

Alberto-Culver CO  
Form S-3ASR  
September 10, 2009  
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As filed with the Securities and Exchange Commission on September 10, 2009

Registration No. 333-\_\_\_\_\_

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM S-3

## REGISTRATION STATEMENT

*Under*

*The Securities Act of 1933*

# ALBERTO-CULVER COMPANY

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

2525 Armitage Avenue

Melrose Park, Illinois 60160

(708) 450-3000

**20-5196741**  
(I.R.S. Employer  
Identification No.)

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(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Gary P. Schmidt**

**Senior Vice President, General Counsel and Secretary**

**Alberto-Culver Company**

**2525 Armitage Avenue**

**Melrose Park, Illinois 60160**

**(708) 450-3000**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

*Copy to:*

**Philip J. Niehoff**

**Mayer Brown LLP**

**71 South Wacker Drive**

**Chicago, Illinois 60606**

**(312) 782 0600**

**Approximate date of commencement of proposed sale to the public:** From time to time after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box:

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.  \_\_\_\_\_

If this Form is a post effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.  \_\_\_\_\_

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Securities Exchange Act of 1934.

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Large accelerated filer       Accelerated filer       Non-accelerated filer   
 (Do not check if a smaller reporting company)      Smaller reporting company

**CALCULATION OF REGISTRATION FEE**

Title of each class of Securities to be Registered	Amount to Be Registered <sup>(1)(2)</sup>	Proposed	Proposed	Amount Of Registration Fee <sup>(1)(2)(3)</sup>
		Maximum Offering Price Per Unit <sup>(1)(2)</sup>	Maximum Aggregate Offering Price <sup>(1)(2)</sup>	
Debt securities <sup>(4)</sup>				
Common stock \$0.01 per value				
Preferred stock \$0.01 par value				
Depository shares <sup>(5)</sup>				
Warrants to purchase common stock or preferred stock				
Warrants to purchase debt securities				

- (1) Omitted pursuant to Form S-3 General Instruction II.E. An indeterminate aggregate initial offering price or number of the securities of each identified class (the Securities ) are being registered as may from time to time be offered at indeterminate prices.
- (2) Includes such indeterminate amounts of Securities as may be issued upon exercise, conversion or exchange of, or pursuant to anti-dilution adjustments with respect to, any Securities that provide for that issuance or adjustment.
- (3) In accordance with Rules 456(b) and 457(r), the Registrant is deferring payment of all of the registration fee.
- (4) May be issued at an original issue discount.
- (5) Each depository share will be issued under a deposit agreement, will represent an interest in a fractional share or multiple shares of preferred stock and will be evidenced by a depository receipt.

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**PROSPECTUS**

# **Alberto-Culver Company**

**Debt Securities**

**Common Stock**

**Preferred Stock**

**Depository Shares**

**Warrants to Purchase Common Stock or Preferred Stock**

**Warrants to Purchase Debt Securities**

By this prospectus, we may offer from time to time debt securities, common stock, preferred stock, depository shares, warrants to purchase common stock or preferred stock and warrants to purchase debt securities.

We will provide you with the specific terms and the public offering prices of these securities in one or more supplements to this prospectus. We may offer these securities separately or together in any combination as separate series. The prospectus supplements may also add, update or change information contained in this prospectus. You should read this prospectus and the applicable prospectus supplement carefully before you invest. **This prospectus may not be used to offer and sell securities unless accompanied by a prospectus supplement.**

We may offer and sell the securities directly to you, through agents, underwriters or dealers. The applicable prospectus supplement for each offering will describe in detail the plan of distribution for that offering and will set forth the names of any agents, dealers or underwriters involved in the offering and any applicable fees, commissions or discount arrangements. The net proceeds we expect to receive from sales will be set forth in the applicable prospectus supplement.

Our common stock is listed on the New York Stock Exchange under the symbol ACV.

**Investing in our securities involves a number of risks. See Risk Factors beginning on page 1 of this prospectus and in the documents we incorporate by reference.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus or any accompanying prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.

