

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 10:30 a.m., at the Company's Headquarters located in the City of Itapecerica 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 **examining, discussing and voting, pursuant to article 199 and paragraph one of article 169 of Law 6,404/76 and further amendments, the proposal of capitalization of part of the profit reserves balance, without issuing new non-par registered common shares.**

After analyzing the matter, the board members approved, by unanimous vote and without any reservations, the forwarding of the proposal of capitalization of part of the profit reserves balance, without issuing new non-par registered common shares, in the total amount of one hundred, fifty-three million, nine hundred, thirty-nine thousand, four hundred, thirty-six reais and twenty-nine centavos (R\$153,939,436.29), considering that, after the allocation of the net profit of the fiscal year December 31, 2006, the profit reserves exceed the capital stock by forty-eight million, six hundred, seventeen thousand, four hundred, eighty-one reais and seventy-two centavos (R\$48,617,481.72), what is not allowed, pursuant to article 199, of Law 6404/76.

The above-mentioned one hundred, fifty-three million, nine hundred, thirty-nine thousand, four hundred, thirty-six reais and twenty-nine centavos (R\$153,939,436.29) refer to the profit reserves recorded in the fiscal years ended December 31, 2004 and December 31, 2005, totally used for investments in fixed assets and working capital during the years of 2005 and 2006, as showed below:

Fiscal year	Resolution Annual/ Extraordinary General Meeting	Retention of part of the net profit of the year	Budget for investments during the next year (*)	Investment performed during the next year (**)

2004	03/29/05	R\$76,023,878.39	R\$190,000,000.00	R\$131,296,647.90
2005	03/29/06	R\$77,915,557.90	R\$220,000,000.00	R\$299,550,787.33
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		R\$153,939,436.29	R\$410,000,000.00	R\$430,847,435.23

(*) *Budget for investments in fixed assets and working capital during the next year.*

(**) *Investment in fixed assets and working capital during the next year.*

Should the proposal forwarded herein be approved by the shareholders at extraordinary general meeting to be held on April 2, 2007, the Company's capital stock shall alter from two hundred, thirty-three million, eight hundred, sixty-two thousand, fifty-five reais and thirteen centavos (R\$233,862,055.13) to three hundred, eighty-seven million, eighty hundred, one thousand, four hundred, ninety-one reais and forty-two centavos (R\$387,801,491.42), and unchanged the amount of four hundred, twenty-eight million, one hundred, ninety-three thousand, four hundred and sixty (428,193,460) subscribed and paid-up, non-par registered common shares.

In view of the aforementioned, the board members equally, by unanimous vote and without any reservations, approved the forwarding of unified proposal to amend the wording of article 5 of the Company's Bylaws, comprising the proposal to ratify the increase of capital stock and the amount of subscribed and paid-up shares of the Company referred to in the Board of Directors Meeting on this present date at 10:00 a.m., as well as the proposal of capitalization of part of the profit reserves balance, as referred to in these present minutes, maintaining unchanged the proposal to amend the *caput* of article 6 of the Company's Bylaws related to the limit of authorized capital.

Thus, the board members approved the following final proposal to amend the wording of article 5 and of *caput* of article 6 of the Company's Bylaws as follows:

"Board of Directors' Proposal

Dear Shareholders,

The Board of Directors of **NATURA COSMÉTICOS S.A.** submits to your examination, at the Extraordinary General Meeting to be held on April 2, 2007, the following proposal to amend the wording of article 5 and of *caput* of article 6 of the Company's Bylaws:

"Article 5 - *The Company's subscribed and paid-up capital stock is three hundred, eighty-seven million, eight hundred, one thousand, four hundred,*

ninety-one reais and forty-two centavos (R\$387,801,491.42), divided into four hundred, twenty-eight million, one hundred, ninety-three thousand, four hundred and sixty (428,193,460) non-par registered common shares."

Article 6 - *The Company is authorized to increase its capital stock until the limit of thirteen million, one hundred, sixteen thousand, six hundred and sixty-five (13,116,665) non-par common shares."*

This is the proposal we submit to the Shareholders' resolution.

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 further subjects to be discussed, the Chairman of the Presiding Board declared the meeting closed, determining the drawing up of these minutes that, upon being read and approved, were signed by all board members. Signatures: Guilherme Peirão Leal, Chairman of the Meeting and Co-Chairman of the Board; Antonio Luiz da Cunha Seabra, Co-Chairman of the Board; Pedro Luiz Barreiros Passos, Co-Chairman of the Board; Edson Vaz Musa, board member and José Guimarães Monforte, board member.

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