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ALBERTO CULVER CO
Form 10-K405
December 14, 2001

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED:

SEPTEMBER 30, 2001

-OR-

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File No. 1-5050

ALBERTO-CULVER COMPANY

(Exact name of registrant as specified in its charter)

Delaware

36-2257936

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

2525 Armitage Avenue
Melrose Park, Illinois

60160

(Address of principal executive offices)

(Zip code)

Registrant's telephone number, including area code: (708)450-3000

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Name of each exchange on which registered |
|---|---|
| ----- | ----- |
| Class A Common Stock, par value \$.22 per share | New York Stock Exchange |
| Class B Common Stock, par value \$.22 per share | New York Stock Exchange |

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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The aggregate market value of common stock held by non-affiliates (assuming for this purpose only that all directors and executive officers are affiliates) on November 16, 2001 was \$841.0 million for Class A Common Stock and \$750.0 million for Class B Common Stock.

At November 16, 2001, there were 24,840,026 shares of Class A Common Stock outstanding and 32,525,619 shares of Class B Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Parts I and II Portions of annual report to stockholders for the year ended September 30, 2001, as specifically described herein.

Part III Portions of proxy statement and notice of annual meeting of stockholders on January 24, 2002, as specifically described herein.

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K and the documents incorporated by reference herein may contain certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements are based on management's current expectations and assessments of risks and uncertainties and reflect various assumptions concerning anticipated results, which may or may not prove to be correct. Some of the factors that could cause actual results to differ materially from estimates or projections contained in such forward-looking statements include the pattern of brand sales, including variations in sales volume within periods; competition within the relevant product markets, including pricing, promotional activities, continuing customer acceptance of existing products, loss of distributorship rights and the ability to develop and successfully introduce new products; risks inherent in acquisitions and strategic alliances; the effects of a prolonged United States or global economic downturn or recession; changes in labor costs, raw material prices or promotional expenses; the costs and effects of unanticipated legal or administrative proceedings; variations in political, economic or other factors such as currency exchange rates, inflation rates, expansive trends, tax changes, legal and regulatory changes or other external factors over which Alberto-Culver Company has no control. Alberto-Culver Company has no obligation to update any forward-looking statement in this Annual Report on Form 10-K or any incorporated document.

PART I

ITEM 1. BUSINESS

BUSINESS SEGMENTS AND GEOGRAPHIC AREA INFORMATION

Alberto-Culver Company and its consolidated subsidiaries (herein referred to collectively as the "company," unless indicated otherwise) have three principal business segments. The company's consumer products business includes two segments, "Alberto-Culver North America" and "Alberto-Culver International," and includes developing, manufacturing, distributing and marketing branded consumer products worldwide. Alberto-Culver North America includes the company's consumer products operations in the United States and Canada while Alberto-Culver

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International sells consumer products in more than 120 other countries.

The classes of products in the Alberto-Culver North America and the Alberto-Culver International business segments include health and beauty care products as well as food and household products. Health and beauty care products accounted for approximately 37%, 39% and 39% of the company's consolidated net sales for the years ended September 30, 2001, 2000 and 1999, respectively. Food and household products accounted for approximately 5%, 5% and 6% of the company's consolidated net sales for the years ended September 30, 2001, 2000 and 1999, respectively.

The company's third segment, "Specialty distribution - Sally", consists of Sally Beauty Company ("Sally Beauty"), a distributor of professional beauty supplies through its Sally Beauty Supply stores and its Beauty Systems Group full-service operations. Sales of the Specialty distribution - Sally business segment accounted for approximately 58%, 56% and 55% of the company's consolidated net sales for the years ended September 30, 2001, 2000 and 1999, respectively.

Financial information about business segments and geographic area information is incorporated herein by reference to the "Business Segments and Geographic Area Information" note of "Notes to Consolidated Financial Statements" in the company's annual report to stockholders for the year ended September 30, 2001.