**This prospectus is dated September 10, 2009.**

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Neither the delivery of this prospectus nor any sale made under it implies that there has been no change in our affairs or that the information in this prospectus is correct as of any date after the date of this prospectus. You should not assume that the information in this prospectus, including any information incorporated in this prospectus by reference, the accompanying prospectus supplement or any free writing prospectus prepared by us, is accurate as of any date other than the date on the front of those documents. Our business, financial condition, results of operations and prospects may have changed since that date.

You should rely only on the information contained in or incorporated by reference in this prospectus or a prospectus supplement. We have not authorized anyone to provide you with different information. We are not making an offer to sell securities in any jurisdiction where the offer or sale of such securities is not permitted.

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**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or SEC, using a shelf registration process. Under this shelf registration process, using this prospectus, together with a prospectus supplement, we may, from time to time, sell any combination of the securities described in this prospectus. This prospectus provides you with a general description of the securities that may be offered. Each time we sell securities pursuant to this prospectus, we will provide a prospectus supplement that will contain specific information about the terms of the securities being offered. A prospectus supplement may include a discussion of any risk factors or other special considerations applicable to those securities or to us. The prospectus supplement may also add to, update or change information contained in this prospectus and, accordingly, to the extent inconsistent, the information in this prospectus is superseded by the information in the prospectus supplement. You should read both this prospectus and any prospectus supplement together with additional information incorporated by reference in this prospectus described below under the heading **Where You Can Find More Information** before making an investment in our securities.

This prospectus contains summaries of certain provisions contained in some of the documents described herein, but reference is made to the actual documents for complete information. All of the summaries are qualified in their entirety by the actual documents. Copies of the documents referred to herein have been filed, or will be filed or incorporated by reference as exhibits to the registration statement of which this prospectus is a part, and you may obtain copies of those documents as described below under the heading **Where You Can Find More Information**.

As used in this prospectus, **Alberto Culver**, **we**, **us** and **our** refer to Alberto-Culver Company and its consolidated subsidiaries, as the context requires.

**SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS**

The following cautionary statements identify important factors that could cause our actual results to differ materially from those projected in the forward-looking statements made or incorporated by reference in this prospectus. Any statements about our beliefs, plans, objectives, expectations, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as **will likely result**, **are expected to**, **will continue**, **is anticipated**, **estimated**, **intends**, **plans**, **projection** and **outlook**. These forward-looking statements are based on estimates and assumptions by our management that, although we believe to be reasonable, are inherently uncertain and subject to a number of risks and uncertainties. Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this prospectus and the documents incorporated by reference, and particularly the risk factors described under **Risk Factors** in this prospectus and in the documents we incorporate by reference.

Among the significant factors that could cause our actual results to differ materially from those expressed in the forward-looking statements are:

the pattern of brand sales;

competition within the relevant product markets;

the loss of one or more key customers;

unavailability of raw materials or finished products;

the loss of one or more key employees;

the inability of efficiency initiatives to improve our margins;

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inability of the company to protect its intellectual property;

the risks inherent in expanding in existing geographic locations and entering new geographic locations;

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the loss of one or more key suppliers or copackers;

the risks inherent in acquisitions, divestitures and strategic alliances;

adverse changes in currency exchange rates;

the effects of a prolonged U.S. or global economic downturn or recession;

increases in costs of raw materials and inflation rates;

events that negatively affect the intended tax free nature of the distribution of our shares in connection with the separation of the consumer products business from the beauty supply distribution business on November 16, 2006;

changes in costs;

the unanticipated costs and effects of legal or administrative proceedings;

the disruption of normal activities due to our implementation of a new worldwide ERP system;

the risk that the expected cost savings related to our reorganizations and restructurings may not be realized;

health epidemics;

adverse weather conditions;

the loss of distributorship rights;

sales by unauthorized distributors in our exclusive markets; and

variations in political, economic or other factors such as interest rates, availability of credit, tax changes, legal and regulatory changes or other external factors over which we have no control.

