

FRANCHISEE OVERVIEW OF REGIS CORPORATION

82 YEARS OF SUCCESS

REGIS CORPORATION

FRANCHISOR HEADQUARTERS Regis Corporation
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FRANCHISEE VIEWPOINT: OVERVIEW OF REGIS CORPORATION

- Regis Corporation, a Fortune 1000 company, is the largest owner, operator and franchisor of hair and retail product salons and beauty schools in the world.
- Every year, Regis Corporation (Regis Corp.) salons serve more than 150 million customers worldwide.
- Regis Corp.'s formula for franchisee success is the ability to provide affordable hair cuts, styling, coloring and waxing services to satisfied clients each year as well as a wide selection of the most popular professional hair care products.
- Regis Corp. is the worldwide leader in the \$150 billion hair salon industry.
- Regis Corp. currently operates salons in the United States, Canada, Puerto Rico, the United Kingdom, France, Italy, Spain, Germany, Belgium, Switzerland and Poland.
- Regis Corp. holds four percent domestic and two percent worldwide of the hair care market with targeted objectives of 10 to 14 percent revenue growth and a low to mid-teen earnings expansion through a combination of organic (new store construction and same-store growth) and acquisition growth.
- The company has completed 300 acquisitions, adding over 7,400 locations. Acquisitions include Supercuts, Vidal Sassoon, Jean Louis David and The Barbers Hairstyling for Men & Women, Inc., which included Cost Cutters, and Blaine Beauty Career Schools.
- Regis Corp.'s annual system-wide fiscal 2004 sales generated over \$3 billion.
- Regis Corp. is traded on the New York Stock Exchange under RGS.

FRANCHISEE: ACCESS TO EDUCATION, MARKETING AND TRAINING

- With Regis, franchisees have access to stylist education and training programs, including award-winning educational videos and nationwide seminars.
- Every year, Regis Corp. commits more than \$16 million annually to education and training.
- Regis Corp. has 150 experienced artistic directors who train and assist stylists.
- In 2003, Regis Corp. introduced a state-of-the-art DVD program for training and continuing education.
- Franchisee strengths include extensive employee training, education and incentive programs.
- There are solid employment opportunities for salon staff. Salons offer excellent opportunities for employment since Regis Corporation offers competitive benefit packages.
- While other national franchisors spend less in advertising, Regis spent \$46.6 million in 2004, up nearly \$5.3 million from its spending in 2003.

FRANCHISEE: POWER WITH REAL ESTATE

- With over 10,000 salons – 8,000 more than its nearest competitor – Regis Corp. is considered the world's largest owner, operator and franchisor of hair and retail product salons and beauty schools.
- A national-credit tenant, Regis Corp.'s real estate department chooses salon locations in high traffic regional malls and open-air centers.
- The company enjoys a strong cash flow, which allows it to execute its long-term growth objectives while maintaining its reputation as a credit-worthy, dependable tenant.
- Over the last ten years, Regis Corp. has grown its salon base from 1,479 locations to over 10,000 locations worldwide.
- With Regis Corp.'s distinct retail salon concepts, landlords and developers are interested in Regis brands because salons are considered top tenants for both mall and strip centers.
- Regis is Wal-Mart's largest tenant with nearly 1,500 locations representing 1.4 million square feet.

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SUPERCUTS AND COST CUTTERS FRANCHISES

Supercuts primarily targets male customers who want to get a current look at an affordable price. Supercuts understands their customers - because they know how it is. Supercuts are located in neighborhood open-air centers in the United States, Canada, Puerto Rico and the United Kingdom.

- Nearing 2,000 salons in the U.S.
- Anticipating annual growth of 195 units

Cost Cutters is the perfect hair care choice for busy, value-conscious families and men who prefer a convenient place to go for their hair care without the need for an appointment. Located throughout the United States, primarily in neighborhood open-air centers, Cost Cutters provides a full range of hair care services and products.

- Approaching 1,000 locations in the U.S.
- Anticipating annual growth of 40 units

FRANCHISEE: QUOTES ABOUT REGIS CORPORATION

- “Regis Corp. has a reliable business model as customers return for haircuts during both good and bad times,” comments Jeff Stein, senior research analyst for specialty retailing at McDonald Investments in Cleveland, Ohio. “Regis is unique because they have segmented the marketplace by developing concepts to serve all niches. The higher end is covered with Vidal Sassoon and Jean Louis David, while value concepts like Supercuts, Cost Cutters and SmartStyle continue to expand.”
- “We place a lot of emphasis on growth at Regis Corp.,” says Paul Finkelstein, chief executive officer and president of Regis Corp. “With our six distinct retail salon concepts, we appeal to the largest and most stable population segment. Our recent acquisitions of the Vidal Sassoon and Jean Louis David brands help us grow into the higher end market as we continue to expand services and locations in our value and middle market salon concepts, as well.”

FRANCHISEE: SUCCESS STORIES

Grant Givens, Florida Supercuts & Cost Cutters Franchisee

After traveling for many years as part of a franchisor management team in the restaurant business, Grant Givens wanted to stay in one place. Being familiar with franchising, he spoke with a good friend who was a franchisee in the Regis Corporation family. After researching Regis, talking with other franchisees and Regis staff, Givens purchased seven Florida stores – four Supercuts in the Tallahassee and Panama City markets and three Cost Cutters in Tampa.

Givens, who has had his franchisees for just over a year and a half, chose Regis for several reasons. The company is the dominant player in the hair care industry, and they provide expertise and strong support. This was helpful to Givens who was not familiar with hair salons. In his first months, Regis Corporation assisted him in operations, marketing and real estate, helping him plan in the markets he currently owns and into those he would like to expand. Givens’ plans are to purchase ten more Supercuts salons in the future.

Don Thorpe, North Dakota Supercuts & City Looks Franchisee

By making use of Regis Corporation’s marketing department, operations, training and education, veteran franchisee Don Thorpe feels that most new franchisees will see immediate benefits. Together with his wife, Kathy, Don owns three salons inside the Regis Corp. brands – two Supercuts and one City Looks - all three are in the Bismarck, North Dakota area. Thorpe has been a franchisee for the past 22 years, first with the Barbers, and now with Regis. Don feels that the franchisee network is a great support as they share information, advice and experiences with each other. In the near future, the Thorpes plan to expand their salon network with up to four more salons.

MORE INFORMATION

For more information on Cost Cutters or Supercuts franchising, visit www.regisfranchise.com.

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