



## **Fox Paine Forms Cradle Holdings, A New Cosmetics Entity; Erno Laszlo and Penhaligon's Are First Acquisitions**

**-- Robert A. Nielsen, former Group President of Estee Lauder Companies, named CEO of Cradle Holdings --**

**SAN FRANCISCO, Calif. -- February 8, 2002** -- Fox Paine & Company, LLC, the San Francisco-based private equity firm, announced the creation of Cradle Holdings, Inc., a new cosmetics business entity. Formed to acquire and nurture promising prestige beauty companies, Cradle Holdings will provide the expertise needed for high-quality, well-established brands to maximize growth and realize synergies of management and operations. Headquartered in New York City, the privately held company has to-date acquired, in separate transactions, Erno Laszlo and Penhaligon's, based in New York and London, respectively, with other acquisitions slated for the future.

Saul A. Fox, CEO of Fox Paine & Company, said, "Fox Paine has long been interested in the personal care products industry. We are quite fortunate to be working here with Bob Nielsen, who has an exemplary track record building leading brands. We look forward to supporting the very talented Cradle management team in building a dynamic cosmetics and personal care products company over the coming years. Given these two solid platforms in the United States and Europe, Cradle is well positioned for long-term internal growth as well as for future opportunities to acquire other select, fine brands."

Robert A. Nielsen, formerly Group President of the Estee Lauder Companies, has been named CEO of Cradle Holdings. Nielsen brings forty-six years of experience in the cosmetic and fragrance industry, including the launch and leadership of many of its most successful brands: Aramis, Clinique, Prescriptives, Tommy Hilfiger, La Mer, Jo Malone and Kate Spade Beauty.

"We are incredibly excited about our partnership with Fox Paine, and our acquisition of these two exceptional brands," said Nielsen. "Laszlo, the first dermatological skin care line, was once the top brand in U.S. specialty stores; Penhaligon's, for over 130 years, has been the UK's premier destination for toiletries and gifts. The heritage of these lines, coupled with the quality of the products and the loyal customer base, will be our platform for building each brand's success."

Jane Terker is President and COO. Former founder of JTP Associates Ltd., a business development and marketing company, her national client list included J Crew Inc., M.D. Skincare, Kiss My Face and Chromatics Color Systems. Previously she was President of the Donna Karan Beauty Company. Earlier, Terker served as Vice President, Marketing at Cosmair/L'Oreal overseeing Ralph Lauren Fragrances, Giorgio Armani Parfums, Paloma Picasso Fragrances, Guy Laroche and Cacharel.

"Forming Cradle Holdings is a dream come true for me," said Terker. "Helping grow these very special brands -- brands whose customers have been extremely loyal, brands that I know we'll be able to enhance significantly - is truly the job of a lifetime."

The leadership team is further complemented by three top industry executives: Phil Theiss, Vice President, Chief Financial Officer, also a veteran of Estee Lauder and most recently CFO of Natural Organics; Lauren Freedman, Vice President, Sales, most recently in a similar role at Prescriptives at Estee Lauder; and Michael Brillhart, Vice President, International whose vast international experience includes responsibilities for Parfum Christian Dior International and for many years, Elizabeth Arden International.

Fox Paine & Company, LLC manages over \$1.5 billion of investment funds providing equity capital for management buyouts, going-private transactions, and company expansion and growth programs. Fox Paine was founded in 1997 by Saul A. Fox, a former general partner of Kohlberg Kravis Roberts & Co., and W. Dexter Paine, III, a former general partner of Kohlberg & Co. More information about Fox Paine can be found at <http://www.foxpaine.com>.

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