AVON PRODUCTS INC
Form PRE 14A
March 15, 2011
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

SCHEDULE 14A

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

x Preliminary Proxy Statement.

¨ Confidential, for use of the Commission Only (as permitted by Rule 14a-6(e)(2)).

¨ Definitive Proxy Statement.

¨ Definitive Additional Materials.

¨ Soliciting Material Pursuant to §240.14a-12.

Avon Products, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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March [25], 2011

Dear Shareholder:

You are cordially invited to attend the 2011 Annual Meeting of Shareholders, which will be held at 9:00 A.M. on Thursday, May 5, 2011, at the Lila Acheson Wallace Auditorium, Asia Society and Museum, 725 Park Avenue at 70th Street, New York City.

Details regarding admission to the meeting and the business to be conducted are more fully described in the accompanying Notice of Annual Meeting of Shareholders and Proxy Statement. We hope that you will be able to attend.

We are pleased to take advantage of the Securities and Exchange Commission rule allowing companies to furnish proxy materials to their shareholders over the Internet. We believe that this e-proxy process will expedite shareholders receipt of proxy materials, while also lowering the costs and reducing the environmental impact of our Annual Meeting. If you received a Notice of Internet Availability of Proxy Materials (Notice) by mail, you will not receive a printed copy of the proxy materials, unless you request one.

Whether or not you plan to attend the Annual Meeting, your vote is important. The Notice contains instructions on how to access our Proxy Statement and Annual Report and vote online. If you received a paper copy of the proxy card, you may also sign, date and mail the proxy card in the envelope provided or vote by telephone.

On behalf of the Board of Directors and the management of Avon, I extend our appreciation for your continued support and interest in Avon.

Sincerely yours,

Andrea Jung
Chairman of the Board and
Chief Executive Officer

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AVON PRODUCTS, INC.

1345 Avenue of the Americas

New York, NY 10105

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The 2011 Annual Meeting of Shareholders of Avon Products, Inc. will be held at the Lila Acheson Wallace Auditorium, Asia Society and Museum, 725 Park Avenue at 70th Street, New York, New York on Thursday, May 5, 2011, at 9:00 A.M. for the following purposes:

(1) To elect directors to one-year terms expiring in 2012;

(2) To hold an advisory vote on executive compensation;

(3) To hold an advisory vote on the frequency of the executive compensation advisory vote;

(4) To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2011;

(5) To approve amendments to our Restated Certificate of Incorporation and By-Laws to eliminate supermajority vote requirements; and

(6) To transact such other business as may properly come before the meeting.

The Board of Directors has fixed the close of business on March 17, 2011 as the record date for the purpose of determining the shareholders who are entitled to notice of, and to vote at, the Annual Meeting and any adjournment or postponement thereof.

Kim K. W. Rucker

Senior Vice President, General Counsel,

Corporate Secretary and Chief Compliance Officer

March [25], 2011

New York, New York

YOUR VOTE IS IMPORTANT.

YOU MAY VOTE BY THE INTERNET OR,

IF YOU RECEIVED A PAPER COPY OF THE PROXY CARD BY MAIL,

YOU MAY ALSO VOTE BY MARKING, SIGNING AND RETURNING

THE PROXY CARD IN THE POSTAGE-PREPAID ENVELOPE PROVIDED

OR VOTE BY TELEPHONE.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR

THE 2011 ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 5, 2011.

Our Proxy Statement for the 2011 Annual Meeting of Shareholders and the Annual Report to

Shareholders for the fiscal year ended December 31, 2010 are available at *www.edocumentview.com/avp*

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INFORMATION ABOUT THIS PROXY STATEMENT AND THE ANNUAL MEETING

Why am I receiving these materials?

We are providing these proxy materials in connection with the solicitation by the Board of Directors of Avon Products, Inc. (Avon, the Company, we, us, or our) of proxies to be voted at our Annual Meeting of Shareholders, which will take place on Thursday, May 5, 2011. As a shareholder, you are invited to attend the Annual Meeting and you are entitled and requested to vote on the matters set forth in the Notice of Annual Meeting of Shareholders, which are described in this Proxy Statement. In addition, at the Annual Meeting, we will review our business and operations and respond to questions from shareholders.

As permitted by Securities and Exchange Commission rules, we are making this Proxy Statement, form of proxy and our Annual Report (collectively, the proxy materials) available to our shareholders electronically via the Internet on March [25], 2011. On the same date, we mailed to our shareholders a Notice of Internet Availability of Proxy Materials (Notice) containing instructions on how to access our proxy materials and vote online. We mailed a copy of the proxy materials to participants in our Avon Personal Savings Account Plan.

If you received the Notice by mail, you will not receive a printed copy of our proxy materials, unless you request one. The Notice contains instructions on how to access our proxy materials and vote online. If you received the Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials contained in the Notice.

What is the difference between holding shares as a shareholder of record and as a beneficial owner?

If your shares are registered directly in your name with our transfer agent, Computershare Trust Company, N.A., you are considered, with respect to those shares, the shareholder of record. If your shares are held in a stock brokerage account or by a bank or other record holder, you are considered the beneficial owner of shares held in street name. As the beneficial owner, you have the right to direct your broker, bank or other record holder on how to vote and you are also invited to attend the Annual Meeting. Your broker, bank or other record holder should have enclosed or provided voting instructions for you to use in directing the voting of your shares.

Who may attend the Annual Meeting?

Anyone who was a shareholder as of the close of business on March 17, 2011, the record date, may attend the Annual Meeting if you have an admission ticket or are pre-registered by the means set forth below and have photo identification. Anyone who arrives without an admission ticket or pre-registration will not be admitted to the Annual Meeting unless it can be verified that the individual was a shareholder as of March 17, 2011.

Shareholders of Record

If you received the Notice by mail, an admission ticket is attached to the Notice.

If you received your proxy materials by mail, an admission ticket is attached to your proxy card.

If you plan to attend the Annual Meeting, please vote your proxy but keep the admission ticket and bring it with you to the Annual Meeting.

Beneficial Owners

For beneficial owners holding shares in a bank or brokerage account, you can register to attend the meeting in advance by sending a written request, along with proof of ownership (such as a current brokerage statement), to our Investor Relations Department, Avon Products, Inc., 1345 Avenue of the Americas, New York, NY 10105, by mail or by fax to 212-282-6035. We must receive your request at least one week prior to the Annual Meeting to have time to process your request. If you register by this means, you will not be mailed a ticket.

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What is the purpose of this Proxy Statement?

This Proxy Statement describes the matters proposed to be voted on at the Annual Meeting, including the election of directors, an advisory vote on executive compensation, an advisory vote on the frequency of the executive compensation advisory vote, the ratification of the appointment of our independent registered public accounting firm, and the approval of amendments to our Restated Certificate of Incorporation and By-Laws to eliminate supermajority vote requirements. This Proxy Statement also contains other required information.

Who is entitled to vote?

Only holders of record of our common stock at the close of business on March 17, 2011, are entitled to vote. There were approximately shares of common stock outstanding on March 17, 2011. Shareholders are currently entitled to cast one vote per share on all matters.

How do I vote my shares in person at the Annual Meeting?

Shares held in your name as the shareholder of record may be voted in person at the Annual Meeting. Shares held beneficially in street name may be voted in person at the Annual Meeting only if you obtain a legal proxy from the broker, bank or other record holder that holds your shares giving you the right to vote the shares. Even if you plan to attend the Annual Meeting, we recommend that you also submit your proxy or voting instructions as described below so that your vote will be counted if you later decide not to attend the Annual Meeting.

How do I vote my shares without attending the Annual Meeting?

There are three ways to vote by proxy:

- By Internet You can vote over the Internet by following the instructions on the Notice or proxy card;
- By Mail If you received your proxy materials by mail, you can vote by filling out the accompanying proxy card and returning it in the return envelope that we have enclosed for you; or
- By Telephone You can vote by telephone by following the instructions on the proxy card.

If you received a proxy card in the mail but choose to vote by Internet or telephone, you do not need to return your proxy card.

If your shares are held in the name of a bank, broker or other record holder, follow the voting instructions on the form that you receive from them. The availability of telephone and Internet voting will depend on their voting process. Your bank, broker or other record holder may not be permitted to exercise voting discretion as to some of the matters to be acted upon. Therefore, please give voting instructions to your bank, broker or other record holder.

How will my proxy be voted?

Your proxy, when properly signed and returned to us, or processed by telephone or via the Internet, and not revoked, will be voted in accordance with your instructions. We are not aware of any other matter that may be properly presented at the meeting. If any other matter is properly presented, the persons named as proxies on the proxy card will have discretion to vote in their best judgment.

Unless you give other instructions on your proxy card, or unless you give other instructions when you cast your vote by telephone or via the Internet, the persons named as proxies will vote in accordance with the recommendations of the Board of Directors as follows: for the election of directors, the approval of the compensation of our named executive officers, the approval of an annual advisory vote on executive compensation, the ratification of the appointment of our independent registered public accounting firm, and the approval of amendments to our Restated Certificate of Incorporation and By-Laws to eliminate supermajority vote requirements.

May I revoke or change my vote?

If you are a shareholder of record, you may revoke your proxy at any time before it is actually voted by giving written notice of revocation to our Secretary, by delivering a proxy bearing a later date (including by telephone or by Internet) or by attending and voting in person at the Annual Meeting. Attendance at the Annual Meeting will not cause your previously granted proxy to be revoked unless you specifically make that request. If you are a beneficial owner of shares, you may submit new voting instructions by contacting your bank, broker or other record holder, or, if you have obtained a legal proxy from your bank, broker or other record holder giving you the right to vote your shares, by attending the meeting and voting in person.

Will my vote be made public?

All proxies, ballots and voting materials that identify the votes of specific shareholders will generally be kept confidential, except as necessary to meet applicable legal requirements and to allow for the tabulation of votes and certification of the vote.

What constitutes a quorum, permitting the meeting to conduct its business?

The presence at the meeting, in person or by proxy, of the holders of a majority of the outstanding shares entitled to vote at the Annual Meeting will constitute a quorum, permitting the meeting to conduct its business. Abstentions and broker non-votes are counted as present and entitled to vote for purposes of determining a quorum. A broker non-vote occurs when a broker or other record holder holding shares for a beneficial owner does not vote on a particular proposal because that holder does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner. If you do not give instructions to the bank, broker or other record holder holding your shares, it will not have discretionary voting power to vote your shares with respect to Proposals 1, 2, 3 or 5. We therefore urge you to provide instructions so that your beneficially owned shares may be voted.

How many votes are needed to approve a Proposal?

Under New York law, corporate action taken at a shareholders meeting is generally based on the votes cast. Votes cast means the votes actually cast for or against a particular proposal, whether in person or by proxy. Therefore, abstentions and broker non-votes generally have no effect in determining whether a proposal is approved by shareholders. Please refer to each of the Proposals for additional information on the required votes.

What if I am a participant in the Avon Personal Savings Account Plan?

We are mailing our proxy materials to participants in the Avon Personal Savings Account Plan. The trustee of the Plan, as record holder of the shares held in the Plan, will vote the shares allocated to your account under the Plan in accordance with your instructions. Unless your vote is received by 11:59 P.M. (New York time) on April 30, 2011 and unless you have specified your instructions, your shares cannot be voted by the trustee.

What is the deadline for voting my shares?

If you are a shareholder of record, received your proxy materials by mail and do not prefer to vote by telephone or Internet, you should complete and return the proxy card as soon as possible, but no later than the closing of the polls at the Annual Meeting. If you vote by telephone or the Internet, your vote must be received by 1:00 A.M. (New York time) on May 5, 2011. If you hold shares in the Avon Personal Savings Account Plan, as indicated above, your voting instructions must be received by 11:59 P.M. (New York time) on April 30, 2011. If your shares are held in street name, you should return your voting instructions in accordance with the instructions provided by the bank, broker or other record holder who holds the shares on your behalf.

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Who will count the vote?

Representatives of our transfer agent, Computershare Trust Company, N.A., will tabulate the votes and act as inspectors of election.

How can I find the voting results of the Annual Meeting?

We intend to announce preliminary voting results at the Annual Meeting and to publish final results in a current report on Form 8-K within four business days of the Annual Meeting.

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PROPOSAL 1 ELECTION OF DIRECTORS

The Board of Directors has fixed the number of directors at 10. The Board of Directors has nominated W. Don Cornwell, V. Ann Hailey, Fred Hassan, Andrea Jung, Maria Elena Lagomasino, Ann S. Moore, Paul S. Pressler, Gary M. Rodkin, Paula Stern and Lawrence A. Weinbach for election as directors. All nominees are current members of our Board. Each nominee elected as a director will hold office until the next succeeding Annual Meeting or until his or her successor is elected and qualified.

All shares duly voted will be voted for the election of directors as specified by the shareholders. Unless otherwise specified, it is the intention of the persons named on the proxy card to vote **FOR** the election of all of the nominees, each of whom has consented to serve as a director if elected. We have no reason to believe that any of the nominees will be unable or decline to serve as a director.

Each nominee who receives at least a majority of the votes cast for such nominee will be elected. Votes cast include votes to withhold authority, but do not include abstentions or broker non-votes with respect to that nominee s election. If a nominee receives a greater number of votes withheld from his or her election than votes for such election, he or she is required to tender his or her resignation to the Chairman of the Board for consideration by the Nominating and Corporate Governance Committee in accordance with the Company s Corporate Governance Guidelines, as described under Information Concerning The Board Of Directors Board Policy Regarding Voting for Directors on page 16.

The Board of Directors recommends that you vote FOR the election as directors of the nominees listed below.

