2,8) pp	2,6%	7,2%	(4,6) pp	6,9%	5,5%	1,4 pp	7,6%	6,4%	1,2 pp	-	-	-
EBITDA Margin	17,0%	18,9%	(2,0) pp	18,8%	22,4%	(3,5) pp	12,5%	9,1%	3,4 pp	19,8%	20,9%	(1,1) pp	-	-	-

(*) EBITDA - Income from operations before financial effects - depreciation & amortization.

(**) Net / (Loss) income attributable to owners of the Company

Employer profit sharing plan: 77.5 million in 2016 and 54.6 million in 2015.

Management compensation: 37.4 million in 2016 and 21.8 million in 2015.

¹ Consolidated figures include Brazil, Latam, Aesop and France.

² Position at the end of Cycle 18 in Brazil, 12 in France and Aesop and 17 in Latam countries.

2.1. revenue

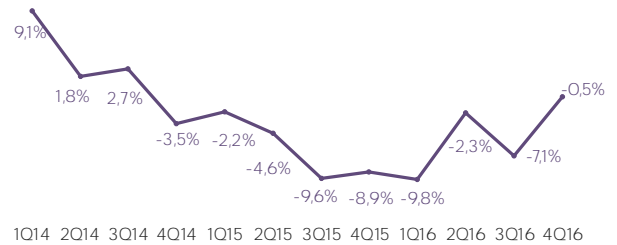
Brazil

Gross revenue advanced 1.6% in 4Q16 compared to 4Q15. Net revenue contracted 0.5% in the period, reflecting the higher effective tax rate, which was mainly due to the higher tax rates for ICMS and higher MVA in various states.

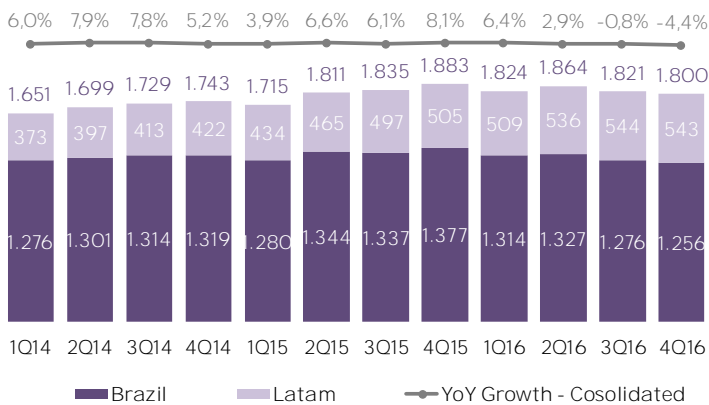
In the quarter, the number of consultants decreased 8.8% compared to last year. On the other hand, we implemented actions to improve consultant productivity, which increased 9.7% in the period.

Our volumes contracted 15.1% in the quarter due to a few factors: trading-down effect in personal care and sales concentrated in Christmas gifts kits and facial care, with higher value and lower volume.

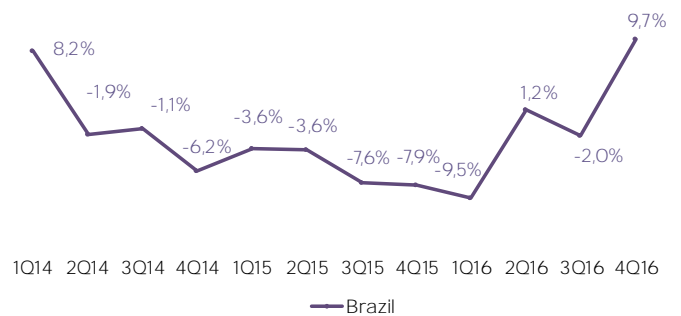
Brazil Net Revenue (% year over year)



Consultants - end of period



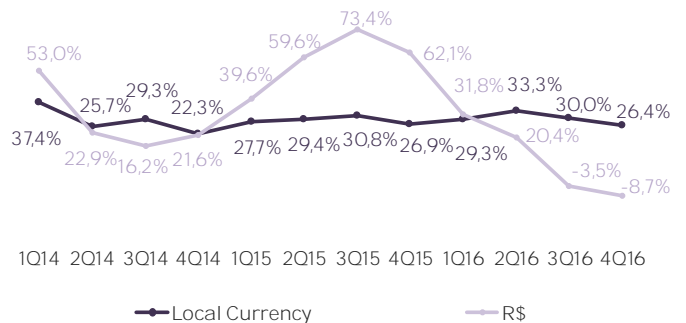
Productivity (% year over year) ⁽³⁾



Latam

Net revenue advanced 26.4% (gross revenue: +28.9%) in local currency in 4Q16, driven by channel expansion and higher consultant productivity, but contracted 8.7% in Brazilian real due to depreciation in the region's currencies. In 4Q16, Latam accounted for 22.9% of consolidated net revenue (24.7% in 4Q15), with growth of 7.5% in the number of consultants compared to 4Q15 (8.0% based on average in period) and growth of 17.7% in units sold.