Because the factors referred to above could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made by us or on our behalf, you should not place undue reliance on any of these forward-looking statements. In addition, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which the statement is made, to reflect the occurrence of unanticipated events or otherwise. New factors emerge from time to time, and it is not possible for us to predict which will arise or to assess with any precision the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.





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**ALBERTO-CULVER COMPANY**

We develop, manufacture, distribute and market beauty care products as well as food and household products in the United States and more than 100 other countries. We are organized into two reportable business segments – United States and International.

Our beauty care products marketed in the United States include the TRESemmé, Nexxus, Alberto VO5, and Consort lines of hair care products, the St. Ives and Noxzema lines of skin care products, FDS feminine deodorant sprays and the Motions, Soft & Beautiful, Just For Me, Comb-Thru and TCB lines of multicultural hair care products. Food and household products sold in the United States include Mrs. Dash salt-free seasoning blends, Static Guard anti-static spray, Molly McButter butter flavored sprinkles, SugarTwin sugar substitute and Kleen Guard furniture polish.

In Canada, we sell most of the products marketed in the United States along with the Alberto European and Alberto Balsam lines of hair care products.

In the United Kingdom and Europe, we sell products such as the TRESemmé, Alberto Balsam, Alberto VO5, and Andrew Collinge lines of hair care products and the St. Ives line of skin care products.

In Latin America, the significant products sold by us include the TRESemmé, Alberto VO5, Alberto Get Set, Antiall and Folicure lines of hair care products, the St. Ives and Noxzema lines of skin care products, Veritas soap and deodorant body powder products and Farmaco soap products. Our principal markets in Latin America are Mexico, Puerto Rico and the Caribbean, Argentina and Chile.

Our products are also sold in Australia and New Zealand and portions of Asia and Africa.

We also perform custom label manufacturing of other companies' beauty care products in the United States.

Alberto Culver is a Delaware corporation that was incorporated in 2006. Prior to November 16, 2006, our predecessor for SEC reporting purposes consisted of two businesses: Global Consumer Products and Beauty Supply Distribution. Pursuant to an Investment Agreement, on November 16, 2006, we split the Global Consumer Products business and the Beauty Supply Distribution business into two separate publicly traded companies. Alberto Culver is comprised of the historic Global Consumer Products Business.

Our corporate offices are located at 2525 Armitage Avenue, Melrose Park, Illinois 60160, and the telephone number at that location is (708) 450-3000.

**RISK FACTORS**

An investment in our securities involves a high degree of risk. You should carefully consider the risk factors and other information included or incorporated by reference in this prospectus before making an investment decision. Additional risks, as well as updates or changes to the risks incorporated by reference herein, will be included in the applicable prospectus supplement. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. The market or trading price of our securities could decline due to any of these risks, and you may lose all or part of your investment. In addition, please read "Special Note About Forward-Looking Statements" in this prospectus, where we describe uncertainties associated with our business and the forward-looking statements included or incorporated by reference in this prospectus. Please note that additional risks not presently known to us or that we currently deem immaterial may also impair our business and operations.

Certain risks relating to us and our business are described under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended September 30, 2008, filed with the SEC on November 25, 2008, all of which are incorporated by reference into this prospectus, and which you should carefully review and consider.

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The following table sets forth the ratio of earnings to fixed charges for us for each year in the five year period ended September 30, 2008, and for the nine months ended June 30, 2009 and 2008.

Nine Months Ended June 30,		Years Ended September 30,				
2009	2008	2008	2007	2006	2005	2004
34.7x(1)	15.9x(2)	17.6x(3)	8.9x(4)	8.3x	7.4x(5)	0.7x(6)

- (1) The earnings used to calculate the ratio of earnings to fixed charges includes restructuring and other expenses of \$5.3 million.
- (2) The earnings used to calculate the ratio of earnings to fixed charges includes restructuring and other expenses of \$9.6 million.
- (3) The earnings used to calculate the ratio of earnings to fixed charges includes restructuring and other expenses of \$11.2 million.
- (4) The earnings used to calculate the ratio of earnings to fixed charges includes restructuring and other expenses of \$33.1 million.
- (5) The earnings used to calculate the ratio of earnings to fixed charges includes a \$10.0 million non-cash charge related to the conversion to one class of common stock.
- (6) The earnings used to calculate the ratio of earnings to fixed charges includes a \$56.0 million non-cash charge related to the conversion to one class of common stock, a \$10.1 million gain from the sale of our Indola European professional business and a \$12.6 million charge related to the early redemption of \$200 million of our 8.25% senior notes.

