

Ulta Salon, Cosmetics & Fragrance, Inc.

Form DEF 14A

May 30, 2008

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**United States Securities And Exchange Commission
Washington, D.C. 20549
SCHEDULE 14A
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO.____)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under Rule 14a-12

ULTA SALON, COSMETICS & FRAGRANCE, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the

Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON JULY 16, 2008**

TO THE STOCKHOLDERS OF ULTA SALON, COSMETICS & FRAGRANCE, INC.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Ulta Salon, Cosmetics & Fragrance, Inc. (Ulta), a Delaware corporation, will be held on Wednesday, July 16, 2008, at 10:00 A.M. local time, at Ulta s headquarters located at 1000 Remington Blvd., Bolingbrook, Illinois 60440, for the following purposes:

1. To elect Dennis K. Eck, Yves Sisteron and Charles J. Philippin as Class I Directors to hold office until the 2011 Annual Meeting of Stockholders;
2. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm, for our fiscal year 2008, ending January 31, 2009; and
3. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

The foregoing items of business are more fully described in the Proxy Statement accompanying this Notice.

The Board of Directors has fixed the close of business on May 23, 2008, as the record date for the determination of stockholders entitled to notice of and to vote on the items listed above at this Annual Meeting and at any adjournment or postponement thereof.

By Order of the Board of Directors

Robert S. Guttman
Senior Vice President, General Counsel and Secretary

May 30, 2008

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON, KINDLY MARK, SIGN AND DATE THE ENCLOSED PROXY CARD AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE (WHICH IS POSTAGE PREPAID, IF MAILED IN THE UNITED STATES). EVEN IF YOU HAVE GIVEN YOUR PROXY, YOU MAY STILL REVOKE YOUR PROXY AND VOTE IN PERSON IF YOU ATTEND THE MEETING. PLEASE NOTE, HOWEVER, THAT IF YOUR SHARES OF RECORD ARE HELD BY A BROKER, BANK OR OTHER NOMINEE AND YOU

**WISH TO VOTE AT THE MEETING, YOU MUST OBTAIN FROM THE RECORD HOLDER A PROXY
ISSUED IN YOUR NAME.**

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**1000 Remington Blvd., Suite 120
Bolingbrook, IL 60440**

**PROXY STATEMENT
FOR ANNUAL MEETING OF STOCKHOLDERS
JULY 16, 2008**

ARTICLE I. PROXY MATERIALS AND ANNUAL MEETING

QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING

1. Q: General Why am I receiving these materials?

A: On or about May 30, 2008, we sent the Notice of Annual Meeting of Stockholders, Proxy Statement and Proxy Card to you, and to all stockholders of record as of the close of business on May 23, 2008, because the Board of Directors of Ulta is soliciting your proxy to vote at the 2008 Annual Meeting of Stockholders. Also enclosed are our 2007 Annual Report and Form 10-K for fiscal 2007.

2. Q: Date, Time and Place When and where is the Annual Meeting of Stockholders?

A: The Annual Meeting of Stockholders will be held on Wednesday, July 16, 2008, at 10:00 A.M. local time, at Ulta's headquarters located at 1000 Remington Blvd., Bolingbrook, Illinois 60440.

3. Q: Purpose What is the purpose of the Annual Meeting of Stockholders?

A: At our Annual Meeting, stockholders will act upon the matters outlined in this Proxy Statement and in the Notice of Annual Meeting on the cover page of this Proxy Statement, including the election of Directors, and ratification of our independent registered public accounting firm. Following the Annual Meeting, management will respond, if applicable, to questions from stockholders and may make a presentation on our performance.