Latam Net Revenue (% year over year)

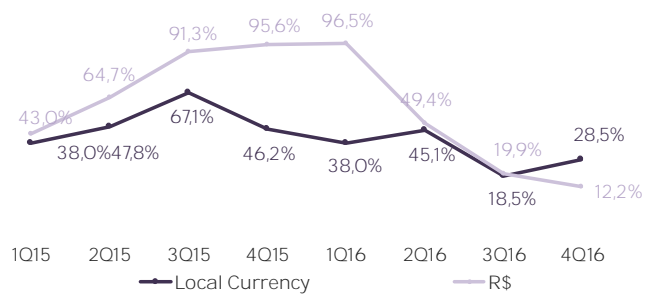


³ Productivity at retail prices = (gross revenue in the period/average number of consultants in the period)/(1 - % consultants' profit)

Aesop

Aesop continued to post strong growth of 12.2% in Brazilian real (28.5% in Australian dollar) in 4Q16, to account for 8.4% of consolidated net revenue (7.3% in 4Q15), with same-store sales growth of 11% in the period (12% in the year). Aesop has 261 stores, of which 176 are signature stores (135 in 4Q15) and 85 are department stores (73 in 4Q15), in 20 countries (18 in 4Q15), including now in Denmark and New Zealand. A directory with all Aesop stores can be found on the website www.aesop.com.

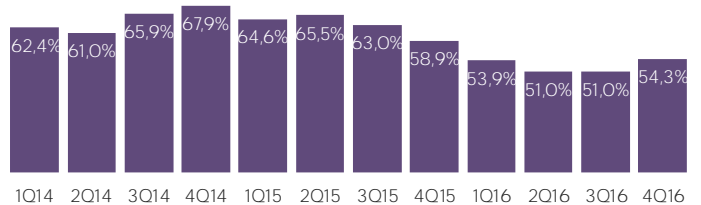
Aesop Net Revenue (% year over year)



2.2. innovation & products

In the 12 months to December 2016, the innovation index⁴ stood at 54.3%, which marked the highest level of 2016.

Innovation (%NR)



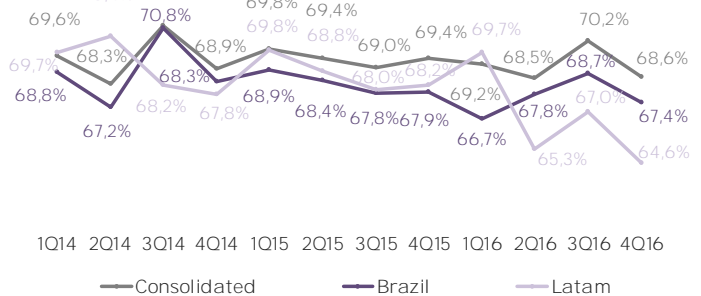
2.3. gross margin

Consolidated gross margin in 4Q16 decreased 0.8 p.p. from the year-ago period.

Brazil

Decrease of 0.5 p.p., caused by the 1.5 p.p. increase in the effective tax rate in the period, due to the higher ICMS raters and higher MVA.

Gross Margin (%NR)



Latam

Contraction of 3.6 p.p., which is mainly explained by the stronger Brazilian real on the cost of products exported from Brazil to the region.

The table to the right presents the main components of consolidated costs:

	4Q16	4Q15	2016	2015
RM / PM / FP*	84,3%	82,8%	80,2%	80,2%
Labor	8,4%	7,8%	10,1%	8,8%
Depreciation	2,6%	2,8%	3,2%	3,3%
Other	4,7%	6,6%	6,5%	7,8%
Total	100,0%	100,0%	100,0%	100,0%

*Raw Material, Packaging Material and Finished Products

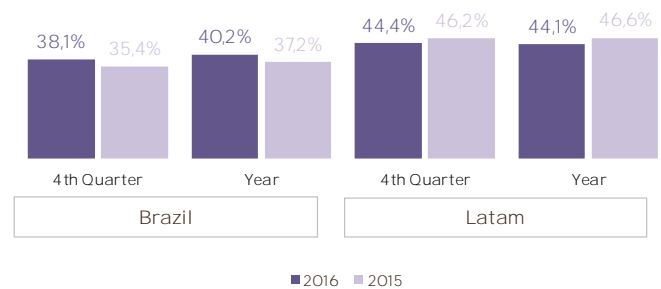
⁴ Innovation Index: share in the last 12 months of the sale of products launched in the last 24 months.

