REGIS CORP
Form DEF 14A
September 19, 2007

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 x
Filed by a Party other than the Registrant o
Check the appropriate box:

o	Preliminary Proxy Statement
o	**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
x	Definitive Proxy Statement
o	Definitive Additional Materials
o	Soliciting Material Pursuant to §240.14a-12

REGIS CORPORATION
(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):

x	No fee required.	
o	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:
	(2)	Aggregate number of securities to which transaction applies:
	(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):
	(4)	Proposed maximum aggregate value of transaction:
	(5)	Total fee paid:
o	Fee paid previously with preliminary materials.	
o	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:

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held October 23, 2007

TO THE SHAREHOLDERS OF REGIS CORPORATION:

The Annual Meeting of the Shareholders of Regis Corporation (referred to as we, us, our, Regis and the Company) will be held at our execu offices located at 7201 Metro Boulevard, Edina, Minnesota, 55439, on October 23, 2007, commencing at 9:00 a.m., for the following purposes:

1. To elect seven directors to serve for a one-year term and until their successors are elected and qualified;

2. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm; and

3. To transact such other business, if any, as may properly come before the Annual Meeting or any adjournment or postponement thereof.

Only holders of record of our Common Stock at the close of business on September 18, 2007 are entitled to notice of and to vote at the Annual Meeting or any adjournment or postponement thereof.

A list of shareholders entitled to vote at the Annual Meeting will be available for examination, for any purpose germane to the Annual Meeting, at our executive offices during ordinary business hours for at least ten days prior to the Annual Meeting and for the duration of the Annual Meeting itself.

Whether or not you plan to attend the Annual Meeting in person, please fill in, sign and date the enclosed proxy card and mail it promptly. Should you nevertheless attend the Annual Meeting, you may revoke your proxy and vote in person. A return envelope, which requires no postage if mailed in the United States, is enclosed for your convenience.

Remember, if your shares are held in the name of a broker, only your broker can vote your shares and only after receiving your instructions. Please contact the person responsible for your account and instruct him/her to execute a proxy card on your behalf.

By Order of the Board of Directors

Eric A. Bakken
Secretary

WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING, PLEASE SIGN THE PROXY AND RETURN IT IN THE ENCLOSED ENVELOPE. NO POSTAGE IS REQUIRED IF MAILED WITHIN THE UNITED STATES.

September 19, 2007

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS, OCTOBER 23, 2007

This Proxy Statement is furnished to shareholders of REGIS CORPORATION, a Minnesota corporation (the Company), in connection with the solicitation on behalf of our Board of Directors (the Board) of proxies for use at the annual meeting of shareholders to be held on October 23, 2007, and at any adjournment or postponement thereof, for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders. This Proxy Statement and the enclosed proxy card are first being mailed or given to shareholders on or about September 20, 2007.

The address of our principal executive office is 7201 Metro Boulevard, Edina, Minnesota 55439.

SOLICITATION AND REVOCATION OF PROXIES

The costs and expenses of solicitation of proxies will be paid by us. In addition to the use of the mails, proxies may be solicited by our directors, officers and regular employees personally or by telegraph, telephone or letter without extra compensation.

Proxies in the form enclosed are solicited on behalf of the Board. Any shareholder giving a proxy in such form may revoke it at any time before it is exercised by attending the annual meeting and revoking it or by providing written notice of revocation or by submitting another proxy bearing a later date to our Secretary at the address set forth above. Such proxies, if received in time for voting and not revoked, will be voted at the annual meeting in accordance with the specification indicated thereon. In addition, the proxies will grant the persons entitled to vote the proxied shares the authority to vote to adjourn the meeting.

VOTING RIGHTS

Only shareholders of record as of the close of business on September 18, 2007, will be entitled to execute proxies or to vote. On that date, there were 44,182,859 shares issued, outstanding and entitled to vote. Each share of Common Stock is entitled to one vote. A majority of the outstanding shares represented in person or by proxy at the meeting is required to transact business, and constitutes a quorum for voting on items at the meeting. If you vote, your shares will be part of the quorum. Abstentions and broker non-votes will be counted as being represented at the meeting in determining the quorum, but neither will be counted as a vote in favor of a matter. The affirmative vote of a plurality of the shares of Common Stock present in person or by proxy at this annual meeting and entitled to vote is required for the election to the Board of each of the nominees for director. Shareholders do not have the right to cumulate their votes in the election of directors. The affirmative vote of the holders of the greater of (1) a majority of the shares of our Common Stock present in person or by proxy entitled to vote on the proposal or (2) a majority of the minimum number of shares entitled to vote that would constitute a quorum for the transaction of business at the meeting is required for approval of the other proposal presented in this Proxy Statement. A shareholder who abstains with respect to that proposal will have the effect of casting a negative vote on that proposal. A shareholder who does not vote in person or by proxy on a proposal (including a broker non-vote) is not deemed to be present in person or by proxy for the purpose of determining whether a proposal has been approved. If your shares are held directly and you decide to vote electronically, please follow the directions on your proxy card.