4. Q: Attending the Annual Meeting How can I attend the Annual Meeting?

A: You will be admitted to the Annual Meeting if you were an Ulta stockholder or joint holder as of the close of business on May 23, 2008, or you hold a valid proxy for the Annual Meeting. You should be prepared to present photo identification for admittance. In addition, if you are a stockholder of record, your name will be verified against the list of stockholders of record prior to admittance to the Annual Meeting. If you are not a stockholder of record but hold shares through a broker, trustee or nominee, you should provide proof of beneficial ownership on the record date, such as your most recent account statement prior to May 23, 2008, a copy of the voting instruction card provided by your broker, trustee or nominee, or other similar evidence of ownership. If a stockholder is an entity and not a natural person a maximum of two representatives per such stockholder will be admitted to the Annual Meeting. Such representatives must comply with the procedures outlined above and must also present evidence of authority to represent such entity. If a stockholder is a natural person and not an entity, such stockholder and his/her immediate family members will be admitted to the Annual Meeting, provided they comply with the above procedures. In order to be admitted to the Annual

Meeting, all attendees must provide photo identification and comply with the other procedures outlined above upon request.

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5. Q: Multiple Sets of Proxy Materials What should I do if I receive more than one set of voting materials?

A: You may receive more than one set of voting materials, including multiple copies of this Proxy Statement and multiple Proxy Cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you may receive a separate voting instruction card for each brokerage account. If you are a stockholder of record and your shares are registered in more than one name, you will receive more than one Proxy Card. Please vote each Proxy Card and voting instruction card that you receive.

6. Q: Record Holders and Beneficial Owners What is the difference between holding shares as a Record Holder versus a Beneficial Owner?

A: Most Ulta stockholders hold their shares through a broker or other nominee rather than directly in their own name. There are some distinctions between shares held of record and those owned beneficially:

Record Holders If your shares are registered directly in your name with our Transfer Agent, American Stock Transfer & Trust Company, you are considered, with respect to those shares, the stockholder of record or Record Holder. As the stockholder of record, you have the right to grant your voting proxy directly to Ulta or to vote in person at the Annual Meeting. We have enclosed or sent a Proxy Card for you to use.

Beneficial Owner If your shares are held in a brokerage account or by another nominee, you are considered the Beneficial Owner of shares held in *street name*, and these proxy materials are being forwarded to you automatically, along with a voting instruction card from your broker, trustee or nominee. As a Beneficial Owner, you have the right to direct your broker, trustee or nominee how to vote and are also invited to attend the Annual Meeting. Since a Beneficial Owner is not the stockholder of record, you may not vote these shares in person at the meeting unless you obtain a legal proxy from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the meeting. Your broker, trustee or nominee has enclosed or provided voting instructions for you to use in directing how to vote your shares. If you do not give instructions to your broker, your broker can vote your shares with respect to discretionary items, but not with respect to non-discretionary items. The election of Directors and the ratification of the appointment of independent registered public accounting firms are considered discretionary items. On non-discretionary items for which you do not give your broker instructions, the shares will be treated as broker non-votes.

7. Q: Voting Who can vote and how do I vote?

A: Only holders of our Common Stock at the close of business on May 23, 2008, will be entitled to notice of and to vote at the Annual Meeting. At the close of business on May 23, 2008, we had outstanding and entitled to vote 57,329,917 shares of Common Stock. Each holder of our Common Stock on such date will be entitled to one vote for each share held on all matters to be voted upon at the Annual Meeting.

To ensure that your vote is recorded promptly, please vote as soon as possible, even if you plan to attend the Annual Meeting in person. Most stockholders have two options for submitting their votes:

by mail, using the paper Proxy Card; or

in person at the Annual Meeting with a Proxy Card/legal proxy.

For further instructions on voting, see your Proxy Card. If you attend the Annual Meeting, you may also submit your vote in person, and any previous votes that you submitted by mail will be superseded by the vote that you cast at the

Annual Meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the Annual Meeting, you must obtain from the Record Holder a legal proxy issued in your name.

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8. Q: Revocation of Proxy May I change my vote after I return my proxy?

A: Yes. Even after you have submitted your proxy/vote, you may revoke or change your vote at any time before the proxy is exercised by (i) the timely delivery of a valid, later-dated proxy, timely written notice of revocation with our Corporate Secretary at our principal executive offices at 1000 Remington Blvd., Suite 120, Bolingbrook, IL 60440; or (ii) by attending the Annual Meeting and voting in person. Attendance at the Annual Meeting will not, by itself, revoke a proxy.