2.4. operating expenses

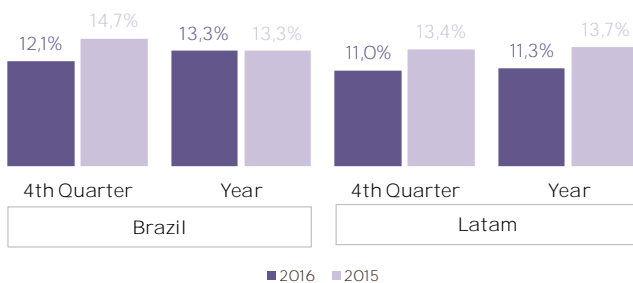
In Brazil, selling, marketing and logistics expenses increased 7.2% in nominal terms compared to 4Q15, due to higher selling expenses from higher compensation, incentives and training provided to the sales force.

In Latam, in local currency, such expenses lagged revenue growth in the period, despite the maintenance of significant marketing investments, thus increasing operational margin.

Selling, Marketing and Logistics Expenses (%NR)



Administrative, R&D IT and Project Expenses (%NR)



Administrative and R&D, IT and project expenses in Brazil declined 18.0% in nominal terms compared to 4Q15, accounting for 12.1% of net revenue (14.7% in 4Q15). This decrease offset the increase in selling expenses and was due to the ongoing efforts to control expenses and capture productivity gains. In the year, these expenses also decreased in relation to 2015, by 4.4%.

In Latam, administrative expenses fell 25.2% in Brazilian real while in local currency they increased approximately 20%, following the region's average inflation rate.

At Aesop, in local currency, this group of expenses expanded in line with revenue growth. Further, in 4Q16 we granted to Aesop's executives an incentive plan for the second half of 2016.

2.5. other operating income and expenses

In 4Q16, consolidated income amounted to R\$43.6 million, compared to R\$10.8 million in 4Q15. In 2016, we recorded revenue from a BNDES subsidy (CPC 07) due to new funding transactions and the sale of the receivables portfolio in Brazil.

2.6. EBITDA

CONSOLIDATED EBITDA (R\$ million)

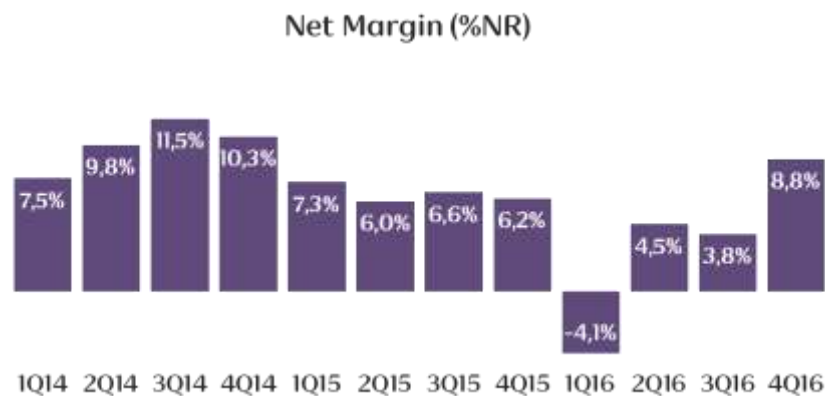
	4Q16	4Q15	Change (%)	2016	2015	Change (%)
Net Revenue	2.294,7	2.332,4	(1,6)	7.912,7	7.899,0	0,2
(-) Income and Expenses	1.897,5	1.945,9	(2,5)	6.829,8	6.642,2	2,8
EBIT	397,2	386,5	2,8	1.082,9	1.256,7	(13,8)
(+) Depreciation / Amortization	64,9	66,7	(2,6)	260,8	239,2	9,0
EBITDA	462,1	453,2	2,0	1.343,6	1.495,9	(10,2)

In 4Q16, consolidated EBITDA advanced 2.0% from 4Q15. In Brazil, the 3.8% increase is explained by the rigorous control of expenses and improvements in other income, as described above, which offset the 0.5 p.p. drop in gross margin.

In Latam, EBITDA growth was 10.8% in Brazilian real compared to 4Q15, despite the Brazilian real's strong appreciation against the region's currencies. EBITDA margin expanded 2.0 p.p., attesting to the operation's strong operating leverage, which offset the loss of 3.6 p.p. in gross margin in the period.

EBITDA at Aesop grew 0.7% in Brazilian real (15.7% in local currency) compared to 4Q15, which was affected by the Brazilian real's strengthening against the Australian dollar. In local currency, the increase was driven by higher same-store sales and operating leverage, but was partially offset by the incentive plan mentioned in item 2.4.

2.7. net income (loss)



In 4Q16, we posted consolidated net income of R\$201.8 million (against R\$145.4 million in 4Q15), due to the slight increase in EBITDA explained above and the lower effective income tax rate, the latter caused by the lower profit before tax, the approval for payment of interest on equity, non-recurring effects of deferred tax assets and lower provision for the acquisition of Aesop's remaining interest. Such effects offset the increase of R\$64.7 million in financial expenses from 4Q15.

