BARINGTON

December 3, 2015

Douglas R. Conant
Chairman of the Board
Avon Products, Inc.
777 Third Avenue
New York, NY 10017

Dear Mr. Conant:

Barington Capital Group, L.P. represents a group of shareholders, including NuOrion Partners AG and certain other investors (the "Barington Group"), that collectively owns over 3% of the outstanding common stock of Avon Products, Inc. ("Avon" or the "Company").

We have great respect for Avon's 125-year history and its position as one of the world's most recognized beauty brands. As investors, however, it has been extremely disturbing to witness the significant destruction in shareholder value that has occurred at such an iconic company under the watch of Avon's board of directors (the "Board"). Avon's stock price has fallen from its 2012 high of $23.52 (reached shortly after the Board rejected Coty Inc.'s ("Coty") 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[1] have fallen from $1.20 in 2011, the year prior to her appointment, to a current consensus estimate[2] 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. We have also been concerned by press reports that the Board may be considering various transactions that could further destroy shareholder value, including the sale of the Company's North America business and a dilutive sale of an equity interest to a private equity firm.

At its current depressed stock price, Avon trades at a significant discount to its peers, as shown in the table below:

	EV/LTM Sales	**EV/2015E EBITDA[3]**
Peers Per Company Proxy[4]	2.8x	13.3x
Avon Products, Inc.	0.4x	6.1x

Source: S&P Capital IQ

While this discounted valuation likely reflects the market's concerns about continuing deterioration in the business under the Company's current senior management team, we believe it also reflects the market's failure to ascribe appropriate value to Avon's numerous positive attributes. These include, among other things, its strong brand, global presence, high gross margins, and six million sales representatives.

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 (the "Barington Group's Plan"), which, if implemented, we believe would:

- eliminate wasteful and unproductive expenses, resulting in annual savings of $500 to $700 million;[5]
- 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.

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.[6] 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.

However, the numerous, chronic failures of the current Board and senior management team, highlighted below, lead us to conclude that Avon's present leadership is incapable of effectively executing such a plan. We believe that significant, immediate changes in leadership and strategic direction are needed. To begin the process of effecting such change, we intend to nominate a group of highly qualified individuals to the Avon Board in advance of the 2016 Annual Meeting and work with the Board to help recruit new senior leadership to execute our plan to unlock Avon's full potential.

Below we set forth (i) a summary of the Barington Group's Plan to rebuild Avon and recover its position as a leading global beauty brand, (ii) a review of the past failures of the Board and senior management, and (iii) the reasons why we believe Avon does not require new capital.

I. We Believe the Barington Group's Plan for Avon Would Create Significant Long-Term Shareholder Value

Better stewardship of Avon's brand and market position can create significant long-term value for shareholders. We believe that the Company should build upon its strong emerging markets platform and restructure its U.S. business and corporate infrastructure. The Barington Group's Plan for Avon focuses on five critical areas:

- **Reducing costs by $500-700 million within 18-24 months by streamlining the organization and taking cost out of centralized overhead.** We believe a lack of cost controls, particularly relating to SG&A, has been a significant contributor to Avon's decline in profitability, as discussed more fully in the below section: "Failure to Manage Excessive Costs Despite $1.3 Billion of Restructuring Charges."

- **Reorganizing the management structure to place more emphasis on local market decision making, thereby increasing operational efficiency and accountability.** We believe that the Company must eliminate redundancy across local, regional, and corporate management layers, eliminate its complex management matrix structure, and move decision making to local markets to more effectively manage revenue growth and costs as well as increase local accountability for performance. In addition, we recommend that the Company re-evaluate its product development strategy and transfer a significant portion of product development from New York to country teams.

- **Regaining market share in emerging markets by leveraging Avon's strong brand and quality position and reestablishing service excellence, where it has fallen behind competitors.** In a November 23 report, Citi Research states that Avon's poor performance in Brazil is attributable to a mix of poor order fulfillment and supply chain disruptions, insufficient new product activity and inadequate marketing support, among other factors. We agree that improving execution in these and other areas will restore Avon's share growth in Brazil and other emerging markets.