W. DON CORNWELL

Director since 2002 Age: 63

Mr. Cornwell was Chairman and Chief Executive Officer of Granite Broadcasting Corporation from 1988 until his retirement in August 2009, and served as Vice Chairman until December 2009. On December 11, 2006, Granite Broadcasting Corporation filed for voluntary reorganization under Chapter 11 of the U.S. Bankruptcy Code and emerged from its restructuring on June 4, 2007. Previously, Mr. Cornwell was Chief Operating Officer for the Corporate Finance Department at Goldman, Sachs & Co. from 1980 to 1988 and Vice President of the Investment Banking Division of Goldman, Sachs from 1976 to 1988. He is a director of Pfizer, Inc. He is also a director of the Wallace Foundation and is a trustee of Big Brothers Big Sisters of New York. Mr. Cornwell previously served as a director of CVS Caremark Corporation from 1994 until 2007.

Key Attributes, Experience and Skills:

Through Mr. Cornwell s 39 year career as an entrepreneur driving the growth of a consumer focused media company, an executive in the investment banking industry and as a director of several significant consumer product and health care companies, he has valuable business, leadership and management experience and brings important perspectives on the issues facing the Company. Mr. Cornwell founded and built Granite Broadcasting Corporation, a consumer focused media company, through acquisitions and operating growth enabling him to provide insight and guidance on strategic direction and growth. Mr. Cornwell s strong financial background, including his work at Goldman, Sachs prior to co-founding Granite and his service on the audit and investment committees of other companies, also provides financial expertise to the Board, including an understanding of financial statements, corporate finance, accounting and capital markets.

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V. ANN HAILEY

Director since 2008 Age: 60

From January 2009 to January 2010, Ms. Hailey served as the Chief Financial Officer of Gilt Groupe, Inc., an internet retailer of discounted luxury goods. She served previously as Executive Vice President of Limited Brands, Inc. from August 1997 to September 2007, first having served as EVP, Chief Financial Officer from August 1997 until April 2006 and then serving as EVP, Corporate Development until September 2007. She also served on the Limited Brands, Inc. Board of Directors from 2001 to 2006 and as a Director of the Federal Reserve Bank of Cleveland from 2004 to 2008. Ms. Hailey is a director of W.W. Grainger, Inc.

Key Attributes, Experience and Skills:

Ms. Hailey has spent her career in consumer businesses and brings key financial and operations experience to the Company. In particular, Ms. Hailey possesses broad expertise in strategic planning, branding and marketing, business development, retail goods and sales and distribution on a global scale. Ms. Hailey s positions as chief financial officer and her service on the audit committees of other companies, as well as her accounting and financial knowledge, also impart significant expertise to the Board, including an understanding of financial statements, corporate finance, accounting and capital markets. Through her most recent experience in the apparel and discounted luxury goods industries, including with online selling, Ms. Hailey provides the Company with valuable insight regarding e-commerce.

FRED HASSAN

Director since 1999 Age: 65

Mr. Hassan serves as our Lead Independent Director. Mr. Hassan is a Managing Director and Partner at Warburg Pincus LLC, a private equity firm, since January 2011, and prior to that, served as Senior Advisor since November 2009. Previously, Mr. Hassan was the Chairman and Chief Executive Officer of Schering-Plough Corporation, from April 2003 to November 2009. Prior to that, Mr. Hassan had been Chairman and Chief Executive Officer of Pharmacia Corporation since February 2001. Prior to that time, he served as President and Chief Executive Officer of Pharmacia after its creation in March 2000 from the merger of Pharmacia & Upjohn, Inc. with Monsanto Company. Before that he served as President and CEO of Pharmacia & Upjohn since May 1997. Mr. Hassan previously held senior positions with Wyeth, including that of Executive Vice President and Board member. Mr. Hassan is a director of Time Warner Inc.

Key Attributes, Experience and Skills:

Mr. Hassan brings a wealth of broad-based, global leadership experience, including R&D, operations, corporate governance, strategic planning and risk management through his background as a public company CEO.
Mr. Hassan possesses particular knowledge and experience in R&D and customer driven growth and turnaround strategies that provides valuable perspective to the Company. In addition, his diversified financial and business expertise and corporate leadership experience strengthen the Board s collective qualifications, skills, and experience. Through his tenure on our Board, he has a deep understanding of the Company s business and strategic focus and has provided key leadership and guidance to drive our growth.

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ANDREA JUNG

Director since 1998 Age: 52

Ms. Jung was elected Chairman of the Board of Directors and Chief Executive Officer of the Company effective September 2001, having previously served as Chief Executive Officer since November 1999. Ms. Jung has been a member of the Board of Directors since January 1998 and was President from January 1998 to January 2001 and Chief Operating Officer from July 1998 to November 1999. She was elected an Executive Vice President of the Company in March 1997 concurrently continuing as President, Global Marketing, a position she held from July 1996 to the end of 1997. Ms. Jung joined the Company in January 1994 as President, Product Marketing for Avon U.S. Previously, she was Executive Vice President for Neiman Marcus and a Senior Vice President for I. Magnin. Ms. Jung is a director of Apple Inc. and the General Electric Company. She is a member of the N.Y. Presbyterian Hospital Board of Trustees, a director of Catalyst and Chairman of the World Federation of Direct Selling Associations.

Key Attributes, Experience and Skills:

Ms. Jung s deep understanding of the Company s business and industry provides critical expertise to the Company and makes her uniquely qualified to serve as Chairman. During her decade as CEO, the Company has doubled in size. Prior to her current position, Ms. Jung served as President and Chief Operating Officer, with full responsibility for our global business units. Prior to that, Ms. Jung ascended to senior level positions within Avon s product marketing group, where she oversaw research and development, market research, strategic planning, joint ventures and alliances. In addition, her participation and leadership in industry trade associations, including as Chairman of the World Federation of Direct Selling Associations and as former Chairman of the Cosmetic, Toiletry and Fragrance Association, provide valuable insight in light of our business as the world s leading direct seller of beauty products. Ms. Jung s entire professional career has been with companies that market to female consumers, giving her deep knowledge of the Company s targeted segment.

MARIA ELENA LAGOMASINO

Director since 2000 Age: 61

Ms. Lagomasino is the Chief Executive Officer of GenSpring Family Offices, an affiliate of Sun Trust Banks Inc. Prior to assuming this position in November 2005, Ms. Lagomasino was Chairman and Chief Executive Officer of JP Morgan Private Bank, a division of JP Morgan Chase & Co. from September 2001 to March 2005. Prior to assuming this position, Ms. Lagomasino was Managing Director at The Chase Manhattan Bank in charge of its Global Private Banking Group. Ms. Lagomasino had been with Chase Manhattan since 1983 in various positions in private banking. Prior to 1983 she was a Vice President at Citibank. She has previously served as Trustee of the Synergos Institute. Currently, she is a Board member of the Coca-Cola Company and a Trustee of the National Geographic Society. She is also a member of the Council on Foreign Relations and the Economic Club of New York.

Key Attributes, Experience and Skills:

Ms. Lagomasino is a recognized leader in the wealth management industry, with over thirty years of financial services experience, including investment and capital markets. This financial and business expertise enhances her contribution to the oversight of the Company s strategic direction and growth. Ms. Lagomasino also has broad international

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experience, including management of 3,000 employees in over 20 countries as CEO of JP Morgan Private Bank and 35 years of working with Latin America, which is one of the Company s key markets. Through her professional background, including her service on the compensation committee of another public company, Ms. Lagomasino provides valuable knowledge of executive compensation matters. Through her tenure on our Board, Ms. Lagomasino has a deep understanding of the Company s business and strategic focus and has provided key leadership and guidance to drive our growth.

ANN S. MOORE

Director since 1993 Age: 60

Ms. Moore served as Chairman and Chief Executive Officer of Time Inc from July 2002 to September 2010 and served as Chairman through December 2010. Prior to that, Ms. Moore was Executive Vice President of Time Inc. since September 2001, where she had executive responsibilities for a portfolio of magazines including Time, People, InStyle, Teen People, People en Español and Real Simple. Ms. Moore joined Time Inc. in 1978 in Corporate Finance. Since then, she has held consumer marketing positions at Sports Illustrated, Fortune, Money and Discover, moving to general management of Sports Illustrated in 1983 and to publisher of People in 1991. She is also a director of the Wallace Foundation.

Key Attributes, Experience and Skills:

Through her career in consumer-driven publishing and media, Ms. Moore possesses significant expertise in global branding and marketing, operations and turnaround strategies, which provides critical perspective to the Company. She is a recognized leader whose understanding of consumer trends and demographics enhances her contribution to the Board s oversight and direction. In addition, Ms. Moore s experience leading the innovation of iconic brands and products is of particular value to the Company. Through her tenure on our Board, Ms. Moore has a deep understanding of the Company s business and strategic focus and has provided key leadership and guidance to drive our growth.

PAUL S. PRESSLER

Director since 2005 Age: 54

Mr. Pressler is a Partner at Clayton, Dubilier & Rice, Inc., a private equity firm, since October 2010, and prior to that, served as Advisory Partner since July 2009. Previously, Mr. Pressler was President and Chief Executive Officer of Gap, Inc. from September 2002 to January 2007. He also served on Gap, Inc. s Board of Directors from October 2002 until January 2007. Prior to joining Gap, Inc., Mr. Pressler spent fifteen years with The Walt Disney Company where he was Chairman of the company s Global Theme Park and Resorts Division. Mr. Pressler also served as President of Disneyland, President of The Disney Stores and Senior Vice President of Disney Consumer Products. Mr. Pressler is a director of OpenTable, Inc. and previously served as a director of Overture Acquisition Corp. from 2008 until 2010.

Key Attributes, Experience and Skills:

Mr. Pressler is a seasoned consumer products and retail executive, with extensive experience leading some of the world s best known brands. He brings expertise in global online and offline business strategy, marketing, operations, inventory and supply chain management, and talent management in large organizations. Mr. Pressler also provides guidance regarding financial matters, including capital structure and cost control, and corporate governance, which provides valuable perspective on issues facing the Company, including its strategic direction.

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GARY M. RODKIN

Director since 2007 Age: 58

Mr. Rodkin is the Chief Executive Officer of ConAgra Foods, Inc. and serves as a member of its Board of Directors. Prior to joining ConAgra Foods, Inc. in October 2005, he was Chairman and Chief Executive Officer of PepsiCo Beverages and Foods North America. Mr. Rodkin also served as President and Chief Executive Officer of Pepsi-Cola North America from 1999 to 2002, and President of Tropicana from 1995 to 1998. He held various management positions at General Mills from 1979 to 1995, including President of Yoplait Yogurt. He serves as Chairman of the Grocery Manufacturers of America and Chair-elect of the Board of Boys Town. He also serves on the Rutgers Board of Overseers and Strategic Command Consultation Committee.

Key Attributes, Experience and Skills:

Mr. Rodkin has spent his career building leading consumer brands and contributes key marketing, financial and operations expertise to the Company. His broad-based business expertise and corporate leadership skills as a public company CEO provide significant insight and guidance on issues facing the Company and strengthen the Board s collective qualifications, skills, and experience. In particular, Mr. Rodkin s strong turnaround experience enhances his contribution to the oversight of the Company s strategic direction and growth.

PAULA STERN, Ph.D.

Director since 1997 Age: 65

The Honorable Paula Stern is Chairwoman of The Stern Group, Inc., an international advisory firm in areas of business and government strategy established in 1988. She was Commissioner of the U.S. International Trade Commission from 1978 to 1987 and Chairwoman from 1984 to 1986. Dr. Stern is a director of Rent-A-Center, Inc. She serves on the US Secretary of State s Advisory Committee on International Economic Policy, the Board of Trustees of the Committee for Economic Development and on the Advisory Council of Columbia University School of Social Work and the Executive Committee of the Atlantic Council of the United States. She is also a member of the Council on Foreign Relations, Inter-American Dialogue, Bretton Woods Committee, and the High Level Advisory Group for the Global Subsidies Initiative of the International Institute for Sustainable Development. Dr. Stern previously served as a director of Avaya, Inc. from 2002 until 2007, the Neiman Marcus Group, Inc. from 2001 until 2005, and Hasbro, Inc. from 2002 until 2010.

Key Attributes, Experience and Skills:

Dr. Stern is a distinguished scholar with over 30 years of professional experience in regulatory, legislative and business matters. She is an expert on business and government strategy, including global trade and competitive considerations, and provides the Company with valuable leadership and perspective in these areas. In addition, Dr. Stern s strong background in the direct selling regulatory framework is an asset in light of our business, which is conducted worldwide primarily through direct selling. Further, through her 24 years service on the boards of 16 companies, including consumer products companies, she has gained corporate governance and leadership experience that enhances her contribution to the Company. Through her tenure on our Board, Dr. Stern has a deep understanding of the Company s business and strategic focus and has provided key leadership and guidance to drive our growth.

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LAWRENCE A. WEINBACH

Director since 1999 Age: 71

Mr. Weinbach is a Managing Director of Yankee Hill Capital Management LLC, a private equity firm. On January 31, 2006, he retired as Chairman of the Board of Unisys Corporation. Mr. Weinbach joined Unisys in September 1997 as Chairman, President and Chief Executive Officer. In January 2004, his title changed to Chairman and Chief Executive Officer and he held the position of Chairman from January 2005 until his retirement. He previously was Managing Partner Chief Executive of Andersen Worldwide, a global professional services organization from 1989 to 1997 and had held various senior executive positions with Andersen for a number of years prior thereto. Mr. Weinbach is the lead director of Discover Financial Services and serves as Chairman of Great Western Products Holdings LLC, a private company. During the past five years, he served as a director of Quadra Realty Trust and UBS, AG.

Key Attributes, Experience and Skills:

Mr. Weinbach possesses key leadership expertise in the information technology and financial services sectors as well as the global marketplace. In particular, he has valuable turnaround experience that enhances his contribution to the oversight of the Company s strategic initiatives. Mr. Weinbach s strong financial background, gained through his private equity, and financial services experience, includes a thorough knowledge of financial statements, corporate finance, accounting and capital markets that is of significant value to the Company. Through his tenure on our Board, Mr. Weinbach has a deep understanding of the Company s business and strategic focus and has provided key leadership and guidance to drive our growth.

