

NATURA COSMÉTICOS S.A.
Corporate Taxpayer's ID (CNPJ/MF) #71.673.990/0001-77
Company's Register (NIRE) #35.300.143.183

EXTRAORDINARY GENERAL MEETING
HELD ON APRIL 26, 2004

I - Date, Time and Venue: On April 26, 2004, at 10:00 am at the Company's headquarters, located at Rodovia Régis Bittencourt, km 293, Edifício I, in the city of Itapeverica da Serra, State of São Paulo, CEP 06850-000.

II – Call: The call notice is exempted from publication, under the terms of paragraph 4, of the Article 124 of Law #6404/76, in view of the attendance of the totality of the shareholders.

III – Quorum: The totality of shareholders was present at the meeting, as it was verified by the signatures recorded on the company's book.

IV – Presiding Board: Mr. Pedro Luiz Barreiros Passos assumed the chair of works, and invited me, José David Vilela Uba, to be the secretary. The Board being composed, the Chairman declared the General Meeting instated.

V – Format of the Minutes: The drawing up of the Minutes as a summary was resolved by unanimous vote, under the terms of the Article 130, paragraph 1, of Law #6404/76.

VI – Agenda: **(i)** Reading and approval of the new Program for the Granting of the Company's Call Option or Share Subscription ("New Program"); **(ii)** Reading and approval of the Addenda to the Programs for the Granting of Call Option or Share Subscription assumed by the Company on the occasion of merger by the Company of the corporations Natura Participações S.A. and Natura Empreendimentos S.A., occurred under the terms of the Extraordinary and Annual General Meeting held on March 05,2004, registered with the Board of Trade of State of São Paulo – JUCESP # 145.117/04-02, in session dated March 29,2004; **(iii)** Reading and approval of the new wording of the Company's By-Laws; and **(iv)** discussion and clarifications on the terms used in the drawing up of the Minutes of Meeting held on April 05,2004.

VII – Preliminary Clarifications: Before starting the session, the Chairman clarified to the shareholders that in view of the application for the Registration of a Publicly-held Corporation to the Brazilian Securities and Exchange Commission ("CVM") on March 23, 2004, related to the trading of the Company's securities on the market, the Board of Directors resolved to submit to the shareholders' approval a new Program for the Granting of Call Option or Subscription of Natura Cosméticos S.A.'s Shares ("New Program"), containing provisions and conditions applicable to publicly-held corporations. The Chairman also clarified that for this same reason, the Board of Directors also decided to submit to the shareholders' approval, the Addenda to the Programs for the Granting of Call Option or Share Subscription, the rights and obligations of which were assumed by the Company due to the merger of the companies Natura Participações S.A. and Natura Empreendimentos S.A., as follows: a) Program for the Granting of Call Option or Share Subscription, registered with the 9th Registry of Deeds and Documents on January 29, 2001, under #247438; b) Program for the Granting of Call Option or Share Subscription registered with the 9th Registry of Deeds and Documents under #273395, on May 10, 2001; and, c) Program for the Granting of Call Option or Share Subscription registered with the 6th Registry of Deeds and Documents under #998491, on 11/28/2002. The effects of the addenda, under approval, shall be suspended until the effective Company's listing. Following the Preliminary Clarifications, the Chairman commenced the works, declaring the session opened and promoting the complete reading of the New Program, the referred Addenda and the new wording of the Company's By-Laws, copies of which were handed in to the shareholders attending the meeting.

VIII – Resolutions: The following deliberations were taken by unanimous vote, without any restriction, reservations or opposition on the part of shareholders:

(i) After the Chairman reading the New Program and the shareholders attending the meeting being satisfied that this Program is fitted to the purposes proposed, this New Program was fully approved, hereinafter is an integral part of these present Minutes as "**Attachment I**". The Regulation of the New Program approved above replaces the Regulations of the Programs assumed by the Company, as a result of the merger of the companies Natura Participações S.A. and Natura Empreendimentos S.A., and any and all new granting of options shall occur solely and exclusively based on the Regulation of the New Program, approved under the terms

above. The Regulation approved herein shall be filed with the Company's headquarters and with the ___ Registry of Deeds and Documents;

(ii) After the Chairman reading the Addendum to the Regulation of the Program for the Granting of Call Option or Share Subscription registered with the 9th Registry of Deeds and Documents on January 29, 2001, under #247438; the Addendum to the Regulation of the Program for the Granting of Call Option or Share Subscription registered with the 9th Registry of Deeds and Documents under #273395, on May 10, 2001, and the Addendum to the Regulation of the Program for the Granting of Call Option and Share Subscription registered with the 6th Registry of Deeds and Documents under #998491, on 11/22/2002, these were approved in their totality by the shareholders. The referred addenda shall have their effects suspended until the effective Company's listing and now they are an integral part of these present Minutes as "**Attachment II**".

(iii) After the reading and discussion, the Meeting approved without reservations, the new By-Laws, duly consolidated, which now contains the following wording:

"BY-LAWS OF NATURA COSMÉTICOS S.A.

CHAPTER I

NAME, HEADQUARTERS, PURPOSE AND DURATION

Article 1 - NATURA COSMÉTICOS S/A is a limited liability corporation ruled by this present by-laws and by applicable legislation.