- **Assessing Avon's go-to-market strategy in its mature markets, including evaluating omni-channel options.** The Company's U.S. and Canada business has been in decline for many years and needs fundamental solutions including, for example, the expansion of selected products into the retail channel, and increasing e-commerce sales while also strengthening the direct sales channel.

- **Making efficient use of Avon's capital structure.** We believe the Company should use a portion of its $587 million cash balance to finance our planned operational restructuring, thereby improving the Company's leverage ratios and credit ratings.

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.

If implemented, we believe the Barington Group's Plan could achieve $0.90 of earnings per share solely from the impact of cost-cutting and stabilizing revenues as shown in the table below. In addition, we believe that the resources freed up by our planned operational restructuring would allow renewed focus on top line growth which we believe would create significant additional value.

	Consensus 2016E[7]	Initial Impact of Our Plan[8]	Pro Forma
Sales, $ millions	6,769	-	6,769
Current cash costs	(6,256)	600	(5,656)
New investments	-	(150)	(150)
EBITDA	513	450	963
D&A	(139)	-	(139)
Interest expense, net	(115)	-	(115)
Taxes (44% rate)	(114)	(198)	(312)
Minority interest	(4)	-	(4)
Net income	141	196	393
Shares outstanding	435.4	435.4	435.4
Earnings per share	**$0.32**	**$0.58**	**$0.90**

II. A Review of Past Failures by the Board and Management

Avon's stock price performance under the current Board and senior management has been abysmal, as shown in the table below. Yesterday, Avon's stock price closed at $3.73 per share, a level previously reached in January 1991.[9] The Company's stock has significantly underperformed its peers and the overall market over the past one, three and five year periods, as well as since April 2, 2012, the date that the Board rejected Coty's indication of interest to acquire the Company for $23.25 per share:

	1 Year (12/2/14 - 12/2/15)	**3 Years** (12/3/12 - 12/2/15)	**5 Years** (12/2/10 - 12/2/15)	**Since 4/2/12** (4/2/12 – 12/2/15)
Avon	-60.2%	-71.4%	-85.1%	-81.8%
Peers in Proxy[10]	-5.3%	24.3%	51.3%	30.6%
S&P 500 Index[11]	0.6%	47.5%	70.2%	46.5%
Russell 2000 Index[3]	2.0%	45.2%	58.6%	41.8%

We believe the Company's stock price underperformance has been primarily due to chronic mismanagement as well as a lack of effective Board oversight.

The Board's Rejection of Coty's Offer Cost Shareholders Approximately $8.5 Billion

On April 2, 2012, Avon confirmed that it had received an unsolicited, non-binding indication of interest from Coty to acquire Avon for $23.25 in cash per share, or over $10 billion, with financing from Warren Buffett's Berkshire Hathaway. The offer represented a 20% premium over the then current trading price of Avon. The Board declined to allow Coty to conduct due diligence and never offered shareholders an opportunity to vote on the offer. Instead, the Board rejected Coty's indication of interest as opportunistic and not in the best interest of Avon's shareholders. At the time, the Board mistakenly believed that a new CEO offered a "greater opportunity to improve shareholder value in excess of Coty's conditional indication of interest."[12] We believe the Board also rejected Coty's increased offer of $24.75 per share. Since the rejection of Coty's offer, the Company's stock price has declined by over 80% and its market capitalization has declined by approximately $8.5 billion.

Five of the Company's current twelve directors were on the Board at the time of the Coty offer, and you were appointed to the Board on the day the offer was rejected. We question whether the directors who rejected a sale of the Company at $23.25 per share or higher are properly equipped to evaluate the merits of any potential private equity transaction, particularly now that the Company is valued roughly 85% below the Coty offer.

Poor Choice of New CEO

We also question whether the Board engaged in an effective search for a new CEO when it replaced Andrea Jung in 2012. As a first step in what appears to have been a flawed process, the Board chose Ms. Jung to lead the search for her replacement. The search process culminated in the hiring of Sheri McCoy in April 2012. In our view, Ms. McCoy's previous experience as a manager at Johnson & Johnson has little relevance to the key areas of expertise that are critical to Avon, including beauty, direct selling, emerging markets, and operational restructuring. The skills that are needed to lead medical products businesses do not appear to have been transferable to Avon's direct selling beauty business. We believe the dismal performance of the Company under Ms. McCoy's leadership speaks for itself and that the Board made a mistake in naming her CEO.