ALBERTO-CULVER NORTH AMERICA

The company's major health and beauty care products marketed in the United States include the ALBERTO VO5, TRESemme and CONSORT lines of hair care products, the ST. IVES SWISS FORMULA line of hair and skin care products, FDS feminine deodorant sprays and the SOFT AND BEAUTIFUL, JUST FOR ME,

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COMB-THRU, TCB and MOTIONS lines of hair care products for the ethnic market. Food and household products sold in the United States include MRS. DASH salt-free seasoning blends, MOLLY MCBUTTER butter flavor sprinkles, SUGARTWIN sugar substitute and STATIC GUARD anti-static spray.

In Canada, the company sells most of the products marketed in the United States along with the ALBERTO EUROPEAN and ALBERTO BALSAM lines of hair care products.

The Alberto-Culver North America segment also includes the manufacturing of custom label products in the United States for other companies.

ALBERTO-CULVER INTERNATIONAL

The company manufactures, markets and distributes health and beauty products throughout Scandinavia and Europe through its Cederroth International subsidiary headquartered in Sweden. Major products include SALVE adhesive bandages, ALBERTO VO5 hair care products, SAMARIN antacids, SELTIN salt substitute, JORDAN toothbrushes, TOPZ cotton buds, SAVETTE wet wipes, BLIW liquid soaps, DATE anti-perspirants and cologne for women, FAMILY FRESH shampoo and shower products, SUKETTER artificial sweetener, the ST. IVES SWISS FORMULA line of hair and skin care products, HTH and L300 skin care products, GRUMME TVATTSAAPA detergents and PHARBIO natural pharmaceuticals. SORAYA skin care products are sold in Poland and Eastern Europe.

In the United Kingdom, the company manufactures and markets products such as the

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ALBERTO VO5, Advanced ALBERTO VO5, ALBERTO BALSAM and TRESemme lines of hair care products and the ST. IVES SWISS FORMULA line of hair and skin care products. INDOLA professional hair colors, shampoos, conditioners and styling products are marketed throughout Europe and other international markets.

In Latin America, the significant products sold by the company include the ALBERTO VO5, GET SET and ANTIALL lines of hair care products, the ST. IVES SWISS FORMULA line of hair and skin care products, VERITAS soap and deodorant body powder products and FARMACO soap products.

Other major international markets for the company include Australia, Italy and New Zealand.

SPECIALTY DISTRIBUTION - SALLY

Sally Beauty Company operates a network of Sally Beauty Supply cash-and-carry professional beauty supply stores and also sells professional beauty products to hairdressers, beauticians and cosmetologists through its Beauty Systems Group full-service distribution business. Sally Beauty Supply stores provide salon owners, hairdressers and consumers with an extensive selection of hair care and skin care products, cosmetics, styling appliances and other beauty items. Sally's Beauty Systems Group distributes products in exclusive, licensed territories in the Northeast, Midwest, Midsouth, East and Southeast United States and portions of Canada. Beauty Systems Group sells only to the professional market through its stores and approximately 550 professional distributor sales consultants. As of September 30, 2001, Sally Beauty, including its Beauty Systems Group, had 2,428 stores in the United States, Puerto Rico, the United Kingdom, Canada, Japan and Germany.

PRODUCT DEVELOPMENT AND MARKETING

Many of the company's consumer products are developed in the company's laboratories. New products introduced by the company are assigned product managers who guide the products from development to the consumer. The product managers are responsible for the overall marketing plans for the products and coordinate advertising, promotion and market research activities.

The company allocates a large portion of its revenues to the advertising, promotion and market research of consumer products. Net earnings are materially affected by these expenditures, which are charged to income in the period incurred. Advertising, promotion and market research expenditures were \$305.1 million in 2001, \$286.4 million in 2000 and \$259.7 million in 1999.

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Advertising, promotion and market research expenditures relating to a new product will ordinarily constitute a higher percentage of sales than in the case of a well-established product. There can be no assurance that such expenditures will result in consumer acceptance and profitability for a product.

The company regards television as the best medium for its advertising and uses it to conduct extensive network, spot and cable television advertising campaigns. The company also advertises through other media such as newspapers, magazines and radio as well as through Sally Beauty Company's direct mailings to professional customers.

Extensive advertising and promotion are required to build and protect a product's market position. The company believes there is significant consumer

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awareness of its major brands and that such awareness is an important factor in the company's operating results.