For the purposes of computing this ratio, earnings consist of income from continuing operations before income taxes, minority interest in earnings or losses of consolidated subsidiaries and income from equity affiliates plus (a) amortization of previously capitalized interest, (b) distributed income from equity affiliates and (c) fixed charges, minus interest capitalized during the period. Fixed charges consist of (i) interest incurred and amortization of debt expense plus (ii) the portion of rent expense representative of the interest factor.

We did not have any preferred stock outstanding and we did not pay or accrue any preferred stock dividends during the periods presented above.

**USE OF PROCEEDS**

Unless otherwise specified in connection with a particular offering, we will use the net proceeds from the sale of the securities for general corporate purposes. Pending the use of such net proceeds, we intend to invest these funds in investment-grade, short-term interest bearing securities.

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**DESCRIPTION OF DEBT SECURITIES**

The following description sets forth the material terms and provisions of the debt securities. The debt securities will be issued under an indenture, referred to in this prospectus as the indenture, between us and U.S. Bank National Association, as trustee, the form of which is filed as an exhibit to the registration statement of which this prospectus is a part. The specific terms of debt securities as described in the applicable prospectus supplement will supplement and, if applicable, may modify or replace the general terms described in this prospectus. Accordingly, for a description of the terms of a particular issue of debt securities, reference must be made to both the prospectus supplement relating thereto and the following description. For purposes of this Description of Debt Securities, the terms Alberto Culver, we, us and our refer to Alberto-Culver Company but not any of our subsidiaries.

The following summary of the material terms and provisions of the indenture and the debt securities is not complete, and we refer you to the form of indenture that has been filed as an exhibit to the registration statement of which this prospectus is a part. Wherever we refer to particular sections or defined terms of the indenture, those sections or defined terms are incorporated by reference into this prospectus.

**General**

We may issue debt securities from time to time in one or more series without limitation to the aggregate principal amount. The debt securities will be issuable in accordance with an indenture supplemental to the indenture or a resolution of our board of directors or a committee of the board. The debt securities will be our unsecured and, to the extent not otherwise indicated in the applicable prospectus supplement, unsubordinated obligations and will rank equally and ratably with our other unsecured and, to the extent not otherwise so indicated, unsubordinated obligations.

The debt securities will be effectively subordinated to (i) any of our secured indebtedness to the extent of the assets securing that indebtedness and (ii) all indebtedness for money borrowed and other liabilities of our subsidiaries. The debt securities are our exclusive obligations. Since virtually all of our operations are conducted through our subsidiaries, the cash flow and the consequent ability to service debt, including the debt securities, are dependent upon the earnings of our subsidiaries and the distribution of those earnings, or upon loans or other payments of funds by those subsidiaries to us. The payment of dividends and the making of loans and advances to us by our subsidiaries may be subject to restrictions and are subject to various business considerations.

Unless otherwise indicated in the applicable prospectus supplement, principal of, premium, if any, and interest on the debt securities will be payable, and the transfer of debt securities will be registrable, at any office or agency maintained by us for that purpose. Unless otherwise indicated in the applicable prospectus supplement, the debt securities will be issued only in fully registered form without coupons and in denominations of \$1,000 and integral multiples thereof. No service charge will be made for any registration of transfer or exchange of the debt securities, but we may require payment of a sum sufficient to cover any tax or other governmental charge imposed in connection with the transfer or exchange.

