Sally Beauty Holdings, Inc.
Form 424B2
September 07, 2012

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CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee(1)
5.75% Senior Notes due 2022	$150,000,000	106.25%	$159,375,000	$18,265

(1) This filing fee is calculated in accordance with Rule 457(r) and relates to the Registration Statement on Form S-3 (File No. 333-181351) filed by the Registrant on May 11, 2012.

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Filed Pursuant to Rule 424(b)(2)
Registration No. 333-181351

PROSPECTUS SUPPLEMENT
(To prospectus dated May 11, 2012)

$150,000,000

Sally Holdings LLC
Sally Capital Inc.

5.75% Senior Notes due 2022

We are an international specialty retailer and distributor of professional beauty supplies. Our two business units, Sally Beauty Supply and Beauty Systems Group, which we refer to as BSG, sell and distribute beauty products through 4,251 company-owned stores, 183 franchised stores and 1,110 professional distributor sales consultants.

The Offering:

Series of Notes: The notes offered hereby are an additional issuance of, will be fully fungible with, rank equally with and form a single series with the $700.0 million aggregate principal amount of our 5.75% senior notes due 2022 initially issued on May 18, 2012. The notes will have the same CUSIP number assigned to such previously issued notes.

Use of Proceeds: We will use the net proceeds of this offering for general corporate purposes.

The Senior Notes:

Issuers: Sally Holdings LLC and Sally Capital Inc., indirect wholly-owned subsidiaries of Sally Beauty Holdings, Inc.

Maturity: The notes will mature on June 1, 2022.

Interest Payments: The notes will pay interest semi-annually in cash in arrears on June 1 and December 1 of each year, beginning on December 1, 2012. Interest will accrue from and including May 18, 2012.

Guarantees: The notes will be fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by Sally Beauty Holdings, Inc. and Sally Investment Holdings LLC, the parent companies of Sally Holdings LLC and Sally Capital Inc., as well as by all of our existing and future domestic restricted subsidiaries, with certain exceptions, who have guaranteed our existing senior credit facility and our existing 6.875% senior notes due 2019. Each of the guarantees may be released upon the occurrence of certain customary circumstances described in "Description of Notes Parent Guarantees" and "Description of Notes Subsidiary Guarantees."

Ranking: The notes and the guarantees will be the issuers' and the guarantors' general unsecured senior obligations, will rank equally in right of payment to all of the issuers' and guarantors' existing and future unsecured indebtedness and will be effectively subordinated to all of the issuers' and the guarantors' existing and future secured debt to the extent of the assets securing that secured debt. In addition, the notes will be structurally subordinated to all of the liabilities of the issuers' subsidiaries that are not guaranteeing the notes, to the extent of the assets of those subsidiaries.

Optional Redemption: The notes will be redeemable, in whole or in part, at any time on or after June 1, 2017 at the redemption prices specified under "Description of Notes Optional Redemption," plus accrued and unpaid interest to, but not including, the redemption date. Prior to such time, the notes may be redeemed at 100% of the principal amount thereof, plus the "applicable premium" and accrued and unpaid interest to, but not including, the redemption date as described herein. In addition, we may redeem up to 35% of the notes before June 1, 2015, with the net cash proceeds from certain equity offerings.

Form: The notes will be issued only in registered form in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof.

No Trading Market: The notes will not be listed on any securities exchange. Currently, there is no public market for the notes.

Investing in the notes involves risks that are described in the "Risk Factors" section beginning on page S-11 of this prospectus supplement and in the documents incorporated herein by reference.

	Per Note	Total
Public offering price(1)	106.25%	$ 159,375,000
Underwriting discount	1.50%	$ 2,250,000
Proceeds, before expenses, to us(1)	104.75%	$ 157,125,000

(1) Plus accrued interest from and including May 18, 2012, the date of the original issuance of the $700.0 million aggregate principal amount of 5.75% senior notes due 2022, to but excluding the date of issuance of the notes offered hereby, which is expected to be on or about September 10, 2012.

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

The underwriter expects to deliver the notes to investors on or about September 10, 2012 only in book-entry form through the facilities of The Depositary Trust Company.

