

BARINGTON

FOR IMMEDIATE RELEASE

December 3, 2015

BARINGTON CAPITAL GROUP SENDS LETTER TO CHAIRMAN OF THE BOARD OF AVON PRODUCTS, INC.

Believes Company is Significantly Undervalued and Proposes Restructuring Plan to Restore Avon to its Rightful Position as a Leading Global Beauty Brand

Has Lost Confidence in Avon's Present Leadership and Intends to Nominate a Slate of Highly Qualified Director Candidates for the 2016 Annual Meeting

Cautions Against Any Sale of the Company's North America Business to Private Equity or a Dilutive Sale of an Equity Stake on Unfavorable Terms to Shareholders

New York, New York, December 3, 2015 – An investor group led by Barington Capital Group, L.P., including NuOrion Partners AG and certain other investors (the “Barington Group”), which collectively owns more than 3% of the outstanding shares of Avon Products, Inc. (NYSE: AVP), today announced that it has sent a letter to the Chairman of the Board of the Company.

The full text of the Barington Group's Letter is available for viewing at the following link: www.barington.com/avon.html

The following are highlights from the Barington Group's letter:

On the Value Destruction at Avon Under the Current Board and Senior Management Team:

“Avon's stock price has fallen from its 2012 high of \$23.52 (reached shortly after the Board rejected Coty Inc.'s fully financed cash offer to acquire the Company for \$23.25 per share) to \$3.73 as of December 2, 2015, a loss of approximately \$8.5 billion in market capitalization. Under CEO Sheri McCoy, earnings per share have fallen from \$1.20 in 2011, the year prior to her appointment, to a current consensus estimate of \$0.11 for 2015, reflecting sales declines, market share losses and excessive selling, general and administrative expenses (“SG&A”). The Company has also taken substantial charges related to restructurings, asset write-downs and a Foreign Corrupt Practices Act (FCPA) investigation related to bribes in China that cost the Company more than \$135 million in fines and penalties.”

On the Barington Group’s Plan for Restoring and Enhancing Value at Avon:

“We are convinced that there is a significant opportunity at hand for Avon to unlock its intrinsic value for the benefit of all its shareholders. In order to realize Avon’s value potential and restore its market leadership and financial performance, we believe the Company must promptly implement a restructuring plan. We have developed such a plan for Avon, which, if implemented, we believe would:

- eliminate wasteful and unproductive expenses, resulting in annual savings of \$500 to \$700 million;
- achieve \$0.90 of earnings per share based solely on the initial impact of cost cutting and stabilizing revenues;
- restore Avon’s global market position through reinvestment of a portion of these savings into operational improvements;
- grow revenue and market share;
- enable the Company to maintain and grow its current dividend; and
- set the Company on a path to recovering its position as a leading global beauty brand.”

On the Value Potential at Avon:

“With the right leadership in place to execute the Barington Group’s Plan, we are confident that the Company will once again be able to harness the strength of the Avon brand and its position as a global market leader, thus creating significant value for shareholders. If the Company achieves \$0.90 of earnings per share and trades at the 16.1x median P/E multiple of its most direct peers (Oriflame, Natura, and Tupperware), Avon’s stock would trade at approximately \$14.50 per share, or 289% higher than yesterday’s closing price of \$3.73. Furthermore, reinvigorated revenue growth would enable the Company to achieve even higher earnings and a higher stock price. We note that the Company’s peak revenues of \$11.1 billion, achieved in 2011, are 46% higher than the revenues reported in the last twelve months.”

On the Need for New Independent Directors in the Avon Boardroom and New Leadership at the Senior Management Level:

“We believe it is critical that Avon promptly add new independent directors who are focused on improving long-term shareholder value, ensuring that shareholder interests are protected, and recruiting a new senior management team that is capable of executing a comprehensive strategy to improve Avon’s performance. We believe that Avon’s senior management must have expertise in four key areas: (1) beauty, (2) direct selling, (3) emerging markets, and (4) operational restructuring. Avon’s six million sales representatives, the backbone of Avon, deserve a senior management team that can reinvigorate the Company and introduce new products and marketing campaigns that will resonate with customers.”