The composition of net income based on EBITDA follows:

(R\$ million)	4Q16	4Q15	Change R\$	Change (%)	2016	2015	Change R\$	Change (%)
EBITDA - Consolidated	462,1	453,2	8,9	2,0%	1.343,6	1.495,9	(152,3)	(10,2%)
Depreciation and Amortization	(64,9)	(66,7)	1,8	(2,6%)	(260,8)	(239,2)	(21,6)	9,0%
Financial Result	(130,9)	(66,2)	(64,8)	97,9%	(656,0)	(381,4)	(274,6)	72,0%
Income Tax and Social Contrib.	(57,4)	(165,6)	108,2	(65,3%)	(118,6)	(352,6)	234,0	(66,4%)
Noncontrolling shareholders	(7,0)	(9,4)	2,3	(24,9%)	(11,5)	(9,2)	(2,3)	25,2%
Net income - Consolidated	201,8	145,4	56,4	38,8%	296,7	513,5	(216,8)	(42,2%)

The following table presents the main changes in the financial result:

(R\$ million)	4Q16	4Q15	Change R\$	Change (%)	2016	2015	Change R\$	Change (%)
Financial Result	(130,9)	(66,2)	(64,7)	98%	(656,0)	(381,4)	(274,6)	72%
1. Borrowings/Financing (B/F) and Short-Term Investments (STI) - Brazil	(60,2)	(62,3)	2,1	(3%)	(248,8)	(229,8)	(19,0)	8%
Average Balance of STI	1.821,4	2.420,7	(599,3)	(25%)	1.979,6	2.119,7	(140,1)	(7%)
Financial Income from STI	56,8	80,6	(23,8)	(30%)	255,4	267,8	(12,3)	(5%)
Average Interest Rate Earned on STI as % of CDI	101,5%	100,7%	n/a	0,8pp	102,0%	100,7%	n/a	1,3%
Average Balance of Treasury Debt	(3.756,2)	(4.612,2)	856,0	(19%)	(3.963,0)	(4.198,9)	236,0	(6%)
Financial Expenses on B/F and Derivatives	(117,0)	(142,9)	25,9	(18%)	(504,2)	(497,5)	(6,7)	1%
Weighted Average Cost of B/F as a % of CDI	93,4%	98,6%	n/a	(5,2pp)	96,0%	98,7%	n/a	(2,7%)
Cumulative CDI	3,24%	3,36%	n/a	(0,1pp)	14,00%	13,24%	n/a	5,7%
2. Operational FX gains/(losses) - Brazil	1,9	0,3	1,6	539%	(16,7)	35,2	(51,9)	(148%)
3. Restatement of Aesop's Put Option	(5,0)	(5,9)	0,8	(14%)	(123,2)	(106,2)	(17,0)	16%
Provision for acquiring Aesop's remaining interests	(1,8)	(5,9)	4,1	(70%)	(123,5)	(106,2)	(17,3)	16%
FX Aesop Derivatives	0,7	0,0	0,7	n/a	0,6	0,0	0,6	n/a
Mark-to-market of Aesop Derivatives	(4,0)	0,0	(4,0)	n/a	(0,2)	0,0	(0,2)	n/a
4. International Operations - LATAM	(8,8)	(11,5)	2,6	(23%)	(40,6)	18,3	(58,9)	(322%)
5. Other financial expense / income	(58,8)	13,2	(71,9)	(546,7%)	(226,7)	(98,8)	(127,9)	129,4%
Mark-to-market of financial derivatives	(2,0)	48,1	(50,1)	(104%)	(12,3)	38,2	(50,5)	(132%)
Reclassification BNDES - CPC 07	(21,9)	(12,6)	(9,3)	74%	(65,8)	(45,2)	(20,6)	46%
Other	(34,9)	(22,3)	(12,6)	56%	(148,6)	(91,9)	(56,7)	62%

The negative variation of R\$64.7 million compared to 4Q15 was due to the combination of the following factors:

- Borrowings/Financing and short-term financial investments in Brazil: lower financial revenue due to the decrease in the average balance invested and lower financial expense, given the reduction in average debt in the period.
- Operating FX gains/(losses) in Brazil: reflects the effect of the BRL/USD exchange rate on export receivables (favorable variation of R\$1.6 million due to the BRL depreciation in the period).
- **Provision for acquiring Aesop's remaining interest:** reflects the restatement of liabilities related to the acquisition of the remaining interest in Aesop, which was settled at end-December. The amount recorded in the period reflects the effect from exchange variation on liabilities (BRL/AUD), hedge adjustment and final restatement of the company's value.
- International Operations: this variation is mainly due to the effects from the Brazilian real and Argentine peso exchange rate on imports payable from Argentina.
- Other revenue and financial expenses: includes the remaining effects from the mark-to-market adjustment of hedge instruments on foreign-denominated debt that was settled in the period, as well as the reclassification of BNDES subsidy – CPC 07, with an increase due to new funding transactions. Other factors include mainly the adjustment of tax claims.