Sole Book-Running Manager

BofA Merrill Lynch

The date of this prospectus supplement is September 5, 2012.

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Prospectus Supplement

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document has two parts, a prospectus supplement and an accompanying prospectus dated May 11, 2012. This prospectus supplement and the accompanying prospectus are part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission, or the "Commission," utilizing a "shelf" registration process. The first part is the prospectus supplement, which adds to and updates information contained in the accompanying prospectus. The second part, the accompanying prospectus, provides more general information, some of which may not apply to this offering. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus, on the other hand, you should rely on the information in this prospectus supplement. Any statement that we make in the accompanying prospectus will be modified or superseded by any inconsistent statement made by us in this prospectus supplement.

The rules of the Commission allow us to incorporate by reference information into this prospectus supplement. This information incorporated by reference is considered to be a part of this prospectus supplement, and information that we file later with the Commission until this offering is completed, to the extent incorporated by reference, will automatically update and supersede this information. See "Incorporation by Reference." You should read both this prospectus supplement and the accompanying prospectus together with additional information described under the heading "Incorporation by Reference" in this prospectus supplement before purchasing any securities.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the prospectus and any "free writing prospectus" that we authorize to be delivered to you. We have not and the underwriter has not authorized anyone to provide you with information different from that contained or incorporated by reference in this prospectus supplement, the prospectus and any "free writing prospectus." You should not assume that the information incorporated by reference or provided in this prospectus supplement or the accompanying prospectus or any free writing prospectus prepared by us is accurate as of any date other than the date on the front cover of those documents. Our business, financial condition, cash flows, results of operations and prospects may have changed since that date. The information contained, or incorporated by reference, in this prospectus supplement is not legal, business or tax advice.

This prospectus supplement does not constitute an offer to sell, nor a solicitation of an offer to buy, any note offered hereby by any person in any jurisdiction in which it is unlawful for such person to make an offer or solicitation. Neither the delivery of this prospectus supplement nor any sale made under this prospectus supplement shall under any circumstances imply that there has been no change in our affairs or the affairs of our subsidiaries or that the information set forth herein is correct as of any date subsequent to the date hereof.

SPECIAL NOTE REGARDING NON-GAAP FINANCIAL MEASURES

We occasionally utilize financial measures and terms not calculated in accordance with generally accepted accounting principles in the United States, which we refer to as GAAP, in order to provide investors with an alternative method for assessing our operating results in a manner that enables investors to more thoroughly evaluate our current performance as compared to past performance. We also believe these non-GAAP measures provide investors with a more informed baseline for modeling the Company's future financial performance. Our management uses these non-GAAP measures for the same purpose. These non-GAAP measures should be considered in addition to results prepared in accordance with GAAP but should not be considered a substitute for or superior to GAAP results.

We define the measure Adjusted EBITDA as GAAP Net Earnings before depreciation and amortization, share-based compensation, interest expense and income taxes. We have also adjusted Adjusted EBITDA to exclude a credit from a litigation settlement, net of certain non-recurring expenses and taxes. Our management uses Adjusted EBITDA as a supplemental measure in the evaluation of our businesses and believes that Adjusted EBITDA provides a meaningful measure of our ability to meet our future debt service, capital expenditures and working capital requirements. Adjusted EBITDA is not a financial measure under GAAP. Accordingly, it should not be considered in isolation or as a substitute for net income, operating income, cash flow provided by (used in) operating activities or other income or cash flow data prepared in accordance with GAAP. We provide a reconciliation of Adjusted EBITDA to GAAP Net Earnings in "Summary Consolidated Financial Data" below. Because Adjusted EBITDA excludes some, but not all, items that affect net earnings and may vary among companies, the Adjusted EBITDA presented may not be comparable to similarly titled measures of other companies. Although we believe that Adjusted EBITDA may provide additional information with respect to our ability to meet our future debt service, capital expenditures and working capital requirements, functional or legal requirements may require us to utilize available funds for other purposes.

