

NATURA COSMÉTICOS S.A.

CNPJ/MF No. 71.673.990/0001-77

Publicly-held Company

NIRE 35.300.143.183

Capital Subscribed and Paid-in: R\$ 390,579,041.73 – 428,916,966 Common Shares [ON]

Authorized Capital: up to 13,116,665 ON shares

NOTICE TO THE MARKET

NATURA COSMÉTICOS S.A. informs that in the months of May and June 2007 three hundred and two thousand, three hundred and ninety-eight (302,398) registered, nonpar, common shares were subscribed and paid-in, out of one million, seven hundred two thousand, two hundred and fifty (1,702,250) registered, nonpar, common shares issued on February 21 2006, as approved by the Company's Board of Directors on that date, and three hundred ninety-eight thousand, four hundred and forty-one (398,441) registered, nonpar, common shares, out of one million, five hundred fourteen thousand, seven hundred and fifty (1,514,750) registered, nonpar, common shares issued on February 28 2007, as approved by the Company's Board of Directors on that date, with unit price to be paid in of three reais and nineteen centavos (R\$3.19) and seven reais and eighty-six centavos (R\$7.86), 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 to the officers and employees of the companies either directly or indirectly controlled by the Company, who participate in the "Amendment to the Call Option Plan or Subscription to Common Shares Issued by the Company related to Calendar Years 2003 and 2004".

In view of the subscription mentioned above, the Company's capital stock increased from three hundred eighty-seven million, eight hundred seventy-three thousand, three hundred forty-five reais and eighty-one centavos (R\$387,873,345.81) on March 31 2007, to three hundred ninety million, five hundred seventy-nine thousand, forty-one reais and seventy-three centavos (R\$390,579,041.73) on June 30 2007.

Therefore, the amount of registered, nonpar, common shares subscribed and paid-in increased from four hundred twenty-eight million, two hundred sixteen thousand, one hundred twenty-seven (428,216,127) registered, nonpar, common shares on March 31 2007, to four hundred twenty-eight million, nine hundred sixteen thousand, nine hundred sixty six registered (428,916,966), nonpar, common shares on June 30 2007.

Thus, the authorized capital balance decreased from thirteen million, ninety-three thousand, nine hundred ninety-eight (13,093,998) registered, nonpar, common shares

on March 31 2007, to twelve million, three hundred ninety-three thousand, one hundred fifty-nine (12,393,159) registered, nonpar, common shares on June 30 2007.

Seven hundred thousand, eight hundred thirty-nine (700,839) registered, nonpar, common shares subscribed and paid-in in May and June 2007 shall be fully entitled to receive dividends, interest in own capital or any other remuneration declared after the subscription and payment date.

NATURA COSMÉTICOS S.A.

JOSÉ DAVID VILELA UBA

Chief Financial and Investor Relations Officer