Article 2 - The Company headquarters and jurisdiction are located in the city of Itapeccerica da Serra, State of São Paulo, at Rodovia Régis Bittencourt, s/n.º, km 293, Bairro Potuverá, Edifício I.

Paragraph 1 - The Company may install branches, agencies, warehouses, offices and any other establishments in the country or overseas by the Board of Executive Officers' resolution.

Paragraph 2 - The Company has two branches in the State of Minas Gerais, one in the city of Matias Barbosa, lote 25 do

Empresarial Park Sul, Rodovia BR 040, s/n.º, km 800, and another in the city of Uberlândia, at Rua Igués Fávato, nº 301, Distrito Industrial.

Paragraph 3 - The Company also has branches operating administration offices in the following cities:

Brasília, Federal Area, SBN Quadra, 01, Bloco "B", nº 14, Edifício CNC;

Brasília, Federal Area, Taguatinga, 16, Lote 09/10, sala 02;

Porto Alegre, State of Rio Grande do Sul, at Rua Barão de Santo Ângelo, nº 331, Bairro Moinhos de Vento;

Recife, State of Pernambuco, at Rua Coronel Anísio Rodrigues Coelho, 464, conjuntos n.ºs 301, 302, 303 e 304, Bairro Boa Viagem;

Rio de Janeiro, State of Rio de Janeiro, at Av. Ayrton Senna, nº 3.000, salas 317, 318 e 319, Bloco 2, Via Park Offices, Barra da Tijuca.

Article 3 - The Company's purposes are:

- I. The exploration of trade, export and import of beauty, hygiene, toiletry products, cosmetics products, clothing articles, jewelry, costume jewelry, home articles, foods, nutritional supplements, software, books, publishing material, entertainment products, phonographic products, medicine, including phytotherapeutic and homeopathic drugs, pharmaceutical inputs and preparations destined to hygienization, and thus may practice all acts and carry out all operations related to its purposes.
- II. The rendering of services of any nature, such as services related to esthetic treatments, marketing consulting, registration, planning and risk analysis.
- III. The organization, interest and administration under any form in any company and business of any nature, in the capacity as partner or shareholder.

Article 4 - The Company duration is indeterminate.

CHAPTER II

CAPITAL STOCK, SHARES AND SHAREHOLDERS

Article 5 - The Company's capital stock subscribed and paid-up is one hundred, ninety-six million, three hundred and seventy thousand, five hundred and nineteen Reais and seven centavos (R\$ 196,370,519.07), divided into eighty-three million, two hundred and sixty-six thousand and sixty-one (83,266,061) nonpar common shares.

Article 6 - The Company is authorized to increase its capital stock until the limit of four million, nine hundred and ninety-five thousand, nine hundred and sixty-four (4,995,964) common shares.

Paragraph 1 - Within the limits authorized in this Article, the Company, by means of the Board of Directors' resolution, may increase the capital stock regardless of by-laws amendment. The Board of Directors shall define the issue conditions, including price and term for payment of subscribed shares.

Paragraph 2 - Within the limit of capital authorized, the Board of Directors may resolve on the issue of subscription bonus.

Paragraph 3 - Within the limit of capital authorized and pursuant to the Programs approved by the General Meeting, the Board of Directors may grant call option or share subscription to its administrators and employees, as well as to administrators and employees of other companies directly or indirectly controlled by the Company, without preemptive right for shareholders.

Paragraph 4 - It is void to the Company issue Beneficiary Parties.

Article 7 - The capital stock shall be exclusively represented by common shares and each common share shall correspond to the right to one vote in shareholders' decisions.

Article 8 - All the Company's shares shall be book-entry shares and in the name of its holders. They shall be maintained in a deposit account with a financial institution authorized by the Securities and Exchange Commission.

Sole Paragraph - The transfer and registering costs, as well as cost of service related to the shares in custody may be directly charged from shareholder by a depositary institution, as to be defined in the custody agreement.

Article 9 - Upon the Board of Directors' discretion, the preemptive right in the issue of shares, debentures convertible into shares and subscription bonus may be excluded or reduced, the placement of which is made through the sale at the stock exchange or through public subscription, or even by means of a share swap in a takeover bid, under the terms set forth by law within the limit of authorized capital.

CHAPTER III

COMPANY'S ADMINISTRATION

SECTION I

GENERAL MEETING

Article 10 - The General Meeting shall meet on an ordinary basis once a year and on an extraordinary basis, when called under the terms of Law or of these By-Laws.

Paragraph 1 - General Meeting's resolutions shall be taken by majority vote.

Paragraph 2 - The General Meeting may only resolve on issues of the agenda, included in respective call notices.

Article 11 - The General Meeting shall be convened and presided over by shareholder chosen by those attending the meeting, who may appoint up to 2 secretaries.

Article 12 - It is incumbent on the General Meeting, in addition to attributions provided for by law:

- I. To elect and remove from office the Board of Directors' members;
- II. To define global fees of the Board of Directors and Board of Executive Officers' members, as well as the remuneration of Audit Committee's members to be installed;
- III. To confer stock dividends and decide over possible share splitting;
- IV. To approve programs for the granting of call option or shares subscription to its administrators and employees, as well as to administrators and employees of other companies directly or indirectly controlled by the Company;
- V. To resolve, according to the proposal submitted by the administration, over the allocation of income for the year and the distribution of dividends;
- VI. To elect the liquidator, as well as the Audit Committee, which shall operate during the liquidation period;
- VII. To resolve on the exit from the BOVESPA – São Paulo Stock Exchange ("BOVESPA") New Market ("New Market") –; and
- VIII. To choose a specialized company liable for the preparation of a valuation report of the Company's shares, in the event the registration of publicly-held corporation is cancelled or in the event of exit from the New Market, as provided for by Chapter V hereof, amongst companies appointed by the Board of Directors.