In this prospectus supplement, the terms the "Company," "Sally Beauty," "our company," "we," "our," "ours" and "us" refer to Sally Beauty Holdings, Inc. and its consolidated subsidiaries, unless otherwise indicated or the context otherwise requires. References to "Sally Holdings" refer to Sally Holdings LLC, references to "Sally Capital" refer to Sally Capital Inc. and references to the issuers refer to both Sally Holdings and Sally Capital and, in each case, not to any of their subsidiaries.

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CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

Statements in this prospectus supplement, in the accompanying prospectus and in the documents incorporated by reference herein which are not purely historical facts or which depend upon future events may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. Words such as "anticipate," "believe," "estimate," "expect," "intend," "plan," "project," "target," "can," "could," "may," "should," "will," "would" or similar expressions may also identify such forward-looking statements.

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, including, but not limited to, risks and uncertainties related to:

- the highly competitive nature of, and the increasing consolidation of, the beauty products distribution industry;
- anticipating changes in consumer preferences and buying trends and managing our product lines and inventory;
- potential fluctuation in our same store sales and quarterly financial performance;
- our dependence upon manufacturers who may be unwilling or unable to continue to supply products to us;
- the possibility of material interruptions in the supply of products by our manufacturers or third-party distributors;
- products sold by us being found to be defective in labeling or content;
- compliance with laws and regulations or becoming subject to additional or more stringent laws and regulations;
- product diversion to mass retailers or other unauthorized resellers;
- the operational and financial performance of our Armstrong McCall, L.P., which we refer to as Armstrong McCall, franchise-based business;
- the success of our internet-based businesses;
- successfully identifying acquisition candidates and successfully completing desirable acquisitions;
- integrating businesses acquired in the future;
- opening and operating new stores profitably;
- the impact of the health of the economy upon our business;

the success of our cost control plans;

protecting our intellectual property rights, particularly our trademarks;

conducting business outside the United States;

disruption in our information technology systems;

severe weather, natural disasters or acts of violence or terrorism;

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- the preparedness of our accounting and other management systems to meet financial reporting and other requirements and the upgrade of our existing financial reporting system;
- being a holding company, with no operations of our own, and depending on our subsidiaries for cash;
- our substantial indebtedness;
- the possibility that we may incur substantial additional debt, including secured debt, in the future;
- restrictions and limitations in the agreements and instruments governing our debt;
- generating the significant amount of cash needed to service all of our debt and refinancing all or a portion of our indebtedness or obtaining additional financing;
- changes in interest rates increasing the cost of servicing our debt;
- the potential impact on us if the financial institutions we deal with become impaired;
- the costs and effects of litigation; and
- the representativeness of our historical consolidated financial information with respect to our future financial position, results of operations or cash flows.

Additional 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 Annual Report on Form 10-K for the fiscal year ended September 30, 2011, which is incorporated by reference into this prospectus supplement, and under the section entitled "Risk Factors" in this prospectus supplement. The events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than we have described. As a result, our actual results may differ materially from the results contemplated by these forward-looking statements. We assume no obligation to publicly update or revise any forward-looking statements.

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PROSPECTUS SUPPLEMENT SUMMARY

The following summary does not contain all the information that may be important to purchasers of our securities. You should carefully read the entire prospectus supplement, including the "Risk Factors" section, the accompanying prospectus and the other information incorporated by reference in this prospectus supplement before making any investment decision.

Our Company

Sally Beauty Holdings, Inc. is an international specialty retailer and distributor of professional beauty supplies with operations primarily in North America, South America and Europe. Our two business units, Sally Beauty Supply and Beauty Systems Group, which we refer to as BSG, sell and distribute beauty products through 4,251 company-owned stores, 183 franchised stores and 1,110 professional distributor sales consultants. Sally Beauty Supply stores target retail consumers and salon professionals, while BSG exclusively targets salons and salon professionals. We have store locations in the United States (including Puerto Rico), Canada, the United Kingdom, Ireland, Belgium, France, Germany, the Netherlands, Spain, Chile and Mexico. We believe we are the largest distributor of professional beauty supplies in the U.S. based on store count. Within BSG, we also have one of the largest networks of professional distributor sales consultants in North America, with approximately 1,110 professional distributor sales consultants who sell directly to salons and salon professionals. We provide our customers with a wide variety of leading third-party branded and exclusive-label professional beauty supplies, including hair color products, hair care products, styling appliances, skin and nail care products and other beauty items. Our consolidated net sales and operating earnings were $3,269.1 million and $448.5 million, respectively, for the fiscal year ended September 30, 2011 and $2,641.1 million and $381.5 million, respectively, for the nine months ended June 30, 2012.