2.8. cash flow

Free cash flow in the period was R\$402.9 million, compared to R\$169.4 million in 4Q15, due to the higher net income and sharp drop in working capital, mainly reflecting the lower inventory coverage in Brazil and Latam.

In 2016, the weaker cash generation compared to 2015 is explained by the lower net income, by the effects identified in the first three quarters of the year and by the lower reduction in working capital.

R\$ million	4Q16	4Q15	Change R\$	Change %	2016	2015	Change R\$	Change %
Net Income*	201,8	145,4	56,4	38,8	296,7	513,5	(216,8)	(42,2)
Depreciation and Amortization	64,9	66,7	(1,8)	(2,6)	260,8	239,2	21,6	9,0
Non-cash/Others	(19,5)	34,7	(54,2)	n/a	15,8	235	(7,6)	n/a
Provision for acquiring Aesop's remaining interest	1,8	11,0	(9,2)	(84,0)	58,1	111,3	(53,3)	(47,8)
Internal Cash Generation	248,9	257,7	(8,8)	(3,4)	631,4	887,5	(256,1)	(28,9)
Working Capital (Increase)/Decrease	284,4	55,9	228,5	408,6	144,5	313,6	(169,1)	(53,9)
Operating Cash Generation	533,4	313,7	219,7	70,0	775,9	1.201,1	(425,2)	(35,4)
CAPEX	(130,4)	(144,2)	13,8	(9,6)	(306,0)	(383,0)	77,0	(20,1)
Free Cash Flow**	402,9	169,4	233,5	137,8	469,9	818,2	(348,3)	(42,6)

(*) Net income attributable to owners of the Company

(**) (Internal cash generation) +/- (changes in working capital and long-term assets and liabilities) - (acquisitions of property, plant, and equipment).

We ended the year with capex of R\$306 million, in line with our estimates, which resulted from more rigorous criteria adopted for selecting and approving investments. The following table shows the geographic distribution of our capital investments:

(R\$ million)	2014	VA%	2015	VA%	2016	VA%
Brazil	398	79%	239	62%	190	62%
Latam + others	84	17%	83	22%	38	13%
Aesop	24	5%	61	16%	77	25%
Total	506		383		306	

2.9. indebtedness

We ended the year with a net debt/EBITDA ratio of 1.40, compared to 1.13 in 2015, reflecting the reductions in EBITDA and weaker cash generation.

R\$ million	Dec16	Part (%)	Dec15	Part (%)	Change (%)
Short-Term	1.764,5	42,3	2.161,4	48,3	(18,4)
Long-Term	2.625,7	62,9	3.374,5	75,5	(22,2)
Derivatives*	61,2	1,5	(730,8)	(16,3)	(108,4)
Finance Leases / Others**	(277,2)	(6,6)	(334,7)	(7,5)	(17,2)
Total Debt	4.174,2		4.470,3		(6,6)
(-) Cash, cash equivalents and short-term investment	2.298,9		2.783,7		(17,4)
(=) Net Debt	1.875,2		1.686,6		11,2
Net Debt / Ebitda	1,40		1,13		
Total Debt / Ebitda	3,11		2,99		

*Excluding the temporary, non-cash effects of mark-to-market adjustments of derivatives pegged to foreign currency debt

**Other: reclassification of expenses with interest on subsidized loans from financial result in accordance with

3. dividends

On February 10, 2017, interest on equity was paid for the period from January 1 to November 30, 2016, in the aggregate amount of R\$61.8 million, which corresponds to R\$0.143628930 per share (excluding treasury shares), with withholding of income tax at source of 15%, for total net interest on equity of R\$52.5 million, corresponding to R\$0.122084591 per share.

On February 22, 2017, the Board of Directors approved the proposal to be submitted to the Annual Ordinary and Extraordinary Shareholders Meeting to be held on April 11, 2017 for the payment, on April 20, 2017, of dividends for fiscal year 2016 and interest on equity for December 2016, in the amounts of R\$51.3 million and R\$5.6 million (R\$4.8 million net of withholding tax at source of 15%), respectively.

The aggregate amount of dividends and interest on equity for fiscal year 2016 represents a net payout of R\$0.252308702 per share (excluding treasury shares), and corresponds to 40% of net income for 2016.