INFORMATION CONCERNING THE BOARD OF DIRECTORS

2010 Board Meetings

Our Board of Directors held 11 meetings in 2010. Directors are expected to attend all meetings of the Board of Directors and the Board Committees on which they serve and to attend the Annual Meeting of Shareholders. No director attended less than 75% of the aggregate number of meetings of the Board and of each Board Committee on which he or she served. Nine directors attended the 2010 Annual Meeting. In addition to participation at Board and Committee meetings and the Annual Meeting of Shareholders, our directors discharge their duties throughout the year through communications with senior management. The non-management directors meet in regularly scheduled executive sessions, as needed, without the management director or other members of management. In the absence of the lead independent director from any executive session, the non-management directors will choose from among themselves one director to preside at such executive session.

Board Leadership Structure

The Board currently combines the positions of CEO and Chairman, coupled with a lead independent director. Mr. Hassan was appointed the lead independent director in February 2009. The responsibilities of the lead independent director include (i) presiding at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors; (ii) reviewing and approving meeting agendas, meeting schedules and other information, as appropriate; (iii) serving as a liaison between the Chairman and the independent directors; (iv) having pre- and post-meetings with the Corporate Secretary, as appropriate; (v) having the authority to call meetings of the independent directors; (vi) if requested by major shareholders, ensuring availability for consultation and direct communication, as appropriate; and (vii) performing such other duties specified by the Board from time to time.

The Board believes that the current model is effective for the Company as the combined position of CEO and Chairman maximizes strategic advantages and company and industry expertise. Ms. Jung is the director most familiar with Avon s business and industry and best positioned to set and execute strategic priorities. Ms. Jung s leadership, driven by her deep business and direct selling industry expertise, enhances the Board s exercise of its responsibilities. In addition, this model provides enhanced efficiency and effective decision-making and clear accountability. The lead independent director further strengthens the Board s independence and autonomous oversight of our business as well as Board communication and effectiveness. The Board evaluates this structure periodically, including the appointment of the lead independent director.

Risk Oversight

The Board of Directors administers its risk oversight function primarily through the Audit Committee, which oversees the Company s risk management practices. The Audit Committee is responsible for, among other things, discussing with management on a regular basis the Company s guidelines and policies that govern the process for risk assessment and risk management. This discussion includes the Company s major risk exposures and actions taken to monitor and control such exposures. The Audit Committee also has oversight of the Company s risk management committee, composed of certain key executives. The Company has an enterprise risk management process and provides regular updates to the Audit Committee with respect to this process. The Audit Committee also regularly reports to the full Board on the Company s risk management practices. While the Audit Committee has primary responsibility for overseeing risk management, other Board Committees also consider risk within their areas of responsibility, as appropriate. We believe that the combination of the combined position of CEO and Chairman, the lead independent director and the roles of the Board and the Board Committees provide the appropriate leadership to help ensure effective risk oversight.

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Communications with Directors

A shareholder or other interested party who wishes to communicate with the Board, the non-management directors as a group, the lead independent director or any other individual director may do so by addressing the correspondence to that individual or group, c/o Corporate Secretary, Avon Products, Inc., 1345 Avenue of the Americas, New York, NY 10105. All correspondence addressed to a director will be forwarded to that director.

Board Committees

The Board has the following regular standing committees: Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee, and Finance Committee. The charters of each Committee, our Corporate Governance Guidelines and our Code of Business Conduct and Ethics (which applies to the Company s directors, officers and employees) are available on our investor website (*www.avoninvestor.com*).

Audit Committee

Members	Messrs. Weinbach (Chair), Cornwell, and Pressler, and Ms. Hailey
Number of Meetings in 2010	Fifteen (including a joint meeting with the Finance Committee)
Primary Responsibilities	We have a separately designated standing Audit Committee established in accordance with the Securities Exchange Act of 1934. The Board has determined that Lawrence A. Weinbach, the Committee s Chair, and V. Ann Hailey are both qualified to be audit committee financial experts, under the rules of the Securities and Exchange Commission and that both are independent as defined by the listing standards of the New York Stock Exchange. The Audit Committee assists the Board in fulfilling its responsibility to oversee the integrity of our financial statements, controls and disclosures, our compliance with legal and regulatory requirements, the qualifications and independence of our independent auditors and the performance of our internal audit function and independent accountants. The Committee has the authority to conduct any investigation appropriate to fulfilling its purpose and responsibilities. The responsibilities of the Committee are set forth in the Committee s charter and include, among other things: reviewing major issues regarding accounting principles and financial statement presentations; reviewing with management and the independent accountants our annual audited and quarterly financial statements; discussing generally with management the types of information to be disclosed in earnings press releases; oversight of risk management practices; the appointment, compensation, retention and oversight of the independent auditors; approving all audit services and all permitted non-audit services; and reviewing with management and the independent auditors our disclosure controls and procedures and our internal controls.

Compensation Committee

Members	Ms. Lagomasino (Chair), Ms. Moore, Messrs. Hassan and Rodkin
Number of Meetings in 2010	Seven
Primary Responsibilities	The Compensation Committee is appointed by the Board to discharge the responsibilities of the Board relating to compensation of our executives. The responsibilities of the Compensation Committee are

set forth in the Committee s charter and include, among other things: reviewing and establishing our overall executive compensation and benefits philosophy, including review of the risk and reward structure of executive compensation plans, policies and practices, as appropriate; reviewing and approving the goals and objectives relevant to the compensation of the Chief Executive Officer, and, in consultation with the independent members of the Board, determining and approving the compensation of the Chief Executive Officer; determining and approving the compensation of all senior officers; approving grants of equity compensation awards under our stock plans; reviewing, approving and, as appropriate, recommending for independent director or shareholder approval all incentive compensation plans and equity-based plans; authority to approve the adoption or amendment of certain employee benefit plans, subject to the terms of such plans; and approving agreements with senior officers. The Committee is also charged with the responsibility of reviewing and discussing with management the Compensation Discussion and Analysis to be included in our proxy statement and, based on that review and discussion, determining whether to recommend to our Board of Directors inclusion of the Compensation Discussion and Analysis in the proxy statement, and prepare the disclosure required by Item 407(e)(5) of Regulation S-K.

The Committee may delegate responsibilities to a subcommittee comprised of one or more members of the Committee, provided that any action taken shall be reported to the full Committee as soon as practicable, but in no event later than at the Committee s next meeting. In addition, the Committee may delegate certain other responsibilities, as described in the Committee charter. Also, as described on page 35 under Compensation Discussion and Analysis Elements of Compensation Long-Term Incentive Compensation Annual Equity Awards the Committee has delegated to Ms. Jung as a director the authority to approve annual and off-cycle stock option and stock-based grants to employees who are not senior officers. The full Committee, however, determines the aggregate amount, as well as the terms and conditions, of these annual and off-cycle grants. A description of the role of the compensation consultant engaged by the Committee, scope of authority of the Committee and the role of executive officers in determining executive compensation is set forth on pages 26-27 under Compensation Discussion and Analysis Roles in Executive Compensation.

Nominating and Corporate Governance Committee

Members	Mr. Hassan (Chair), Ms. Lagomasino, Ms. Moore and Dr. Stern
Number of Meetings in 2010	Five
Primary Responsibilities	The Nominating and Corporate Governance Committee identifies individuals qualified to become Board members, consistent with criteria approved by the Board; recommends to the Board the candidates for directorships to be filled by the Board and director nominees to be proposed for election at the Annual Meeting of Shareholders; develops and recommends to the Board a set of

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	corporate governance principles applicable to the Company; monitors developments in corporate governance and makes recommendations to the Board regarding changes in governance policies and practices; reviews our management succession plans and oversees the evaluation of management; and oversees the evaluation of the Board, including conducting an annual evaluation of the performance of the Board and Board committees. The responsibilities of the Committee are set forth in the Committee s charter and include, among other things: reviewing and recommending to the Board policies regarding the size and composition of the Board, qualifications and criteria for Board and committee membership, and the compensation of non-management directors. A description of scope of authority of the Committee and the role of executive officers in determining the compensation of non-management directors is set forth on page 65 under Director Compensation.

Finance Committee

Members	Messrs. Pressler (Chair), Cornwell, and Rodkin and Dr. Stern
Number of Meetings in 2010	Seven (including a joint meeting with the Audit Committee)
Primary Responsibilities	The Finance Committee assists the Board in fulfilling its responsibilities to oversee our financial management, including oversight of our capital structure and financial strategies, investment strategies, banking relationships and funding of the employee benefit plans. The Committee is also responsible for the oversight of the deployment and management of our capital, including the oversight of certain key business initiatives. The responsibilities of the Committee are set forth in the Committee s charter and include, among other things, reviewing with management on a timely basis significant financial matters of the Company, including matters relating to our capitalization, dividend policy and practices, credit ratings, cash flows, borrowing activities, debt management and investment of surplus funds.

Director Independence

The Board of Directors assesses the independence of its non-management members at least annually in accordance with the listing standards of the New York Stock Exchange, the Sarbanes-Oxley Act of 2002 and the regulations of the Securities and Exchange Commission, as well as our Corporate Governance Guidelines available on our investor website (*www.avoninvestor.com*). As part of its assessment of the independence of the non-management directors, the Board determines whether or not any such director has a material relationship with Avon, either directly or indirectly as a partner, shareholder or officer of an organization that has a relationship with Avon. In making this determination, the Board broadly considers all relevant facts and circumstances and will consider this issue not merely from the standpoint of the director, but also from that of persons or organizations with which the director has an affiliation. This consideration will include: (i) the nature of the relationship; (ii) the significance of the relationship to Avon, the other organization and the individual director; (iii) whether or not the relationship is solely a business relationship in the ordinary course of Avon s and the other organization s businesses and does not afford the director any special benefits; and (iv) any commercial, industrial, banking, consulting, legal, accounting, charitable, familial and other relationships; *provided*, that ownership of a significant amount of our stock is not, by itself, a bar to independence. In assessing the independence of directors and the materiality of any relationship with Avon and the other organization, the Board has determined that a relationship in the ordinary course of business involving the sale, purchase or leasing of property or services will not be deemed material if the amounts involved, on an annual basis, do not exceed the greater of (i) $1,000,000 or (ii) one percent (1%) of Avon s revenues or one percent (1%) of the revenues of the other organization involved.

The Company, as is common for major global consumer products companies, regularly advertises through various media, including television and magazines. Some of these advertisements may appear from time to time in magazines owned by Time Inc., of which Ms. Moore formerly served as Chairman and Chief Executive Officer during 2010, and in other media owned by Time Warner, of which Mr. Hassan is a board member. From time to time, the Company also obtains social online content from Time Inc.

Based on the standards described above, the Board of Directors has determined that none of these transactions or relationships, nor the associated amounts paid to the parties, was material such that it would impede the exercise of independent judgment. The Board of Directors has concluded that each non-management director who is currently serving and who served during 2010 independent.

Director Nomination Process & Shareholder Nominations

As noted above, the Board of Directors has determined that each member of the Nominating and Corporate Governance Committee is independent as defined by the listing standards of the New York Stock Exchange and our Corporate Governance Guidelines.

The Committee s process for considering all candidates for election as directors, including shareholder-recommended candidates, is designed to ensure that the Committee fulfills its responsibility to recommend candidates that are properly qualified and are not serving any special interest groups, but rather the best interest of all of the shareholders.

Our Corporate Governance Guidelines and the charter of the Nominating and Corporate Governance Committee require that our directors possess the highest standards of personal and professional ethics, character and integrity and meet the standards set forth in our Corporate Governance Guidelines. In identifying candidates for membership on the Board, the Committee takes into account all factors it considers appropriate, consistent with criteria approved by the Board, which may include professional experience, knowledge, independence, diversity of backgrounds and the extent to which the candidate would fill a present or evolving need on the Board. There is not a formal diversity policy; however, diversity of backgrounds, as one factor that the Committee may consider, is broadly construed to include differences of viewpoint, personal and professional experience, skill, gender, race, as well as other individual characteristics.

From time to time, the Committee retains a third-party search firm to locate candidates that meet the needs of the Board at that time. When a search firm is used, the firm typically provides information on a number of candidates for review and discussion by the Committee. If appropriate, the Committee chair and some or all of the members of the Committee may interview potential candidates. If in these circumstances the Committee determines that a potential candidate meets the needs of the Board, has the relevant qualifications, and meets the standards set forth in our Corporate Governance Guidelines, the Committee will vote to recommend to the Board the election of the candidate as a director.

The Nominating and Corporate Governance Committee will consider director candidates recommended by shareholders if properly submitted to the Committee in accordance with our Corporate Governance Guidelines. Shareholders wishing to recommend persons for consideration by the Committee as nominees for election to the Board of Directors can do so by writing to the Nominating and Corporate Governance Committee, c/o Corporate Secretary, Avon Products, Inc., 1345 Avenue of the Americas, New York, New York 10105. Recommendations must include the proposed nominee s name, detailed biographical data, work history, qualifications and corporate and charitable affiliations, as well as a written statement from the proposed nominee consenting to be named as a nominee and, if nominated and elected, to serve as a director. The Committee will then consider the candidate and the candidate s qualifications using the criteria as set forth above. The Committee may discuss with the

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shareholder making the nomination the reasons for making the nomination and the qualifications of the candidate. The Committee may then interview the candidate and may also use the services of a search firm to provide additional information about the candidate prior to making a recommendation to the Board.

In addition, shareholders of record may nominate candidates for election to the Board by following the procedures set forth in our By-Laws. Information regarding these procedures for nominations by shareholders will be provided upon request to our Corporate Secretary.