Rapidly Deteriorating Operating Performance

Avon's revenues have declined precipitously from their peak of $11.1 billion in 2011, the year prior to Ms. McCoy's appointment, to a consensus forecast of $7.2 billion in 2015. While we recognize that foreign exchange translations have negatively impacted the Company, we believe that poor execution, lack of cost management, and loss of market share to nimbler competitors have been significant drivers of the Company's poor financial results. Over the past four years, the Company's performance has deteriorated at an accelerating rate, net income has swung to a loss, and cash flow from operations has turned negative as shown in the table below:

Avon Performance ($ millions)	2011	2012	2013	2014	9 months 2014	9 months 2015
Revenue	11,100	10,561	9,955	8,851	6,510	5,285
% change		*(5%)*	*(6%)*	*(11%)*		*(19%)*
Adjusted Operating Income	1,132	694	791	734	517	264
% change		*(39%)*	*14%*	*(7%)*		*(49%)*
Net from continuing operations	676	93	(1)	(385)	(58)	(816)
% of revenues	*6.1%*	*0.9%*	*0.0%*	*-4.3%*	*-0.9%*	*-15.4%*
Cash flow from operations	628	544	540	360	126	(97)

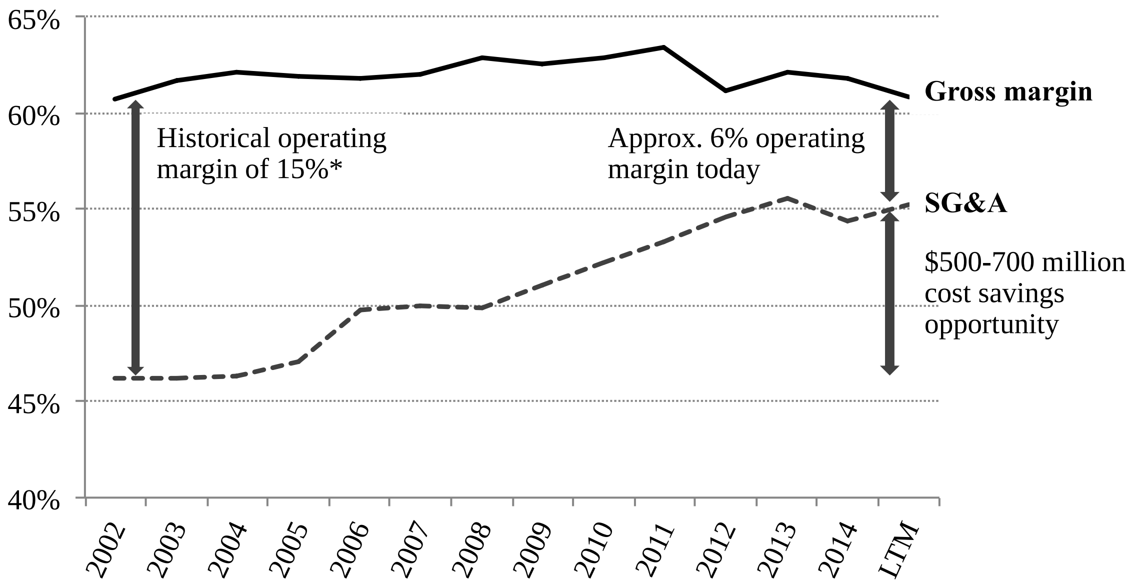
We note that the Company reports more favorable "constant dollar" revenue growth which it calculates assuming a constant exchange rate. We believe this measurement technique results in shareholders receiving an overly positive and potentially misleading measure of revenue growth in countries with high inflation such as in Latin America. We believe that the Company's "constant dollar" revenue growth in recent years largely reflects inflation in local currencies rather than real growth. We are concerned that Avon has been losing market share in major markets and that management does not have a credible plan to reverse these trends. We call on Avon to report regularly on its market share, a metric that is indicative of the health of the business. According to Euromonitor, Avon's market share in Brazil has declined from 9.0% in 2009 to 5.8% in 2014, a 36% decrease. Avon's performance in North America has also been abysmal, as revenues have fallen from $1.87 billion in 2011 to $1.06 billion in the last twelve months, a 43% decline that is primarily attributable to lost market share.

