

Sally Beauty Announces Senior Notes Offering

Nov 18, 2015

DENTON, Texas--(BUSINESS WIRE)-- Sally Holdings LLC (the "Company"), a wholly-owned subsidiary of Sally Beauty Holdings, Inc. (NYSE: SBH), today announced that it intends to sell, in a registered public offering, \$750.0 million aggregate principal amount of Senior Notes due 2025 (the "Senior Notes"). The Senior Notes will be guaranteed by Sally Beauty Holdings, Inc., Sally Investment Holdings LLC and the Company's domestic subsidiaries who have guaranteed obligations under its senior secured revolving credit facility and its existing notes.

The Company intends to use the net proceeds from this offering, together with cash on hand and/or additional borrowings, to redeem all \$750.0 million aggregate principal amount of its 6.875% senior notes due 2019 at a redemption premium equal to 103.438% of the outstanding principal amount being redeemed plus accrued and unpaid interest to, but not including, the redemption date and to pay fees and expenses incurred in connection with the offering and the redemption. The Company expects to complete the redemption on December 18, 2015, subject to certain conditions, including the consummation of the offering of the Senior Notes.

BofA Merrill Lynch; J.P. Morgan; Wells Fargo Securities; Credit Suisse; Deutsche Bank Securities; Goldman, Sachs & Co.; and RBC Capital Markets are serving as joint book-running managers for the offering.

A shelf registration statement (including a prospectus and a preliminary prospectus supplement) relating to the offering has previously been filed with the Securities and Exchange Commission and has become effective. Before investing, you should read the prospectus, the preliminary prospectus supplement and other documents filed with the Securities and Exchange Commission for information about the Company and the offering. Copies of the prospectus and related supplement may be obtained by contacting any of the joint book-running managers whose contact information is listed at the bottom of this announcement. You may also obtain these documents free of charge by visiting the Securities and Exchange Commission's website at www.sec.gov.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. This press release shall not constitute a notice of redemption with respect to the notes being redeemed.

About Sally Beauty Holdings, Inc.

Sally Beauty Holdings, Inc. is an international specialty retailer and distributor of professional beauty supplies with revenues of \$3.8 billion annually. Through the Sally Beauty Supply and Beauty Systems Group businesses, the Company sells and distributes through 5,000 stores, including approximately 175 franchised units, throughout the United States, the United Kingdom, Belgium, Chile, Colombia, Peru, France, the Netherlands, Canada, Puerto Rico, Mexico, Ireland, Spain and Germany. Sally Beauty Supply stores offer up to 10,000 products for hair, skin, and nails through professional lines such as Clairol, L'Oreal, Wella and Conair, as well as an extensive selection of proprietary merchandise. Beauty Systems Group stores, branded as CosmoProf or Armstrong McCall stores, along with its outside sales consultants, sell up to 10,000 professionally branded products including Paul Mitchell, Wella, Sebastian, Goldwell, Joico, and Aquage which are targeted exclusively for professional and salon use and resale to their customers.

Cautionary Notice Regarding Forward-Looking Statements

Any statements of the Company's expectations in this press release constitute "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Such statements, including but not limited to, statements regarding senior notes offering, are based on currently available information and are subject to various risks and uncertainties that could cause actual results to differ materially from the Company's present expectations.

Readers are cautioned not to place undue reliance on forward-looking statements as such statements speak only as of the date they were made. Any forward-looking statements involve risks and uncertainties that could cause actual events or results to differ materially from the events or results described in the forward-looking statements.

Factors that could cause actual events or results to differ materially from the events or results described in the forward-looking statements can be found in our most recent Annual Report on Form 10-K for the fiscal year ended September 30, 2015, as filed with the Securities and Exchange Commission. Consequently, all forward-looking statements in this release are qualified by the factors, risks and uncertainties contained therein. We assume no obligation to publicly update or revise any forward-looking statements.

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