ITEM 1
ELECTION OF DIRECTORS

Seven directors are to be elected at this annual meeting, each to hold office for one year until the 2008 annual meeting of shareholders. Based upon the recommendation of the Nominating and Corporate Governance Committee, the Board has nominated the seven persons named below for election as directors. All of the nominees are presently directors of Regis.

The enclosed proxy, unless authority to vote is withheld, will be voted for the election of the nominees named herein as directors of Regis. In the event any one or more of such nominees shall unexpectedly become unavailable for reelection, votes will be cast, pursuant to authority granted by the enclosed proxy, for such person or persons as may be designated by the Board. The following table contains certain information with respect to the nominees:

Name and Age	Position
Rolf F. Bjelland (69)	Director
Paul D. Finkelstein (65)	President, Chief Executive Officer, and Chairman of the Board
Thomas L. Gregory (71)	Director
Van Zandt Hawn (62)	Director
Susan S. Hoyt (63)	Director
David B. Kunin (48)	Vice President, The Regis Foundation, and Director
Myron Kunin (78)	Vice Chairman of the Board

Mr. Bjelland was elected a director of Regis in 1983. Since 1983, Mr. Bjelland has held various executive positions with Lutheran Brotherhood, a fraternal insurance society, and was President and Chairman of Lutheran Brotherhood Mutual Funds until his retirement in 2002. He is the chairman of the board of the CUNA Mutual Fund Group of Madison, Wisconsin.

Mr. Finkelstein has served as President and Chief Executive Officer of Regis since July 1, 1996, Chairman of the Board since May 4, 2004, and was Chief Operating Officer of Regis from December 1987 until June 30, 1996. He has been a director of Regis since 1987.

Mr. Gregory was elected a director of Regis in November 1996. Mr. Gregory had been a director of Supercuts, Inc. from 1991 until Supercuts was acquired by a subsidiary of Regis on October 25, 1996. He was Chairman of the Board of Supercuts from January 4, 1996 until October 25, 1996, and served as interim Chief Executive Officer of Supercuts from January 4, 1996 until January 31, 1996. From 1980 through 1994, Mr. Gregory held various executive positions with Sizzler International, Inc. and its predecessors, including President, Chief Executive Officer, Director and Vice Chairman. He is currently a director of The Cheesecake Factory, Inc., the owner and operator of upscale, full-service, casual dining restaurants throughout the United States.

Mr. Hawn was elected a director of Regis in 1991. Since 1989, he has been a managing director, and was a founder, of Goldner Hawn Johnson & Morrison Incorporated, a private investment firm.

Ms. Hoyt was elected a director of Regis in 1995. Since 1996, she has been Executive Vice President of Human Resources of Staples, Inc. From 1991 to 1996, she was Executive Vice President of Store Operations for the Dayton Hudson Department Stores Division of Dayton Hudson Corporation.

Mr. David Kunin was elected a director of Regis in 1997. He is Chief Executive Officer of Beautopia, LLC, a manufacturer of hair care products. He was Vice President, Marketing, of Regis from November 1992 until February 1997 when he became Chief Executive Officer of Beautopia LLC, and Vice President of The Regis Foundation. He is the son of Myron Kunin.

Mr. Myron Kunin is a founder of Regis and has served as a director since our incorporation in 1954. He was President and Chief Executive Officer from 1965 to June 30, 1996, and was Chairman of the Board from 1983 to May 4, 2004. He is Vice Chairman of the Board and holder of the majority of voting shares of Curtis Squire, Inc., a significant shareholder of Regis. He is also a director of Nortech Systems Incorporated, a manufacturer of wire harnesses and cable and electromechanical assemblies for commercial and defense industries.

CORPORATE GOVERNANCE

The Board believes that good corporate governance is paramount to ensure that we are managed for the long-term benefit of our shareholders. As part of our ongoing efforts to constantly improve corporate governance, the Board and management have undertaken a number of initiatives to improve our corporate governance policies and practices.

Shareholders and other interested persons may view our Corporate Governance Guidelines on our website at *www.regiscorp.com*. This information is also available in printed form free of charge to any shareholder who requests it by writing to our Secretary at 7201 Metro Boulevard, Edina, Minnesota 55439.