9. Q: Quorum What constitutes a quorum?

A: Presence at the Annual Meeting, in person or by proxy, of the holders of a majority of the Common Stock outstanding on May 23, 2008, will constitute a quorum, permitting the Annual Meeting to proceed and business to be conducted. As of May 23, 2008, 57,329,917 shares of Common Stock, representing the same number of votes, were outstanding. Thus, the presence of the holders of Common Stock representing at least 28,664,959 votes will be required to establish a quorum. Proxies received but marked as abstentions will be included in the calculation of the number of votes considered to be present at the meeting.

10. Q: Voting Results Where can I find the voting results of the Annual Meeting?

A: We will publish final results in our Form 10-Q Quarterly Report for the second quarter of fiscal year 2008.

11. Q: Solicitation Who will pay the costs of soliciting these proxies?

A: We will bear the entire cost of solicitation of proxies, including preparation, assembly, printing and mailing of this Proxy Statement, the Proxy Card and any additional information furnished to stockholders. Copies of solicitation materials will be furnished to banks, brokerage houses, fiduciaries and custodians holding shares of Common Stock beneficially owned by others to forward to such Beneficial Owners. We may reimburse persons representing Beneficial Owners of Common Stock for their reasonable costs of forwarding solicitation materials to such Beneficial Owners. Original solicitation of proxies may be supplemented by electronic means, mail, facsimile, telephone or personal solicitation by our Directors, officers or other employees. No additional compensation will be paid to our Directors, officers or other regular employees for such services.

12. Q: Additional Matters at the Annual Meeting What happens if additional matters are presented at the Annual Meeting?

A: Other than the two proposals described in this Proxy Statement, we are not aware of any other properly submitted business to be acted upon at the Annual Meeting. If you grant a proxy, the persons named as proxy holders, Lyn P. Kirby, our Chief Executive Officer and President, and Robert S. Guttman, our Senior Vice President, General Counsel and Secretary, will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting. If, for any unforeseen reason, any of our nominees are not available as a candidate for Director, the persons named as proxy holders will vote your proxy for such other candidate or candidates as may be nominated by the Board of Directors.

13. Q: Stockholder Proposals What is the deadline to propose actions for consideration at next year's Annual Meeting of Stockholders, or to nominate individuals to serve as Directors?

A: Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934 (the Exchange Act), the deadline for submitting a stockholder proposal for inclusion in our Proxy Statement and Proxy Card for our 2009 Annual Meeting of Stockholders is January 30, 2009. Under our Bylaws, stockholders who wish to bring matters or propose Director nominees at our 2009 Annual Meeting of Stockholders must provide specified information to us no earlier than March 18, 2009 and no later than April 17, 2009. Stockholders are also advised to review our Bylaws, which contain additional requirements with respect to advance notice of stockholder proposals and Director nominations. Proposals by stockholders must be mailed to our Corporate Secretary at our principal executive offices at 1000 Remington Blvd., Suite 120, Bolingbrook, IL 60440.

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14. Q: Nomination of Directors How do I submit a proposed Director nominee to the Board of Directors for consideration?

A: You may propose Director nominees for consideration by the Board of Directors nominating and corporate governance committee. Any such recommendation should include the nominee's name and qualifications for Board membership and should be directed to our Corporate Secretary at the address of our principal executive offices set forth above. Such recommendation should disclose all relationships that could give rise to a lack of independence and also contain a statement signed by the nominee acknowledging that he or she will owe a fiduciary obligation to Ulta and our stockholders. The section titled Corporate Governance and the Board of Directors below provides additional information on the nomination process. In addition, please review our Bylaws in connection with nominating a Director for election at our Annual Meeting of Stockholders.

Table of Contents**ARTICLE II. CORPORATE GOVERNANCE AND THE BOARD OF DIRECTORS****CORPORATE GOVERNANCE**

Over the course of Ulta's history, the Board of Directors has developed corporate governance practices consistent with its duties of good faith, due care and loyalty, to help fulfill its responsibilities to our stockholders.

