

## **NATURA COSMÉTICOS S.A.**

CNPJ/MF no. 71.673.990/0001-77

Open Company

NIRE 35.300.143.183

Subscribed and Paid Capital: R\$ 418.061.071.80 - 430.881.416 common shares

Authorized Capital: up to 10,428,709 common shares

### **MINUTES OF THE BOARD OF DIRECTORS MEETING HELD ON FEBRUARY 23, 2011**

On February 23, 2011 at 16:00 PM, at the corporate headquarters located in the City of Itapecerica da Serra, State of São Paulo, on Rodovia Régis Bittencourt, s/n.º, Km 293, Edifício I, the Board of Directors of **NATURA COSMÉTICOS S.A.** held a meeting of all of its members under the chairmanship of Mr. Pedro Luiz Barreiros Passos. Under the terms of articles 20, item X and 27, paragraph two of the bylaws and legislation in force, the purpose of the meeting was to **examine, discuss and vote on the Management Report, Financial Statements and Accounting Statements accompanied by the Independent Auditor Report, and the proposal for the destination of the net profit relating to the fiscal year ending December 31<sup>st</sup>, 2010, to be sent for consideration to the Company shareholders in the Annual General Meeting to be held in OS in April 2011.**

Upon analyzing the material, the members of the board approved, unanimously and with no exceptions, the accuracy of the Management Report, Financial Statements and Accounting Statements accompanied by the Independent Audit Report relating to the fiscal year concluded on December 31<sup>st</sup>, 2010, recording the absence of the report contained in items II, III and VII of article 163 of Law no. 6.404/76, owing to Auditor Committee not being in place.

Likewise, the board members approved, in unanimity and without exceptions, that the Management Report, Financial Statements and Accounting Statements accompanied by the Independent Auditor Report relating to the fiscal year concluded on December 31<sup>st</sup>, 2010 be disclosed to the Securities Commission, the São Paulo Stock Exchange and to the market, by means of sending the said documents via the Securities Commission's IPE system, legal publication in the newspapers 'Diário Oficial do Estado de São Paulo', 'Valor Econômico' and 'Brasil Econômico' and its inclusion in the Company's Investor Relations site ([www.natura.net/investidor](http://www.natura.net/investidor)), as well sending the said documents for assessment by the Company shareholders at the Annual and Extraordinary General Meeting to be held on April 8<sup>th</sup>, 2011.

As a result of that deliberated above, the totality of board members approved the dispatch of the following capital budget proposals for the year 2011 and the destination of the net profit relating to the fiscal year concluded on December 31<sup>st</sup>, 2010 for assessment by the shareholders at the Annual and Extraordinary General Meeting to be held on April 8<sup>th</sup>, 2011:

"Proposal of the Board of Directors

Dear Shareholders,

The **NATURA COSMÉTICOS S.A.** board of directors submits the following proposals for your assessment in the Annual General Meeting to be held on April 8<sup>th</sup>, 2011, relating to the capital budget for the year 2011 and for the destination of the net profit relating to the end of the fiscal year on December 31<sup>st</sup>, 2010, observing the current corporate legislation in force and the provisions of the bylaws:

The value of the capital budget in the current year, covering fixed assets and working capital, is R\$ 286,223,665.99 (two hundred and eight-six million, two hundred and twenty-three thousand, six hundred and five Reals and ninety-nine cents), originating as follows: (a) R\$ 18,623,665.99 (eighteen million, six hundred and twenty-three thousand, six hundred and sixty-five Reals and ninety-nine cents) from the Retained Profits Reserve; and (b) R\$ 267,600,000.00 (two hundred and sixty-seven million, six hundred thousand Reals) from third party resources.

The proposal for the allocation of the net profit is:

<b>NET PROFIT FOR THE YEAR</b>	<b>R\$ 744,049,778.89</b>
Reserve for Tax Incentives (Grants for Investments)	R\$ 5,973,172.00
Allocations:	
Retained Profits Reserve	
Dividends	R\$ 18,623,665.99
Interest on equity (gross)	R\$ 659,569,934.64
	R\$ 59,883,006.26

As per the first paragraph of article 193 of Law no. 6.404/76, the 5% (five per cent) of the net profit of the fiscal year ending December 31<sup>st</sup>, 2010 was not allocated for the constitution of the Legal Reserve, owing to the balance of the Legal Reserve, summed with the Capital Reserves dealt with in the first paragraph of article 182 of Law no. 6.404/76, having exceeded 30% (thirty per cent) of the value of the Company's capital stock.

Bearing in mind the growth of the Company and the projects realized for the business in the current year, the Company will invest in the expansion of productive capacity and in various projects for the improvement of processes and information technology. As such, it will be appropriate to form the Retained Profits Reserve in the amount of R\$ 18,623,665.98 (eighteen million, six hundred and twenty-three thousand, six hundred and sixty-five Reals and ninety-eight cents) originating from the fiscal year ending on December 31<sup>st</sup>, 2010.

The value attributed to the Retained Profits Reserve will serve as financing of part of the Company's Consolidated Capital Budget for the 2011 fiscal year.

We further notify that the allocation proposed herein is perfectly reflected in the Financial Statements elaborated by the Company administration, which will be fully disclosed under the terms of current legislation.

This is the proposal which we submit for your deliberation.

Itapecerica da Serra, February 23<sup>rd</sup>, 2011.

Signatures: Antonio Luiz da Cunha Seabra; Pedro Luiz Barreiros Passos; Edson Vaz Musa; José Guimarães Monforte; Luiz Ernesto Gemignani and Julio Moura Neto.

Having nothing more to deal with, the Chairman declared the meeting to be concluded, ordering that these minutes be drawn up which, after being read and approved, were signed by all members of the Company Board of Directors. Signatures: Pedro Luiz Barreiros Passos, Meeting Chairman and Co-Chairman of the Board; Antonio Luiz da Cunha Seabra, Co-President of the Board; Edson Vaz Musa, Board Member; José Guimarães Monforte, Board Member; Luiz Ernesto Gemignani, Board Member and Julio Moura Neto, Board Member.

I certify this copy to be faithful to the act drawn up in the suitable book.

**ROBERTO PEDOTE**

CFO and Director of Investor Relations