Board Policy Regarding Voting for Directors

Our Corporate Governance Guidelines provide that any nominee for director who receives a greater number of votes withheld than votes for his or her election in an uncontested election of directors will promptly tender his or her resignation to the Board for consideration by the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee will recommend to the Board whether to accept or reject the tendered resignation, or whether other action should be taken. The Nominating and Corporate Governance Committee will consider any factors or other information that it considers appropriate or relevant. The Board will act on the tendered resignation, taking into account the Nominating and Corporate Governance Committee s recommendation and publicly disclose (in a press release, a filing with the Securities and Exchange Commission or other broadly disseminated means of communication) its decision regarding the tendered resignation and the rationale behind the decision within 90 days from the date of the certification of the election results.

Director Compensation

Information regarding director compensation is set forth on page 64 under Director Compensation.

Certain Legal Proceedings

Beginning in July and August 2010, several derivative actions were filed against certain present or former officers and/or directors of the Company that allege breach of fiduciary duty, and, in certain complaints, abuse of control, waste of corporate assets, unjust enrichment and/or proxy disclosure violations, relating to the Company s compliance with the Foreign Corrupt Practices Act. The relief sought in one or more of the derivative complaints includes certain declaratory and equitable relief, restitution, unspecified damages, exemplary damages and interest. The Company is named as a nominal defendant. These actions include *Carol J. Parker, derivatively on behalf of Avon Products, Inc. v. W. Don Cornwell, et al. and Avon Products, Inc. as nominal defendant* (filed in the New York Supreme Court, Nassau County, Index No. 600570/2010); *Murray C. White, derivatively on behalf of Avon Products, Inc. v. Andrea Jung, et al. and Avon Products, Inc. as nominal defendant* (filed in the United States District Court for the Southern District of New York, 10-CV-5560); *County of York Employees Retirement Plan, derivatively on behalf of Avon Products, Inc. v. W. Don Cornwell, et al. and Avon Products, Inc. as nominal defendant* (originally filed in the New York Supreme Court, New York County, Index No. 651065/2010 and now refiled in the United States District Court for the Southern District of New York, 10-CIV-5933); *Lynne Schwartz, derivatively on behalf of Avon Products, Inc. v. Andrea Jung et al. and Avon Products, Inc. as nominal defendant* (filed in the New York Supreme Court, New York County, Index No. 651304/2010); and *IBEW Local 1919 Pension Fund, derivatively on behalf of Avon Products, Inc. v. W. Don Cornwell, et al. and Avon Products, Inc. as nominal defendant* (filed in the United States District Court for the Southern District of New York, 10-CIV-6256).

Compensation Committee Interlocks and Insider Participation

No member of our Board s Compensation Committee, each of whom is listed under Compensation Committee Report on page 24, has served as one of our officers or employees at any time. None of our executive officers served during 2010 as a member of the board of directors or as a member of a compensation committee of any other company that has an executive officer serving as a member of our Board of Directors or Compensation Committee.

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EXECUTIVE OFFICERS

The executive officers of the Company as of the date hereof are listed below. Executive officers are generally designated by the Board of Directors at its first meeting following the Annual Meeting of Shareholders. Each executive officer holds office until the first meeting of the Board of Directors following the next Annual Meeting of Shareholders at which directors are elected, or until his or her successor is elected, except in the event of death, resignation, removal or the earlier termination of his or her term of office.

Name	Title	Age	Year Designated Executive Officer
Andrea Jung	Chairman and Chief Executive Officer	52	1997
Charles W. Cramb	Vice Chairman, Developed Market Group	64	2005
Charles M. Herington	Executive Vice President, Developing Market Group	51	2006
Lucien Alziari	Senior Vice President, Human Resources and Corporate Responsibility	51	2004
Robert Briddon	Senior Vice President and President, Asia Pacific	57	2011
Jeri B. Finard	Senior Vice President, Global Brand President	51	2009
Donagh Herlihy	Senior Vice President and Chief Information Officer	47	2011
John P. Higson	Senior Vice President, Global Commercial Operations	52	2006
Jorge Martinez-Quiroga	Senior Vice President and President, North America	55	2011
Srdjan Mijuskovic	Senior Vice President and President, Central and Eastern Europe	55	2011
John F. Owen	Senior Vice President, Global Supply Chain	53	2009
Kim K. W. Rucker	Senior Vice President, General Counsel, Corporate Secretary and Chief Compliance Officer	44	2008
Anna Segatti	Senior Vice President and President, Western Europe, Middle East & Africa	58	2011
Stephen Ibbotson	Group Vice President and Corporate Controller	51	2009

Andrea Jung was elected as Avon s Chairman of the Board of Directors and Chief Executive Officer effective September 2001, having previously served as Chief Executive Officer since November 1999. Ms. Jung has been a member of the Board of Directors since January 1998 and was President from January 1998 to January 2001 and Chief Operating Officer from July 1998 to November 1999. She was elected an Executive Vice President of Avon in March 1997 concurrently continuing as President, Global Marketing, a position she held from July 1996 to the end of 1997. Ms. Jung joined Avon in January 1994 as President, Product Marketing for Avon U.S. Previously, she was Executive Vice President for Neiman Marcus and a Senior Vice President for I. Magnin. Ms. Jung is a director of Apple Inc. and the General Electric Company. She is a member of the N.Y. Presbyterian Hospital Board of Trustees, a director of Catalyst and Chairman of the World Federation of Direct Selling Associations.

Charles W. Cramb has been Avon s Vice Chairman, Developed Market Group since March 2011. Mr. Cramb has served as Vice Chairman, Chief Finance and Strategy Officer since September 2007 and will continue on an interim basis pending the appointment of a new Chief Financial Officer. Prior to that, he served as Executive Vice President, Finance and Technology, and Chief Financial Officer since joining Avon in November 2005. Prior to that, Mr. Cramb was Senior Vice President, Finance and Chief Financial Officer of The Gillette Company from 1997 to 2005. Previously, he was with The Gillette Company as Vice President and Corporate Controller from 1995 to 1997 and, prior to that, he held various positions within finance of ascending responsibility during his 35 years at the company. Mr. Cramb is a director of Idenix Pharmaceuticals, Inc. and Tenneco Inc.

Charles M. Herington has been Avon s Executive Vice President, Developing Market Group since March 2011. Prior to that, Mr. Herington served as Executive Vice President, Latin America and Central & Eastern

Europe since June 2009 and Executive Vice President, Latin America since March 2008. Prior to that, he was Senior Vice President, Latin America since March 2006. Prior to joining Avon, Mr. Herington was President and Chief Executive Officer of America Online Latin America from 1999 to February 2006. On June 23, 2005, America Online Latin America filed for voluntary reorganization under Chapter 11 of the U.S. Bankruptcy Code and in April 2006, the bankruptcy court approved the company s recovery and liquidation plan. Prior to joining America Online Latin America, Mr. Herington served as President of Revlon Latin America. From 1990 to 1997, Mr. Herington held executive positions with PepsiCo Restaurants International, serving most recently from 1995 to 1997 as Division President of Kentucky Fried Chicken, Pizza Hut and Taco Bell of South America, Central America and the Caribbean. He also held several positions in management and marketing with Procter & Gamble in Canada, Puerto Rico and Mexico during the 10 years prior to his association with PepsiCo. Mr. Herington is a director of NII Holdings, Inc. (formerly Nextel International) and Molson-Coors.

Lucien Alziari has been Avon s Senior Vice President, Human Resources and Corporate Responsibility since November 2009 and prior to that, Senior Vice President, Human Resources since September 2004. Prior to joining Avon, he was Chief Human Resources Officer for PepsiCo s Corporate Division from 2003 to 2004. Prior to that, Mr. Alziari was PepsiCo s Vice President, Staffing and Executive Development from 2000 to 2003, Vice President, Corporate Human Resources from 1998 to 2000, and Vice President, Human Resources for the Middle East, Pakistan and Africa from 1994 to 1997.

Robert Briddon has been Avon s Senior Vice President and President, Asia Pacific since March 2011. Prior to that, Mr. Briddon served as Group Vice President, North America Marketing, Canada and the Caribbean since January 2010, General Manager, Philippines since July 2006, and General Manager, Thailand since 2005. Before that, he held various positions in operations, marketing and general management since joining Avon in 1978.

Jeri B. Finard has been Avon s Senior Vice President, Global Brand President since December 2008. Prior to joining Avon, Ms. Finard was Executive Vice President and Global Chief Marketing Officer for Kraft Foods, Inc. from 2006 to 2007. Prior to that, Ms. Finard was President, North America Beverages and Group Vice President for Kraft Foods, Inc. from 2004 to 2006, and also served as Senior Vice President/General Manager of Kraft s Coffee (2003 to 2004) and Dessert (2000 to 2003) divisions. Before that, she held increasingly important marketing and general management positions since joining Kraft in 1986. Ms. Finard is a director of Frontier Communications.

Donagh Herlihy has been Avon s Senior Vice President and Chief Information Officer since March 2008. Prior to joining Avon, Mr. Herlihy was the Vice President Supply Chain Strategy and Planning and Chief Information Officer for the Wm. Wrigley Jr. Company from 2007 to 2008. Prior to that, Mr. Herlihy served as Vice President People, Learning & Development and Chief Information Officer from 2006 to 2007 and Vice President Chief Information Officer from 2000 to 2006 at the Wm. Wrigley Jr. Company.

John P. Higson has been Avon s Senior Vice President, Global Commercial Operations since March 2011. Prior to that, he served as Senior Vice President, Global Direct Selling and Business Model Innovation since June 2009, Senior Vice President, Central and Eastern Europe since December 2005. Prior to that, Mr. Higson was Area Vice President, Central and Eastern Europe from 2002 to 2005 and, additionally during that period, was General Manager, Avon Poland from 2003 to 2005 and head of Global Sales Development from 1999 to 2002. Before that, he held various positions since joining Avon in 1985.

Jorge Martinez-Quiroga has been Avon s Senior Vice President and President, North America since March 2011. Prior to that, Mr. Martinez-Quiroga served as Group Vice President, Service Model Transformation since March 2010, General Manager, North Latin America since April 2009, General Manager, Mexico since January 2008, and General Manager, Argentina since May 2000. Before that, he held various positions since joining Avon in 1978.

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Srdjan Mijuskovic has been Avon s Senior Vice President and President, Central and Eastern Europe since March 2011. Prior to that, Mr. Mijuskovic served as Senior Vice President, Central and Southeastern Europe since June 2009, Senior Vice President, Global Sales since September 2008, Vice President, Global Sales since February 2006, and Executive Director, Service Excellence, CEE since October 2004. Before that, he held various positions since joining Avon in 1997.

John F. Owen has been Avon s Senior Vice President, Global Supply Chain since December 2005 and, prior to that, was Senior Vice President and President, Europe, Middle East & Africa from 2004 to 2005, Senior Vice President, Business Transformation from 2002 to 2004, Group Vice President, Global Finance from 2000 to 2002, Vice President, Finance North America from 1997 to 2000 and held various positions in finance since joining Avon in 1980.

Kim K. W. Rucker has been Avon s Senior Vice President and General Counsel since March 2008 and Corporate Secretary since February 2009 and has been serving as the chief compliance officer since joining the Company. Prior to joining Avon, Ms. Rucker was the Senior Vice President, Secretary and Chief Governance Officer of Energy Future Holdings Corp. (formerly TXU Corp.) from 2004 to 2008. Ms. Rucker was Counsel, Corporate Affairs at Kimberly-Clark Corporation from 2001 to 2004 and previously was a partner at the Chicago law firm of Sidley Austin LLP.

Anna Segatti has been Avon s Senior Vice President and President, Western Europe, Middle East and Africa since March 2011. Prior to that, Mrs. Segatti served as Group Vice President, Western Europe and the Middle East since September 2010, General Manager, UK & Ireland since September 2007, General Manager, Germany and Vice President Channel Strategy and Development, WEMEA since January 2007 and Vice President Channel Strategy and Development, WEMEA since October 2006. Prior to that, Mrs. Segatti served as General Manager, Italy since May 2001. Before that, she held various positions since joining Avon in 1978.

Stephen Ibbotson has been Avon s Group Vice President and Corporate Controller since May 2009. Prior to that, Mr. Ibbotson was Avon s Vice President, Finance, Western Europe, Middle East & Africa since 2006 and Vice President, Finance, Europe, Middle East and Africa from 2005 to 2006. Prior to that, he served as Vice President, Customer Service and Finance for the United Kingdom since 1999, and in various other positions with the Company in the United Kingdom and in Global Finance since he joined Avon in 1990.

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OWNERSHIP OF SHARES

The following table sets forth certain information as of March 1, 2011 regarding the beneficial ownership of our common stock by each director and director nominee, each named executive officer (as defined in the introduction to the Summary Compensation Table), and all of our directors and executive officers as a group. The table also shows information for holders of more than five percent of the outstanding shares of common stock, as set forth in recent filings with the Securities and Exchange Commission. All shares shown in the table reflect sole voting and investment power except as otherwise noted.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
BlackRock, Inc.(1)	24,763,006	5.77%
Capital Research Global Investors(2)	44,942,500	10.50%
Capital World Investors(3)	23,171,700	5.40%
W. Don Cornwell(4)(5)(6)(8)	36,963	*
Charles W. Cramb(7)(8)(10)	577,861	*
V. Ann Hailey(8)	0	*
Fred Hassan(4)(5)(8)(9)	81,079	*
Charles M. Herington(7)(8)(10)	371,133	*
Andrea Jung(6)(9)(8)(10)	4,702,366	1.06%
Maria Elena Lagomasino(4)(5)(8)	60,733	*
Ann S. Moore(4)(5)(7)(8)(9)	82,223	*
John F. Owen(7)(8)(10)	383,308	*
Paul S. Pressler(4)(5)(8)	19,635	*
Gary M. Rodkin(4)(5)(8)	4,669	*
Kim K.W. Rucker(7)(8)(10)	124,075	*
Paula Stern(4)(5)(8)	31,999	*
Lawrence A. Weinbach(4)(5)(8)	54,079	*
All 22 directors and executive officers as a group(8)(11)	7,768,245	1.75%

* Indicates less than 1% of the outstanding shares, inclusive of shares that may be acquired within 60 days of March 1, 2011 through the exercise of stock options.