The Numerous, Chronic Failures of the Current Board and Senior Management Team Highlighted by the Barington Group:

The Barington Group listed the following past failures by the Board and senior management in the letter as some of the primary reasons for Avon's stock price underperformance:

- The Board's Rejection of Coty's Offer Cost Shareholders Approximately \$8.5 Billion;
- Poor Choice of a New CEO;
- Rapidly Deteriorating Operating Performance;
- Failure to Manage Excessive Costs Despite \$1.3 Billion of Restructuring Charges;
- Foreign Corrupt Practices Act (FCPA) Investigations Costing More than \$135 Million;
- Poorly Conceived Acquisition Has Cost Shareholders at Least \$550 Million;
- Inopportune Share Repurchases Exceeding \$2 Billion; and
- Excessive Executive Compensation for Poor Performance.

On the Recent Reports by The Wall Street Journal That Avon Is in Talks to Sell Its North American Business and a Dilutive Equity Stake to a Private Equity Buyer:

"Throughout 2015, Avon has kept shareholders in the dark as to its strategic and operating plans, repeatedly delaying a planned investor day where it would discuss such critical matters. Meanwhile, The Wall Street Journal reported on April 14th that Avon was exploring strategic alternatives that could include the sale of its North America business, and then further reported on September 10th that Avon was negotiating the sale of a stake to a private equity firm.

We believe that certain key elements of a typical private equity investment have the potential to be highly beneficial to shareholders, particularly where the transaction entails the addition of new independent directors and the appointment of a new senior management team. However, we are concerned that either of the alternatives discussed in the Wall Street Journal articles could destroy significant shareholder value. We would oppose any sale of the North America business on terms that are disadvantageous to current shareholders or limit the options for a new senior management team to maximize long-term shareholder value. We would also oppose a sale of a dilutive equity stake at a "fire sale" price. Given the Company's ample liquidity, we fail to see how selling equity at or around the current stock price creates value for shareholders."

The Barington Group's Conclusion of What is Required at Avon:

“We strongly believe in Avon’s long-term prospects and are confident that with the right leadership in place Avon can recover its position as a leading global beauty brand. We are convinced that the addition of new independent directors to the Board is a necessary first step towards developing and executing a strategy that will unlock Avon’s value potential for all shareholders.

Barington has a fifteen-year track record of assisting publicly traded companies in improving their corporate strategy, operations, profitability and corporate governance. As significant shareholders of Avon, we are committed to helping the Company improve its long-term financial and share price performance and would welcome the opportunity to meet with you to present our recommendations in further detail.”

About Barington Capital Group, L.P.

Barington Capital Group, L.P. is a fundamental, value-oriented activist investment firm that was established by James A. Mitarotonda in January 2000. Barington invests in undervalued publicly traded companies that Barington believes could appreciate significantly in value as a result of a change in corporate strategy or improvements in operations, capital allocation or corporate governance. Barington’s investment team, senior advisors and network of industry experts have extensive strategic, operating and boardroom experience that they utilize to assist companies in designing and implementing initiatives to improve long-term shareholder value. Barington has significant experience investing in consumer-focused companies, with prior investments in companies such as Dillard’s, Warnaco, The Jones Group, Pep Boys, Darden Restaurants, Lone Star Steakhouse, Harry Winston, Steven Madden and Nautica.

About NuOrion Partners AG

NuOrion Partners is a private investment firm that makes direct investments in undervalued corporate fallen angels that can regain their economic strength. NuOrion has an active industrial approach to investing, built on management-centric investment partnerships. Each NuOrion transaction is funded through a focused special purpose vehicle that is backed by a select group of ultra-high-net-worth families. The firm was founded in 2014 by Guy Phillips, who was previously the Global Head of the Consumer Products & Retail Group at UBS. During his time at UBS, Mr. Phillips was an advisor to a number of Beauty Care and Direct Marketing businesses and spent considerable time advising clients on their emerging markets businesses.

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