

## **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

### **NOTICE TO THE MARKET**

**NATURA COSMÉTICOS S.A.** informs that, in the months of November and December 2006, three hundred and sixty one, four hundred and thirty eight (361.438) registered shares of common stock, without a par value, were subscribed to and paid-in, out of the one million, seven hundred and two, two hundred and fifty (1,702,250) registered shares of common stock, without a par value, issued on February 21, 2006, as approved by the Company's Board of Directors in the referred date, with the median price to be paid for of three reais and ten centavos (R\$ 3.10), three reais and eleven centavos (R\$ 3.11) and three reais and twelve centavos (R\$ 3.12), subject to monetary restatement by the Amplified Consumer Price Index ("IPCA"), as calculated and disclosed by the Brazilian Institute of Geography and Statistics, to meet the exercise of the options granted to the Company's officers and employees, as well as the officers and employees of the companies either directly or indirectly controlled by the Company, who participate in the "Amendment to the Program for the Granting of Call Option or Subscription to Shares of Common Stock Issued by the Company related to Calendar Year 2003".

In view of the aforementioned subscription, the Company's capital increased from two hundred and thirty two million, seven hundred and thirty seven thousand, six hundred and seventy five reais and twenty centavos (R\$ 232,737,675.20), on September 30, 2006, to two hundred and thirty three million, eight hundred and sixty two thousand, fifty five reais and thirteen centavos (R\$ 233,862,055.13), on December 31, 2006.

Consequently, the quantity of registered shares of common stock, without a par value, subscribed to and paid-in increased from four hundred and twenty seven million, eight hundred and thirty two, twenty two (427.832.022) registered shares of common stock, without a par value, on September 30, 2006, to four hundred and twenty eight million, one hundred and ninety three thousand, four hundred and sixty (428.193.460) registered shares of common stock, without a par value, on December 31, 2006.

Accordingly, the authorized capital balance decreased from thirteen million, four hundred and seventy eight thousand, one hundred three (13,478,103) registered shares of common stock, without a par value, on September 30, 2006, to thirteen million, one hundred and sixteen thousand, six hundred and sixty five (13,116,665) registered shares of common stock, without a par value, on December 31, 2006.

The three hundred and sixty one, four hundred and thirty eight (361.438) registered shares of common stock, without a par value, subscribed to and paid-in in November and December 2006 will be entitled, in a full manner, to receive the dividends, interest in own capital or each other remuneration declared after the date of subscription and pay-up of them.

**NATURA COSMÉTICOS S.A.**

**JOSÉ DAVID VILELA UBA**

Chief Financial Officer and Investor Relations Officer