Board of Directors meetings and committees

During the fiscal year ended February 2, 2008, the Board of Directors held 14 meetings. Commencing fiscal year 2003, Mr. Eck became our Non-Executive Chairman, and typically presides over the executive sessions. The Board of Directors has an audit committee, a nominating and corporate governance committee and a compensation committee. During fiscal year 2007, Yves Sisteron attended fewer than 75% of the aggregate meetings of the Board of Directors and of the committees on which he served that were held during the period for which he was a Director or committee member, respectively. Directors are invited and are expected to attend the Annual Meeting of Stockholders.

Committee Composition: The following table provides the composition of each of our committees as of February 2, 2008:

Director	Audit Committee¹	Nominating and Corporate Governance Committee	Compensation Committee²
Dennis K. Eck*			
Lyn P. Kirby			
Hervé J.F. Defforey			
Robert F. DiRomualdo	ü		
Gerald R. Gallagher		ü	
Terry J. Hanson ³	ü		
Charles Heilbronn			ü
Steven E. Lebow		ü	ü
Yves Sisteron			

1. Additional information regarding the audit committee can be found starting on Page 17.
2. Additional information regarding the compensation committee can be found starting on Page 19.

3. We expect that Charles J. Philippin, a nominee for Director at this year's annual meeting, will join the audit committee following his election to the Board.

* Non-Executive Chairman of the Board.

Committee chairman.

Nominating and corporate governance committee

The nominating and corporate governance committee acts under a written charter that was approved by the Board of Directors and has been published under "Corporate Governance" in the Investor Relations section of the Ulta website located at www.ulta.com. The primary responsibility of the nomination and corporate governance committee is to recommend to the Board of Directors candidates for nomination as Directors. The committee reviews the performance and independence of each Director, and in appropriate circumstances, may recommend the removal of a Director for cause. The committee oversees the evaluation of the Board of Directors and management. The committee also recommends to the Board of Directors policies with respect to corporate governance. During fiscal year 2007, the nominating and corporate governance committee was composed of the following independent Directors: Messrs. Heilbronn (Chairman), Lebow and Gallagher. The Board of Directors has determined that each

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committee member qualifies as a nonemployee director under rules and regulations of the Securities and Exchange Commission (the SEC), as well as the independence requirements of NASDAQ. The nominating and corporate governance committee did not meet during fiscal year 2007.

Independence

Board member independence is an essential element of Ulta corporate governance. The Board of Directors has determined that each of the current non-employee Directors and each nominee for Director is free of any relationship that would interfere with his or her individual exercise of independent judgment with regard to Ulta. Lyn P. Kirby, Chief Executive Officer and President, is the sole member of the Board of Directors that is not independent due to her office with Ulta. Each member of the nominating and corporate governance committee, compensation committee and audit committee satisfy the current independence requirements of NASDAQ and the SEC.

Nominating and corporate governance committee charter

The nominating and corporate governance committee charter identifies the roles and responsibilities that govern the nominating and corporate governance committee, such as:

identifying qualified candidates to become Board members;

selecting nominees for election as Directors at the next annual meeting of stockholders (or special meeting of stockholders at which Directors are to be elected);

selecting candidates to fill any vacancies on the Board; and

overseeing the evaluation of the Board.

Nomination process qualifications

The nominating and corporate governance committee is responsible for reviewing the appropriate skills and characteristics required of Directors in the context of prevailing business conditions, and in its nominating committee capacity, for making recommendations regarding the size and composition of the Board of Directors. The objective of the nominating and corporate governance committee is to create and sustain a Board of Directors that brings to Ulta a variety of perspectives and skills derived from high-quality business and professional experience. The nominating and corporate governance committee recommends those candidates who possess the highest personal and professional integrity, have prior experience in corporate management and the industry, maintain academic expertise in an area of our operations and demonstrate practical and mature business judgment.