We believe Sally Beauty Supply is the largest open-line distributor of professional beauty supplies in the U.S. based on store count. As of June 30, 2012, Sally Beauty Supply operated 3,234 company-operated retail stores, 2,566 of which are located in the U.S. (with the remaining 668 company-operated stores located in Puerto Rico, Canada, Mexico, Chile, the United Kingdom, Ireland, Belgium, France, Germany, the Netherlands and Spain). We also supply 24 franchised stores located outside the U.S. Our U.S. and Canadian stores average 1,700 square feet and are primarily located in strip shopping centers. Our Sally Beauty Supply stores carry an extensive selection of professional beauty supplies for both retail customers and salon professionals, with between 5,000 and 8,000 SKUs (primarily in the U.S. and Canada) of beauty products across product categories including hair color, hair care, skin and nail care, beauty sundries and electrical appliances. Sally Beauty Supply stores carry leading third-party brands such as Clairol®, Revlon® and Conair®, as well as a broad selection of exclusive-label merchandise. We believe that Sally Beauty Supply has differentiated itself from its competitors through its customer value proposition, attractive pricing, extensive selection of leading third-party branded and exclusive-label products, broad ethnic product selection, knowledgeable sales associates and convenient store locations. Sally Beauty Supply's net sales and segment operating profit were $2,012.4 million and $381.0 million, respectively, for the fiscal year ended September 30, 2011 and $1,643.7 million and $330.0 million, respectively, for the nine months ended June 30, 2012.

We believe BSG is the largest full-service distributor of professional beauty supplies in the U.S., exclusively targeting salons and salon professionals. As of June 30, 2012, BSG had 1,017 company-operated stores, supplied 159 franchised stores and had a sales force of approximately 1,110 professional distributor sales consultants in all states in the U.S., in portions of Canada, and in

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Puerto Rico, Mexico and certain European countries. BSG carries leading professional beauty product brands intended for use in salons and for resale by salons to consumers. Through its large store base and sales force, BSG is able to access a significant portion of the highly fragmented U.S. professional beauty sales channel. BSG stores, which primarily operate under the CosmoProf banner, average approximately 2,700 square feet and are primarily located in secondary strip shopping centers. BSG stores provide a comprehensive selection of between 5,000 and 10,000 beauty product SKUs that include hair color and care, skin and nail care, beauty sundries and electrical appliances. Certain BSG products are sold under exclusive distribution agreements with suppliers, whereby BSG is designated as the sole distributor for a product line within certain geographic territories. BSG's net sales and segment operating profit were $1,256.7 million and $164.7 million, respectively, for the fiscal year ended September 30, 2011 and $997.3 million and $135.6 million, respectively, for the nine months ended June 30, 2012.

Competitive Strengths

We believe the following competitive strengths differentiate us from our competitors and contribute to our success:

The Largest Professional Beauty Supply Distributor in the U.S. with Multi-Channel Platform

We believe that Sally Beauty Supply and BSG together comprise the largest distributor of professional beauty products in the U.S. by store count. Our leading channel positions and multi-channel platform afford us several advantages, including strong positioning with suppliers, the ability to better service the highly fragmented beauty supply marketplace, economies of scale and the ability to capitalize on the ongoing consolidation in our sector. Through our multi-channel platform, we are able to generate and grow revenues across broad, diversified geographies and customer segments using varying product assortments. In the U.S. and Puerto Rico, we offer up to 8,000 and 10,000 SKUs in Sally Beauty Supply (in our stores and online) and BSG stores, respectively, to a broad potential customer base that includes retail consumers and hair salons in the U.S.

