Lathrop Gage Represents Silpada Designs in Sale to Avon

July 12, 2010

Lathrop Gage LLP served as legal advisor to Silpada Designs, Inc. in the company's acquisition by Avon Products, Inc. (NYSE: AVP). The $650 million transaction, announced July 12, is expected to close in the third quarter of 2010.

Avon is the world's largest direct seller, with more than $10 billion in annual revenue. Silpada is the largest and fastest-growing direct seller of sterling silver jewelry, with operations in North America and the United Kingdom.

The transaction will be structured as an all-cash, all-asset acquisition. In addition to the initial payment of approximately $650 million, Avon may make a second payment in early 2015 to the current Silpada shareholders if certain earnings growth targets are achieved.

Completion of the transaction is subject to customary closing conditions, including required regulatory approvals.

In its announcement, Avon said that the planned acquisition was consistent with its strategy to explore acquisition opportunities that complement its core beauty and direct selling business. Silpada will continue to operate as a standalone business, headquartered in Lenexa, Kan., and its existing 32,000 independent sales representatives remain the exclusive sellers of its products through its party-plan direct selling model.

The Lathrop Gage Silpada transaction team was led by Mark Bluhm (Corporate – Kansas City), with assistance from Wally Brockhoff (Corporate – Kansas City), Peter Brown (Wealth Strategies – Kansas City) and Kristen Toner (Corporate – Kansas City). Russ Jones (Tax - Kansas City), Jami Shipman (Tax-Kansas City) and Greg Kuhn (Employee Benefits - Kansas City) provided counsel on the tax aspects of the transaction, and Gerry Kraai (IP Transactions - Overland Park) advised on the intellectual property.

About Lathrop Gage:
A leading full-service law firm, Lathrop Gage LLP has nearly 300 attorneys in 11 offices nationwide – from Los Angeles to New York. In 2010, *Chambers USA* ranked Lathrop Gage's corporate, environmental, intellectual property, litigation, real estate, transportation, and labor and employment teams among the best

in their regions. For more information, visit www.lathropgage.com.