COMPETITION

The domestic and international markets for the company's branded consumer products are highly competitive and sensitive to changes in consumer preferences and demands. The company's competitors range in size from large, highly diversified companies (some of which have substantially greater financial resources than the company) to small, specialized producers. The company competes on the basis of product quality and price and believes that brand loyalty and consumer acceptance are important factors. The company's markets are characterized by frequent introductions of competitive products and by the entry of other manufacturers as new competitors, both of which are typically accompanied by extensive advertising and promotional campaigns. Such campaigns are often very costly and can significantly affect the sales and earnings of the company and its competitors.

Sally Beauty Company experiences domestic and international competition from a wide range of retail outlets, including mass merchandisers, drug stores and supermarkets, carrying a full line of health and beauty products. In addition, Sally Beauty competes with local and regional beauty supply stores and full-service dealers selling directly to salons through both professional distributor sales consultants and cash and carry outlets open only to salon professionals. Sally also faces competition from certain manufacturers which use their own sales forces to distribute their professional beauty products directly to salons.

DISTRIBUTION IN THE UNITED STATES

Retail health and beauty care products and food and household products are sold through the company's sales force and independent brokers calling upon wholesale drug establishments and retail outlets such as supermarkets, drug stores, mass merchandisers and variety stores.

Professional hair care products in the United States (primarily for the ethnic market) are sold by company sales representatives and brokers to beauty supply outlets and to beauty distributors who in turn sell to beauty salons, barber shops and beauty schools.

SALLY BEAUTY COMPANY DISTRIBUTION

Sally Beauty Company, including its Beauty Systems Group, sells professional beauty supplies through its 2,428 stores located in 47 states, Puerto Rico, the United Kingdom, Canada, Japan and Germany. Sally Beauty Supply stores are self-service, cash-and-carry and are primarily located in strip shopping centers. Sally operates the world's largest chain of professional beauty supply stores and as such is a major customer of some of the company's competitors in the personal care products industry. In addition, Sally's Beauty Systems Group distributes products in exclusive, licensed territories in the Northeast, Midwest, Midsouth, East and Southeast United States and portions of Canada and sells only to the professional market through its stores and approximately 550 professional distributor sales consultants. Sally sells Alberto-Culver North America's professional hair care products, but these products represent only a small portion of Sally's selection of salon brands.

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FOREIGN OPERATIONS

Products of the company are sold in more than 120 countries or geographic regions, primarily through direct sales by subsidiaries, independent distributors and licensees.

The company's foreign operations are subject to risks inherent in transactions involving foreign currencies and political uncertainties.

EMPLOYEES

In its domestic and foreign operations, the company had approximately 16,100 full-time equivalent employees as of September 30, 2001, consisting of approximately 9,600 hourly personnel and 6,500 salaried employees. At September 30, 2000, the company had approximately 15,300 full-time equivalent employees. The increase in employees during fiscal year 2001 is principally due to the expansion of Sally's Beauty Systems Group full-service operations and the growth in the number of Sally Beauty Supply stores.

Certain subsidiaries of the company have union contracts covering production, warehouse, shipping and maintenance personnel. The company considers relations with its employees to be satisfactory.

REGULATION

The company is subject to the regulations of a number of federal and state agencies, including the Food and Drug Administration and the Federal Trade Commission.

TRADEMARKS AND PATENTS

The company's trademarks, certain of which are material to its business, are registered or legally protected in the United States, Canada and other countries throughout the world in which products of the company are sold. Although the company owns patents and has other patent applications pending, its business is not materially dependent upon patents or patent protection.

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ITEM 2. PROPERTIES

The company's properties, plants and equipment are maintained in good condition and are suitable and adequate to support the business. The company's principal properties and their general characteristics are described below:

Location

Type of Facility

Company-Owned Properties:

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| | |
|---|--|
| Melrose Park, Illinois | |
| . 2525 Armitage Avenue | Corporate Office, Manufacturing, Warehouse |
| . 2020 and 2040 Indian Boundary Drive | Office, Warehouse |
| . 2150 N. 15th Avenue | Manufacturing, Warehouse |
| . 2100 N. 15th Avenue | Warehouse |
| . 1930 George Street | Office, Warehouse |
| Basingstoke, Hampshire, England | Office |
| Buenos Aires, Argentina | Office, Manufacturing, Warehouse |
| Columbus, Ohio | Warehouse |
| Dallas, Texas | Office, Manufacturing, Warehouse |
| Denton, Texas | Office, Warehouse |
| Falun, Sweden | Office, Manufacturing, Warehouse |
| Jacksonville, Florida | Warehouse |
| Madrid, Spain | Office, Manufacturing, Warehouse |
| Naguabo, Puerto Rico | Manufacturing, Warehouse |
| Naucalpan de Juarez, Mexico | Office, Manufacturing, Warehouse |
| North Rocks, New South Wales, Australia | Office, Manufacturing, Warehouse |
| Radzymin, Poland | Office, Manufacturing, Warehouse |
| Reno, Nevada | Warehouse |
| Swansea, Wales, England | Office, Manufacturing, Warehouse |
| Toronto, Ontario, Canada | Office, Manufacturing, Warehouse |

Leased Properties:

| | |
|--|----------------------------------|
| ----- | |
| Albertslund, Denmark | Office, Warehouse |
| Atlanta, Georgia | Warehouse |
| Auckland, New Zealand | Office, Warehouse |
| Blackburn, Lancashire, England | Warehouse |
| Chatsworth, California | Office, Manufacturing, Warehouse |
| Espoo, Finland | Office, Warehouse |
| Geneva, Switzerland | Office |
| Greenville, Ohio | Office, Warehouse |
| Kitchener, Ontario, Canada | Office, Warehouse |
| Laurel, Maryland | Office, Warehouse |
| Macedonia, Ohio | Office, Warehouse |
| Macon, Georgia | Office, Warehouse |
| Mocksville, North Carolina | Office, Warehouse |
| Monroe, Connecticut | Office, Warehouse |
| Ontario, California | Warehouse |
| Paducah, Kentucky | Office, Warehouse |
| Rakkestad, Norway | Office, Warehouse |
| Reading, Berkshire, England | Office |
| Stockholm, Sweden | Office, Manufacturing, Warehouse |
| Surrey, British Columbia, Canada | Office, Warehouse |
| Toronto, Ontario, Canada | Office, Warehouse |
| Various (2,428 locations in 47 states, Puerto Rico, the United Kingdom, Canada, Japan and Germany) | Sally Beauty Company Stores |

- (1) Alberto-Culver North America
- (2) Alberto-Culver International
- (3) Specialty Distribution - Sally

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There are no material legal proceedings pending.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of security holders, through the solicitation of proxies or otherwise, during the fourth quarter of the year ended September 30, 2001.

EXECUTIVE OFFICERS

The following table sets forth the names and current positions of the registrant's executive officers, including their five-year business history and ages. Executive officers of the company and its subsidiaries are elected annually.

| Name ----- | Current Position and Five-Year Business History ----- |
|------------------------|---|
| Leonard H. Lavin (1) | Chairman |
| Howard B. Bernick (1) | President and Chief Executive Officer |
| Bernice E. Lavin (1) | Vice Chairman, Secretary and Treasurer |
| Carol L. Bernick (1) | Since January, 1999 - Vice Chairman and Assistant Secretary, Alberto-Culver Company, President, Alberto-Culver North America, a division of the registrant and President, Alberto-Culver USA, Inc., a subsidiary of registrant; April, 1998 to January, 1999 - Vice Chairman and Assistant Secretary, Alberto-Culver Company and President, Alberto-Culver North America; October, 1994 to April, 1998 - Executive Vice President and Assistant Secretary, Alberto-Culver Company and President, Alberto-Culver USA, Inc. |
| William J. Cernugel | Since May, 2000 - Senior Vice President and Chief Financial Officer; previously Senior Vice President, Finance for more than five years. |
| John R. Berschied, Jr. | Since May, 2000 - Group Vice President, Worldwide Research and Development; January, 2000 to May, 2000 - Director Technology and Innovation Management, Arthur D. Little, Inc.; February, 1993 - December, 1999 - Senior Vice President, Global Research, Development and Engineering, S.C. Johnson and Son, Inc. |
| Michael H. Renzulli | President, Sally Beauty Company, Inc., a subsidiary of registrant. |

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| Name | Current Position and Five-Year Business History |
|-----------------|---|
| ----- | ----- |
| Gary P. Schmidt | Since June, 1997 - Vice President, General Counsel and Assistant Secretary; April, 1990 to June, 1997 - Vice-President, General Counsel and Secretary, Fujisawa USA, Inc. |

(1) Leonard H. Lavin and Bernice E. Lavin are husband and wife. Carol L. Bernick is the wife of Howard B. Bernick and the daughter of Mr. and Mrs. Lavin.