Sole Paragraph - The chairman of the General Meeting shall observe and comply with the provisions of shareholders agreements at the Company's headquarters, not allowing to counting votes issued contrary to the content of these agreements.

SECTION II

ADMINISTRATION DEPARTMENTS

Sub-Section I

General Provisions

Article 13 - The Company shall be administered by the Board of Directors and by the Board of Executive Officers.

Paragraph 1 - The installation of positions shall occur through terms drawn up in the company's books, signed by the administrator taking office, released from any management guarantee.

Paragraph 2 - The administrators shall remain in their positions until the installation of their deputies.

Article 14 - The meeting shall determine a global annual allowance for the distribution amongst administrators and it shall be incumbent upon the Board of Directors to carry out the distribution of allowance on an individual basis, in compliance with these By-Laws.

Article 15 - Any administration department validly meets with the attendance of the majority of its members and resolves on the vote of majority of those present at the meeting.

Sole Paragraph - The previous call of meeting is only exempted as a condition for its validity, if all its members attend the meeting, accepting for this purpose the votes issued by delegation granted to another member or in writing.

Sub-Section II Board of Directors

Article 16 - The Board of Directors shall be composed of, at least, five (5) and, at most, seven (7) members, all shareholders, elected by the General Meeting, for a one-year term, re-election being permitted.

Paragraph 1 - In the Annual General Meeting, shareholders shall resolve upon the effective number of Board of Directors' members.

Paragraph 2 - Board of Directors' members shall be invested in their positions by signing declaration drawn up in the company's books. The Board of Directors' members shall remain in their positions and in the performance of their duties until their deputies are elected, unless resolved otherwise by the Shareholders' General Meeting.

Paragraph 3 - The Board of Directors' member shall have a solid reputation, and may not be elected, except for release from the General Meeting, who (i) occupies positions in companies which may be deemed as company's competitors; or (ii) who has or represents conflicting interests with the company; voting shares may not be exercised by the Board of Directors' member if same impediment factors are characterized thereafter.

Paragraph 4 - It is void, under the form of Article 115, paragraph 1 of Law #6404/76, the exercise of voting shares, in the election of Board of Directors' members, under circumstances characterizing conflict of interests with Company.

Paragraph 5 - The Board of Directors' member may not have access to information or participate in the Board of Directors' meetings, related to matters which have or represent conflicting interests with the Company.

Paragraph 6 - The Board of Directors, for a better understanding of its attributes, may create committees or work groups with defined purposes being composed of persons designated by it among members of administration and/or persons directly or indirectly related to the Company.

Article 17 - At the election of the Board of Directors' members, the General Meeting shall firstly determine by majority vote the number of other Board members to be elected. If multiple vote process is not requested as required by law, the Meeting shall vote through a list of candidates previously registered on the board of elections, which shall

ensure to shareholders holding, individually or in block, fifteen per cent (15%) or more of Company's common shares the right to appoint one sitting member, in compliance with the limit of main section of Article 16. The board of elections may not accept the registration of any list breaching the provision of this Article.

Article 18 - The Board of Directors shall have two (2) Co-Chairmen, who shall be elected by majority vote of its members, at the first Board of Directors' meeting taking place immediately after the investiture of these members, or whenever resignation or vacancy occurs in these positions.

Paragraph 1 - It shall be incumbent upon the Board of Directors' members, at their first meeting to appoint among their Co-Chairmen who shall chair the Board of Directors' meetings during all the management term of office of its members.

Paragraph 2 - In the Board of Directors' resolutions, the casting vote shall not be attributed to any of the Co-chairmen, in the event of tie vote, but only their personal votes shall prevail.

Paragraph 3 - In the event of impediment or vacancy in the position of sitting member of the Board of Directors, the Board of Directors shall call a General Meeting to occupy respective position.

Article 19 - The Board of Directors shall meet on an ordinary basis, four times a year, and on an extraordinary basis, whenever called by the Co-Chairman appointed under the terms of Paragraph 1 of the Article 18 or by the majority of its members. The Board meetings may be exceptionally held via conference call, video conference, electronic mail or by any other media.

Paragraph 1 - Calls for meetings shall be made at least seventy-two (72) hours in advance.

Paragraph 2 - All the Board of Directors' resolutions shall be included in the Minutes drawn up in the respective Board's book and signed by the Board members attending the meeting.

Paragraph 3 - At the Board of Directors meetings, the vote by means of delegation made in favor of another Board member, a written and anticipated vote and vote issued by fax, electronic mail or any other means of communication are accepted, counting as present those members voting.