Failure to Manage Excessive Costs Despite $1.3 Billion of Restructuring Charges

We believe a lack of cost control, particularly as it relates to SG&A, has been a significant contributor to Avon's decline in profitability. While the Company has consistently generated gross margins of greater than 60%, SG&A as a percent of sales has grown significantly. Since 2005, Avon has taken roughly $1.3 billion of restructuring charges that should have resulted in ongoing SG&A savings. Despite these enormous charges, SG&A has risen substantially on an absolute basis and as a percentage of sales. In 2005, SG&A was $3.9 billion, or 47.4% of sales. By 2014, SG&A had risen to $4.7 billion on an adjusted basis, or 53.5% of sales. Operating profit declined from $1.15 billion in 2005 to $734 million on an adjusted basis in 2014. The chart below illustrates the Company's disappointing SG&A management over the past twelve years:

Deteriorating Avon Margins

Percent of revenue



* Based on 2002-2005 median operating margin
Source: SEC Filings

Most recently, senior management has failed to achieve their targeted goals as part of its "$400 million Cost Savings Initiative" announced in 2012. In Avon's Form 10Q for the period ended September 30, 2015, the Company states that it expects to realize annualized savings of $270-$280 million before taxes in connection with its restructuring actions. These amounts not only fall short of the planned $400 million goal, but also contradict the Company's prior statements in its SEC filings and on an investor conference call in February that Avon had achieved over $400 million of cost savings.[13] In addition, we believe that a portion of the cost reductions from this initiative were related to exiting underperforming markets including South Korea, Vietnam, Republic of Ireland, Bolivia and France, where cost reductions were accompanied by the loss of revenue in these countries. Senior management also stated on its February investor conference call that a portion of its cost savings related to a reduction in legal fees, which we believe were associated with the FCPA investigation.

Despite the Company's historical efforts to reduce costs, it continues to have an enormous corporate overhead burden. Avon reported $449 million of adjusted total global expenses during the twelve months ended September 30, 2015, representing 5.9% of last twelve months (LTM) revenues. We believe this corporate overhead burden is grossly excessive and should be reduced by at least 50%. Additionally, we believe that the Company has significant regional SG&A costs that can also be reduced.

We also question why the Company reports "constant dollar" adjusted operating margins. We believe that Avon's adjusted operating margins have contracted partly because substantial dollar-denominated costs represent a growing share of the Company's declining revenue. Unlike best-in-class multinational companies, Avon has a large dollar-based cost infrastructure supporting revenues that are primarily based in emerging markets rather than the other way around.

Reporting a "constant dollar" adjusted operating margin does not make this problem go away. It is clear to us that the Company should not continue to burden their regional businesses with enormous corporate costs based in North America.

Foreign Corrupt Practices Act (FCPA) Investigations Costing More than $135 Million

While many of Avon's competitors have invested successfully in China, we are disheartened to see that much of Avon's investment in this country appears to have been spent on FCPA investigations and penalties. Bloomberg has reported that between 2009 and 2014, Avon spent substantial amounts on professional and legal fees related to its internal investigation of bribes in China.[14] In December 2014, Avon China pleaded guilty to conspiring to violate the accounting provisions of the Foreign Corrupt Practices Act to conceal more than $8 million in gifts, cash and non-business meals, travel and entertainment it gave to Chinese government officials in order to obtain and retain business benefits for Avon China. Avon has paid $68 million in criminal penalties to the Department of Justice and $67 million in disgorgement and prejudgment interest to the U.S. Securities and Exchange Commission.

Poorly Conceived Acquisition Has Cost Shareholders at Least $550 Million

In 2010, the Board approved the acquisition of Silpada for $650 million plus additional potential earn-out payments. This price appeared high for a business with only approximately $230 million of sales. The acquisition proved to be misguided and poorly executed, as demonstrated by its disappointing performance and the Board's decision to sell Silpada back to its founders in 2013 for $85 million plus potential earn-out payments of $15 million, resulting in a loss of at least $550 million.