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PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Information required for this Item is incorporated herein by reference to the section entitled "Market Price of Common Stock and Cash Dividends Per Share" and note 4 of "Notes to Consolidated Financial Statements" in the registrant's annual report to stockholders for the year ended September 30, 2001.

ITEM 6. SELECTED FINANCIAL DATA

Information required for this Item is incorporated herein by reference to the section entitled "Selected Financial Data" in the registrant's annual report to stockholders for the year ended September 30, 2001.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND

RESULTS OF OPERATIONS

Information required for this Item is incorporated herein by reference to the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Condition" in the registrant's annual report to stockholders for the year ended September 30, 2001.

ITEM 7a. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information required for this Item is incorporated herein by reference to the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Condition" in the registrant's annual report to stockholders for the year ended September 30, 2001.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Information required for this Item is incorporated herein by reference to the consolidated financial statements and notes and "Independent Auditors' Report" of KPMG LLP in the registrant's annual report to stockholders for the year ended September 30, 2001.

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND

FINANCIAL DISCLOSURE

None.

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PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information required for this Item regarding the directors of the company and regarding delinquent filers pursuant to Item 405 of Regulation S-K is incorporated herein by reference to the sections entitled "Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance", respectively, in the registrant's proxy statement for its annual meeting of stockholders on January 24, 2002. Information concerning Executive Officers of the registrant is included in Part I of this report.

ITEM 11. EXECUTIVE COMPENSATION

Information required for this Item is incorporated herein by reference to the section entitled "Executive Compensation" in the registrant's proxy statement for its annual meeting of stockholders on January 24, 2002.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information required for this Item is incorporated herein by reference to the sections entitled "Share Ownership of Directors and Executive Officers" and "Principal Stockholders" in the registrant's proxy statement for its annual meeting of stockholders on January 24, 2002.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information required for this Item is incorporated herein by reference to the section entitled "Certain Business Relationships" in the registrant's proxy statement for its annual meeting of stockholders on January 24, 2002.

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PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) Documents filed as part of this report:

1. Financial statements:

The consolidated financial statements and notes to be included in Part II, Item 8 are incorporated by reference

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to the registrant's annual report to stockholders for the year ended September 30, 2001, which is filed as an exhibit to this report.

2. Financial statement schedules:

| Description ----- | Schedule ----- |
|-----------------------------------|-------------------|
| Valuation and Qualifying Accounts | II |

Schedules I, III, IV, and V are omitted as the information required by these schedules is not applicable.

3. Exhibits:

| Exhibit Number ----- | Description ----- |
|----------------------------|---|
| 3(i)(a) | Copy of Restated Certificate of Incorporation of Alberto-Culver Company (filed as Exhibit 3(a) and incorporated herein by reference from the company's Form 10-K Annual Report for the year ended September 30, 1988). |
| 3(i)(b) | Copy of the amendment to the Restated Certificate of Incorporation of Alberto-Culver Company (filed as Exhibit 3(i)(c) and incorporated herein by reference from the company's Form 10-Q Quarterly Report for the quarter ended March 31, 1997). |
| 3(ii) | Copy of the By-Laws of Alberto-Culver Company, as amended and in effect as of October 26, 2000. |
| 4 | Certain instruments defining the rights of holders of long-term obligations of the registrant and certain of its subsidiaries (the total amount of securities authorized under each of which does not exceed ten percent of the registrant's consolidated assets) are omitted pursuant to part 4 (iii) (A) of Item 601 (b) of Regulation S-K. The registrant agrees to furnish copies of any such instruments to the Securities and Exchange Commission upon request. |
| 4 (a) | Copy of Indenture dated June 10, 1998 between Alberto-Culver Company and The First National Bank of Chicago, as Trustee (filed as Exhibit 4(a) and incorporated herein by reference from the company's Form 10-Q Quarterly Report for the quarter ended June 30, 1998). |

