

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

NOTICE TO SHAREHOLDERS DISTRIBUTION OF DIVIDENDS AND INTEREST ON EQUITY

1. We notify shareholders that, at the Meeting of the Board of Directors held on February 23rd, 2011, as proposed by the Directors, the Members of the Board of **NATURA COSMÉTICOS S.A.** approved, *ad referendum* of the Annual General Meeting destined to assess the financial statements of the fiscal year ending December 31st, 2010:

1.1. Distribution of dividends:

- a) on April 14th, 2011, shareholders will be paid dividends relating to the **months from July to December, 2010**, at a total value of **R\$ 405,623,026.30** (four hundred and five million, six hundred and twenty-three thousand and twenty-six Reals and thirty cents) corresponding to **R\$ 0.94138115** per share, without Income Tax Withholding; and
- b) the aforementioned dividends will use **the equity position on March 1st, 2011**, as the basis for calculation, and from **March 1st, 2011** the shares of the Company will be negotiated "ex" dividends on the equity;

1.2. Distribution of interest on equity

- a) on April 14, 2011, shareholders will be paid **interest on equity** relating to the **months from August to December 2010**, at a total value of **R\$ 24,456,003.48** (twenty-four thousand, four hundred and fifty-six thousand, three Reals and forty-eight cents) corresponding to **R\$ 0.05675817** per share, with retention of 15% (fifteen per cent) as Withholding for Income Tax, resulting in net interest on equity of **R\$ 0.04824445** per share, except for shareholders that are duly proven to be immune or exempt;

- b) the said interest on the equity will use the **equity position on March 1st 2011** as the basis for calculation, and from **March 1st 2011** the shares of the Company will be negotiated “ex” interest on the equity;

2. The value of the dividends and interest on the equity whose distribution was approved by the Company Board of Directors on February 23rd, 2011 in the conditions given in item 1 above amounts to **R\$ 430,079,029.78 (four hundred and thirty million, seventy-nine thousand and twenty-nine Reals and seventy-eight cents)**, without retention of Income Tax Withholding, corresponding to **R\$ 0.99813932** per share without retention of Income Tax Withholding for shareholders that are verified as immune to exempt, and to **R\$ 0.98962560** per share with retention of 15% (fifteen per cent) Income Tax Withholding due because of the distribution of interest on equity.

3. The distribution approved as per the conditions of item 1 above, summed with the deliberation of the Board of Directors on July 21st, 2010, which approved the distribution of dividends to a value of R\$ 253,946,908.34 (two hundred and fifty-three million, nine hundred and forty-six thousand, nine hundred and eight Reals and thirty-four cents) and interest on equity to a value of R\$ 35,427,002.78 (thirty-five million, four hundred and twenty-seven thousand and two Reals and seventy-eight cents), paid on August 12th, 2010, will total the distribution of dividends and interest on equity relating to the fiscal year ending December 31st, 2010 at a gross value, without retention of taxes, of R\$ 719,945,940.90 (seven hundred and nineteen million, nine hundred and forty-five thousand, nine hundred and forty Reals and ninety cents) corresponding to R\$ 1.67023200 per share, without retention of Income Tax Withholding due because of the distribution of interest on equity.

4. Those shareholders immune or exempt from Income Tax Withholding must and the company the relevant corroborative documentation to the Company at the address below by April 4th, 2011:

Gerência de Relações com Investidores
Avenida Juruá, n.o 253, 3º andar, Alphaville
06455-010 Barueri - São Paulo

4. The payments of the values above will be realized in the following manner:
- a) Shareholders with current accounts held with Banco Itaú S.A.: by credit into the respective current account;
 - b) Shareholders with accounts held in other banks who have already indicated the bank, branch and account number: by electronic wire transfer;
 - c) Shareholders using fiduciary escrow will have their dividends and interest on equity credited as per the procedures adopted by the Stock Exchange;
 - d) Shareholders receive their credits on the date of the start of payment of this right in accordance with their current account and bank supplied to Banco Itaú S.A.;
 - e) For shareholders whose registration does not contain the registration of the CPF or CNPJ taxpayer numbers or indication of the bank, branch and current account, the dividends and interest on the equity will be credited from the third working day counted from the date of request to update the registration, provided that the interested parties make arrangements for updating their registration personally at one of the Banco Itaú S.A. branches that possesses exclusive services to taxpayers. If the updating of the details is undertaken at a non-specialized branch or through correspondence to Unidade de Ações e Debêntures do Banco Itaú S.A., Avenida Engenheiro Armando Arruda Pereira, n.º 707, 9º andar, CEP 04344-902, Cidade de São Paulo, Estado de São Paulo, the payment will only be cleared after the effectuation of the due records in the electronic files of the said bank.

NATURA COSMÉTICOS S.A.

ROBERTO PEDOTE

CFO and Director of Investor Relations