Differentiated Customer Value Proposition

We believe that our stores have a competitive advantage over those of our competitors due to our stores' convenient locations, broad selection of professional beauty products (including leading third-party branded and exclusive-label merchandise), high levels of in-stock merchandise, knowledgeable salespeople and competitive pricing. Our merchandise mix includes a comprehensive ethnic product selection, which is tailored by store based on marketplace demographics and category performance. We believe that the wide selection of these products at our stores further differentiates Sally Beauty Supply from its competitors. Sally Beauty Supply also offers a customer loyalty program called the Beauty Club, whereby members receive special member discounts on products and are eligible for Beauty Club e-mail newsletters and exclusive direct mail flyers with additional promotional offerings, beauty tips and new product information for a nominal annual fee. Our BSG professional distributor sales consultants benefit from their customers having access to the BSG store systems as customers have the ability to pick up the products they need between sales visits from professional distributor sales consultants. We believe that our differentiated customer value proposition and strong brands drive customer loyalty and high repeat traffic, contributing to our consistent historical financial performance.

Attractive Store Economics

We believe that our stores generate attractive returns on invested capital. The capital requirements to open a U.S.-based Sally Beauty Supply or BSG store, excluding inventory, average approximately $70,000 and $80,000, respectively. Sally Beauty Supply stores average approximately 1,700 square feet and BSG stores average approximately 2,700 square feet in size in the U.S. and

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Canada. Domestically, our stores are typically located within strip shopping centers. Strong average sales per square foot combined with minimal staffing requirements, low rent expense and limited initial capital outlay typically result in positive contribution margins within a few months of opening and cash payback on investment within approximately two years. Due to such attractive investment returns and relatively high operating profit contributions per store, during the past five fiscal years Sally Beauty Supply and BSG have opened an aggregate of 487 and 181 net new stores, respectively, excluding the effect of acquisitions. Outside the U.S. and Canada, our store format, sizes and capital requirements vary by marketplace, but we believe these stores also generate compelling unit economics.

Consistent Financial Performance

We have a proven track record of strong growth and consistent profitability due to superior operating performance, new store openings and strategic acquisitions. Over the past five full fiscal years, our consolidated same store sales growth has been positive in each year and has averaged nearly 4.0% annually, as set forth in the following table:

Same Store Sales Growth	Fiscal Year Ended September 30, 2007	2008	2009	2010	2011	Nine Months Ended June 30, 2012
Sally Beauty Supply	2.7%	1.2%	2.1%	4.1%	6.3%	7.5%
Beauty Systems Group	10.1%	6.9%	1.0%	6.2%	5.5%	6.3%
Consolidated	4.5%	2.6%	1.8%	4.6%	6.1%	7.1%

Experienced Management Team with a Proven Track Record

Our senior management team led by our President and Chief Executive Officer, Gary Winterhalter, averages 24 years of beauty industry experience and possesses a unique combination of management skills and experience in the beauty supply market. Our team also has a strong track record of successfully identifying and integrating acquisitions, which continues to be an important part of our overall strategy.

Our Growth Strategy

Key elements of our growth strategy are to:

Increase Sales Productivity of Our Stores

We intend to grow same store sales by focusing on improving our merchandise mix, introducing new products, growing our exclusive-label sales and enhancing our customer loyalty program. We plan to grow our exclusive-label sales in Sally Beauty Supply, which we believe our customers view as high-quality, recognizable brands. Our exclusive-label products are competitive with leading third-party branded merchandise, draw traffic to our stores and increase customer loyalty. We also intend to continue to enhance our customer loyalty programs, which allow us to collect point-of-sale customer data and increase our understanding of our customers' needs. In addition, we plan to tailor our marketing, advertising and promotions to attract new customers and increase sales with existing customers.