The prospectus supplement will describe, when applicable, the following terms of the offered debt securities:

the title of the series;

any limit on the aggregate principal amount;

the date or dates on which the principal is payable;

the rate or rates, which may be fixed or variable, at which the debt securities will bear interest, if any, or the method by which such rate or rates will be determined, the date or dates from which any such interest will accrue, the interest payment dates on which any interest will be payable and the regular record date for the interest payable on any interest payment date;

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whether the interest rate or interest rate formula may be reset at our option or otherwise, and the date or dates on which that interest rate or interest rate formula may be reset;

the place or places where the principal of and any premium and interest will be payable;

the period or periods within which, the price or prices at which and the terms and conditions upon which the debt securities may be redeemed, in whole or in part, at our option;

the obligation, if any, of Alberto Culver to redeem, purchase or repay the debt securities pursuant to any sinking fund or analogous provisions or at the option of a holder and the period or periods within which, the price or prices at which and the terms and conditions upon which Alberto Culver will redeem, purchase or repay, in whole or in part, the debt securities pursuant to such obligation;

if other than denominations of \$1,000 and any integral multiple thereof, the denominations in which the debt securities will be issuable;

the currency, currencies or currency units in which we will pay the principal of and any premium and interest on any debt securities, if other than the currency of the United States of America and the manner of determining the equivalent U.S. currency;

if the amount of payments of principal of or any premium or interest may be determined with reference to an index or formula, the manner in which those amounts will be determined;

if the principal of or any premium or interest is to be payable, at our election or at the election of the holder, in one or more currencies or currency units other than that or those in which the debt securities are stated to be payable, the currency, currencies or currency units in which payment of the principal of and any premium and interest on the debt securities as to which that election is made will be payable, and the periods within which and the terms and conditions upon which that election is to be made;

the applicability of the provisions described in the section of this prospectus captioned **Defeasance and Covenant Defeasance**;

if the debt securities will be issued, in whole or in part, in the form of a book-entry debt security as described in the section of this prospectus captioned **Book-Entry Debt Securities**, the depositary appointed by us or its nominee with respect to the debt securities and the circumstances under which the book-entry security may be registered for transfer or exchange or authenticated and delivered in the name of a person other than the depositary or its nominee;

if other than the principal amount, the portion of the principal amount of the debt securities which will be payable upon declaration of acceleration of the maturity;

subordination provisions, if any;

the terms and conditions, if any, upon which the debt securities are convertible into, or exchangeable for, shares of our common stock, cash, or any combination thereof;

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whether we may from time to time, without notice to or the consent of the holders create and issue additional debt securities ranking equally with the offered debt securities in all respects (or in all respects except for the payment of interest occurring prior to the issue date of those further debt securities or except for the first payment of interest following the issue date of those further debt securities) and so that such further debt securities shall be consolidated and form a single series with the offered debt securities and shall have the same terms as to status, redemption, or otherwise as the offered debt securities; and

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any other terms of the offered debt securities.

We may offer and sell the debt securities as original issue discount securities at a substantial discount below their stated principal amount. The prospectus supplement will describe federal income tax consequences and other special considerations applicable to original issue discount securities and any debt securities the federal tax laws treat as having been issued with original issue discount. Original issue discount securities means any debt security which provides for an amount less than its principal amount to be due and payable upon the declaration of acceleration of the maturity upon the occurrence and continuation of an Event of Default described in the section of the prospectus captioned Events of Default.

The indenture does not contain covenants or other provisions designed to afford holders of the debt securities protection in the event of a highly leveraged transaction, change in credit rating or other similar occurrence.

**Book Entry Debt Securities**

The debt securities will be represented by one or more global securities. Unless otherwise indicated in the applicable prospectus supplement, any global security representing debt securities will be deposited with, or on behalf of, The Depository Trust Company, or DTC, New York, New York, or other successor depository we appoint and registered in the name of the depository or its nominee. The debt securities will not be issued in definitive form unless otherwise provided in the applicable prospectus supplement.