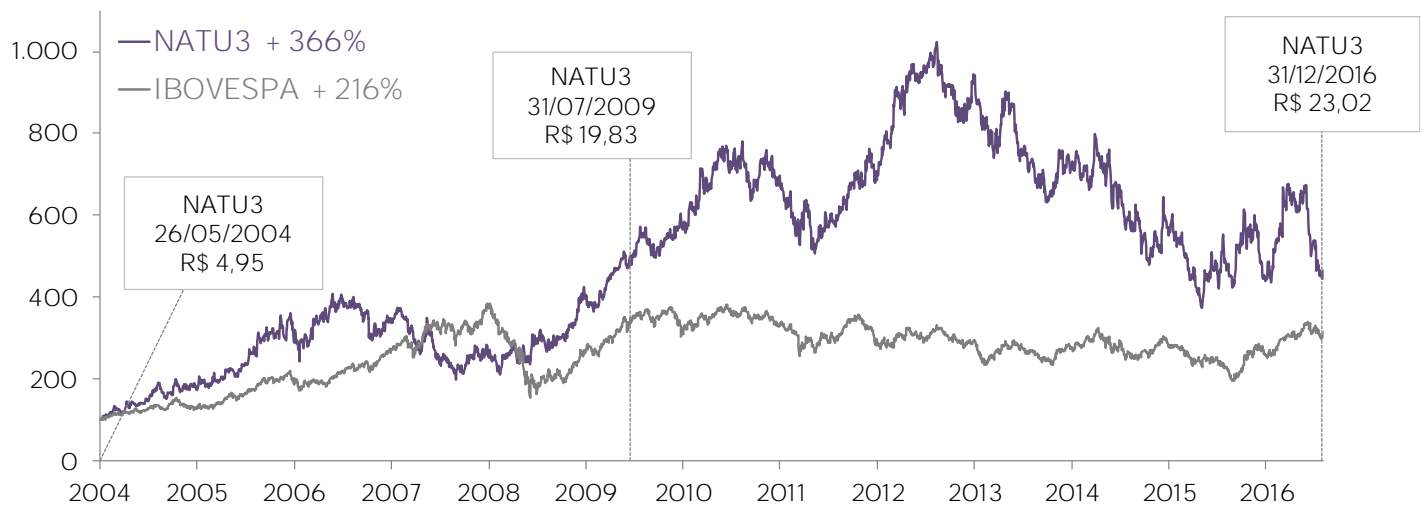
4. NATU3 performance

In 2016, the price of Natura stock declined by 1.2%, while the Bovespa Index increased by 42.9%.

Average daily trading volume in the year was R\$39.1 million, compared to R\$30.2 million in the prior-year period.

In the year, our ranking in the Bovespa Liquidity Index was 49th (46th in December 2015).

The following chart shows the performance of Natura stock since its IPO:



5. conference call & webcast

The Conference Call and Webcast will be held on Feb. 23, 2017 (Thursday) at the following time:

Portuguese / English

10:00 a.m. (Brasília time)

8:00 a.m. (New York time) (simultaneous translation)

From Brazil: +55 11 3193 1001 / +55 11 2820 4001

From USA: Toll Free: +1 888 700 0802

From other countries: +1 786 924 6977

Pass Code: Natura

Live webcast:

www.natura.net/investidor

6. investor relations

Telephone: +55 (11) 4571-7786

Marcel Goya, marcelgoya@natura.net

Luiz Palhares, luizpalhares@natura.net

Deborah Bülow Fernandes, deborahfernandes@natura.net

Camila Soares Cabrera, camilacabrera@natura.net



7. balance sheet

at December 2016 and December 2015

(in millions of Brazilian real - R\$)

ASSETS	2016	2015	LIABILITIES AND SHAREHOLDERS' EQUITY	2016	2015
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and cash equivalents	1.091,5	1.591,8	Borrowings and financing	1.764,5	2.161,4
Short-term investments	1.207,5	1.191,8	Trade and other payables	814,9	802,9
Trade receivables	1.051,9	909,0	Payroll, profit sharing and related taxes	208,1	201,2
Inventories	835,9	963,7	Taxes payable	1.075,4	1.048,0
Recoverable taxes	329,4	320,4	Dividends and interest on capital payables	79,7	0,0
Derivatives	0,0	734,5	Provision for acquisition of non-controlling interest	0,0	190,7
Other receivables	286,7	307,5	Derivatives	73,5	0,0
Total current assets	4.802,9	6.018,7	Other payables	161,7	168,8
			Total current liabilities	4.177,9	4.572,9
NON CURRENT ASSETS			NON CURRENT LIABILITIES		
Recoverable taxes	280,6	289,4	Borrowings and financing	2.625,7	3.374,5
Deferred income tax and social contribution	493,0	212,6	Taxes payable	237,5	87,7
Escrow deposits	303,1	287,8	Deferred income tax and social contribution	23,8	34,1
Other noncurrent assets	23,0	17,6	Provision for tax, civil and labor risks	93,6	77,9
Property, plant and equipment	1.734,7	1.752,4	Other non current liabilities	266,7	170,1
Intangible assets	784,3	816,5	Total non current liabilities	3.247,3	3.744,3
Total noncurrent assets	3.618,7	3.376,3	SHAREHOLDERS' EQUITY		
			Capital	427,1	427,1
			Capital reserves	142,8	134,7
			Earnings reserves	666,8	488,8
			Treasury shares	(37,1)	(37,9)
			Proposed additional dividend	29,7	123,1
			Reserve for acquisition of non-controlling interest	0,0	(79,3)
			Goodwill/ Bargain Purchase on capital transactions	(92,1)	(65,2)
			Adjustment of equity evaluation	(140,7)	36,8
			Total equity attributable to owners of the Company	996,4	1.028,2
			Non controlling interests	0,0	49,6
			Total shareholders' equity		
			Total do patrimônio líquido	996,4	1.077,8
TOTAL ASSETS	8.421,6	9.395,0	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	8.421,6	9.395,0