Article 20 - It is incumbent upon the Board of Directors, in addition to other attributions required by laws or By-Laws:

- I. To perform normative functions of the Company's activities, and may attribute to its examination and resolution any issue not comprised in the private incumbency of the General Meeting or the Board of Executive Officers;
- II. To define the Company's business general guidance;
- III. To elect and remove from office the Company's Officers;
- IV. To attribute to Officers respective duties, including designating the Investor Relations Officer, in compliance with provisions hereof;
- V. To resolve on the call for a General Meeting, when deemed convenient, or in the case of Article 132 of Corporations Law (Law #6404/76);
- VI. To inspect the Executive Officers management, examining at any time, the Company's books and papers and requesting information about agreements entered into or about to be executed and any other acts;
- VII. To assess quarterly results of the Company's operations;
- VIII. To choose and remove independent auditors;
- IX. To call independent auditors to provide clarifications deemed necessary;
- X. To assess the Management Report and the Board of Executive Officers' accounts and resolve on its submission to the General Meeting;

- XI. To approve annual and multi-annual budgets, strategic plans, expansion projects and investment programs, as well as to follow-up their execution;
- XII. To approve the creation and suspension of subsidiary and the Company's interest in other companies' capital, on a domestic or international basis;
- XIII. To determine the performance of inspections, audit or examination of accounts of the Company's subsidiaries, controlled or affiliated companies, as well as foundations sponsored thereby;
- XIV. To previously manifest on any matter to be submitted to the General Meeting;
- XV. To authorize the issue of the Company's shares under the limits authorized in Article 6 hereof, by determining issue conditions, including price and payment term for subscribed shares, and may also exclude or reduce the preemptive right in the issue of shares, subscription bonus and convertible debentures, placement of which is made through sale at the stock exchange or by means of a public subscription or in a takeover bid, under the terms established by law;
- XVI. To resolve on the Company's acquisition of shares issued by itself for the maintenance in treasury and/or further cancellation or disposal;
- XVII. To resolve on the issue of subscription bonus, as provided by Paragraph 2 of the Article 6 of these By-Laws;
- XVIII. To grant call option or share subscription to its administrators and employees, as well as to administrators and employees of other companies directly or indirectly controlled by the Company, without preemptive right for the shareholders, under the terms of programs approved in General Meeting;
- XIX. To establish the amount of profit sharing related to Company's officers, managers and employees;
- XX. To resolve on the issue of simple debentures, not convertible into shares and non-secured guarantee;

- XXI. To authorize the Company to render guarantees to third parties' liabilities;
- XXII. To establish area of the Board of Executive Officers' authority in the disposal or encumbrance of permanent assets and in cases defined by thereby, it may require a prior authorization from the Board of Directors as a condition of validity of action;
- XXIII. To determine area of the Board of Executive Officers' authority in the acquisition of permanent assets and other financial commitments related to projects in which the Company intends to invest. In cases defined thereby, it may require a prior authorization from the Board of Directors as a condition of validity of action;
- XXIV. To establish area of the Board of Executive Officers' authority to contract any funding and the issue of any credit instruments, such as bonds, notes, commercial papers, and others, commonly used in the market, also resolving on their conditions of issue and redemption, and in cases defined thereby, it may require a prior authorization from the Board of Directors as a condition of validity of action;
- XXV. To define a three-name list of companies specialized in companies' economic valuation in order to prepare an valuation report of the Company's shares, in the event the registration of publicly-held corporation is cancelled or in the event of exit from the New Market;
- XXVI. To approve the contracting of a depository institution, rendering book-entry shares services; and
- XXVII. To provide, in compliance with rules of these By-Laws and legislation in force, the order of its works and adopt or enact ruling standards for its operation.

Sub-Section III Board of Executive Officers

Article 21 - The Board of Executive Officers, members of which shall be elected and removed from office at any time by the Board of Directors, shall be composed of one Chief Executive Officer, one Trade Executive Officer, one Legal Executive Officer, one Chief Financial Officer with a 3-year term of office, re-election being permitted.

Paragraph 1 - The election of the Board of Executive Officers shall preferably occur on the same date the Annual General Meeting is held and the investiture of those elected may coincide with the expiration of their predecessors' term of office.

Paragraph 2 - In the event of impediment or absence, the Chief Executive Officer shall be replaced by the Trade Executive Officer, who in case of vacancy shall cumulatively assume the Presidency until the first meeting following the Board of Directors meeting, which shall designate a deputy for the rest of term of office.

Paragraph 3 - Other Officers shall be replaced in cases of absence or temporary impediment by another Executive Officer chosen by the Board of Executive Officers. This in case of vacancy shall provide a provisional deputy until the Board of Directors elects its definitive deputy for the rest of term of office.

Article 22 - The Board of Executive Officers shall have all powers to practice acts necessary to execute the company's purpose, no matter how special they are, including to dispose and encumber permanent assets, waive rights, compromise and agree, in compliance with related legal or statutory provisions, as well as resolutions adopted by the General Meeting and by the Board of Directors. It is incumbent thereupon to manage the Company's business, especially:

- I. To comply with and make these By-Laws and resolutions of the Board of Directors and Shareholders' General Meeting observed;

- II. To prepare and submit on an annual basis the Company's strategic plan and general budget to the Board of Directors, being responsible for the respective executions;
- III. To resolve on the branches, agencies, warehouses, offices and any other Company's establishments in the country or overseas;
- IV. To decide, until the limit of authority established by the Board of Directors, on the acquisition, disposal and/or encumbrance of permanent assets and financial commitments connected to projects in which the Company intends to invest;
- V. To submit on an annual basis to the appreciation of the Board of Directors, the Management Report and the Board of Executive Officers' accounts, accompanied by the independent auditors' report, as well as proposal for application of profits earned in the previous year;
- VI. To prepare and propose to the Board of Directors, the Company's Strategic Plan, its annual reviews, as well as the annual budget; and
- VII. To submit on a quarterly basis to the Board of Directors, the economic-financial trial balance and a detailed trial balance sheet of the Company and its controlled companies.