We will consider all stockholder recommendations for candidates for the Board of Directors and, to date, we have not received a timely Director nominee from a stockholder. Stockholders who want to suggest a candidate for consideration should send a written notice, addressed to the Corporate Secretary at our principal executive offices at 1000 Remington Blvd., Suite 120, Bolingbrook, IL 60440. Further details about the nomination process may be found in the answer to Question 14 above, entitled "Nomination of Directors - How do I submit a proposed Director nominee to the Board of Directors for consideration?"

This notice must include the following information for each candidate the stockholder proposes to nominate:

(1) name, age, business address and residence address, (2) principal occupation or employment, (3) class and number of shares of capital stock beneficially owned by such candidate and (4) any other information relating to the candidate that is required to be disclosed in solicitations for proxies for the election of Directors pursuant to applicable

SEC rules. In addition, the stockholder giving such notice must include his or her (1) name and record address and (2) the class and number of shares such stockholder beneficially owns.

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Code of Business Conduct

All Ulta employees, officers and members of the Board of Directors must act ethically at all times and in accordance with the policies comprising the Ulta Code of Business Conduct. We demand full compliance with this policy from employees, officers and members of the Board of Directors, including our Chief Executive Officer, Chief Financial Officer and such other individuals performing similar positions. Moreover, all corporate employees, officers and members of the Board of Directors have signed a certificate acknowledging that they have read, understood and will continue to comply with the policy, and all corporate employees and officers are required to read and acknowledge this policy on an annual basis. Ulta includes the Code of Business Conduct in new hire materials for all corporate employees. The policy is published and any amendments or waivers thereto will be published under Corporate Governance in the Investor Relations section of the Ulta website located at www.ulta.com.

Disclosure committee

The disclosure committee is a management committee that acts under a written charter approved by the audit committee. Its primary responsibility is to assist our Chief Executive Officer and Chief Financial Officer in fulfilling their responsibility for oversight of the accuracy and timeliness of our disclosures. Management and the disclosure committee have established disclosure controls and procedures designed to ensure that disclosures required by the SEC and other written information to be disclosed to the investment community are recorded, processed, summarized and reported accurately on a timely basis. These disclosure controls and procedures are monitored and evaluated for their effectiveness on a regular basis. The disclosure committee, in conjunction with management, reviews and approves the preparation of SEC filings and various documents distributed to the investment community containing financial information or other material information. The disclosure committee discusses all relevant information with our Chief Executive Officer and Chief Financial Officer and, if needed, the Board of Directors and the audit committee.

Stockholder communication

Any stockholder is free to communicate in writing with the Board of Directors on matters pertaining to Ulta by addressing their comments to the Board of Directors, c/o General Counsel, Ulta Salon, Cosmetics & Fragrance, Inc., 1000 Remington Blvd., Suite 120, Bolingbrook, IL 60440, or by e-mail at InvestorRelations@ulta.com.

PROPOSAL ONE

ELECTION OF DIRECTORS

Our Amended and Restated Certificate of Incorporation provides that our Board of Directors be divided into three classes designated Class I, Class II and Class III, with each class consisting, as nearly as possible, of one-third of the total number of Directors. Each class serves a three-year term with one class being elected at each year's annual meeting of stockholders, beginning in 2008. Vacancies on our Board of Directors may be filled by persons elected by a majority of the remaining Directors. A Director elected by our Board of Directors to fill a vacancy, including a vacancy created by an increase in size of our Board of Directors, will serve for the remainder of the full term of the class of Directors in which the vacancy occurred and until that Director's successor is elected and qualified.

The Board of Directors is presently composed of nine members, eight of whom are non-employee, independent Directors. Each Director was elected to the Board of Directors to serve until a successor is duly elected and qualified or until his or her death, resignation or removal. There are currently no vacancies. Messrs. Eck, Sisteron and Hanson are the Class I Directors whose terms expire in 2008. All three were previously elected by our stockholders. Messrs. Eck and Sisteron are nominees for re-election, and Charles J. Philipin is a nominee for election, to the Board

of Directors. Mr. Philippin's nomination was recommended to the nominating and corporate governance committee by our non-management Directors. If elected at the Annual Meeting, each of the nominees would serve

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until the 2011 Annual Meeting of Stockholders and until their successors are elected and qualified, or until their death, resignation or removal. Messrs. Gallagher, Defforey and DiRomualdo are Class II Directors with terms expiring in 2009 and Messrs. Heilbronn and Lebow and Ms. Kirby are Class III Directors with terms expiring in 2010.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting will be required to approve the nominees for re-election. Abstentions will be counted toward the tabulation of votes cast on proposals presented to the stockholders and will have the same effect as negative votes. Broker non-votes are counted towards a quorum, but are not counted for any purpose in determining whether this matter has been ratified.