Code of Business Conduct and Ethics

The Board has adopted a Code of Business Conduct and Ethics (the Code of Ethics) that applies to all of our employees, directors and officers, including our Chief Executive Officer, Chief Financial Officer, principal accounting officer or controller, and other senior financial officers. The Code of Ethics, as applied to our principal financial officers, constitutes our code of ethics within the meaning of Section 406 of the Sarbanes-Oxley Act and is our code of business conduct and ethics within the meaning of the listing standards of the New York Stock Exchange (NYSE). The Code of Ethics is posted on our website at *www.regiscorp.com*. You may request copies, which will be provided free of charge, by writing to Corporate Secretary, Regis Corporation, 7201 Metro Boulevard, Edina, Minnesota 55439. We intend to promptly disclose future amendments to certain provisions of our Code of Ethics, and any waivers of provisions of the Code of Ethics required to be disclosed under the rules of the Securities and Exchange Commission (SEC) or listing standards of the NYSE, at the same location on our website.

Director Orientation and Continuing Education

Our Nominating and Corporate Governance Committee and the Board oversee the orientation and continuing education of our directors.

Director Independence

With the adoption of our Corporate Governance Guidelines, the Board established independence standards in accordance with the requirements of the NYSE corporate governance rules. To be considered independent under the NYSE rules, the Board must affirmatively determine that a director or director nominee does not have a material relationship with us (directly, or as a partner, shareholder or officer of an organization that has a relationship with us). In addition, no director or director nominee may be deemed independent if the director or director nominee:

- has in the past three years:
- received (or whose immediate family member has received) more than $100,000 per year in direct compensation from us, other than director or committee fees;
- been an employee of ours;
- had an immediate family member who was an executive officer of ours;
- been (or whose immediate family member has been) an affiliate or employee of a present or former internal or independent auditor of Regis;
- been (or whose immediate family member has been) employed as an executive officer of another company whose compensation committee within the past three years has included a present executive officer of Regis; or
- is currently an employee or executive officer (or has an immediate family member who is an executive officer) of another company that makes payments to us, or receives payments from us, for property or services in an amount which, in any single fiscal year, exceeds the greater of $1.0 million or 2% of such other company s consolidated gross revenues.

Under our director independence standards described above, the Board has determined that each director, with the exception of Mr. Finkelstein, Mr. Myron Kunin and Mr. David Kunin, is independent. A majority of our Board members is independent.

Communications with the Board

Shareholders and other interested parties who wish to contact the Board, any individual director or the non-management or independent directors as a group, are welcome to do so by writing to our Secretary at the following address: Regis Corporation, 7201 Metro Boulevard, Edina, Minnesota 55439.

Comments or questions regarding our accounting, internal controls or auditing matters will be referred to members of the Audit Committee. Comments or questions regarding the nomination of directors and other corporate governance matters will be referred to members of the Nominating and Corporate Governance Committee.

Executive Sessions of Non-Management and Independent Directors

In order to promote open discussion among non-management directors, the Board has implemented a policy of conducting executive sessions of non-management directors in connection with each regularly scheduled Board meeting. Shareholders may communicate with the non-management directors as a group by following the procedures described above under Communications with the Board.

The Chairman of the Audit Committee presides over executive sessions of the independent and non-management directors. Shareholders may communicate with the presiding director or the independent and non-management directors as a group by following the procedures described above under Communications with the Board.

Committees of the Board

The Board has three committees: the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee.

The charters of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee may be viewed on our website at *www.regiscorp.com* under Corporate Governance. The charters are also available in printed form free of charge to any shareholder who requests them by writing to our Secretary at 7201 Metro Boulevard, Edina, Minnesota 55439. The charters include information regarding the committees composition, purpose and responsibilities.

The Board has determined that all members of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee qualify as independent directors as defined under the NYSE corporate governance rules.

The Board committees have responsibilities as follows:

Audit Committee

This committee assists the Board in discharging its oversight responsibility to the shareholders and investment community regarding: (i) the integrity of our financial statements and financial reporting processes; (ii) our internal accounting systems and financial and operational controls; (iii) our audit, accounting and financial reporting processes; (iv) the engagement, qualifications and independence of the independent auditor; (v) the performance of our internal audit activities; and (vi) compliance with our ethics programs, including the Code of Ethics, our whistle-blower policy, and legal and regulatory requirements.

In carrying out these duties, this committee maintains free and open communication between the Board, the independent auditor and our management. This committee meets with management and the independent auditor at least quarterly.

In addition, this committee conducts quarterly meetings or conference calls with management and the independent auditor prior to our earnings releases to discuss the results of the independent auditor s quarterly reviews and fiscal year-end audit.

The Board has determined that all members of the Audit Committee meet the NYSE definitions of independence and financial literacy for Audit Committee members. In addition, Rolf Bjelland, an independent director and the Chairman of the Audit Committee, has been determined by the Board to be an audit committee financial expert for purposes of the SEC rules and possesses accounting or related financial management expertise as required by the NYSE. Members serving on the Audit Committee do not currently serve on the audit committee of more than three public companies.