Article 23 - It is incumbent upon the Chief Executive Officer in addition to coordinate the Officers' actions and direct the execution of activities related to the Company's general planning:

- I. To Call and preside the Board of Executive Officers' meetings;
- II. To Maintain the Board of Directors' members informed about the Company's activities as well as the progress of its operations;
- III. To Propose to the Board of Directors, without initiative exclusivity, the duties attribution to the Officers; and
- IV. To Perform other attributions conferred to him by the Board of Directors.

Article 24 - It is incumbent upon the Officers to assist and support the Chief Executive Officer in the administration of the Company's business and carry out the activities referring to the duties attributed thereto by the Board of Directors.

Article 25 - As a rule and except for the cases purposes of subsequent paragraphs, the Company is bound whenever represented by two (2) Board of Executive Officers' members or by one (1) Board of Executive Officers' member and one (1) attorney-in-fact, or two (2) attorneys-in-fact, under the limit of the respective powers of attorney.

Paragraph 1 - The actions for which these present By-Laws require the Board of Directors' prior authorization may only be practiced once met said condition.

Paragraph 2 - The Company may be represented by only one (1) Executive Officer or one (1) attorney-in-fact in the following events:

- (a) when the act to be practiced imposes a single representation, the company shall be represented by any Executive Officer or attorney-in-fact holding special powers; and
- (b) when receiving and settling amounts due to the Company, issuing and negotiating, including to endorse and discount bills related to its sales, as well as in the event of correspondence which does not create obligations for the Company and the practice of acts of simple administrative routine, including those practiced with public agencies, mixed corporations, the Federal Revenue Service, State Treasuries, Local Treasuries, Boards of Trade, Labor Court, INSS (Brazilian Social Security Institute), FGTS (Government Severance Indemnity Fund for Employees) and collection banks and others of identical nature and the Brazilian Agency for Health Surveillance.

Paragraph 3 - The Board of Directors may authorize the practice of other acts binding the Company by only one of the Board of Executive Officers' members or one attorney-in-fact,

or also by the adoption of incumbency limitation criteria, to restrict in certain cases, the Company's representation to only one Executive Officer or one attorney-in-fact.

Paragraph 4 - In the constitution of the attorneys-in-fact, the following rules shall be observed:

- (a) all powers of attorney shall be granted by the Chief Executive Officer or his deputy, jointly with any other Officer;
- (b) when the purpose of the power of attorney is the practice of acts depending on the Board of Directors' prior authorization, its granting shall be expressly subjected to obtaining the referred authorization, which shall be mentioned in its wording.

Paragraph 5 - The acts practiced in non-compliance with the provisions of this Article shall neither be valid nor bind the Company.

SECTION III

AUDIT COMMITTEE

Article 26 - The Company's Audit Committee having attributions set forth by law shall be composed of three (3) members and equal number of deputies.

Paragraph 1 - The Audit Committee shall not operate on a permanent basis and shall only be installed by means of shareholders' call, pursuant to legal provisions.

Paragraph 2 - The in-company regulation applicable to the Audit Committee shall be set forth by the Shareholders' General Meeting requesting its installation.

CHAPTER IV

PROFITS ALLOCATION

Article 27 - The fiscal year shall commence on January 1 and shall end on December 31 of each year.

Paragraph 1 - At the end of each fiscal year, the Board of Executive Officers shall prepare the following financial statements, in compliance with the relevant legal precepts:

- (a) balance sheet;
- (b) statement of changes in net worth position;
- (c) income statement for the year; and
- (d) source and application of funds statement.

Paragraph 2 - Together with financial statements for the year, the Board of Directors shall submit to the Annual General Meeting a proposal about the destination to be given to the net income, in compliance with provisions of these By-Laws and Law.

Article 28 - The shareholders shall be entitled to receive in each year as a dividend a minimum mandatory percentage of thirty per cent (30%) over the net income, with the following adjustments:

- I. the addition of amounts resulting from the reversal in the year of reserves for contingencies previously formed;
- II. the decrease of amounts destined in the year for the constitution of legal reserve and reserves for contingencies.
- III. whenever the amount of minimum mandatory dividend exceeds the portion realized of net income for the year, the administration may propose and the General Meeting may approve, to destine the remaining to the constitution of reserve for realizable profit (Article 197 of Law #6404/76, with wording given by the Law #10.303/01).

Paragraph 1 - The Meeting may attribute to the Administrators a sharing in the profits, in compliance with relevant legal limits. The attribution to shareholders of mandatory dividend to which this Article refers is a condition for the payment of this profit sharing. Whenever a semi-annual balance sheet is drawn up and based on it interim dividends are paid in an amount, at least equal to thirty per cent (30%) over the net income for the year, calculated under the terms of this Article, by resolution of the Board of Directors, a share in the semi-annual period profit may be paid to the Administrators, subject to the approval of the General Meeting.

