

NATURA COSMÉTICOS S.A.

CNPJ/MF No. 71.673.990/0001-77

Publicly-held Company

NIRE 35.300.143.183

Capital Subscribed to and Paid-in: R\$ 233,862,055.13 – 428,193,460 Registered Shares of Common Stock [ON]

Authorized Capital: up to 14,117,070 ON shares

MINUTES OF THE BOARD OF DIRECTORS MEETING HELD ON FEBRUARY 28, 2007

On February 28, 2007, at 09:00 a.m., at the Company's Headquarters located in the City of Itapeverica da Serra, State of São Paulo, at Rodovia Régis Bittencourt, s/nº, Km 293, Edifício I, the Board of Directors of **NATURA COSMÉTICOS S.A.** held a meeting, with attendance of all of its members and under the chairmanship of Mr. Guilherme Peirão Leal, for the purpose of, pursuant to articles 20, item X and 27, paragraph two of the Company's Bylaws and to the legislation in force, **examining, discussing and voting the Management Report, Financial Statements and Accounting Statements, as accompanied by the Opinion of the Independent Auditors, for the fiscal year ended on December 31, 2006, and the proposal of allocation of net profits in the fiscal year ended on December 31, 2006, to be addressed to the Company shareholders, for discussion at the Annual Shareholders Meeting to be held on April 2, 2007.**

After the subject being analyzed, the directors concluded, by unanimous vote and without any reservations, for the acuteness of the Management Report, Financial Statements and Accounting Statements, as accompanied by the Opinion of the Independent Auditors, for the fiscal year ended on December 31, 2006, with registration of non submission of the opinion provided for in items II, III and VII, of Article 163, of Law No. 6,404/76, because the Audit Committee was not installed.

The directors approved, again by unanimous vote and without any reservations, the disclosure of the Management Report, Financial Statements and Accounting Statements, as accompanied by the Opinion of the Independent Auditors, for the fiscal year ended on December 31, 2006, to the Securities Commission, the São Paulo Stock Exchange and the market, by remittance of such documents through the IPE system of the Securities Commission, the legal publication thereof in the Official Gazette of the State of São Paulo and in Valor Econômico and the insertion thereof in the Company site for Relations with Investors (www.natura.net/investidor), as well as the remittance of such documents to Company shareholders, for discussion at the Annual General Meeting to be held on April 2, 2007.

In view of the resolutions above, the total number of the directors approved the remittance of the following proposal of the capital budget for year 2007 and to the allocation of the net profit in the fiscal year ended on December 31, 2006, to shareholders for analysis at the Annual General Meeting to be held on April 2, 2007:

“Proposal by the Board of Directors

Messrs. Shareholders,

The Board of Directors of **NATURA COSMÉTICOS S.A.** submits to you for discussion at the Annual General Meeting to be held on April 2, 2007, the following proposals of capital budget for year 2007 and allocation of net profits in the fiscal year ended on December 31, 2006, according to the corporate legislation in force and the provisions the Company 's Bylaws:

The amount of the capital budget for the year in course, encompassing plant assets and working capital, is two hundred and ten million reais (R\$210,000,000.00), from the following origins: **(a)** one hundred, nine million, eight hundred, ninety-one thousand, three hundred, eighty-eight reais and forty-five centavos (R\$109,891,388.45) from the Profit Reserve and **(b)** one hundred million, one hundred, eight thousand, six hundred, eleven reais and fifty-five centavos (R\$100,108,611.55) from third parties' funds.

NET PROFIT IN THE YEAR	R\$ 469,326,360.77
Allocations:	
Profit Reserve	R\$ 109,891,388.45
Dividends	R\$ 325,866,047.36
Interest on Own Capital (gross amount)	R\$ 33,568,924.96

Pursuant to the provisions of paragraph one, of Article 193, of Law No. 6,404/76, five percent (5%) of the net profits in the fiscal year ended on December 31, 2006 were not allocated to the creation of the Legal Reserve, as the Legal Reserve balance, as added to the Capital Reserves dealt with by paragraph one, of Article 182, of Law No. 6,404/76, exceeded by thirty percent (30%) the amount of Company share capital.

In view of the Company growth and the projections prepared on the transactions in the year in course, the Company will invest heavily in the enlargement of its production capacity and in several projects for process improving. Therefor, the creation of a Profit Reserve in the amount of one hundred, nine million, eight hundred, ninety-one thousand, three hundred, eighty-eight reais and forty-five

centavos (R\$109,891,388.45), from net profits in the fiscal year ended on December 31, 2006.

The amount allocated to Profit Reserve shall be used to fund part of the Company Consolidated Capital Budget for fiscal year 2007.

We further inform that the allocation proposed herein is fully reflected in the Financial Statements prepared by Company Management, which shall be widely disclosed in accordance with the legislation in force.

This is the proposal that we submit to resolution by Messrs. Shareholders.

Itapecerica da Serra, February 28, 2007.

Signatures: Guilherme Peirão Leal; Antonio Luiz da Cunha Seabra; Pedro Luiz Barreiros Passos; Edson Vaz Musa and José Guimarães Monforte.”

As there are no other subjects to be discussed, the Chairman of the Presiding Committee declared the meeting closed, determining the drafting of these minutes that, upon being read and approved, were signed by all directors. Signatures: Guilherme Peirão Leal, Chairman of the meeting and Co-chief executive operation of the Board; Antonio Luiz da Cunha Seabra, Co-chief executive operation of the Board; Pedro Luiz Barreiros Passos, Co-chief executive operation of the Board; Edson Vaz Musa, director and José Guimarães Monforte, director.

This document is a free English translation of the original instrument drawn up in the Company's records.

JOSÉ DAVID VILELA UBA

Chief Financial Officer and Chief Investor Relations Officer