(1) In its Schedule 13G/A filed on February 2, 2011 with the Securities and Exchange Commission, BlackRock, Inc., located at 40 East 52nd Street, New York, New York 10022, reported the beneficial ownership of 24,763,006 shares. It reported sole voting power with respect to 24,763,006 shares, shared voting power with respect to no shares, sole dispositive power with respect to 24,763,006 shares and shared dispositive power with respect to no shares.

(2) In its Schedule 13G/A filed on February 11, 2010 with the Securities and Exchange Commission, Capital Research Global Investors, a division of Capital Research and Management Company (CRMC), located at 333 South Hope Street, Los Angeles, California 90071, reported the beneficial ownership of 44,942,500 shares as a result of CRMC acting as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940. Capital Research Global Investors reported that it had sole voting power with respect to 44,942,500 shares, shared voting power with respect to no shares, sole dispositive power with respect to 44,942,500 shares and shared dispositive power with respect to no shares.

(3) In its Schedule 13G/A filed on February 14, 2010 with the Securities and Exchange Commission, Capital World Investors, a division of Capital Research and Management Company (CRMC), located at 333 South Hope Street, Los Angeles, California 90071, reported the beneficial ownership of 23,171,700 shares as a result of CRMC acting as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940. Capital World Investors reported that it had sole voting power with respect to 15,841,300 shares, shared voting power with respect to no shares, sole dispositive power with respect to 23,171,700 shares and shared

dispositive power with respect to no shares.

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(4) Includes, for each indicated non-management director, restricted shares as follows: Mr. Cornwell, 9,563 shares; Mr. Hassan, 13,079 shares; Ms. Lagomasino, 10,819 shares; Ms. Moore, 25,623 shares; Mr. Pressler, 6,635 shares; Mr. Rodkin, 2,519 shares; Dr. Stern, 15,999 shares; and Mr. Weinbach, 13,079 shares. For all such restricted shares, the director has sole voting but no investment power.

(5) Includes, for each indicated non-management director, shares which he or she has the right to acquire within 60 days of March 1, 2011 through the exercise of stock options, as follows: Mr. Cornwell, 27,000 shares; Mr. Hassan, 32,000 shares; Ms. Lagomasino, 32,000 shares; Ms. Moore, 32,000 shares; Mr. Pressler, 8,000 shares; Dr. Stern, 16,000 shares; and Mr. Weinbach, 40,000 shares.

(6) Includes, for Mr. Cornwell, 200 shares held in the name of a family member as to which he disclaims beneficial ownership. Includes, for Ms. Jung, 70,988 shares held in a grantor retained annuity trust. Includes for Ms. Lagomasino, 4,300 shares held in trust. Includes, for Ms. Moore, 400 shares held in the names of family members. Includes, for Mr. Rodkin, 250 shares held in the name of a family member and 1,900 shares held in trust.

(7) Includes, for each named executive officer, shares which he or she has the right to acquire within 60 days of March 1, 2011 through the exercise of stock options, as follows: Mr. Cramb, 538,167 shares; Mr. Herington, 299,259 shares; Ms. Jung, 4,294,170 shares; Mr. Owen, 335,691; and Ms. Rucker, 123,377.

(8) The table above excludes, for each director and named executive officer, as well as the directors and executive officers as a group, restricted stock units (RSUs) because RSUs do not afford the holder of such units voting or investment power. As of March 1, 2011, each non-employee director in the table above held 10,870 RSUs, other than Ms. Hailey, who held 9,356. As of March 1, 2011, Mr. Cramb held 100,000 RSUs; Mr. Herington held 80,000 RSUs; Ms. Jung held 0 RSUs; Mr. Owen held 30,000 RSUs; Ms. Rucker held 43,000 RSUs and the directors and executive officers as a group held 498,499 restricted stock units. In addition, the table above excludes, for each named executive officer, and the directors and officers as a group, deferred stock units because deferred stock units do not afford the holder of such units voting or investment power. As of March 1, 2011, Mr. Cramb held 133,991 deferred stock units; Ms. Jung held 140,000 deferred stock units; and the directors and executive officers as a group held 307,061 deferred stock units.

(9) Mr. Hassan shares voting and investment power with his spouse as to 20,000 of his shares. Ms. Moore shares voting and investment power with her spouse as to 8,200 of her shares.

(10) Includes, for each named executive officer, shares held in the Avon Personal Savings Account Plan (401(k) Plan), as follows: Mr. Cramb, 7,130 shares; Mr. Herington, 812 shares; Ms. Jung, 6,910 shares; Mr. Owen, 7,451 shares and Ms. Rucker, 698 shares. The trustee of the 401(k) Plan will vote the shares in accordance with the instructions provided to the trustee.

(11) The table above provides beneficial ownership information as a group for all of our directors and executive officers as of March 1, 2011. Includes 200 shares as to which such directors and executive officers as a group disclaim beneficial ownership. Includes 31,200 shares as to which beneficial ownership was shared with others and 6,943,408 shares which such directors and executive officers as a group have a right to acquire within 60 days of March 1, 2011 through the exercise of stock options. Includes 25,550 shares held by executive officers in the 401(k) Plan as to which the trustee of the 401(k) Plan will vote in accordance with the instructions provided to the trustee.

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TRANSACTIONS WITH RELATED PERSONS

We have policies and procedures for the review, approval and ratification of related person transactions as defined under the rules and regulations of the Securities Exchange Act of 1934.

Our Code of Business Conduct and Ethics, which is available on our investor website (*www.avoninvestor.com*), prohibits all conflicts of interest. Under the Code, conflicts of interest occur when personal, private or family interests interfere in any way, or even appear to interfere, with the interests of the Company.

Our compliance committee, which includes members of senior management, reviews, as appropriate, actual or apparent conflicts of interest, or potential conflicts of interest, under the Code. Under the written charter of the committee, any conflicts of interest that are deemed related person transactions must be forwarded, with a recommendation of how to proceed, to the Board of Directors for review, approval or ratification of the transaction. The Board of Directors considers any such related person transactions, including the recommendation from the compliance committee, in a manner that best serves the interests of the Company and the interests of our shareholders. Any approval or ratification of a related person transaction that requires a waiver of the Code by the Board of Directors will be disclosed as required.

We have multiple processes for reporting conflicts of interests, including related person transactions, to the compliance committee. Under the Code, all employees are required to report any actual or apparent conflict of interest, or potential conflict of interest, to the compliance committee. We also annually distribute a questionnaire to our executive officers and members of the Board of Directors requesting certain information regarding, among other things, their immediate family members and employment and beneficial ownership interests, which information is then reviewed for any conflicts of interest under the Code. The global compliance function undertakes a periodic survey of employees, including executive officers, which asks specific questions regarding potential conflicts of interest under the Code, and requires certification of compliance with the Code. In addition, our global internal audit function periodically surveys our global finance function, including accounts payable, for any amounts paid to any of our directors, executive officers or 5% shareholders, and certain of such persons affiliates.

We also have other policies and procedures to prevent conflicts of interest, including related person transactions. For example, our Corporate Governance Guidelines, which are available on our investor website (*www.avoninvestor.com*), require that the Board of Directors assess the independence of its non-management directors at least annually, including a requirement that it determine whether or not any such directors have a material relationship with us, either directly or indirectly, as defined therein and as further described under Information Concerning the Board of Directors Director Independence on pages 14-15. In addition, we maintain a number of controls and procedures, including a written global policy, for the proper review and approval of contracts and other financial commitments. There are no related person transactions required to be reported.

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EQUITY COMPENSATION PLAN INFORMATION

The following table provides information as of December 31, 2010 regarding our equity compensation plans.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders(1)	33,091,123(2)	$31.07(2)	38,104,616(3)
Equity compensation plans not approved by security holders	0	N/A	0
Total	33,091,123	$31.07	38,104,616

(1) These plans are the 1993 Stock Incentive Plan, the 2000 Stock Incentive Plan, the 2005 Stock Incentive Plan and the 2010 Stock Incentive Plan. Please refer to Note 10 to the Notes to the Consolidated Financial Statements in our Form 10-K for an additional description of our 2005 Stock Incentive Plan and 2010 Stock Incentive Plan.

(2) Excludes stock appreciation rights (SARs) of which 238,283 were outstanding as of December 31, 2010. Column (b) represents the weighted average exercise price of outstanding options; outstanding restricted stock units (RSUs) are not included in column (b) as RSUs do not have an exercise price.

(3) As of December 31, 2010, 31,548,728 shares remained available for issuance under the 2010 Stock Incentive Plan, which permits grants of stock options, shares of restricted stock, restricted stock units, performance and other stock units, and SARs. The total shares available for future issuance is determined as follows: (i) grants of stock options or SARs, reduce the total shares available by each share subject to such an award and (ii) grants of any award of restricted stock, stock units and other stock-based awards (other than stock options and SARs), reduce the total shares available by 2.33 multiplied by each share subject to such an award.

Although 4,144,128, 1,327,592 and 1,084,168 shares remain available for issuance under the 2005 Stock Incentive Plan, 2000 Stock Incentive Plan and 1993 Stock Incentive Plan, respectively, no additional stock options or other stock awards will be granted under these plans.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers, directors and greater than 10% shareholders to file certain reports with respect to beneficial ownership of our equity securities. Based solely on a review of copies of reports furnished to us, or written representations that no reports were required, we believe that during 2010 all Section 16 reports that were required to be filed were filed on a timely basis, except for one Form 4 reporting the acquisition of deferred stock units for Mr. Herington that was filed late.

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EXECUTIVE COMPENSATION

Compensation Committee Report

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis for the year ended December 31, 2010. Based upon such review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis section be included in this Proxy Statement and be incorporated by reference into our Annual Report on Form 10-K for the year ended December 31, 2010.

Members of the Compensation Committee

Maria Elena Lagomasino, Chair
Fred Hassan
Ann S. Moore
Gary M. Rodkin

March 2, 2011

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Compensation Discussion and Analysis

Executive Summary

Compensation Philosophy and Objectives

Our compensation programs are designed to enable and reinforce our overall business strategy by aligning pay with the achievement of short- and long-term financial and strategic objectives and building shareholder value. The guiding principle of our program is pay-for-performance, such that the largest portion of executive compensation is at risk, meaning that it is tied to company, business unit and individual performance. In support of this principle, we strive to balance short- and long-term objectives by measuring both annual and multi-year performance.

In addition, we continue to provide compensation that is competitive with the practices of other leading beauty and consumer products companies. Further, the major portion of each named executive officer s total compensation is directly related to financial and non-financial factors that measure our progress against our business strategy or to the Company s stock price performance. Our consideration of individual performance is intended to drive meaningful differentiation among executives.

Market and Business Conditions

We entered 2010 with healthy top-line momentum, supported by our continuing investments in our brand and channel in line with our long-term strategic growth plan. Our operating margin and cash flow trends were improving as well. However, our performance in 2010 was a tale of two halves, as we had a strong first half that was offset by weakness in the second half. In the first half of 2010, the company realized revenue growth of 11%, which slowed to 3% in the second half, driven by weakness in Brazil and Russia, two of our largest and most profitable markets. As a result of softer-than-expected sales, inventory levels were up in 2010, which negatively impacted our economic profit. Looking ahead, we are addressing execution challenges that dampened our second-half 2010 performance. Overall, despite our performance in the second half of 2010, we delivered full-year results of 6% revenue growth and 7% operating profit growth year over year. In addition, our Active Representatives increased by 4%, beauty sales increased by 6%, and total units sold increased by 1%.

Key Decisions in 2010 and to Date in 2011

In summary, our 2010 financial results did not meet our expectations. Therefore, in alignment with our pay-for-performance philosophy, our 2010 annual incentive plan paid significantly below target. In addition, the long-term cash incentive plan, which is based on cumulative performance over the three-year period 2008-2010, also paid significantly below target.

The Committee considered our executive compensation philosophy and programs and made the following key decisions in 2010 and to date in 2011 in order to ensure that pay is aligned with performance as well as with our business and talent strategies:

- Approved payouts significantly below target under Avon s annual incentive plan reflecting 2010 revenue and operating profit results

  - Ms. Jung proposed that she not receive a 2010 annual incentive bonus given the overall financial performance of the Company and in light of her position as chief executive officer, and the Committee accepted her proposal.

- Approved payouts significantly below target under the discrete 2008-2010 long-term incentive cash plan to reflect three-year cumulative results that were below target for economic profit largely as a result of the Company s disappointing 2010 performance but exceeded targets for both Active Representative growth and beauty market share

- Decided not to grant annual merit-based salary increases to senior officers in 2011, including the named executive officers

Changed the design of our annual incentive plan for 2011 to emphasize operating margin as a performance measure in addition to revenue to drive profitable growth and performance consistent with investor expectations

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Redesigned our long-term incentive program for 2011 to:

- deliver compensation opportunity in the form of 70% performance-based restricted stock units (PRSUs) and 30% in cash (rather than stock options and cash as in prior years) covering three-year performance periods

- feature operating margin as a driver of our cumulative economic profit goal

- incorporate overlapping cycles for future periods so that annual earning opportunities are consistent from year to year, encouraging executive retention

Adopted a clawback policy covering certain executives, including named executive officers, that applies to annual and long-term incentive awards (cash and equity awards) in the event of financial restatements, material incorrect calculation of performance metrics or ethical misconduct

Adopted a double-trigger change in control policy covering certain senior officers, including named executive officers (other than the CEO), to ensure consistency in these arrangements and motivate and retain these executives in the event of a potential change in control

Discontinued certain perquisites to new executives beginning in 2010

The specifics of our executive compensation program and details of the compensation decision-making process are discussed in detail in the remainder of this Compensation Discussion and Analysis.