8. statement of income

for the years ended December 31, 2016 and 2015

R\$ million	2016	2015
NET REVENUE	7.912,7	7.899,0
Cost of sales	(2.447,0)	(2.416,0)
GROSS PROFIT	5.465,7	5.483,0
OPERATING (EXPENSES) INCOME		
Selling, Marketing and Logistics expenses	(3.110,2)	(3.020,5)
Administrative, P&D, IT and Project Expenses	(1.327,1)	(1.271,5)
Other operating (expenses) income, net	54,4	65,8
INCOME FROM OPERATIONS BEFORE FINANCIAL INCOME (EXPENSES)	1.082,9	1.256,8
Financial income	1.073,3	1.927,2
Financial expenses	(1.729,3)	(2.308,6)
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	426,9	875,4
Income tax and social contribution	(118,6)	(352,6)
NET INCOME BEFORE NONCONTROLLING	308,2	522,7
Noncontrolling	11,5	9,2
NET INCOME	296,7	513,5
ATTRIBUTABLE TO		
Owners of the Company	296,7	513,5
Noncontrolling	11,5	9,2
	308,2	522,7

9. statement of cash flows

for the years ended December 31, 2016 and 2015

R\$ million	2016	2015
CASH FLOW FROM OPERATING ACTIVITIES		
Net income	308,2	522,7
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	260,8	239,2
Provision (reversal) for losses on transactions with derivative contracts " swap " and "forward "	681,9	(738,0)
Provision (reversal) for tax, civil and labor contingencies	17,0	15,0
Monetary restatement of escrow deposits	(16,8)	(21,2)
Income tax and social contribution	118,6	352,6
Loss on sale and disposal of fixed and intangible assets	(3,4)	(18,5)
Interest and exchange variation on loans and financing	(172,3)	1199,2
Exchange variation on other assets and liabilities	(59,9)	(14,1)
Provision (reversal) for losses on property	0,3	6,3
Provision (reversal) related to the grant of options to purchase shares	8,8	(2,6)
Provision (reversal) for doubtful accounts	19,3	6,4
Provision (reversal) for losses on inventories	31,4	14,3
Provision of health care plan and carbon credits	4,6	6,8
Net income attributable to non-controlling	(11,5)	(9,2)
Provision for acquisition of non-controlling	58,1	111,3
	1244,9	1670,4
(INCREASE) DECREASE IN ASSETS		
Trade receivables	(180,8)	(67,9)
Inventories	96,4	(88,0)
Recoverable taxes	(0,2)	(186,8)
Other receivables	15,3	(13,1)
Subtotal	(69,4)	(355,8)
INCREASE (DECREASE) IN LIABILITIES		
Domestic and foreign suppliers	12,1	207,9
Payroll, profit sharing and related taxes, net	6,9	(9,3)
Taxes payable	(100,9)	(5,1)
Participation of non controlling shareholders	0,0	89,3
Other payables	5,6	(12,9)
Subtotal	(76,4)	269,9