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3. Exhibits: (continued)

| Exhibit Number | Description |
|----------------|---|
| 4 (b) | Copy of 6.375% Debentures due June 15, 2028 (filed as Exhibit 4(b) and incorporated herein by reference from the company's Form 10-Q Quarterly Report for the quarter ended June 30, 1998). |
| 4 (c) | Copy of 8.25% Notes due November 1, 2005 (filed as Exhibit 4 and incorporated herein by reference from the company's Form 8-K dated March 28, 2000). |
| 10 (a) | Copy of Alberto-Culver Company Management Incentive Plan, as amended* (filed as Exhibit 10(a) and incorporated herein by reference from the company's Form 10-Q Quarterly Report for the quarter ended March 31, 2001). |
| 10 (b) | Copy of Alberto-Culver Company Employee Stock Option Plan of 1988, as amended.* |
| 10 (c) | Copy of Alberto-Culver Company 1994 Shareholder Value Incentive Plan, as amended* (filed as Exhibit 10(c) and incorporated herein by reference from the company's proxy statement for its annual meeting of stockholders on January 24, 2002). |
| 10 (d) | Copy of Alberto-Culver Company 1994 Restricted Stock Plan, as amended.* |
| 10 (e) | Copy of Alberto-Culver Company 1994 Stock Option Plan for Non-Employee Directors, as amended* (filed as Exhibit 10(e) and incorporated herein by reference from the company's proxy statement for its annual meeting of stockholders on January 24, 2002). |
| 10 (f) | Copy of Split Dollar Life Insurance Agreement dated September 30, 1993 between Alberto-Culver Company and the trustee of the Lavin Survivorship Insurance Trust * (filed as Exhibit 10(e) and incorporated herein by reference from the company's Form 10-K Annual Report for the year ended September 30, 1993). |
| 10 (g) | Form of Severance Agreement between Alberto-Culver Company and named executive officers * (filed as Exhibit 10(f) and incorporated herein by reference from the company's Form 10-Q Quarterly Report for the quarter ended December 31, 1996). |
| 10 (h) | Copy of Multicurrency Credit Agreement dated as of September 11, 1997 among Alberto-Culver Company, Bank of America National Trust and |

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Savings Association as U.S. agent and the other financial institutions being parties thereto (filed as Exhibit 10(h) and incorporated herein by reference from the company's Form 10-K Annual Report for the year ended September 30, 1997).

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3. Exhibits: (continued)

| Exhibit Number ----- | Description ----- |
|----------------------------|---|
| 10 (i) | Copy of Supplement for Commitment Increase among Alberto-Culver Company, Bank of America N.A. and LaSalle Bank National Association, dated June 30, 2000, to the Multicurrency Credit Agreement dated as of September 11, 1997, filed as Exhibit 10 (i) and incorporated herein by reference from the company's Form 10-K Annual Report for the year ended September 30, 2000). |
| 10 (j) | Copy of Supplement for Commitment Increase among Alberto-Culver Company, Bank of America N.A. and ABN AMRO Bank N.V., dated June 30, 2000, to the Multicurrency Credit Agreement dated as of September 11, 1997, filed as Exhibit 10 (j) and incorporated herein by reference from the company's Form 10-K Annual Report for the year ended September 30, 2000. |
| 10 (k) | Copy of the Alberto-Culver Company Executive Deferred Compensation Plan, as amended* (filed as Exhibit 10(i) and incorporated herein by reference from the company's Form 10-Q Quarterly Report for the quarter ended December 31, 1999). |
| 10 (l) | Form of Amendment of Severance Agreement between Alberto-Culver Company and named executive officers* (filed as Exhibit 10(j) and incorporated herein by reference from the Company's Form 10-K Annual Report for the year ended September 30, 1999). |
| 10 (m) | Form of Key Executive Deferred Compensation Agreement between Alberto-Culver Company and certain of its officers, and schedule setting forth the registrant's named executive officers (as defined in Item 402 of Regulation S-K) who are parties to such an agreement and the material terms of each such named executive officer's agreement* (filed as Exhibit 10(k) and incorporated herein by reference from the company's Form 8-K dated March 23, 2000). |
| 10 (n) | Copy of the Alberto-Culver Company Deferred |