Paragraph 2 - The Meeting may resolve at any moment to distribute dividends on account of pre-existing profit reserves or retained earnings of previous years then maintained by force of meeting decision, after attributing to the shareholders in each year the mandatory dividend to which this Article refers.

Paragraph 3 - The Company may draw up interim or semi-annual balance sheets. The Board of Directors may resolve on the distribution of dividends at debit on the profits account earned in those balance sheets. The Board of Directors may also declare interim dividends at debit on the retained earnings account or profit reserves existing in those balance sheets or in the last annual balance sheet.

Paragraph 4 - Dividends not claimed within three years become time-barred in favor of the Company.

Paragraph 5 - The Board of Directors may pay or credit interest on own capital, subject to the approval of the Annual General Meeting, examining financial statements related to the fiscal year in which this interest was paid or credited.

Article 29 - The General Meeting may resolve on the capitalization of reserves set forth in interim or semi-annual balance sheets.

CHAPTER V
SALE OF SHARE CONTROL,
CANCELLATION OF PUBLICLY-HELD CORPORATION'S REGISTRATION
AND
EXIT FROM THE NEW MARKET

Article 30 - The sale of Company's share control both by means of a single operation and by means of successive operations shall be contracted under a condition, whether precedent or dissolving, that the purchaser of control shall undertake, within no later than ninety (90) days, to prepare a tender offer of other shareholders, in such manner to ensure them a treatment equal to the seller.

Article 31 - The public offering referred to in the previous Article shall also be carried out:

- I. in cases in which there is an onerous granting of share subscription rights and other credit instruments or rights related to securities convertible into shares, which may result in the sale of Company's control; and
- II. in the event of sale of control of the Company's controlling shareholder, this shall be obliged to declare to BOVESPA (São Paulo Stock Exchange) the amount attributed to the Company in the referred sale and attach the documentation evidencing it.

Article 32 - The shareholder already holding Company's shares and to purchase the share control power, in view of a private instrument for the purchase of shares entered into with the controlling shareholder, involving any quantity of shares shall undertake to:

- I. prepare the public offering referred to in the Article 30 hereof; and
- II. indemnify the shareholders from whom shares were purchased at the stock exchange within six (6) months prior to the date of transfer of shares representing the Company's control, and shall pay them possible difference between the price paid for the shares representing control and amount paid at the stock exchange for the Company's shares in the same period, duly updated until the payment by IPCA (Amplified Consumer Price Index).

Article 33 - Any Purchasing Shareholder (as defined in the paragraph 10 below), purchasing or becoming holder of the Company's shares, in quantity equal or in excess of fifteen per cent (15%) of total of shares issued by the Company, within no later than sixty (60) days as of the acquisition date or event which resulted in the ownership of shares in quantity equal or in excess of fifteen per cent (15%) of total of shares issued by the Company, shall carry out or request the registration, and depending on the case, a tender offer for the total shares issued by the Company ("tender offer"), in compliance with the provisions of CVM's (Brazilian Securities and Exchange Commission) regulation applicable, BOVESPA's (São Paulo Stock Exchange) regulations and the terms of this Article.

Paragraph 1 - The "tender offer" shall be (i) indistinctly addressed to all Company's shareholders; (ii) effective in auction to be carried out at the BOVESPA (São Paulo Stock Exchange), (iii) launched by the price determined according to the provisions in the paragraph 2 below, and (iv) paid in cash in local currency against the acquisition in the "tender offer" of shares issued by the Company.

Paragraph 2 - The acquisition price in the "tender offer" of each share issued by the Company may not be less than the result obtained with the application of the following formula:

"tender offer" price = Share Value + Premium

where:

"tender offer price" corresponds to the acquisition price of each share issued by the Company in the "tender offer" provided for by this Article.

The "Share Value" corresponds to the largest amount between: (i) the largest unit quotation reached by the shares issued by the Company during a twelve (12)-month period prior to the "tender offer" performance at any stock exchange where the Company's shares were traded, (ii) the highest unit price paid by the Purchasing Shareholder, at any time, for one share or lot of shares issued by the Company; and (iii) the amount equivalent to twelve (12) times the Company's Average

Consolidated EBITDA (as defined in the Paragraph 10 below) deducted from the Company's net consolidated indebtedness, divided by the total number of shares issued by the Company.

"Premium" corresponds to fifty per cent (50%) of the Share Value.

Paragraph 3 - The "tender offer" performance mentioned in the main section of this Article shall not exclude the possibility of another Company's shareholder, or if this is the case, the own Company, to prepare a competing "tender offer", under the terms of regulation applicable.

Paragraph 4 - The Purchasing Shareholder shall be obliged to answer possible requests or requirements from the CVM (Brazilian Securities and Exchange Commission) related to the "tender offer", within the maximum terms determined by the applicable regulation.

Paragraph 5 - In the event the Purchasing Shareholder does not comply with the obligations imposed by this Article, including referring to the compliance with the maximum terms (i) for the performance or application for the "tender offer" registration, or (ii) for the compliance with possible requests or requirements from the CVM, the Company's Board of Directors shall call an Extraordinary General Meeting, where the Purchasing Shareholder may not vote to resolve on the suspension of performance of rights of the Purchasing Shareholder who failed to comply with any obligation imposed by this Article, as provided by the Article 120 of Law #6404, dated December 15, 1976.

