

# ***Natura Cosméticos S.A.***

*Appraisal Report (Accounting Values) of  
Certain Assets and Liabilities of Nova Flora  
Participações Ltda., Ascertained on  
December 31, 2007*

Deloitte Touche Tohmatsu Auditores Independentes

**APPRAISAL REPORT (ACCOUNTING VALUES), OF CERTAIN ASSETS AND  
LIABILITIES OF NOVA FLORA PARTICIPAÇÕES LTDA., ASCERTAINED ON  
DECEMBER 31, 2007, FOR MERGER PURPOSES BY NATURA COSMÉTICOS S.A.**

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DELOITTE TOUCHE TOHMATSU Auditores Independentes, civil company, headquartered in the city of São Paulo, Capital, at Rua José Guerra, 127, registered at the Regional Accounting Council of the State of São Paulo under no. 2 SP 011609/O-8, Corporate Taxpayers' ID (CNPJ) no. 49.928.567/0001-11, with its articles of association consolidated and registered at the 3<sup>rd</sup> Corporate Civil Registry - São Paulo, on December 28, 1977, and subsequent amendments registered at the same Corporate Civil Registry, the last of which registered under no 44, on May 31, 2007, herein represented by the partner Altair Tadeu Rossato, Brazilian citizen, married, accountant, bearer of ID Card no. 12.886.700-0 SSP-SP, Individual Taxpayers' ID no. 060.977.208-23 and at the Regional Accounting Council of the State of São Paulo under no. 1 SP 182515/O-5, with commercial address at the City of São Paulo, Capital, at Rua José Guerra, 127, appointed by Natura Cosméticos S.A as the corporate appraiser to perform, pursuant to the provisions of article 8, of Law no. 6,404/76, the appraisal, at accounting values, of certain assets and liabilities of Nova Flora Participações Ltda., ascertained on December 31, 2007, for purposes of utilization in the company's merger by Natura Cosméticos S.A., presents below the result of its analysis.

1. APPRAISAL CRITERIA

The assets and liabilities of Nova Flora Participações Ltda. ("Company"), purpose of this appraisal report, have been evaluated at their respective accounting values ascertained through the balance sheet as of December 31, 2007 and are recorded pursuant to the accounting practices adopted in Brazil. Such balance sheet has been prepared under the responsibility of the Company's Management.

2. MAIN PROCEDURES PERFORMED

Based on the Company's balance sheet ascertained on December 31, 2007, we have performed the following main procedures, with the objective of concluding on the adequacy of the appraisal of its assets and liabilities purpose of this appraisal report:

- a) Reconciliation of the Company's balance sheet with the company's accounting records, including the corresponding accounting control ancillary records, with special attention to their organization and due compliance with legal requirements.

- b) Investigation and verification of the accounting criteria and procedures adopted for the elaboration of the balance sheet in question.
- c) Identification of the balance sheet items that correspond to the Company's assets and liabilities to be merged by Natura Cosméticos S.A., as per list prepared by the Company's management.
- d) Investigation to the Company's Management regarding the existence of contingencies which are supposed to be considered for the appraisal of its assets and liabilities.
- e) Partial and selective verification of the items that are part of the accounts corresponding to the Company's assets and liabilities, with special attention to the criteria adopted for their evaluation, and consequent determination of their net assets.

### 3. PROVISION FOR CONTINGENCIES

On December 31, 2007, the Company was discussing certain civil lawsuits related to the exclusion of a former partner.

Considering that the Company's legal advisors consider losses as probable, Management has decided to cover eventual losses arising from unfavorable results through the constitution of provisions for contingencies, at the amount of R\$13,420,472. As a consequence of such provision, the Company has recognized the corresponding deferred income tax assets at the amount of R\$4,562,961, the realization of which is considered as probable by the responsible management.

### 4. CONCLUSION

Based on the performed procedures, we have concluded that the accounting value of the Company's net assets, ascertained on December 31, 2007, pursuant to the accounting practices adopted in Brazil, as attached, is negative at R\$10,058,625 (ten million, fifty-eight thousand, six hundred and twenty-five reais).

We additionally inform that:

- a) According to the professional rules established by the Federal Accounting Council – CFC, by means of Resolution no. 821/97, we are not aware of any conflict of interest, direct or indirect, or of any other circumstance that represents a conflict of interest regarding the previously described service.
- b) We are not aware of any action of the parent company or of the Company's management with the objective of giving directions, limiting, making it difficult or practicing any acts which have or might have compromised the access, the utilization or the knowledge of information, assets, documents or work methodologies that are relevant for the quality of the respective conclusion.

Deloitte Touche Tohmatsu

The detailing of the assets, rights and obligations composing the Company's net assets are in the possession of the Company, in the form of ancillary ledgers and analytical reports.

This appraisal report has been drawn up in 6 (six) copies with the same content, for the effects of law.

São Paulo, February 19, 2008

DELOITTE TOUCHE TOHMATSU  
Auditores Independentes  
Regional Accounting Council (CRC) no 2 SP 011609/O-8

Altair Tadeu Rossato  
Accountant  
CRC no. 1 SP 182515/O-5

NATURA COSMÉTICOS S.A.STATEMENT OF THE ASSETS AND LIABILITIES OF NOVA FLORA PARTICIPAÇÕES  
LTDA., AT ACCOUNTING VALUES, ASCERTAINED ON DECEMBER 31, 2007  
(Amounts expressed in reais)ASSETS

## CURRENT

Available assets	26,816
Deferred income tax and social contribution	<u>4,562,961</u>
	4,589.777

## TOTAL ASSETS

4,589,777LIABILITIES

## CURRENT

Suppliers	18,440
Accounts payable - related parties	832,684
Provision for contingencies	13,420,472
Provision for investment losses	<u>351,806</u>
	<u>14,623,402</u>

## NONCURRENT

Advance for future capital increase	25,000
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## TOTAL LIABILITIES

14,648,402

## NEGATIVE NET ASSETS

(10,058,625)

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