DTC will act as securities depository for the debt securities. The debt securities will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered global security certificate will be issued for each issue of debt securities, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, or the Exchange Act. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants, or direct participants, deposit with DTC. DTC also facilitates the post-trade settlement among direct participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between direct participants' accounts. This eliminates the need for physical movement of securities certificates. Direct participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation, or DTCC. DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly, each of which is referred to as an indirect participant. The DTC rules applicable to its participants are on file with the SEC.

Purchases of debt securities under the DTC system must be made by or through direct participants, which will receive a credit for the debt securities on DTC's records. The ownership interest of each actual purchaser of a debt security, each a beneficial owner, is in turn to be recorded on the direct and indirect participants' records. Beneficial owners will not receive written confirmation from DTC of their purchase. Beneficial owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participant through which the beneficial owner entered into the transaction. Transfers of ownership interests in the debt securities are to be accomplished by entries made on the books of direct and indirect participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in debt securities, except in the event that use of the book-entry system for the debt securities is discontinued.

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To facilitate subsequent transfers, all debt securities deposited by direct participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of debt securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership of the debt securities. DTC has no knowledge of the actual beneficial owners of the debt securities; DTC's records reflect only the identity of the direct participants to whose accounts the debt securities are credited, which may or may not be the beneficial owners. The direct and indirect participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the debt securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each direct participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to debt securities unless authorized by a direct participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts debt securities are credited on the record date (identified in a listing attached to the omnibus proxy).

Redemption proceeds and distributions on the debt securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit direct participants' accounts upon DTC's receipt of funds and corresponding detail information from us or the trustee, on the applicable payable date in accordance with their respective holdings shown on DTC's records. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such participant and not of DTC, the trustee, or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of us or the trustee, disbursement of such payments to direct participants will be the responsibility of DTC, and disbursement of such payments to the beneficial owners will be the responsibility of direct and indirect participants.

A beneficial owner must give notice through a participant to a tender agent to elect to have its debt securities purchased or tendered. The beneficial owner must deliver debt securities by causing the direct participants to transfer the participant's interest in the debt securities, on DTC's records, to a tender agent. The requirement for physical delivery of debt securities in connection with an optional tender or a mandatory purchase is satisfied when the ownership rights in the debt securities are transferred by direct participants on DTC's records and followed by a book entry credit of tendered debt securities to the tender agent's account.

DTC may discontinue providing its services as depository with respect to the debt securities at any time by giving reasonable notice to us or the trustee. Under such circumstances, in the event that a successor depository is not obtained, debt security certificates are required to be printed and delivered.

We may decide to discontinue use of the system of book entry transfers through DTC (or a successor securities depository). In that event, debt security certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book entry system has been obtained from sources that Alberto Culver believes to be reliable, but we take no responsibility for their accuracy.



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**Certain Covenants of Alberto Culver**

***General***

In addition to the covenants set forth below, additional covenants, if any, that will apply to a particular series of debt securities will be set forth in the prospectus supplement relating to such series of debt securities.

The following defined terms have been used for purposes of this description of the indenture covenants:

**attributable debt** means, as to any particular lease under which either we or any of our restricted subsidiaries is at the time liable as lessee for a term of more than 12 months and at any determination date, the total net obligations of the lessee for rental payments during the remaining term of the lease or any extension thereof discounted from the respective due dates thereof to such determination date at a rate per annum equivalent to the greater of (a) the yield to maturity (as defined in the indenture) of the outstanding debt securities, with that average being weighted by the principal amount of the outstanding debt securities of each series or, in the case of original issue discount securities, that amount to be the principal amount of the outstanding original issue discount securities that would be due and payable as of the date of such determination upon a declaration of acceleration of the maturity thereof pursuant to the indenture and (b) the interest rate inherent in such lease (as determined in good faith by us), both to be compounded semi-annually.