Inopportune Share Repurchases Exceeding $2 Billion

The Board has an extremely poor track record of timing its share repurchases. During the five years between 2004 and 2008, the Company repurchased 62.1 million shares for $2.15 billion at an average price of over $34.50 per share, or more than ten times the Company's current stock price. Current directors Don Cornwell, Maria Elena Lagomasino and Paula Stern were on the Board when these share repurchases were approved. In the five years between 2009 and 2013, the Company repurchased 2.2 million shares for $48.6 million at an average price of over $22.00 per share, or roughly six times the Company's current stock price. While we are generally in favor of share repurchases when they are accretive to shareholder value, Avon's Board has destroyed significant shareholder value by repurchasing stock at high prices in advance of deteriorating operating performance.

Excessive Executive Compensation for Poor Performance

Avon's Compensation Committee has a long history of awarding excessive compensation to the Company's CEO in the face of steadily deteriorating operating performance. In the last five years of Andrea Jung's tenure as CEO, Avon generated an average of $1.2 billion in adjusted operating income, and Ms. Jung was awarded target total compensation averaging $11.5 million per year.[15] In Ms. McCoy's first two years as CEO, she was awarded target total compensation averaging $11.6 million per year despite rapidly deteriorating financial results. Ms. McCoy was awarded $13.0 million of target total compensation in 2012 despite a 51% drop in operating income from $1,092 million in 2011 to $525 million in 2012. Ms. McCoy was awarded $10.2 million of target total compensation in 2013 despite further drop in operating income to $427.2 million. Finally, Ms. McCoy's target total compensation in 2014 was again $10.2 million despite another drop in operating income to $400.1 million. Ms. McCoy's target total compensation has changed little in spite of substantial declines in operating income.

It appears to us that the Board's Compensation Committee has failed to properly align pay with performance, making only modest changes to executive compensation despite a significant and troubling deterioration in operating performance. It is therefore unsurprising that Avon's executive compensation has received an "F" grade from proxy advisory firm Glass Lewis & Co. ("Glass Lewis") for the past three fiscal years. According to Glass Lewis, "in each of the past three years we have recommended voting against the Company's advisory resolution on executive compensation, as in each of the past three years the Company has failed to adequately link executive pay with performance, as indicated by our pay-for-performance analysis….and we continue to have significant concerns regarding the Company's pay program." Institutional Shareholder Services, Inc. ("ISS") has recommended against Avon's say-on-pay proposal in two of the past three fiscal years and stated in its 2015 Report that "some of the concerns highlighted in previous years remain and may not be fully addressed by the company's upcoming changes."

We also find it outrageous that the peer group being used by the Compensation Committee in 2015 for purposes of executive pay comparison has a median market capitalization of $24.6 billion, more than fifteen times larger than Avon's.[16] In response to feedback from shareholders, the Compensation Committee made the modest change of removing PepsiCo from its peer group and adding Coty. Amazingly, the Compensation Committee decided that the peer group should continue to include eleven companies with market capitalizations over $10 billion, including Colgate-Palmolive at $60 billion and Procter & Gamble at over $200 billion.

III. <u>Avon Does Not Require New Capital</u>

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.

Avon's Liquidity Position

Avon currently has $2.6 billion of debt that has been rated below investment grade by both Moody's and Standard & Poor's.[17] Despite the Company's worsening credit quality, we believe that Avon has ample liquidity to pursue a turnaround of its business. On July 9, 2015, the Company sold Liz Earle Beauty Co. Limited to Alliance Boots Holdings Limited for $215 million. The net proceeds from the sale of Liz Earle were used to fund a portion of the Company's redemption of the $250 million principal amount of its 2.375% Notes due March 15, 2016. Pro forma for this debt repayment, the Company still has $587 million of cash and $400 million of availability under its revolving credit facility. The next significant debt maturity is not until 2018.

Avon's Dividend Policy

During Sheri McCoy's first year as CEO of Avon, we believe that one of the Company's more noteworthy announcements was the November 2012 reduction of its quarterly dividend by 74% from $0.23 per share to $0.06 per share. Three years later, on Avon's quarterly investor call on November 4, 2015, Chief Financial Officer Jim Scully stated: *"In terms of the dividend, I think, given the FX headwinds impact on cash and on cash flow, as we evaluate 2016, I think it will be prudent to look at the dividend with a little more critical lens."* We recognize that Avon should carefully evaluate every dollar that it spends, and certainly a reduction in the dividend would be preferable to a sale of equity at "fire sale" prices. However, we believe that reductions in expenses should take precedence over reductions in the dividend, particularly in light of the 74% dividend reduction that has already occurred as well as management's failure to manage costs effectively.