Paragraph 6 - Any Purchasing Shareholder (as defined in the Paragraph 10 below), who acquires or becomes holder of other rights, including usufruct or trust over shares issued by the Company in quantity equal or in excess of fifteen per cent (15%) of the total of shares issued by the Company shall be equally obliged to, within no later than sixty (60) days as of the date of said acquisition or event which resulted in the ownership of said rights over shares in quantity equal or in excess of fifteen per cent (15%) of total of shares issued by the Company, carry out or request the registration, depending on

the case of a "tender offer", under the terms outlined in this Article 33.

Paragraph 7 - The obligations included in the Article 254-A of Law #6404/76 and Articles 30, 31 and 32 of these By-Laws do not exclude the Purchasing Shareholder's compliance with the obligations included in this Article.

Paragraph 8 - The provision of this Article 33 shall not apply in the event of a person becoming holder of shares issued by the Company in quantity in excess of 15% of the total of shares issued thereby as a result of (i) the incorporation of another corporation by the Company, (ii) the incorporation of another corporation's shares by the Company, or (iii) the subscription of the Company's shares made in a single maiden issue, approved by the Shareholders' General Meeting of the Company, called by its Board of Directors. A capital increase proposal shall determine the fixation of share issue prices based on the economic value obtained from a Company's economic-financial valuation report prepared by a specialized company with proven experience in the valuation of publicly-held corporations.

Paragraph 9 - For the purposes of calculating the fifteen per cent (15%) percentage of the total of shares issued by the Company outlined in the main section of this Article, the involuntary additions of equity interest resulting from the cancellation of treasury stocks or from the reduction in the Company's capital stock due to the cancellation of shares shall not be calculated.

Paragraph 10 - For the purposes of these By-Laws, the terms below with initials in capital letters shall have the following meaning:

"Purchasing Shareholder" means any person (including but not limited to any individual or legal entity, investment fund, condominium, securities portfolio, worldwide rights or any other form of organization, resident, domiciled or headquartered in Brazil or overseas), or group of persons bound by a voting agreement with the Purchasing Shareholder and/or representing the same interest of the Purchasing Shareholding

to subscribe and/or purchase the Company's shares. Amongst examples of a person representing the same interest of the Purchasing Shareholder we include any person (i) directly or indirectly controlled or administered by said Purchasing Shareholder, (ii) controlling or administering, under any form, the Purchasing Shareholder, (iii) directly or indirectly controlled or administered by any person who controls or administers, whether directly or indirectly said Purchasing Shareholder, (iv) in which the controller of said Purchasing Shareholder has directly or indirectly purchased an equity interest equal or in excess of 30% of the capital stock, (v) in which said Purchasing Shareholder has directly or indirectly purchased an equity interest equal or in excess of 30% of the capital stock, or (vi) who directly or indirectly holds an equity interest equal or in excess of 30% of the Purchasing Shareholder's capital stock.

The "Company's Average Consolidated EBITDA" is the arithmetic average of the Company's Consolidated EBITDAs related to the two (2) fiscal years ended recently.

"The Company's Consolidated EBITDA" is the Company's consolidated operating income before the net financial expenses, income tax and social contribution, depreciation, depletion and amortization, as obtained based on the consolidated and audited financial statements related to the end of more recent fiscal year and made available to the market by the Company.

Paragraph 11 – In the event the CVM's regulation applicable to the "tender offer" provided for in this Article determines the adoption of a criterion to calculate the fixation of acquisition price of each Company's share in "tender offer" resulting in an acquisition price higher than that determined under the terms of the Paragraph 2 above, that acquisition price calculated under the terms of CVM's regulation shall prevail in the effectiveness of the "tender offer" provided for in this Article.

Article 34 - Any Purchasing Shareholder having subscribed and/or purchased shares issued by the Company, in quantity equal or in excess of thirty per cent (30%) of the total number of shares outstanding (as defined in the paragraph 2 below) of the Company and intending to carry out a new

acquisition of shares issued by the Company at the Stock Exchange shall be obliged, previously to each new acquisition, communicate in written to the Company and to the officer of the trading session of the BOVESPA (São Paulo Stock Exchange), through brokerage company through which intends to purchase the shares, its intention of acquiring other shares issued by the Company, at least, three (3) business days in advance to the date foreseen for the performance of new share acquisition, in such manner that the Officer may previously call an auction to purchase to be carried out in BOVESPA trading session and where intervening third parties and/or possibly the own company may participate, always in compliance with the terms of legislation in force, the applicable CVM's regulation and BOVESPA's regulations.

Paragraph 1 - In the event the Purchasing Shareholder does not comply with the obligations imposed by this Article, the Company's Board of Directors shall call an Extraordinary General Meeting, in which the Purchasing Shareholder may not vote to resolve on the suspension of exercise of the rights of the Purchasing Shareholder who did not comply with the obligation imposed by this Article, as provided for in the Article 120 of Law #6404, dated December 15, 1976.

Paragraph 2 - For the purposes of this Article, the following terms with initials in capital letters shall have the following meaning:

"Shares Outstanding" means all shares issued by the Company except for those (i) directly or indirectly owned by the Controlling Shareholder and/or persons bound thereto; (ii) in the Company's treasury; (iii) held by a corporation controlled by the Company; and (iv) directly or indirectly held by the Company's administrators.