Set forth below is biographical information for each nominee for election for a three-year term expiring at the 2011 Annual Meeting:

Name	Age	Positions with Us / Principal Occupations / Business Experience	Director Since
Dennis K. Eck	65	Mr. Eck has been our Non-Executive Chairman of the Board of Directors and a Director of Ulta since October 2003. Prior to that, Mr. Eck served in various executive roles with Coles Myer, one of Australia's largest retailers, where he was Chief Executive Officer and a member of the board of Coles Myer LTD Australia from November 1997 to September 2001; Chief Operating Officer and a member of the board of Coles Myer LTD from April 1997 to November 1997; Managing Director-Basic Needs of Coles Myer LTD from November 1996 to April 1997; and Managing Director of Coles Myer Supermarkets from May 1994 to November 1996. Prior to 1994, Mr. Eck served in executive roles and/or on the board of directors at The Vons Companies Inc., American Stores, Inc., American Food and Drug and Acme Markets, Inc. Mr. Eck is a director of eStyle (babystyle).	2003
Yves Sisteron	53	Mr. Sisteron has been a Managing Partner and Co-Founder of GRP Partners, a venture capital firm, since 2000. Prior to that, Mr. Sisteron was a managing director at Donaldson Lufkin & Jenrette overseeing the operations of Global Retail Partners, which he started with Mr. Lebow in 1996. From 1989 to 1996, Mr. Sisteron managed the U.S. investments of Fourcar B.V., a division of Carrefour S.A. Mr. Sisteron is a director of EnvestNet Asset Management (member of compensation committee), HealthDataInsights, Kyriba, Inc., Qualys, Inc., Netsize, S.A. and Actimagine, Inc.	1993

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Name	Age	Positions with Us / Principal Occupations / Business Experience	Director Since
Charles J. Philippin	58	Mr. Philippin was a principal of Garmark Advisors, a mezzanine investment fund, from 2002 until his retirement in February 2008. From 2000 through 2002, Mr. Philippin served as Chief Executive Officer of Online Retail Partners, an Internet incubator company. From 1994 through 2000, Mr. Philippin was a member of the management committee of Investcorp International Inc., a global investment group. Prior to 1994, Mr. Philippin was a partner of PricewaterhouseCoopers where he served as National Director of Mergers & Acquisitions. Mr. Philippin is a director, and chairman of the audit committees, of CSK Auto and Alliance Laundry Systems. Mr. Philippin has also served as a director of Samsonite Corporation (2003-2007) and Saks Fifth Avenue (1993-2000).	N/A

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE IN FAVOR OF EACH NAMED NOMINEE
INFORMATION ABOUT OUR BOARD OF DIRECTORS**

Directors continuing in office until the 2009 Annual Meeting:

Name	Age	Positions with Us / Principal Occupations / Business Experience	Director Since
Gerald R. Gallagher	67	Mr. Gallagher has been a General Partner of Oak Investment Partners, a venture capital partnership, since 1987. Prior to 1987, Mr. Gallagher served as Vice Chairman of Dayton Hudson Corporation and, prior to that, as a retail industry analyst at Donaldson, Lufkin & Jenrette. Mr. Gallagher is a director of Cheddar's Casual Café (member of the compensation committee), eStyle (babystyle) (member of the compensation committee), Potbelly Sandwich Works and Xiotech.	1998
Hervé J.F. Defforey	58	Mr. Defforey has been an operating partner of GRP, a venture capital firm, in Los Angeles, California since September 2006.	