Avon's Operating Cash Flow

In 2014, the Company generated $360 million of cash flow from operations. In the first nine months of 2015, cash flow from operations was negative $97 million (including the negative impact of a $67 million settlement payment to the SEC related to FCPA matters), down from $126 million in the first nine months of 2014. While it is disconcerting to see such a rapid decline in cash flow from operations, we believe the Company will generate positive free cash flow in 2015 once the seasonally strong fourth quarter is completed. Furthermore, we are convinced that the Company can significantly improve its cash flow from operations by implementing our plan to reduce costs. We believe that the Company's $587 million of cash along with its $400 million credit facility is more than sufficient to finance a substantial restructuring program, and it is our belief that the Company can maintain a cash balance of at least $300 million throughout the implementation of our plan. As a result, Avon does not need a private equity investment.

IV. Conclusion

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.

Sincerely yours,

James A. Mitarotonda

cc: The Board of Directors
Avon Products, Inc.

[1] Adjusted fully diluted earnings per share.
[2] Source: S&P Capital IQ.
[3] Source: S&P Capital IQ.
[4] Source: S&P Capital IQ as of December 2, 2015. Represents median multiple of peers for 2015 identified in the Company's 2014 proxy statement.
[5] The Barington Group believes the Company can reduce its SG&A as a percentage of revenue to pre-2006 levels. Between 2002 and 2005, SG&A averaged 46.4% of sales, compared to LTM SG&A at 54.5% of sales. The difference of 8.0% is equivalent to $600 million of potential savings – the midpoint of our estimated range. We believe the Company could achieve the high end of our range by reducing cost of sales. The Company's average gross margin over the past ten years is 62.3%, or 1.5% higher than the LTM gross margin of 60.8%. An incremental 1.5% of gross margin is equal to over $100 million of potential savings.
[6] Source: S&P Capital IQ for 2015 P/E multiples as of December 2, 2015.
[7] Source: S&P Capital IQ for consensus Sales, EBITDA and EPS estimates, and Barington Group estimates for other line items.
[8] $600 million is the midpoint of the range of $500 to $700 million of cost savings in the Barington Group's plan.
[9] Avon's stock traded at between $26.62 and $33.75 in January 1991 which is equivalent to a range of $3.33 to $4.22 on a split adjusted basis.
[10] Avon's peers for 2015 per its 2014 proxy statement include Campbell Soup Company; The Clorox Company; Colgate-Palmolive Co.; Coty Inc.; The Estee Lauder Companies Inc.; General Mills, Inc.; The Hershey Company; Kellogg Company; Kimberly-Clark Corporation; L Brands, Inc.; The Procter & Gamble Company; Revlon, Inc.; and Tupperware Brands Corporation.
[11] Source: S&P Capital IQ. Index returns calculated assuming the reinvestment of dividends.
[12] Avon Press Release: Avon Rejects Coty's Unsolicited Indication of Interest, April 2, 2012.
[13] In Avon's 2014 Form 10K and its 2014 proxy statement, the Company stated that it had achieved its $400 million cost savings target.
[14] "Avon Bribe-Probe Tab Neared $500 Million as Sales Slumped." Bloomberg News, May 2, 2014.
[15] Target total compensation is according to the Summary Compensation Tables in the Company's Proxy Statements in which aggregate grant date fair value of awards are determined based on the grant date fair value in accordance with FASB ASC Topic 718.
[16] Source: S&P Capital IQ as of December 2, 2015.
[17] In May, Moody's downgraded Avon's Corporate Family Rating from Ba1 to Ba2. In June, Standard & Poor's lowered its corporate credit rating for Avon from BB to B+.

Important Disclosures

Any views expressed in the above letter represent the opinion of Barington, whose analysis is based solely on publicly available information. No representation or warranty, express or implied, is made as to the accuracy or completeness of any information contained therein. Barington expressly disclaims any and all liability based, in whole or in part, on such information, any errors therein or omissions therefrom. Barington also reserves the right to modify or change its views or conclusions at any time in the future without notice.

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