Expand Our Store Base

During the past five fiscal years, Sally Beauty Supply and BSG have opened an aggregate of 487 and 181 net new stores, respectively, excluding the effect of acquisitions. Because of the limited initial capital outlay, rapid payback and attractive return on capital, we intend to continue to expand our store base. During the twelve months ended June 30, 2012, we opened 120 and 35 Sally Beauty Supply stores and BSG stores, respectively, excluding the effect of acquisitions. We believe there are

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growth opportunities for additional stores in North America, Europe and Central and South America. We expect new store openings in existing and new areas to be an important aspect of our future growth opportunities and intend to target our annual organic store growth at between 4-5% of our total stores in fiscal 2012.

Grow Internationally

International sales represented 21% of Sally Beauty Supply sales in fiscal year 2011 and we believe there is a significant opportunity for future growth. As of June 30, 2012, Sally Beauty Supply operated 627 international company owned stores and 24 international franchise stores across ten countries: Canada, the United Kingdom, Ireland, Belgium, France, Germany, Spain, the Netherlands, Chile and Mexico. We believe our platform provides us with the foundation to continue to expand internationally. In particular, we are currently focused on growing our business in Europe and Central and South America.

Increase Operating Efficiency and Profitability

We believe there are opportunities to increase the profitability of our operations by growing our exclusive-label brands, improving sourcing, shifting customer mix, continuing our cost-cutting initiatives, particularly at BSG, and by further expanding our internet channel. We continue to develop and promote our higher margin exclusive-label products and increase exclusive product sales, which increases our gross margins and operating results. Over the past few years, we have undertaken a full review of our merchandise procurement strategy. This initiative is intended to identify lower-cost alternative sources of supply in certain product categories from countries with lower manufacturing costs. We continue to focus on changing our customer mix by increasing the percentage of retail customers within our Sally Beauty Supply stores. At BSG, we have completed numerous projects, including a re-branding initiative that repositioned the vast majority of our North American company-operated stores under a common name and store identity, CosmoProf, which we believe has improved brand consistency, saved on advertising and promotional costs and allowed for a more focused marketing strategy. We also completed a two-year, $22.0 million capital spending program to consolidate warehouses and reduce administrative expenses related to BSG's distribution network, which has resulted in annualized cost savings of at least $14.0 million. We also offer between 5,000 and 8,000 SKUs of our Sally Beauty Supply products for sale through our website, www.sallybeauty.com, which we believe provides a marketing function for our stores in addition to serving as a platform for generating additional higher margin sales for the Sally Beauty Supply business segment.

Pursue Strategic Acquisitions

We have completed more than 35 acquisitions during the last 10 years. We believe our experience in identifying attractive acquisition targets, our proven integration process and our highly scalable infrastructure have created a strong platform for potential future acquisitions. Recent acquisitions have included:

- In November 2011, we acquired Kappersservice Floral B.V. and two related companies, which comprise a 19-store distributor of retail and professional beauty products based in the Netherlands.

- In October 2010, we acquired Aerial Company, Inc., an 82-store professional-only distributor of beauty products operating in 11 states in the Midwestern United States.

- In March 2010, we acquired certain assets and the business of a former exclusive distributor of John Paul Mitchell Systems beauty products with sales primarily in south Florida and certain islands in the Caribbean.

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In December 2009, we acquired Sinelco, a wholesale distributor of professional beauty products located in Belgium with sales throughout Europe.

In September 2009, we acquired Schoeneman, a 43-store beauty supply chain located in the central northeast United States.

In September 2009, we acquired Intersalon, a leading distributor of premier beauty supply products with 16 stores located in Chile.

In September 2009, we acquired the assets and business of Belleza Concept International, Inc., a distributor of beauty supply products operating in Puerto Rico.

In May 2008, we acquired Pro-Duo NV, a cash and carry retailer of both professional and retail hair products with 40 stores located primarily in Belgium, France and Spain.

We intend to continue to identify and evaluate acquisition targets both domestically and internationally, with a focus on expanding our exclusive BSG territories and allowing Sally Beauty Supply to enter new geographic areas.