"Controlling Shareholder" has the meaning attributed thereto in the Article 116 of Law #6404, dated December 15, 1976.

Article 35 - In the tender offer to be carried out by the controlling shareholder for the cancellation of registration of the Company's publicly-held corporation, the minimum price to be offered shall correspond to the economic value verified in a valuation report.

Article 36 - In the event the shareholders in an Extraordinary General Meeting resolve on the Company's exit from the New Market, the shareholder, or group of shareholders, holding the Company's control power (as defined in the Article 116 of Law #6404/76) shall prepare a tender offer (i) within ninety (90) days, in such manner that its shares are recorded for the trading out of the New Market, or (ii) within one hundred and twenty (120) days from the date of the Shareholders' General Meeting of the Company approving the corporate reorganization operation, in which the Company's shares resulting from this reorganization shall not be accepted for trading in the New Market.

Article 37 – The valuation report mentioned in the Articles 35 and 36 of these By-Laws shall be prepared by a specialized company, having proven experience and independent from the Company, its administrators and controllers. This report shall also observe requirements of the Paragraph 1 of Article 8 of Law #6404/76 and contain the responsibility provided for in the Paragraph 6 of same Article of Law.

Paragraph 1 - The choice of a specialized company responsible for the determination of the Company's economic value is incumbent upon the General Meeting, from the moment the Board of Directors submits a three-name list, and the respective resolution shall be taken by absolute majority vote of shares outstanding voiced in a General Meeting resolving on this matter, not counting the blank votes, excluding shares held by the controlling shareholder, his/her spouse, companion, dependents included in the annual income tax return, treasury shares and shares held by controlled or affiliated corporations of the Company, as well as other corporations to which any of these composes a same actual and legal group.

Paragraph 2 – The costs to prepare the valuation report required shall be fully borne by the controlling shareholder.

Article 38 - Contingency not covered by law herein shall be resolved by the General Meeting and governed according to the precepts of Law #6404, dated December 15, 1976.

CHAPTER VI

ARBITRATION COURT

Article 39 - The disputes or disagreements connected with the Listing Regulation of the BOVESPA New Market, these By-Laws, the shareholders' agreements filed at the Company's headquarters, the provisions of Law #6404, dated December 15, 1976, the rules published by the Brazilian Monetary Council, the Brazilian Central Bank and CVM, BOVESPA's regulations and other standards applicable to the operation of capital markets in general, or arising therefrom shall be resolved by means of an arbitration conducted pursuant to the Regulation of Market Arbitration Chamber established by BOVESPA .

CHAPTER VII

COMPANY'S LIQUIDATION

Article 40 - The Company shall go into liquidation in cases determined by Law, and it is incumbent upon the General Meeting to elect the liquidator or liquidators, as well as the Audit Committee, which shall operate during this period, in compliance with legal formalities.

CHAPTER VIII

FINAL AND TEMPORARY PROVISIONS

Article 41 - The Company shall comply with the shareholders' agreements filed at its headquarters, being expressly void to the members of the presiding board of the General Meeting or Board of Directors to accept declaration of vote from any shareholder, undersigned of the shareholders' agreement duly filed at the headquarters, rendered in disagreement with what was covenanted in said agreement and it shall also be expressly void to the Company to accept and carry out the transfer of shares and/or encumbrance and/or assignment of preemptive right to the shares subscription and/or other securities not complying with provision and regulations of the shareholders' agreement.

Article 42 - It is void to the Company to grant financing or guarantees of any kind to third parties, under any mode for business unfamiliar to the corporate interests.

Article 43 – The publications ruled by the Limited Liability Corporation Law (Law #6404/76) shall occur on the Official Gazette of the São Paulo State and the “Valor Econômico” newspaper.

Article 44 - The provisions of Article 33 of these By-Laws shall not apply to the current shareholders already holding fifteen per cent (15%) or more of the total of shares issued by the Company and its successors, including and especially to the Company’s controlling shareholders, undersigned of the Shareholders’ Agreement dated April 26, 2004 and filed at the Company’s headquarters, under the terms of the Article 118 of Law #6404, dated December 15, 1976, exclusively applying to those investors purchasing shares and becoming Company’s shareholders after obtaining publicly-held corporation registration with the CVM and the start of Company’s shares trading at the BOVESPA.”

(iv) After reading the Extraordinary and Annual General Meeting dated March 05, 2004, exclusively on the part related to the term of office of Board of Directors’ members, the duration of the referred term of office was ratified up to the next Company’s Annual General Meeting to be held in the year 2005.

VIII – Closure of the meeting: Having nothing more to discuss, the Chairman of the meeting concluded the works, firstly adjourning the session to draw up these present Minutes, which after being read, discussed and deemed in compliance, these were approved and signed by all the shareholders attending the meeting, by the Secretary and by the Chairman. Signatures: Pedro Luiz Barreiros Passos – Chairman; José David Vilela Uba - Secretary.

We certify this present instrument is a faithful copy of the Minutes drawn up in the company’s books.

Itapecerica da Serra – SP, April 26, 2004.

ALESSANDRO GIUSEPPE CARLUCCI
SILVA

Trade Executive Officer

ANTONIO CARLOS SIQUEIRA DA

Legal Executive Officer