CASH GENERATED BY OPERATING ACTIVITIES	1099,2	1584,6
OTHERS CASH FLOWS BY OPERATING ACTIVITIES		
Payments of income tax and social contribution	(131,2)	(70,3)
Withdrawal (payment) of escrow deposits	7,7	(3,3)
Payment of tax, civil and labor contingencies	(11,3)	0,0
Receivables of derivatives	123,7	323,9
Payment of interest on borrowings and financing	(309,5)	(256,9)
NET CASH GENERATED (USED IN) BY OPERATING ACTIVITIES	778,6	1578,0
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and intangible assets	(305,8)	(382,9)
Receivable from sale of fixed and intangible assets	43,4	77,9
Short-term investments	(6030,4)	(5868,6)
Redemption of short-term investments	6014,8	5208,5
NET CASH GENERATED (USED) IN INVESTING ACTIVITIES	(278,1)	(965,0)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of borrowings and financing - principal	(1869,6)	(1709,5)
Proceeds from borrowings and financing	1265,1	2258,9
Acquisition of additional shares of Emeis	(248,7)	(66,1)
Payment of dividends and interest on capital of the prior year	(123,1)	(685,6)
NET CASH GENERATED (USED) IN FINANCING ACTIVITIES	(976,3)	(202,3)
Gain arising on translation foreign currency cash and cash equivalents	(24,6)	16,9
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(500,4)	427,7
Cash and cash equivalents at the beginning of the year/period	1591,8	1164,2
Cash and cash equivalents at the end of the year/period	1091,5	1591,8
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(500,4)	427,7
ADDITIONAL STATEMENTS OF CASH FLOWS INFORMATION:		
Non cash items:		
Capitalization of financial leasing	40,7	80,9
Hedge accounting	1,5	8,6
Effects of changes from participation of subsidiaries abroad	-	-
Dividends and interest on interest capital declared and not distributed	118,7	123,1
* The notes are an integral part of these interim financial information.	-	-

10.glossary

_CDI: the overnight rate for interbank deposits.

_Natura Consultant (CN): self-employed resellers who do not have a formal labor relationship with Natura.

_Natura Super Consultant (CNO): self-employed resellers who do not have a formal labor relationship with Natura and support the Relationship Managers in their activities. They are also called Natura Consultant Advisors.

_Supplier Communities: the communities of people involved in small-scale farming and extraction activities in a variety of locations in Brazil, especially in the Amazon Region, who extract the inputs used in our products from the social and biodiversity. We form production chains with these communities that are based on fair prices, the sharing of benefits gained from access to the genetic heritage and associated traditional knowledge and support for local sustainable development projects. This business model has proven effective in generating social, economic and environmental value for Natura and for the communities.

_GHG: Greenhouse gases.

_Innovation Index: share in the last 12 months of the sale of products launched in the last 24 months.

_Natura Institute: is a nonprofit organization created in 2010 to strengthen and expand our Private Social Investment initiatives. The institute has enabled us to leverage our efforts and investments in actions that contribute to the quality of public education.

_Target Market: refers to the market share data published by SIPATESP/ABIHPEC. Considers only the segments in which Natura operates. Excludes diapers, oral hygiene products, hair dyes, nail polish, feminine hygiene products as well as other products.

_Profit Sharing: the share of profit allocated to employees under the profit-sharing program.

_Natura Crer Para Ver Program: special line of non-cosmetic products whose profits are transferred to the Natura Institute, in Brazil, and invested by Natura in social initiatives in the other countries where we operate. Our consultants promote these sales to benefit society and do not obtain any gains.

_Sustainable Relations Network: sales model adopted in Mexico that features eight stages in a consultant's development: Natura Consultant, Entrepreneurial Natura Consultant, Natura Developer 1 and 2, Natura Transformer 1 and 2, Natura Inspirer and Natura Associate. To rise up through the various stages, consultants must fulfill certain based on sales volume, attracting new consultants and (unlike the models adopted in other countries) personal development and social and environmental relationships in the community.

_Benefit Sharing: in accordance with Natura's Policy for the Sustainable Use of Biodiversity and Associated Traditional Knowledge, benefits are shared whenever we perceive various forms of value in the access gained. Therefore, one of the practices that defines the way in which these resources are divided is to associate payments with the number of raw materials produced from each plant as well as the commercial success of the products in which these raw materials are used.

_Sipatesp/Abihpec: São Paulo State Perfumery and Toiletries Association / Brazilian Cosmetics, Fragrances and Toiletries Industry Association.

EBITDA is not a measure under BR GAAP and does not represent cash flow for the periods presented. EBITDA should not be considered an alternative to net income as an indicator of operating performance or an alternative to cash flow as an indicator of liquidity. EBITDA does not have a standardized meaning and the definition of EBITDA used by Natura may not be comparable with that used by other companies. Although EBITDA does not provide under BR GAAP a measure of cash flow, Management has adopted its use to measure the Company's operating performance. Natura also believes that certain investors and financial analysts use EBITDA as an indicator of performance of its operations and/or its cash flow.

This report contains forward-looking statements. These forward-looking statements are not historical fact, but rather reflect the wishes and expectations of Natura's management. Words such as "anticipate", "wish", "expect", "foresee", "intend", "plan", "predict", "project", "desire" and similar terms identify statements that necessarily involve known and unknown risks. Known risks include uncertainties that are not limited to the impact of price and product competitiveness, the acceptance of products by the market, the transitions of the Company's products and those of its competitors, regulatory approval, currency fluctuations, supply and production difficulties and changes in product sales, among other risks. This report also contains certain pro forma data, which are prepared by the Company exclusively for informational and reference purposes and as such are unaudited. This report is updated up to the present date and Natura does not undertake to update it in the event of new information and/or future events.