Recent Developments

On July 23, 2012, certain investment funds associated with Clayton, Dubilier & Rice, Inc., or the CDR Investors, our former majority shareholders, closed an offering of 23,111,527 shares of our common stock, which represented all of their remaining shares of our common stock. The nomination and other governance rights of the CDR Investors under the stockholders agreement they entered into with us at the time of their initial investment in the company terminated upon the sale of the CDR Investors' remaining shares of our common stock. The CDR Investors currently own no shares of our common stock and have no representatives on our board of directors.

Our History

Sally Beauty Supply began operations with a single store in New Orleans in 1964 and was acquired in 1969 by our former parent company, Alberto-Culver Company, which we refer to as Alberto-Culver. BSG became a subsidiary of Alberto-Culver in 1995. In November 2006, we separated from Alberto-Culver and became an independent company listed on the New York Stock Exchange. We refer to our separation from Alberto-Culver and its consumer products-focused business as the Separation Transactions. Sally Beauty Holdings, Inc. is a Delaware corporation formed in June 2006 and became the accounting successor company to Sally Holdings, Inc. upon the completion of the Separation Transactions.

Additional Information

Sally Holdings LLC is a Delaware limited liability company formed in 2006. Sally Capital Inc., a Delaware corporation incorporated in 2006, is a wholly-owned subsidiary of Sally Holdings LLC and will serve as co-issuer of the notes to facilitate the offering of the notes. Sally Capital Inc. does not have any assets or operations of any kind and will not receive any proceeds from the offering of the notes.

Our principal executive offices are located at 3001 Colorado Boulevard, Denton, Texas 76210, and our telephone number is (940) 898-7500. Our website can be accessed at *www.sallybeautyholdings.com*. The contents of our website are not part of this prospectus supplement or the accompanying prospectus.

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The Offering

The summary below describes the principal terms of the notes. Certain of the terms and conditions below are subject to important limitations and exceptions. The "Description of Notes" section of this prospectus supplement contains a more detailed description of the terms and conditions of the notes.

Issuers	Sally Holdings LLC and Sally Capital Inc. Sally Capital has only nominal assets, does not currently conduct any operations and was formed solely to act as a co-issuer of the notes.
Guarantors	Sally Beauty Holdings, Inc. and Sally Investment Holdings LLC, the parent companies of Sally Holdings and Sally Capital, as well as all of our existing and future domestic restricted subsidiaries, with certain exceptions, who have guaranteed our existing senior credit facility and our existing 6.875% senior notes due 2019. Each of the guarantees may be released upon the occurrence of certain customary circumstances described in "Description of Notes Parent Guarantees" and "Description of Notes Subsidiary Guarantees."
Notes Offered	$150.0 million aggregate principal amount of 5.75% senior notes due 2022. The notes offered hereby are an additional issuance of, will be fully fungible with, rank equally with and form a single series with the $700.0 million aggregate principal amount of our 5.75% senior notes due 2022 initially issued on May 18, 2012.
Issue Price	106.25%, plus accrued interest from and including May 18, 2012.
Maturity Date	June 1, 2022.
Interest	Interest on the notes will accrue at a rate of 5.75% per annum, payable semi-annually in arrears in cash on June 1 and December 1 of each year, commencing December 1, 2012. Interest will accrue from and including May 18, 2012.
Optional Redemption	We may redeem the notes, in whole or in part, at any time on or after June 1, 2017, at the redemption prices described under "Description of Notes Optional Redemption," together with accrued and unpaid interest to the redemption date. At any time prior to June 1, 2017, we may redeem the notes, in whole or in part, at a redemption price equal to 100% of their principal amount plus a make-whole premium described in "Description of Notes Optional Redemption," together with accrued and unpaid interest to the redemption date.

