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Avon Products, Inc.
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LETTER FROM EXAME

For more globalisation

Few expressions are so hackneyed as the one which says that in every crisis there is an opportunity. Well, Natura has gone beyond the cliché: it has managed to resolve two crises to create its opportunity. The first crisis is the one that, unfortunately, we have all been familiar with for some time: Brazil, which has never been a country for amateurs, has in recent years proved to be an enormous challenge for the professionals, too. In this kind of environment, overseas markets become an important support to sustain a company. Natura had already been working on this, acquiring the Australian operation Aesop and Britain's The Body Shop. This was when the second crisis came into play: Avon, an extraordinarily powerful brand, but suffering a process of decline. This crisis made its purchase possible. And, since its situation is very similar to the period of stagnation Natura itself went through between 2012 and 2016, this gave the company the confidence to dive head first into the process which should make it the most globalised Brazilian company, with subsidiaries in a hundred countries, more than double the number of the technology firm Stefanini, which comes in second place with 39 subsidiaries.

It will not be the first major Brazilian brand to want to conquer the world. Brazil is already a giant in the commodities sector. While the disappearance of the Embraer brand is the outcome of a success story in the aeronautics technology, rather than the decline of a company (it was sold, not eclipsed). There are also successful Brazilian companies overseas, a notable example being 3G, owner of brands such as Burger King, Kraft and Heinz. Natura, like Alpargatas' Havaianas, but on a much larger scale, is a genuinely Brazilian company that capitalises the positive attributes of the country: creativity, high spirits and more importantly, a healthy and sustainable link with nature. Furthermore: it signals the correct way to exploit the Amazon, with innovation and respect for tradition.

Global companies are one of the signs of the economic power of a country. It is not by chance that so many nations have invested in creating champions to dispute the world market – such as Samsung, from South Korea, and Mitsubishi, from Japan. This process, however, frequently

results in unpleasantness, as we saw to our dismay with the case of the meatpacker JBS, among others. It is encouraging to see the transformation, under its own power, of a Brazilian company – with 75% of its revenues generated in the domestic market – into a global brand, with more than two thirds of its sales overseas. This is no cosmetic change; it is an example to be followed by its peers in the country.

NO OFFER OR SOLICITATION

This communication is for informational purposes and does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

ADDITIONAL INFORMATION AND WHERE TO FIND IT

This communication is being made in respect of the proposed transaction involving Natura Holding S.A. (collectively with Natura Cosméticos S.A., “Natura”) and Avon Products, Inc. (“Avon”). In connection with the proposed transaction, Natura will file with the Securities and Exchange Commission (“SEC”) a registration statement on Form F-4 that will include a proxy statement of Avon and a prospectus of Natura. Natura and Avon also plan to file other documents with the SEC regarding the proposed transaction and a joint proxy statement/prospectus will be mailed to shareholders of Avon. This communication is not a substitute for any proxy statement, registration statement, proxy statement/prospectus or other documents that Natura and/or Avon may file with the SEC in connection with the proposed transaction. **BEFORE MAKING ANY VOTING OR INVESTMENT DECISION, INVESTORS ARE URGED TO READ THE FORM F-4 AND THE JOINT PROXY STATEMENT/PROSPECTUS REGARDING THE PROPOSED TRANSACTION AND ANY OTHER RELEVANT DOCUMENTS CAREFULLY IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.** The Form F-4 and the joint proxy statement/prospectus, as well as other filings containing information about Natura and Avon, will be available without charge at the SEC’s Internet site (www.sec.gov). Copies of the joint proxy statement/prospectus can also be obtained, when available, without charge, from Natura’s website at www.NaturaeCo.com. Copies of the joint proxy statement/prospectus can be obtained, when available, without charge from Avon’s website at www.AvonWorldwide.com.

PARTICIPANTS IN THE SOLICITATION

Natura and Avon, their respective directors, executive officers and other members of their management and employees may be deemed to be participants in the solicitation of proxies in connection with the proposed transaction. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of proxies in connection with the proposed transaction, including a description of their direct or indirect interests, by

security holdings or otherwise, will be set forth in the joint proxy statement/ prospectus and other relevant materials when they are filed with the SEC. Information regarding the directors and executive officers of Natura is contained in Natura's Reference Form for 2018, version 15, which was filed with the Brazilian Securities Commission on April 24, 2019. Information regarding the directors and executive officers of Avon is contained in Avon's definitive proxy statement for its 2019 annual meeting of shareholders, filed with the SEC on April 2, 2019. These documents can be obtained free of charge from the sources indicated above.

CAUTION ABOUT FORWARD-LOOKING STATEMENTS

Statements in this communication (or in the documents it incorporates by reference) that are not historical facts or information may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Among other things, these forward looking statements may include statements regarding the proposed transaction involving Natura and Avon; beliefs relating to value creation as a result of a proposed transaction involving Natura and Avon; the expected timetable for completing the transaction; benefits and synergies of the transaction; future opportunities for the combined company; and any other statements regarding Avon's and Natura's future beliefs, expectations, plans, intentions, financial condition or performance. In some cases, words such as "estimate," "project," "forecast," "plan," "believe," "may," "expect," "anticipate," "intend," "planned," "potential," "can," "expectation," "could," "will," "would" and similar expressions, or the negative of those expressions, may identify forward-looking statements. These forward-looking statements are based on Natura's and Avon's expectations and beliefs concerning future events and involve risks and uncertainties that may cause actual results to differ materially from current expectations. These factors are difficult to predict accurately and may be beyond Natura's and Avon's control. Forward-looking statements in this communication or elsewhere speak only as of the date made. New uncertainties and risks arise from time to time, and it is impossible for Natura or Avon to predict these events or how they may affect Natura or Avon. Therefore, you should not rely on any of these forward-looking statements as predictors of future events. Except as required by law, neither Natura nor Avon has any duty to, and does not intend to, update or revise the forward-looking statements in this communication or elsewhere after the date this communication is issued. In light of these risks and uncertainties, investors should keep in mind that results, events or developments discussed in any forward-looking statement made in this communication may not occur. Uncertainties and risk factors that could affect Natura's and/or Avon's future performance and cause results to differ from the forward-looking statements in this communication include, but are not limited to, (a) the parties' ability to consummate the transaction or satisfy the conditions to the completion of the transaction, including the receipt of shareholder approvals and the receipt of regulatory approvals required for the transaction on the terms expected or on the anticipated schedule; (b) the parties' ability to meet expectations regarding the timing, completion and accounting and tax treatments of the transaction; (c) the possibility that any of the anticipated benefits of the proposed transaction will not be realized or will not be realized within the expected time period; (d) the risk that integration of Avon's operations with those of Natura will be materially delayed or will be more costly or difficult than expected; (e) the failure of the proposed transaction to close for any other reason; (f) the effect of the announcement of the transaction on customer and consultant relationships and operating results (including, without limitation, difficulties in maintaining relationships with employees or customers); (g) dilution caused by Natura's issuance of additional shares of its common stock in connection with the transaction; (h) the possibility that the transaction may be more expensive to complete than anticipated,

including as a result of unexpected factors or events; (i) the diversion of management time on transaction-related issues; (j) the possibility that the intended accounting and tax treatments of the proposed transactions are not achieved; (k) those risks described in Section 4 of Natura's Reference Form for 2018, version 15, which was filed with the Brazilian Securities Commission on April 24, 2019; and (l) those risks described in Item 1A of Avon's most recently filed Annual Report on Form 10-K and subsequent reports on Forms 10-Q and 8-K.

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