

LG Household considering bid to buy Elizabeth Arden

Kinibiz.com

Apr 23, 2014

By Shinhye Kang and Eunkyung Seo, Bloomberg

LG Household & Health Care Ltd, a South Korean cosmetics and beverages company, is considering a bid for fragrance maker Elizabeth Arden Inc as it looks to expand locally and overseas by buying rivals.

The Seoul-based company, which also makes household cleaning goods, is looking at “big deals” locally and overseas, including one for Elizabeth Arden, Lee In Ick, a spokesman for the LG Group unit, said by telephone today.

LG Household would become a global luxury beauty company with the Elizabeth Arden deal, which may be valued at more than 1 trillion won (RM3.1 billion) including goodwill, Maeil Business Newspaper reported, citing an investment bank official it didn't identify. The unit of LG Household plans to ally with institutional investors in South Korea to initially take a controlling stake in Miramar, Florida-based Elizabeth Arden before buying out the remaining stakes, Maeil reported.

LG Household rose 2.6% to 494,000 won as of 11:57am in Seoul trading, after climbing to as high as 50,300 won.

The maker of WHOO Hwanyugo skin care products also sells perfumes, fabric deodorant and toothpaste, according to the company website. Elizabeth Arden makes celebrity-branded scents for names such as Justin Bieber and Britney Spears.

The US cosmetics company, which also owns fragrance brands including Halston, Guerlain and Nautica, in January cut its fiscal 2013 profit forecast, citing slower holiday sales. Profit for the year will be US\$2.30 to US\$2.50 a share, compared with a previous projection of US\$2.55 to US\$2.70 a share. The company, which got about 33% of revenue from overseas, also pointed to international weakness, including China.

Copyright © 1999-2012 Mkini Dotcom Sdn. Bhd

Source: <http://www.kinibiz.com/story/world-biz/82679/lg-household-considering-bid-to-buy-elizabeth-arden.html>