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	In addition, prior to June 1, 2015, we may redeem up to 35% of the aggregate principal amount of outstanding notes with the proceeds of certain equity offerings at a redemption price equal to 105.750% of their principal amount, plus accrued and unpaid interest to the redemption date. We may make such redemption only if, after any such redemption, at least 65% of the aggregate principal amount of notes originally issued under the indenture (including any additional notes) remains outstanding. See "Description of Notes Optional Redemption."
Change of Control	In the event of a change of control under the terms of the indenture, each holder of the notes will have the right to require us to purchase such holder's notes at a price of 101% of their principal amount plus accrued interest, if any, to the date of purchase. See "Description of Notes Change of Control."
Ranking	The notes will be our general unsecured obligations and will rank:

equal in right of payment to all of our existing and future unsecured indebtedness and other obligations that are not, by their terms, expressly subordinated in right of payment to the notes, including the 2019 notes for so long as they remain outstanding;

senior in right of payment to any of our future indebtedness and other obligations that are, by their terms, expressly subordinated in right of payment to the notes;

effectively subordinated to all of our secured indebtedness and other secured obligations to the extent of the value of the assets securing such indebtedness and other obligations; and

structurally subordinated to all indebtedness and other liabilities (including trade payables) of our subsidiaries that do not guarantee the notes.

The note guarantee of each guarantor will be a general unsecured senior obligation of that guarantor and will rank:

equal in right of payment to all existing and future unsecured indebtedness and other obligations of that guarantor that are not, by their terms, expressly subordinated in right of payment to the note guarantee, including the guarantees of the 2019 notes for so long as they remain outstanding;

senior in right of payment to any future indebtedness and other obligations of that guarantor that are, by their terms, expressly subordinated in right of payment to the note guarantee; and

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	effectively subordinated to all secured indebtedness and other secured obligations of that guarantor to the extent of the value of the assets securing such indebtedness and other obligations. As of June 30, 2012, after giving effect to this offering and the use of proceeds therefrom, we had consolidated total indebtedness of approximately $1,670.7 million, including capital leases, of which approximately $61.3 million was secured and effectively senior to the notes, approximately $1,450.0 million ranked equally in right of payment with the notes and none was subordinated in right of payment to the notes. In addition, as of June 30, 2012, our non-guarantor subsidiaries had liabilities of approximately $159.7 million, all of which was structurally senior to the notes. As of June 30, 2012, we had additional availability under our senior credit facility of up to $325.4 million, all of which would be secured and would be effectively senior to the notes.
Certain Covenants	The indenture governing the notes contains covenants that, among other things, limit our ability and the ability of our restricted subsidiaries to: incur more debt; pay dividends, redeem stock or make other distributions; make certain investments; create liens; transfer or sell assets; merge or consolidate; and enter into transactions with our affiliates. These covenants are subject to important exceptions and qualifications, which are described under "Description of Notes Certain Covenants" and "Description of Notes Merger and Consolidation."
Trading Market for the Notes	We do not intend to apply for a listing of the notes on any securities exchange or any automated dealer quotation system. The underwriter has advised us that they presently intend to make a market in the notes. However, you should be aware that they are not obligated to make a market in the notes and may discontinue their market-making activities at any time without notice. As a result, a liquid market for the notes may not be available if you try to sell your notes.
Use of Proceeds	We will use the net proceeds of this offering for general corporate purposes. See "Use of Proceeds."

You should carefully consider all of the information in this prospectus supplement and the accompanying prospectus, or incorporated by reference herein, including the discussion under the caption "Risk Factors," before investing in the notes.

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SUMMARY CONSOLIDATED FINANCIAL DATA

The following summary consolidated financial data of Sally Beauty Holdings, Inc. for each of the fiscal years in the three-year period ended September 30, 2011 have been derived from our audited consolidated financial statements incorporated by reference into this prospectus supplement. The following summary consolidated financial data for each of the nine-month periods ended June 30, 2011 and 2012 have been derived from our unaudited consolidated financial statements incorporated by reference into this prospectus supplement and are not necessarily indicative of the results for the remainder of the fiscal year or any future period. The following summary consolidated financial statements for the twelve-month period ended June 30, 2012 are derived from our audited consolidated financial statements for the year ended September 30, 2011 and the unaudited consolidated financial statements for the nine month period ended June 30, 2012. The following summary consolidated financial data should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical financial statements and notes thereto incorporated by reference into this prospectus supplement.

Fiscal Year Ended			Nine Months Ended		Twelve Months Ended
Sep. 30, 2009	Sep. 30, 2010	Sep. 30, 2011	June 30, 2011	June 30, 2012	June 30, 2012