**consolidated net tangible assets** means the aggregate amount of assets (less applicable reserves and other properly deductible items) after deducting, without duplication, the sum of (i) all current liabilities except for (a) notes and loans payable, (b) current maturities of long-term debt, (c) current maturities of obligations under capital leases and (d) customer deposits and (ii) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles, which in each case under U.S. generally accepted accounting principles, or GAAP, would be included on our consolidated balance sheet.

**funded debt** means (i) any of our or our restricted subsidiaries' indebtedness (which means, without duplication, all obligations for borrowed money evidenced by bonds, debentures, notes or other similar instruments, and funded debt) maturing more than 12 months after the time of computation thereof, (ii) guarantees of funded debt or of dividends of others (except guarantees in connection with the sale or discount of accounts receivable, trade acceptances and other paper arising in the ordinary course of business), (iii) in the case of any restricted subsidiary, all preferred stock having mandatory redemption provisions as reflected on such restricted subsidiary's balance sheet prepared in accordance with GAAP, and (iv) all capital lease obligations (as defined in the indenture).

**principal property** means any real property (including all related land and buildings but excluding related fixtures, machinery and equipment) or machinery and equipment located within the United States and owned by, or leased to, us or any of our subsidiaries that has a net book value (after deduction of accumulated depreciation) in excess of 1.0% of our consolidated net tangible assets.

**restricted subsidiary** means any of our subsidiaries that owns a principal property.

**secured funded debt** means funded debt that is secured by any pledge of, or mortgage, security interest or other lien (as defined in the indenture) on any (i) principal property (whether owned on the date of the indenture or thereafter acquired or created), (ii) shares of stock owned by us or a subsidiary of ours in a restricted subsidiary or (iii) indebtedness of a restricted subsidiary owed to us or a subsidiary of ours.

***Limitation on Liens***

Unless otherwise provided in the applicable prospectus supplement, the indenture will provide that we will not, nor will we permit any of our restricted subsidiaries to, incur, issue, assume, guarantee or create any secured funded debt, without effectively providing that the outstanding debt securities (together with, if we determine, any of our or our restricted subsidiaries' other indebtedness then existing or thereafter created which is not subordinated to the outstanding debt securities) will be secured equally and ratably with (or prior to) such secured funded debt, so long as that secured funded debt will be concurrently secured by a lien, unless, after giving effect thereto, the sum of the aggregate amount of all of our and our restricted subsidiaries' outstanding secured

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funded debt, together with all attributable debt in respect of sale and leaseback transactions relating to a principal property (with the exception of attributable debt that is excluded as described under "Limitations on Sales and Leasebacks" below), would not exceed an amount equal to the greater of (i) \$135 million or (ii) 15% of our consolidated net tangible assets. These limitations on liens, however, do not apply to, and there will be excluded from the calculation of secured funded debt under this restriction, funded debt secured by:

liens on property, shares of capital stock or indebtedness of any corporation existing at the time that corporation becomes a subsidiary of ours;

liens on property, shares of capital stock or indebtedness existing at the time of its acquisition or incurred within 270 days of the time of its acquisition by us or any of our restricted subsidiaries;

liens on property, shares of capital stock or indebtedness thereafter acquired (or constructed) by us or any of our restricted subsidiaries and created prior to, at the time of, or within 270 days after that acquisition (or the completion of that construction or commencement of commercial operation of that property, whichever is later) to secure or provide for the payment of all or any part of the purchase price (or the construction price) thereof;

liens in favor of us or any of our restricted subsidiaries;

liens in favor of the United States of America, any State thereof or the District of Columbia, or any agency, department or other instrumentality thereof, to secure partial, progress, advance or other payments pursuant to any contract or provisions of any statute;

liens incurred or assumed in connection with the issuance of revenue bonds the interest on which is exempt from federal income taxation;

liens securing the performance of any contract or undertaking not directly or indirectly in connection with the borrowing of money, the obtaining of advances or credit or the securing of funded debt, if made and continuing in the ordinary course of business;