Roles in Executive Compensation

The following parties are responsible for the development of our executive compensation program for our named executive officers:

Party	Responsibilities
Compensation Committee	Oversees our executive compensation program, including reviewing strategic objectives and design, the risk and reward structure and making adjustments, as appropriate Determines and approves the compensation of our named executive officers, as well as other officers at or above the level of senior vice president and any officers covered by Section 16 under the Securities Exchange Act of 1934 Consults with the independent members of the Board in establishing and evaluating performance objectives for the CEO each year, in part to determine the CEO s incentive compensation payout

Committee has sole authority to continue or terminate its relationship with outside advisors, including its independent Committee consultant

See Information Concerning the Board of Directors Compensation Committee on pages 12-13 for additional Committee responsibilities

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Party	Responsibilities
Independent Compensation Committee Consultant *(Semler Brossy Consulting Group since 2009)*	Engaged by and reports to the Committee and consults directly with its Chair Advises the Committee on various executive compensation matters Generally attends all Committee meetings, including executive sessions At the Committee s request, Semler Brossy also provided assistance with the Committee s review of the risk and reward structure of executive compensation plans, policies and practices. See Compensation and Risk Management Process on page 60. The Committee s charter requires that the consultant is independent, and that such independence is reviewed at least annually Under the charter, a consultant is not considered independent if it provides significant services to the Company apart from work performed for the Committee (services in excess of $50,000 or, if lesser, 1% of the consulting firm s gross revenues for the most recent fiscal year) In 2010, Semler Brossy provided no services to the Company apart from work performed for the Committee and the Committee has determined that Semler Brossy is independent
CEO	Makes individual compensation recommendations for senior officers, including the other named executive officers, to the Committee for its review and approval, after considering market data and relative individual achievements Makes other individual compensation recommendations, including merit increases, annual incentive and long-term incentive awards and other compensation awards as they may arise Provides input from time to time on the design of compensation plan components
Management	Supports the Committee by making recommendations and providing analyses with respect to competitive practices and pay ranges, compensation and benefit plans, policies and procedures related to equity awards, perquisites and general compensation and benefits philosophy

Retained Hewitt Associates to provide competitive data and analysis

Senior human resources and legal executives attend Committee meetings to provide perspective and expertise relevant to the meeting agenda

Does not recommend, determine or participate in Committee discussions relating to their individual compensation arrangements

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Mix of Pay

We believe that the majority of executive pay should be at risk , i.e., variable based on performance, to ensure alignment with financial results and shareholder interests. Our belief is that it is important for the CEO, as the officer setting the long-term strategic vision of the Company, to have the greatest percentage of total compensation linked to the long-term success of the Company, with base salary representing a lower percentage. The following charts reflect the direct pay mix for our CEO and the other named executive officers and indicate the percentage of 2010 total targeted direct compensation that is at risk.

Elements of CEO Compensation

Elements of Other Named Executive Officers Compensation (average)

Target Compensation

The table below illustrates the 2010 target direct compensation levels for each of our named executive officers:

Name	Salary*	Annual Incentive Target* (% of Salary)	Long-Term Incentives (% of Salary) Stock Option Award Value	Long-Term Incentives (% of Salary) 2008-2010 Cash Plan Annualized Target**	Total Annualized Target Direct Compensation***
Andrea Jung	$ 1,375,000	175%	300%	200%	$ 10,656,250
Charles W. Cramb	$ 750,000	100%	160%	100%	$ 3,450,000
Charles M. Herington	$ 725,000	90%	160%	90%	$ 3,190,000
Kim K.W. Rucker	$ 590,000	70%	120%	80%	$ 2,183,000
John F. Owen	$ 550,000	70%	120%	80%	$ 2,035,000

* Reflects annualized base salary and annual incentive target as of December 31, 2010

** Reflects one year of three-year target. (The plan provides for a single payment at the end of the three-year performance period in 2010 with total individual target payouts of three times the percentages in this column. Maximum payout for each officer is 200% of target).

*** Annual incentive target and cash plan annualized target dollar value are awarded using 2010 actual earned base salary, not the December 31, 2010 salary shown. Thus, the actual total annualized target compensation will be slightly less than the amount set forth in the table for Ms. Rucker and Mr. Owen because both received a base salary increase during 2010. The stock option award expected value was determined by applying the percentage to the salary that was in place as of December 31, 2009.

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Competitive Positioning

We seek to deliver competitive compensation packages and programs. We generally target the market median for total direct compensation for senior officers, including named executive officers, although we allow flexibility to pay above median for consistently high-performing executives or, when necessary when recruiting key executives into our organization. In addition, we target base salary, total cash compensation, and long-term incentives at the median of market, although total compensation positioning relative to market remains the most significant reference point for the Committee in its decision-making. In 2010, actual payouts compared to the market median, on average, for our named executive officers as set forth below:

Base Salary: Above Market

Total Cash Compensation (Base Salary plus Actual Bonus Payout): Below Market

Long-term Incentives (Includes Actual Stock Option Awards and Actual Annualized Cash Payout under the 2008 2010 long-term incentive cash plan): Below Market

Total Direct Compensation (Total Cash Compensation and Long-term Incentives): At Market

Our above market positioning on Base Salary for these named executive officers generally reflects their histories of consistent high performance in their roles and/or during their tenures.

We periodically assess pay ranges, pay levels and our program design against our peer group, which is comprised of 12 U.S.-based beauty and consumer goods companies. This group of peer companies was selected because we compete with these organizations for employees, customers and shareholders. These companies are generally comparable to Avon in terms of their consumer products orientation and size (measured in revenues) and, in most cases, their global scale. Our peer group for 2010 remained the same as for 2009 and was comprised of the companies listed below.

Peer Group

Campbell Soup	Estee Lauder	Hershey Foods	Procter & Gamble
Clorox	General Mills	Kellogg	Revlon
Colgate-Palmolive	H.J. Heinz	Kimberly-Clark	Sara Lee

From time to time, we also reference a variety of published and private surveys on executive compensation trends and practices.

Peer group comparison is an important part of the Committee s process of determining appropriate pay levels and plan design. The Committee also retains the flexibility to respond to and adjust for specific circumstances, personal achievement and the evolving business environment.

CEO Compensation

The Committee applies the same compensation philosophy and guiding principles when determining total compensation for all named executive officers, including Ms. Jung. The total compensation level for Ms. Jung differs from the other named executive officers for several reasons: (i) as CEO, Ms. Jung has ultimate management responsibility and the key company leadership role and has greater decision making authority and responsibility than the other named executive officers; (ii) the CEO has the primary responsibility of setting the strategic plans and policies and is the officer with ultimate accountability; and (iii) it is customary and consistent with the market for CEOs to be compensated at a multiple of the compensation of other named executive officers.

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Elements of Compensation

Our compensation package for our named executive officers, which is designed to support our pay-for-performance philosophy and strongly tie to short- and long-term business objectives, consists of the following elements:

Element	Purpose	Description	Fixed vs. Variable
Base Salary	Compensate for achievements based on job responsibilities and individual performance Attract and retain key executive talent	Cash payment	Fixed with opportunity for merit-based increases (typically annually)
Annual Incentive Compensation Awards	Encourage and reward meeting or exceeding annual/short-term financial goals and strategic initiatives, as well as personal contributions toward such goals Create alignment with business strategy and operating performance Attract, motivate and retain key executive talent	Cash award	Variable (can vary widely based on Company, business unit and individual performance)
Long-Term Incentive Compensation Awards	Encourage long-term focus and reward increases in total shareholder returns Promote decision-making consistent with the long-term goals of the Company and shareholders Attract, motivate and retain key executive talent	Includes cash and non-cash: Potential award under three-year long-term incentive cash plan Stock options Restricted stock units	Variable (can vary widely based on Company performance, stock price and individual performance and potential)

		Performance restricted stock units (beginning in 2011)	
Retirement Benefits	Support retirement savings Retain key executive talent	Tax qualified and supplemental defined benefit plans 401(k) plan and match, with the same investment options generally available to all employees	Fixed/Variable (defined benefit plan formula is fixed, although generally actual annual bonus up to target amount is included in eligible earnings; 401(k) plan includes some variability based on investment elections and performance)

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Element	Purpose	Description	Fixed vs. Variable
Other Benefits, including Health and Limited Perquisites	Offer health and financial protection programs to support well-being and healthy lifestyles Provide limited benefits to management that are generally competitive with market practice Attract and retain key executive talent	Broad-based benefits generally available to all employees Additional benefits generally available to senior officers, including named executive officers	Fixed/Variable (benefits and most perquisites are fixed while nonqualified deferred compensation plan includes some variability based on investment performance)

Base Salary

Annual salary increases are based on our overall salary increase budget, individual performance, external market and internal comparisons. Ms. Rucker and Mr. Owen received salary increases during 2010 of 3.5% and 4.8%, respectively. These amounts were determined for each of them based on internal salary comparisons, the Company s philosophy to reward high performance for 2009 and the external market. Mr. Cramb and Mr. Herington did not receive a salary increase in 2010 because the Committee determined they were paid appropriately in light of internal salary comparisons and the external market. Ms. Jung s base salary has not been adjusted since March 2004 because the Committee considers it to be set appropriately.

Annual Incentive Compensation

The 2010 annual incentive program is similar to the 2009 program, which was designed by the Committee in order to provide it with flexibility to ensure the right pay for the right performance. The Committee determines individual payouts based 70% on financial performance and 30% on individual performance. The 70/30 split is used in order to strike an appropriate balance between our overall corporate objectives and each executive s individual contributions. No payout may be more than 200% of each named executive officer s target award.

Financial Performance

In light of our financial performance and progress against the Company initiatives as further discussed in the Executive Summary Market and Business Conditions on page 25, the Committee determined that the combined global payout percentage on the financial performance portion is 55% of target.

The financial performance payout is determined in a two-step process. First, the levels of global operating profit and global revenue, which are weighted equally, determine the applicable payout range, which was approved by the Committee at the time the 2010 performance goals were set. Operating profit and revenue were selected as performance measures in order to encourage and reward executives for profitable growth and to drive strong performance. The tables below set forth the 2010 ranges.

Global Operating Profit Achievement Range		**Payout Range**	**Global Revenue Achievement Range**		**Payout Range**
% Growth	***$ million****	***%***	***% Growth***	***$ million****	***%***
< 0%	< $1,106	0%	<0%	< $10,906	0%
0% - 7%	$1,106 - $1,179	30% - 90%	0% - 5%	$10,906 - $11,451	30% - 90%
7% - 13%	$1,179 - $1,252	75% - 125%	5% - 8%	$11,451 - $11,778	75% - 125%
13% - 21%	$1,252 - $1,340	100% - 160%	8% - 10%	$11,778 - $11,997	100% - 160%
> 21%	> $1,340	150% - 200%	> 10%	>$11,997	150% - 200%

* *In constant dollars, which excludes currency translation*

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For 2010, operating profit was $1.15 billion and revenues were $11.4 billion, which excludes the impact of translation currency exchange and acquisitions that occurred during the year. Achievement of operating profit of $1.106 billion or revenue of $10.906 billion was required in order for any awards to be payable.

Second, the Committee determines the global payout percentage within the payout range, after considering additional factors, including the plan s level of difficulty and progress against Company initiatives relating to Active Representative levels, units sold, beauty market share and cost management. This assessment is intended to provide context for the Company s relative and operational performance and enhance the Committee s ability to exercise judgment, versus applying a formulaic approach to determine payout levels.

After the global payout percentage was determined, an assessment of regional performance was conducted in order to determine the financial performance payout percentage for Mr. Herington, who leads Latin America and Central and Eastern Europe (CEE). Mr. Herington s financial performance payout percentage is tied to regional measures in order to maximize motivation where his executive impact is greatest. Based on the performance of these regions, the CEO recommends to the Committee for approval the financial performance payout for each region. Mr. Herington s financial component payout percentage is calculated as an average of the Latin America and CEE region payouts, which for 2010 resulted in a below target payout percentage for the financial component portion of the award.

We do not disclose regional targets as we believe that such disclosure would result in competitive harm. Based on our experience in the regions and the pay-for-performance history under the annual incentive program, we believe that Mr. Herington s targets were set sufficiently high to provide incentive to achieve a high level of performance. For example, the average payout tied to Central and Eastern Europe financial performance over 2007 - 2009 was 91% reflecting the average annual revenue growth rate for the region of 8% on a constant dollar basis over that same period of time. The average payout tied to Latin America financial performance over 2007 - 2009 was 117% reflecting the average annual revenue growth rate for the region of 14% on a constant dollar basis over that same period of time.

Individual Performance

The remaining 30% of the actual payout was based on the Committee s subjective assessment of the performance of each named executive officer in fulfilling his or her role and responsibilities in light of our strategic objectives. In addition to financial goals, named executive officers are expected to focus on progress against strategic initiatives, talent development goals, operational measures and associate engagement. These are generally measures that provide recognition for contributions made to the overall performance of the Company that are not quantified in operating profit and revenue. The Committee also considered the CEO s recommendation regarding the other named executive officers as part of this assessment.

The Committee determined to pay, on average, below target on the individual component of the annual bonus in light of the Company s below expectation 2010 financial results and execution challenges, as described on page 25. The Committee also considered the following key points for each of our named executive officers.

Andrea Jung, Chairman and Chief Executive Officer

Leadership and progress on the Company s strategic initiatives, including driving marketing and sales strategies, strategic portfolio management, and continued development and execution of future growth platforms and initiatives; leadership on ethics and tone at the top; and continued development of talent, succession planning and organizational effectiveness.

