Wall Street Journal: Avon to Buy Jewelry Seller Silpada for at Least $650M

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NEW YORK (Dow Jones)--Beauty products direct-seller Avon Products Inc. (AVP) said it will buy closely held sterling-silver jewelry seller Silpada Designs Inc. for at least $650 million.

An additional payment will be made to current Silpada shareholders in early 2015 if certain earnings-growth targets are hit. There is no contractual minimum or maximum to this potential payment, but Avon estimated that it could range from $50 million to $100 million.

Avon--which has seen slower sales in North America--said it expects the purchase of Silpada, which has a party-selling model that contrasts with Avon's person-to-person selling model, to boost earnings by 3 cents to 5 cents a share next year. The acquisition is expected to close this quarter. Silpada will continue to operate as a standalone business based in its Kansas headquarters and be led by its executive team, which will now report to Avon executives, Avon said. Read more ...