liens under workers' compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts or deposits to secure public or statutory obligations of ours or of any of our restricted subsidiaries, or deposits of cash or obligations of the United States of America to secure surety and appeal bonds to which we or any of our restricted subsidiaries is a party or in lieu of such bonds, or pledges or deposits for similar purposes in the ordinary course of business, or liens imposed by law, such as laborers' or other employees', carriers', warehousemen's, mechanics', materialmen's and vendors' liens, and liens arising out of judgments or awards against us or any of our restricted subsidiaries that are not overdue or which are being contested in good faith by appropriate proceedings by us or any of our restricted subsidiaries, as the case may be, or minor survey exceptions, minor encumbrances, easements or reservations of, or rights of others for, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions or liens as to the use of real properties, which liens, exceptions, encumbrances, easements, reservations, rights and restrictions do not, in our opinion, in the aggregate materially detract from the value of those properties or materially impair their use in the operation of our and our restricted subsidiaries' business;

liens incurred to finance all or any portion of the cost of construction, alteration or repair of any principal property and improvements thereto created prior to completion of that construction, alteration or repair;

liens outstanding on the date of the indenture; or



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any extension, renewal, refunding or replacement of the foregoing.

***Limitation on Sales and Leasebacks***

Unless otherwise provided in the applicable prospectus supplement, the indenture will provide that we will not, nor will we permit any of our restricted subsidiaries to, enter into any arrangement with any person providing for the leasing by us or any of our restricted subsidiaries of any principal property, which principal property has been or is to be sold or transferred by us or such restricted subsidiary to that person (a sale and leaseback transaction ) unless, after giving effect thereto, the aggregate amount of all attributable debt with respect to all such sale and leaseback transactions plus all secured funded debt (with the exception of funded debt secured by liens that are excluded from the calculation of secured funded debt as described under Limitations on Liens above) would not exceed an amount equal to the greater of (i) \$135 million or (ii) 15% of our consolidated net tangible assets.

This covenant will not apply to, and there will be excluded from attributable debt in any computation under this restriction or under Limitations on Liens above, attributable debt with respect to any sale and leaseback transaction if:

we or any of our restricted subsidiaries is permitted to create funded debt secured by a lien as described under Limitations on Liens above on the principal property to be leased, in an amount equal to the attributable debt with respect to that sale and leaseback transaction, without equally and ratably securing the outstanding debt securities;

we or any of our restricted subsidiaries apply an amount in cash equal to the greater of (i) the net proceeds of the sale or transfer of the principal property leased pursuant to that arrangement or (ii) the fair market value of the principal property so leased at the time of entering into that arrangement (as determined by our Chief Executive Officer, President, Chief Financial Officer, Treasurer or Controller) to the retirement of our or any of our restricted subsidiaries secured funded debt (other than secured funded debt owned by us or any of our restricted subsidiaries); provided, however, that no retirement referred to in this paragraph may be effected by payment at maturity or pursuant to any mandatory sinking fund payment or any mandatory prepayment provision of secured funded debt;

We or any of our restricted subsidiaries immediately applies the net proceeds of the sale or transfer of the principal property leased pursuant to such transaction to investment in another principal property; provided, however, that this exception shall apply only if such proceeds invested in such other principal property shall not exceed the total acquisition, repair, alteration and construction cost in such other principal property less amounts secured by any purchase money or construction mortgages on that principal property;

the effective date of any such arrangement is within 270 days of the acquisition of the principal property or the completion of construction and commencement of operation thereof, whichever is later;

the lease in such sale and leaseback transaction is for a term, including renewals, of not more than three years; or

the sale and leaseback transaction is entered into between us and a restricted subsidiary of ours or between our restricted subsidiaries, which in each case shall include a subsidiary that becomes a restricted subsidiary after giving effect to such sale and leaseback transaction.

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**Events of Default**

Any one of the following events will constitute an event of default under the indenture with respect to debt securities of any series:

failure to pay any interest on any debt security of that series when due, continued for 30 days;

failure to pay principal of or any premium on any debt security of that series when due;

failure to deposit any sinking fund or other payment, when due, in respect of any debt security of that series;