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Compensation Plan for Non-Employee Directors.*

- 13 Portions of annual report to stockholders for the year ended September 30, 2001 incorporated herein by reference.
- 21 Subsidiaries of the Registrant
- 23 Consent of KPMG LLP

* This exhibit is a management contract or compensatory plan or arrangement of the registrant.

(b) Reports on Form 8-K:

No report on Form 8-K was filed by the registrant during the quarter ended September 30, 2001.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 14th day of December, 2001.

ALBERTO-CULVER COMPANY

By /s/ Howard B. Bernick

Howard B. Bernick
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

| Signature ----- | Title ----- | |
|---|---|---------|
| /s/ Leonard H. Lavin ----- Leonard H. Lavin | Chairman of the Board and Director | Decembe |
| /s/ Howard B. Bernick ----- Howard B. Bernick | President, Chief Executive Officer and Director (Principal Executive Officer) | Decembe |
| /s/ Bernice E. Lavin ----- Bernice E. Lavin | Vice Chairman, Secretary, Treasurer and Director | Decembe |
| /s/ Carol L. Bernick ----- Carol L. Bernick | Vice Chairman, President, Alberto- Culver North America, Assistant | Decembe |

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| | | |
|---|--|----------|
| | Secretary and Director | |
| /s/ William J. Cernugel ----- William J. Cernugel | Senior Vice President and Chief Financial Officer (Principal Financial & Accounting Officer) | December |
| /s/ A. Robert Abboud ----- A. Robert Abboud | Director | December |
| /s/ A.G. Atwater, Jr. ----- A. G. Atwater, Jr. | Director | December |
| /s/ Allan B. Muchin ----- Allan B. Muchin | Director | December |
| /s/ Robert H. Rock ----- Robert H. Rock | Director | December |
| /s/ Sam J. Susser ----- Sam J. Susser | Director | December |
| /s/ Dr. Harold M. Visotsky ----- Dr. Harold M. Visotsky | Director | December |
| /s/ William W. Wirtz ----- William W. Wirtz | Director | December |

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Independent Auditors' Report

The Board of Directors and Stockholders
Alberto-Culver Company:

On October 23, 2001, we reported on the consolidated balance sheets of Alberto-Culver Company and Subsidiaries as of September 30, 2001 and 2000 and the related consolidated statements of earnings, cash flows and stockholders' equity for each of the years in the three-year period ended September 30, 2001, as contained in the 2001 annual report to stockholders. These consolidated financial statements and our report thereon are incorporated by reference in the annual report on Form 10-K for fiscal year 2001. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related financial statement schedule as listed in Item 14(a)2 of the annual report on Form 10-K. That financial statement schedule is the responsibility of the company's management. Our responsibility is to express an opinion on that financial statement schedule based on our

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audits.

In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ KPMG LLP

KPMG LLP

Chicago, Illinois
October 23, 2001

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Schedule II

ALBERTO-CULVER COMPANY AND SUBSIDIARIES

Valuation and Qualifying Accounts
(In thousands)

| | Year Ended September 30, | | |
|--|--------------------------|---------|---------|
| | 2001 | 2000 | 1999 |
| | ----- | ----- | ----- |
| Allowance for doubtful accounts: | | | |
| Balance at beginning of period | \$10,135 | 8,441 | 10,868 |
| Additions (deductions): | | | |
| Charged to costs and expenses | 7,331 | 4,910 | 3,166 |
| Uncollectible accounts written off, net of recoveries | (6,327) | (4,112) | (5,585) |
| Allowance for doubtful accounts of acquired companies | 2 | 1,207 | 104 |
| Other | 246 | (311) | (112) |
| | ----- | ----- | ----- |
| Balance at end of period | \$11,387 | 10,135 | 8,441 |
| | ===== | ===== | ===== |

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