Charles W. Cramb, Vice Chairman, Developed Market Group (interim Chief Financial Officer)

Effective portfolio management, including strategic acquisitions in higher-tier product categories and a strategic divestiture; continued development and execution of strategic initiatives; managing the Company s financial operations; and managing the finance organization in support of the Company s strategies and operations.

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Charles M. Herington, Executive Vice President, Developing Market Group
Progress restoring revenue and Active Representative growth in Mexico and other key markets; managing currency devaluation in Venezuela; driving regional competitive strategy; and continued development of talent and organizational effectiveness in Latin America and Central and Eastern Europe.

Kim K. W. Rucker, Senior Vice President, General Counsel, Corporate Secretary and Chief Compliance Officer
Effective management of the Company s corporate, regulatory, litigation and compliance matters globally, including leading the Company s enhanced ethics and compliance program; strategic leadership of the global legal organization and legal support of the Company s strategic initiatives and the Board of Directors; and continued talent development.

John F. Owen, Senior Vice President, Global Supply Chain
Driving gross margin benefits from supply chain productivity; continued implementation of the Company s manufacturing and distribution realignment and sales & operation planning process; leadership on service model transformation initiative; and achievement of higher than targeted benefits from the Company s strategic sourcing initiative.

Based on the achievement of the financial results and the Committee s assessment of individual performance described above, the Committee approved total payments for the named executive officers, other than Ms. Jung, that ranged from 50% to 75% of their target amounts, as listed in the Summary Compensation Table. Ms. Jung proposed that she not receive a 2010 annual bonus given the overall financial performance of the Company and in light of her position as chief executive officer, and the Committee accepted her proposal.

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Long-Term Incentive Compensation

Consistent with prior years, in 2010, the annual long-term incentive grant for named executive officers was generally comprised 60% in stock options and 40% in cash target under our 2008-2010 cash plan. The entire award is at risk and the majority of the award is comprised of equity in order to align the interests of the named executive officers with our shareholders. We believe that these long-term incentive awards are performance-based, as their value is tied to growth in our stock price as well as Company goals and objectives. The Committee has implemented a new long-term performance share program beginning in 2011. The table below summarizes the 2010 long-term incentive program:

Type of Long Term Incentive Vehicle	Grant Frequency & Vesting Period	Payment Criteria	Linkage with the Creation of Shareholder Value
Equity: Stock Options	Granted annually, vesting pro rata over three years	Stock price appreciation	Stock options align the interest of management with shareholders through stock price appreciation
Equity: Restricted Stock Units (RSUs)	Granted in special cases only	Value of the shares after vesting	The Company grants RSUs to encourage retention and reward exceptional performance
Cash Performance Plan	A three-year cash target payable at the end of the performance period (2008- 2010)	Economic profit Beauty market share growth Active Representative growth	Economic profit goal is reflective of shareholder value creation and encourages and rewards management for profitability as well as efficient capital and cash management. Beauty market share and Active Representative growth are indicators of present and future business health

Annual Equity Awards

In 2010, the Committee awarded stock options to senior officers, including named executive officers, as part of the long-term program, providing an incentive that realizes value only through stock price appreciation. When determining the specific stock option awards for named executive officers, the Committee references the market long-term incentive levels, as described above under Competitive Positioning , taking into account that a portion of the Company s long-term incentive value is delivered through the 2008-2010 long-term cash incentive plan. For the Executive and Senior Vice President levels, a pre-determined pool is calculated based on average market median stock option award sizes and, in 2010, the awards made to our Executive and Senior Vice Presidents, in aggregate, did not exceed this pool. When determining individual stock option award sizes, relative to the applicable market median reference points, the Committee considers each executive s sustained individual performance, including the items described above under Annual Incentive Compensation Individual Performance, and his or her potential contribution to our future growth and success. For the CEO, the

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Committee considers the same factors, including market data, sustained individual performance, and her potential contribution to our future growth and success, although her award is not part of the pre-determined pool.

The Committee approves annual equity grants to senior officers, including named executive officers, at its regularly scheduled meeting in March of each year, as well as off-cycle equity grants that may be made to senior officers, including named executive officers, from time to time (for example, to new hires or for promotions). In the case of employees who are not senior officers, grants are made on pre-established dates determined by the Committee. The Committee establishes the aggregate number of shares that may be subject to annual and off-cycle equity grants and the terms and conditions of such awards, but has delegated to Ms. Jung, as a director, the authority to determine the grantees of such awards and the number of shares subject to each award for grantees other than senior officers. We do not time the release of non-public information for the purpose of affecting the value of equity awards.

From time to time, senior officers, including named executive officers, may receive a special equity grant in order to encourage retention and to reward exceptional performance. These grants generally are provided in the form of restricted stock units that only vest after a period of continued service. In 2010, the Committee awarded special retention grants of 30,000 time-based restricted stock units to each of Ms. Rucker and Mr. Owen, which vest 100% after three years of service. These awards were provided primarily to ensure retention and continuity of highly marketable executives in critical roles.

2008-2010 Long-Term Incentive Cash Plan

The long-term incentive plan was designed to encourage and reward key executives, including our named executive officers, for meeting the business objectives associated with our strategic plan over the three-year performance period from January 1, 2008 through December 31, 2010. The plan covers three years of compensation opportunity and is the only long-term cash plan active during these years. Thus, there is an increase in Non-Equity Incentive Plan Compensation for 2010 reported in the Summary Compensation Table over the amounts reported for 2008 and 2009 as there was not a long-term cash plan designed to pay out in 2008 or 2009. The ultimate payout for the three-year program, 65% of target, reflects the Company tracking at target for the first two years and the disappointing performance in 2010, which impacted the metrics described below.

The Committee chose economic profit as the key performance measure because the Committee believes it is reflective of shareholder value creation and encourages and rewards management for profitability and margin improvement as well as efficient capital, inventory and cash management. Economic profit is defined as operating profit minus the product of a capital charge and capital employed. Capital employed is defined as net fixed assets plus accounts receivable plus inventory. In order to determine the appropriate payout levels, the Committee considered the level of economic profit achieved as well as progress against Company initiatives relating to Active Representative levels and beauty market share, which are key indicators of present and future business health. The Committee set a Progress Target for economic profit of $2.5 billion and excluded the impact of translation currency exchange, acquisitions that occurred during the performance period, and costs to implement restructuring initiatives over projections, and included the significantly negative impact of transaction currency exchange (such as the exchange impact from the cost of goods) when determining results. Specifically, the Committee considered the following:

Factor	Metric	Progress Target*	Results	Assessment Impacting Payout
Level of Economic Profit (50% weight)	Cumulative economic profit earned in 2008-2010 (Economic profit is defined as	$2.5 billion	$1.9 billion	Significantly below target

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Factor	Metric	Progress Target*	Results	Assessment Impacting Payout
	operating profit minus the product of a capital charge and capital employed. Capital employed is defined as net fixed assets plus accounts receivable plus inventory)			
Beauty Growth (25% weight)	Avon s three-year average annual growth rate in beauty revenues, excluding the impact of translation currency exchange compared to average annual growth rate of the market	Exceed the average annual market growth rate by 0.8 percentage points per year	Approximately 1.3 percentage points over the average annual market growth rate	Above target
Active Repre-sentative Growth (25% weight)	Avon s compound annual growth rate in Active Representatives over the three-year period	5% - 6% over the three-year period	7%	Above target

* *$1.76 billion cumulative economic profit needed to be achieved in order for any awards to be payable.*

Based on the achievement of the cumulative economic profit goals and the Committee s assessment described above, the Committee approved payments for the named executive officers at 65% of their target amounts. Under this plan, all eligible associates receive the same payout as a percent of target. No individual objectives or goals affect the payout of awards to the named executive officers under this plan. Further, no individual payout could be more than the 200% maximum bonus opportunity.

Strategic Changes to Incentive Plans for 2011 and Beyond

Beginning in 2011, we have modified our annual incentive plan and launched a new long-term incentive plan to incorporate changes that support the strategic direction of the business. The programs include an emphasis on operating margin balanced by profitable revenue growth and are structured so that the plans work together to drive short-term execution and long-term sustainable results.

2011 Annual Incentive Compensation

For 2011, we have changed the design of our annual incentive plan to highlight global operating margin as a performance measure in addition to global revenue in order to drive profitable growth as well as performance

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consistent with investor expectations. Similar to the 2010 plan, 70% of individual payouts will be tied to financial performance and 30% to individual performance. Financial performance will be weighted 60% on operating margin and 40% on revenue growth.

2011 Long-Term Incentive Program

With the conclusion of the 2008-2010 long-term cash incentive plan on December 31, 2010, the Committee has implemented a new long-term incentive program (the Program), in which key executives, including our named executive officers, are eligible to participate. The Program is designed to support the Company s pay-for-performance philosophy and shareholder alignment by encouraging and rewarding key executives for meeting the business objectives associated with the Company s strategic plan over three-year performance periods. The key design features are:

The redesigned Program will continue to be 100% at-risk and will be delivered 70% in performance-based restricted stock units (Performance RSUs) and 30% in a performance cash target opportunity. These vehicles were chosen in order to ensure strong shareholder alignment and so that 100% of an executive s long-term incentive opportunity is tied to critical business goals.

The Committee selected economic profit, with targets calculated considering margin expansion over the performance period, and revenue growth as the key performance measures under the 2011-2013 Program. A performance matrix will be used so that results against both economic profit and revenue growth together determine the payout percentage under the Program. The performance matrix is constructed so that trade-offs between revenue growth and profitability/margin are considered. At the end of a performance period, if the Committee determines that the performance measures have been met, the Performance RSUs will be generally settled in shares of Avon common stock and the cash portion will be paid. Dividend equivalents will not be paid on Performance RSUs.

The Program will consist of overlapping cycles, with a new performance grant each year. Each participant will receive an annual grant at the beginning of each three-year performance period, with the first performance period commencing on January 1, 2011. This significant change was adopted to allow us to adjust our targets more effectively cycle to cycle as business conditions fluctuate and to promote retention by providing annual payout opportunities. Overlapping cycles are also the most prevalent design among our peer group.

In consideration of the fact that the redesigned Program provides for smaller annual awards rather than larger awards every three years, the Committee determined that it would be appropriate to implement transition plans for the 2011 and 2011-2012 periods until overlapping cycles are fully implemented in 2013. These transition plans are intended to support the phase-in of the redesigned Program and maintain earning opportunity levels for executives. Grants under the transition plans will be comprised of a cash target opportunity tied to the achievement of both economic profit and revenue growth, which are the same performance measures under the 2011-2013 Program. Generally, for retention purposes, payouts will be deferred until after 2013.

Retirement Benefits

Avon offers several retirement benefits to the named executive officers, as described below. These benefits are generally available to all employees meeting the qualifications required by each plan. Ms. Jung is not a participant in the BRP (defined below); she is the only active participant in the Supplemental Executive Retirement Plan described under Pension Benefits- Supplemental Executive Retirement Plan of Avon Products, Inc. on page 49. Because the amount of an employee s compensation and the number of years of service are key components in determining retirement benefits, an employee s performance and service over time will influence the level of his or her retirement benefits. Amounts earned up to 100% of annual incentive compensation award targets (or, in the case of Ms. Jung, actual awards) are credited in determining retirement benefits; however, amounts earned under our long-term incentive compensation program such as gains from stock options or other

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equity grants are not credited. For each named executive officer, the Committee reviews accrued and projected retirement benefits and deferred compensation account balances as part of its annual total compensation review.

Benefit	Purpose
Pension Plans:	
Avon Products, Inc. Personal Retirement Account Plan (PRA)	Pension plan helps retain key U.S. executive talent
Benefit Restoration Pension Plan of Avon Products, Inc. (BRP)	BRP provides participants with the retirement benefits under the PRA formula in excess of Internal Revenue Code limitations
Avon Products, Inc. Personal Savings Account Plan (PSA)	PSA, a 401(k) Plan, supports retirement savings

Other Benefits and Perquisites

Our named executive officers are eligible to participate in the benefit plans generally available to all of our employees, as described below. We also provide a nonqualified deferred compensation plan to allow executives to defer salary, bonus, excess 401(k) contributions and long-term cash awards. In addition, as part of our overall compensation program, we provide some perquisites to our named executive officers that are not available to employees generally. The Committee has established and periodically reviews these perquisites and benefits in light of our compensation philosophy and competitive market practices. Effective as of January 1, 2010, the home security, personal auto insurance, excess liability insurance and supplemental life insurance perquisites were closed to new executives.

Broad-Based Benefits	Purpose
Medical, dental and vision coverage, life insurance and disability plans, flexible spending accounts, adoption assistance, commuter support, employee referral assistance and financial services	Offer health and financial protection programs to support well-being and healthy lifestyles

Benefits for Senior Officers	Purpose
Miscellaneous perquisites, generally limited to the provision of:	Attracting and retaining key executive talent
financial planning and tax preparation services	
transportation allowance	
executive health exams	
personal automobile insurance and excess liability insurance	

supplemental life insurance home security systems and services complimentary Avon products	
Deferred Compensation Plan	Offers an alternative tax-deferred savings opportunity Attracting and retaining key executive talent

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Additional Information

Clawback Policies

In March 2010, the Board of Directors adopted an executive compensation recoupment policy, also known as a clawback, that applies to any annual and long-term incentive payments (cash and equity) awarded to certain executives, including our named executive officers. Under the policy, in the event of a financial restatement, material incorrect calculations of performance metrics or ethical misconduct that leads to a financial restatement or a material adverse effect on the Company, the Committee is authorized to recover compensation based on its analysis of the relevant facts and circumstances.

