

NATURA COSMÉTICOS S.A.

CNPJ/MF 71.673.990/0001-77

Publicly-held company

NIRE 35.300.143.183

MATERIAL FACT

BEGINNING OF THE DISCLOSURE OF PROJECTIONS

Natura Cosméticos S.A. ("Company"), in compliance with the provisions of CVM Ruling 358/2002 and CVM Ruling 480/2009 and in line with the best corporate governance practices and to align the market in relation to certain expected results of the Company, hereby informs, through this material fact, that from this date on it will disclose certain guidance and projections indications.

Projections

i) EBITDA and EBITDA margin of The Body Shop International Plc. ("The Body Shop")

- EBITDA between US\$110 and US\$115 million and EBITDA margin between 10% and 11% in the fiscal year ending December 31, 2019; and
- EBITDA between US\$165 million and US\$181 million and EBITDA margin between 12% and 14% in the fiscal year ending December 31, 2022.

ii) Company's net indebtedness ratio (consolidated):

- net debt of 3.6 times the EBITDA for the twelve (12) months prior to December 31, 2017 and net debt of 1.4 times the EBITDA for the twelve (12) months prior to December 31, 2022.

Projected period and projection term

The projections mentioned in item (i) above refer to the fiscal years ending December 31, 2019 and 2022. The projection in item (ii) above refers to the fiscal years ending December 31, 2017 and December 31, 2022.

The projections are valid until their actual consummation or until management's performance of new assessments and/or reviews that identify figures different from those of the projections presented resulting from changes in the assumptions used, observing that the review will be made at least on an annual basis.

Projection assumptions

The projections disclosed are based on the Company's consolidated budget for the fiscal year ending 31, 2017 and on the strategic plan for the coming fiscal years.

The projections also include the recent acquisition of The Body Shop, the business plan and the financial projections built to support the acquisition theory. All projections may be subject to changes as necessary at management discretion, and such changes will be disclosed to the market.

For each of the specific items of the projections, the Company used the following premises:

EBITDA and EBITDA margin of The Body Shop:

- revenue growth for all distribution channels, including own stores, e-commerce, franchises and others;
- operating expenses growth lower than operating income growth; and
- increase in EBITDA margin for own stores, with adjustments in the stores' portfolio.

Company's net indebtedness ratio (consolidated):

- progressive growth of the Company's net revenue (consolidated);
- growth in EBITDA (consolidated) and net income (consolidated);
- higher free cash flow generation projected for the company's business segments: Brazil, other Latin American countries ("Latam"), Emeis Holding Pty Ltd. ("Aesop") and The Body Shop; and
- amortization of part of the gross debt until 2022.

For reference, the Company's net indebtedness means the net debt (consolidated)/EBITDA (consolidated) ratio, according to the Company's audited financial statements:

(a) "Net debt" corresponds, on a consolidated basis, to the Company's total debt balances, including debts to individuals and/or legal entities, such as loans for use, borrowings and financing with third parties, issuance of convertible and non-convertible fixed-income securities in the domestic and/or international markets, deducted from cash and cash equivalents, Leasing (as defined below) and Hedge Adjustments (as defined below);

(b) "Leasing" refers to item *Arrendamentos Mercatins* (Leasing), described in note "Borrowings and financing" of the Company's financial statements;

(c) "Hedge adjustments" means the amount attributed to such definition in the Company's "Performance Review", which accompanies the financial statements; and

(d) "EBITDA" means, on a consolidated basis, gross profit less operating expenses, excluding depreciation and amortization over the past four (4) quarters covered by the most recent consolidated financial statements disclosed by the Company, prepared according to the accounting principles generally accepted in Brazil.

Disclosure of the projections

The presentation "A Purpose-Driven, Global, Multichannel Cosmetics Group" containing the projections shall be disclosed to the market on this date before the opening of the trading session both on the CVM website (<http://www.cvm.gov.br>) and on the Company's investor relations website (<http://natu.foinvest.com.br>). Furthermore, Item 11 (Projections) of the Company's Reference Form shall be updated according to the deadlines set forth in CVM Ruling 480/2009.

Updating of the Disclosure Policy

The Company informs that its Board of Directors shall update the Policy for Disclosure of Relevant Information and Preservation of Confidentiality in order to include disclosure of projections.

Finally, the projections presented herein are mere estimates of the Company's management and are subject to risks and uncertainties and in no circumstance mean promise of performance. In case of a material change in these factors, the projections will be reviewed. Information on business prospects, projections and financial targets are mere forecasts based on management's current expectations on the Company's future. Such expectations depend on the market conditions, the Brazilian economic scenario and the countries and sectors in which we operate. Any change in the perception or factors described above may cause the concrete results to be different from the projections presented.

São Paulo, September 11, 2017

NATURA COSMÉTICOS S.A.

JOSÉ ROBERTO LETTIERE

Chief Financial and Investor Relations Officer