In addition to the policy described above, our 2005 Stock Incentive Plan and 2010 Stock Incentive Plan provide for forfeiture of awards in the event that a participant (which includes individuals who are not senior officers) breaches certain non-compete, non-solicitation or non-disclosure provisions.

We believe that these clawback policies provide a valuable deterrent for actions that could potentially harm the financial position of the Company and our shareholders and support our pay-for-performance philosophy.

Executive Stock Ownership Guidelines

To further support our goal of achieving a strong link between shareholder and executive interests, we maintain stock ownership guidelines to underscore and require executive share ownership. Ownership guidelines for our named executive officers are five times base salary for our CEO, three times base salary for Mr. Cramb and Mr. Herington and two times base salary for Ms. Rucker and Mr. Owen. Executives are allowed five years to achieve their ownership targets. All named executive officers were in compliance with the guidelines in 2010.

Trading Policies

Under our Trading in Avon Securities policy, no employee or director may engage in any transaction in publicly traded options on Avon common stock or any other transaction to hedge a position in, or engage in short sales of, Avon common stock.

Post-Termination Payments

In March 2010, the Committee adopted a uniform change in control policy applicable to senior officers at or above the senior vice president level who serve on our Executive Committee, other than Ms. Jung, for whom the terms of her employment agreement will continue to apply. The policy supersedes individual arrangements upon a change in control, if any (other than for Ms. Jung), and is intended to ensure consistency. We have designed this policy based on competitive practice, with the objective of attracting senior level executives and motivating and retaining them in the event of a potential change in control. Generally, we believe that having change in control provisions will help ensure that, in the event of a potential change in control, members of senior management can act in the best interests of all the shareholders without concern for the uncertainty and distraction that would result from the effects a change in control could have on their personal situations.

The policy provides for payments to be made to covered executives upon a double trigger, i.e., in the event of an involuntary termination or termination by a covered executive for good reason within two years after a change in control, which reflects shareholder input and considerations. A covered executive is generally entitled to receive two times base salary, two times the target annual incentive bonus, and continued participation in our medical/welfare benefit plans for two years, as well as two additional years of service and age credits under our nonqualified defined benefit plan.

We have a separate agreement with Ms. Jung, which provides for payments and other severance benefits upon termination of employment under certain circumstances. This agreement was based on competitive practice

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at the time we entered into it and served as an inducement for Ms. Jung to join our employ as CEO. For a further description of these arrangements, please refer to Potential Payments Upon Termination of Employment or Change-in-Control beginning on page 51.

We will continue to periodically review the level of post-termination benefits that we offer to ensure that it is competitive and necessary for the attraction, motivation and retention of superior executive talent.

Impact of Tax Treatment

The Committee recognizes tax factors that may impact executive compensation, including:

- Section 162(m) of the Internal Revenue Code
  - Places a limit of $1 million on the amount of compensation that we may deduct in any one year with respect to certain of our executive officers unless such compensation satisfies certain criteria.
  - Certain performance-based compensation approved by shareholders is not subject to the deduction limit (e.g., annual and long-term incentive awards granted under our shareholder-approved Executive Incentive Plan and performance restricted stock units and stock options granted under our Stock Incentive Plans).
  - To maintain flexibility so that executive compensation may be provided in a manner that promotes varying corporate goals, we do not have a policy requiring that all compensation be deductible.
- Section 409A of the Internal Revenue Code
  - Sets forth limitations that primarily relate to the deferral and payment of certain benefits.
  - The Committee considers the impact of, and designs its programs to comply with, Section 409A and considers generally, the evolving tax and regulatory landscape in which its compensation decisions are made.

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Summary Compensation Table

The following table discloses compensation of our CEO, CFO, and the three officers who were the other most highly compensated executive officers during 2010 (together, these persons are sometimes referred to as the named executive officers).

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(4)	All Other Compensation ($)(5)	Total ($)
Andrea Jung Chairman & Chief Executive Officer	2010	1,375,000			2,956,685	*Annual:* 0(2) *Long-term:* 5,362,500(2) *Total:* 5,362,500(2)	3,282,731	189,968	13,166,884
	2009	1,375,000			2,395,162	*Annual:* 3,043,906 *Long-term:* *Total:* 3,043,906	2,458,429	182,947	9,455,444
	2008	1,375,000			16,232,860	*Annual:* 1,689,428 *Long-term:* *Total:* 1,689,428	2,237,332	170,501	21,705,121
Charles W. Cramb Vice Chairman, Developed Market Group (Interim CFO)	2010	750,000			860,127	*Annual:* 401,250 *Long-term:* 1,462,500 *Total:* 1,863,750	136,494	63,663	3,674,034
	2009	750,000		5,107,500	696,774	*Annual:* 926,250 *Long-term:* *Total:* 926,250	117,284	65,549	7,663,357
	2008	750,000			702,502	*Annual:* 526,575 *Long-term:* *Total:* 526,575	116,631	72,527	2,168,235
Charles M. Herington Executive Vice President, Developing Market Group	2010	725,000			831,453	*Annual:* 326,250 *Long-term:* 1,197,083 *Total:* 1,523,333	123,219	46,782	3,249,787
	2009	692,811		2,231,200	603,871	*Annual:* 856,358 *Long-term:* *Total:* 856,358	92,556	46,230	4,523,026

	2008	627,322			482,970	*Annual:* *Long-term:* *Total:*	529,955 529,955	62,781	56,556	1,759,584
Kim K.W. Rucker Senior Vice President, General Counsel, Corporate Secretary and Chief Compliance Officer	2010	585,616	14,808(6)	931,800	490,272	*Annual:* *Long-term:* *Total:*	286,952 824,435 1,111,387	74,639	40,916	3,249,438
	2009	570,000	21,801		364,065	*Annual:* *Long-term:* *Total:*	486,780 486,780	50,766	36,463	1,529,875
John F. Owen Senior Vice President, Global Supply Chain	2010	544,521		931,800	451,566	*Annual:* *Long-term:* *Total:*	283,967 826,203 1,110,170	509,153	48,149	3,595,359

(1) Stock awards consist of time-based restricted stock units (RSUs). The aggregate grant date fair value of the stock and option awards was determined in accordance with FASB ASC Topic 718. See Note 10 to the Notes to the Consolidated Financial Statements contained in our Form 10-K for 2010 for a description of the assumptions used in valuing stock awards and options. For this purpose, the estimate of forfeitures is disregarded.

(2) Ms. Jung proposed that she not receive a 2010 annual incentive bonus given the overall financial performance of the Company and in light of her position as chief executive officer, and the Committee accepted her proposal. In honor of the Company s 125th anniversary, Ms. Jung will donate the entire after-tax proceeds of her $5,362,500 long-term bonus award to the Avon Foundation in support of Representative scholarships and Avon Associate charitable initiatives as well as the Foundation s work in combating domestic violence and breast cancer.

(3) The Non-Equity Incentive Plan Compensation values are higher in 2010 than in 2008 and 2009 due to the payments under the 2008-2010 long-term cash incentive plan as we did not have a long-term incentive plan designed to payout in those previous two years. Considering the three year nature of the 2008-2010 long-term cash incentive plan, the annualized value of the award (the award listed above divided by three years in the performance period) is as follows; $1,787,500 for Ms. Jung, $487,500 for Mr. Cramb, $399,028 for Mr. Herington, $274,812 for Ms. Rucker, and $275,401 for Mr. Owen. Please see pages 35-36 of the Compensation Discussion and Analysis for additional details.

(4) This column for 2010 includes the change in pension value reported, which is the aggregate change in the actuarial present value of the named executive officers accumulated benefits under our Personal Retirement Account Plan (PRA), Benefit Restoration Pension Plan (BRP) and Supplemental Executive Retirement Plan, as applicable. See Pension Benefits beginning on page 46. No amounts are reported for nonqualified deferred compensation earnings as the interest rate for the fixed rate fund of our Deferred Compensation Plan (DCP) was 4.82%, or 120% of the applicable federal long-term interest rate published by the Treasury Department at the time it was set.

(5) All Other Compensation generally includes perquisites, 401(k) match, excess 401(k) match and tax gross-ups, which are set forth in the table below for 2010:

Name	**Perquisites ($)(a)**	**401(k) Match ($)**	**Excess 401(k) Match ($)**	**Tax Gross-ups ($)**
Ms. Jung	128,262 (b)	11,025	50,681	0
Mr. Cramb	31,345 (c)	10,851	21,467	0
Mr. Herington	20,528 (d)	4,743	21,511	0
Ms. Rucker	30,110 (e)	10,806	0	0
Mr. Owen	23,719 (f)	11,025	13,398	7(g)

(a) The perquisite amounts disclosed are the actual costs incurred by us: (i) for payment of reimbursements to the executive for allowable expenses actually incurred for financial planning and tax preparation, and for home security systems and services; (ii) for a fixed annual transportation allowance and car service allowance for Ms. Jung (intended to offset costs associated with transportation); (iii) for direct billing to us by vendors managing our auto lease program, personal auto and excess liability insurance premiums and executive health exams and other medical exams; and (iv) for a $20,000 cash perquisite allowance payable directly to Mr. Cramb pursuant to the terms of his employment agreement. The actual and incremental cost for the complimentary Avon products is nominal.

(b) For Ms. Jung, includes financial planning and tax preparation, auto lease, personal auto insurance, excess liability insurance, home security, executive health exam and a car service allowance of $80,107.

(c) For Mr. Cramb, includes a $20,000 cash perquisite allowance, home security, personal auto insurance and excess liability insurance.

(d) For Mr. Herington, includes financial planning and tax preparation, transportation allowance, personal auto insurance, excess liability insurance, home security, and executive health exam.

(e) For Ms. Rucker, includes financial planning and tax preparation, transportation allowance, personal auto insurance, excess liability insurance and home security.

(f) For Mr. Owen, includes financial planning and tax preparation, transportation allowance, personal auto insurance, excess liability insurance and executive health exam.

(g) In consideration of tax preparation services associated with relocation benefits provided in connection with his expatriate assignment in the United Kingdom from 2004 to 2006, Mr. Owen was charged imputed income of $500 and received an additional $7 as a gross-up for taxes on this amount.

(6) This represents the second of three payments of Ms. Rucker s bonus pursuant to the terms of Ms. Rucker s offer letter.

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Grants of Plan-Based Awards

The following table presents information regarding grants of equity and non-equity plan-based awards to our named executive officers during 2010.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards						
Name	**Grant Date**	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**Threshold (#)**	**Target (#)**	**Maximum (#)**	**All Other Stock Awards: Number of Shares of Stock or Units (#)**	**All Other Option Awards: Number of Securities Underlying Options (#)(2)**	**Exercise or Base Price of Option Awards ($/sh)**	**Grant Date Fair Value of Stock and Option Awards ($)**
Ms. Jung			2,406,250	4,812,500							
	3/11/2010								372,848	31.61	2,956,685
Mr. Cramb			750,000	1,500,000							
	3/11/2010								108,465	31.61	860,127
Mr. Herington			652,500	1,305,000							
	3/11/2010								104,849	31.61	831,453
Ms. Rucker			409,931	819,862							
	3/11/2010								61,825	31.61	490,272
	8/10/2010							30,000(3)			931,800
Mr. Owen			381,164	762,328							
	3/11/2010								56,944	31.61	451,566
	8/10/2010							30,000(3)			931,800

(1) The amounts under this column represent the possible payout under the 2010 annual incentive program under our Executive Incentive Plan (EIP). The amount under the Target column represents the target award opportunity, which is set as a percentage of base salary. The Compensation Committee determined to pay annual incentive compensation awards for 2010 based on the attainment of performance goals, although it exercised its discretion to adjust potential awards downward. For the amounts actually paid, refer to the Summary Compensation Table.

(2) This column shows the number of stock options granted under the Avon Products, Inc. 2005 Stock Incentive Plan. All of the stock options listed above vest one-third per year over a three-year period.

(3) These RSUs were granted under the Avon Products, Inc. 2010 Stock Incentive Plan and vest 100% after three years of service. Dividend equivalents are paid in cash on these RSUs annually.

The material factors necessary for an understanding of the compensation detailed in the above two tables for our named executive officers are described under the Compensation Discussion and Analysis section above and the corresponding footnotes to the tables. In addition, each of Ms. Jung, Mr. Cramb, Mr. Herington and Ms. Rucker has entered into an individual agreement with us that identifies his or her position and generally provides, among other things, for (i) his or her at-will employment, (ii) the payment to him or her of an annual base salary (which in the case of Ms. Jung may be increased, but not decreased, periodically), (iii) an annual bonus under our EIP based on an annual target bonus opportunity of a percentage of base salary (which in the case of Ms. Jung may be increased but not decreased except for annual reductions of up to 10% that apply to all of our officers), and (iv) his or her eligibility to receive equity-based awards and perquisites and to participate in benefit plans generally available to our senior executives. Please refer to Potential Payments Upon Termination of Employment or Change in Control beginning on page 51 for a description of certain payments and benefits to our named executive officers upon termination of employment or a change of control.

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Outstanding Equity Awards at Fiscal Year-End

The following table presents information regarding outstanding equity awards as of December 31, 2010 for the named executive officers. All dollar values are based on $29.06, the closing price of our common stock on the New York Stock Exchange on December 31, 2010.

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Ms. Jung	500,000	0		26.55	3/14/2012				
	500,000	0		26.40	3/13/2013				
	500,000	0		36.42	3/11/2014				
	675,000	0		41.95	3/10/2015				
	317,113	0		30.97	3/31/2016				
	267,105	0		36.77	3/7/2017				
	202,504	701,252(1)		38.80	3/5/2018				
			600,000(2)	38.80	3/5/2018				
	253,457	506,912(3)		15.50	3/5/2019				
	0	372,848(4)		31.61	3/11/2020				
Mr. Cramb	147,213	0		27.18	11/1/2015	100,000(5)	2,906,000		
	64,576	0		30.97	3/31/2016				
	54,392								