Compensation Committee

The primary responsibilities of this committee are (i) to determine and approve the Chief Executive Officer s compensation and benefits package; (ii) to determine and approve compensation of executive officers; and (iii) to consider and recommend incentive compensation and equity-based plans. Additional information about the responsibilities of the Compensation Committee is provided below under Executive Compensation Compensation Discussion and Analysis.

Nominating and Corporate Governance Committee

This committee discharges the Board s responsibilities related to general corporate governance, including Board organization, membership and evaluation. It also reviews and recommends to the Board corporate governance principles and presents qualified individuals for election to the Board. Finally, this committee oversees the evaluation of the performance of the Board and each standing committee of the Board. For further information regarding our director nomination process, see Director Nomination Process below.

Board Meetings and Attendance

The Board held seven meetings during the fiscal year ended June 30, 2007. Each incumbent director attended, in person or by teleconference, at least 75% of the meetings of both the Board and Board committees on which he or she served. Our Board does not have a formal policy relating to Board member attendance at annual meetings of shareholders; however, our directors are encouraged to attend the meeting each year. Each of the then-serving directors attended the 2006 annual meeting of shareholders.

The following table shows the number of meetings held in fiscal 2007 and the names of the directors currently serving on each committee:

Committee	**Number of Meetings During Fiscal 2007**	**Members**
Audit	7	Rolf Bjelland* Thomas Gregory Van Zandt Hawn Susan Hoyt
Compensation	7	Susan Hoyt* Rolf Bjelland Thomas Gregory Van Zandt Hawn
Nominating and Corporate Governance	3	Van Zandt Hawn* Rolf Bjelland Thomas Gregory Susan Hoyt

* Committee Chair

7

Director Nomination Process

The Nominating and Corporate Governance Committee is responsible for screening and recommending director candidates to the full Board for nomination. The Nominating and Corporate Governance Committee will consider nominations received from our shareholders, provided that proposed candidates meet the requisite director qualification standards discussed below. When appropriate, the Committee will also engage an independent third-party search firm. The Committee will then evaluate the resumes of any qualified candidates recommended by shareholders and search firms, as well as by members of the Board. Generally, in order to be considered for nomination, a candidate must have:

- high professional and personal ethics and values;
- a strong record of significant leadership and meaningful accomplishments in his or her field;
- broad experience;
- the ability to think strategically;
- sufficient time to carry out the duties of Board membership; and
- a commitment to enhancing shareholder value and representing the interests of all shareholders.

Candidates are evaluated based on these qualification standards and the current needs of the Board.

All shareholder nominations must be accompanied by a candidate resume which addresses the extent to which the nominee meets the director qualification standards. Nominations will be considered only if we are currently seeking to fill an open director position. All nominations by shareholders should be sent to the Chairperson of the Nominating and Corporate Governance Committee c/o the Senior Vice President, General Counsel and Secretary at Regis Corporation, 7201 Metro Boulevard, Edina, Minnesota 55439.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Compensation Discussion and Analysis (CD&A) describes the basic objectives, principles, decisions and rationale underlying our compensation policies and decisions as well as the material elements of the compensation of our executive officers identified in the Summary Compensation Table on page 21 (the Named Executive Officers). The CD&A should be read in conjunction with the compensation tables beginning on page 21.

Compensation Philosophy

Our compensation programs have been established by the Compensation Committee (referred to as the Committee in the Executive Compensation section of this Proxy Statement) and are structured to motivate our executive officers, including our Named Executive Officers, to achieve the business goals set by the Board. Accordingly, our compensation programs are intended to work together to reward our executive officers, including our Named Executive Officers, for achieving such goals and to induce their commitment and continued service with us. We also seek to encourage stock ownership by our executives to align their interests with those of our shareholders.

As described in more detail below, the Committee reviews and approves each element of compensation and the level of each element for all executive officers, including the Named Executive Officers. The compensation paid to the Named Executive Officers in fiscal 2007 was determined primarily by making incremental changes to our historical compensation programs that have resulted from a variety of considerations over the past several years, which changes are described in more detail below. The Committee s ability to rely on historical compensation programs with only incremental changes is due, in part, to the fact that many of our executive officers have been employed by us for many years and are familiar with the general programs. As described in more detail below, the Committee looks generally at peer group information to assess the appropriateness of the mix of compensation elements and the exact levels of the awards for each compensation element, but there is no particular formula for determining the exact mix or levels of compensation. Accordingly, the Committee has discretion to make subjective determinations based on their perceptions of both company-wide and individual performance when selecting the mix and levels of compensation. As described below in more detail, most of the Committee s decisions are made on the basis of information and recommendations on market practices provided by Hay Group, which provides executive compensation consulting services to the Committee.

Compensation Committee Responsibilities

The Committee administers the base salary, bonus, long term incentive and other compensation and benefits programs with regard to our executive officers, including our Named Executive Officers. A basic objective for the Committee is that the total compensation paid to the Named Executive Officers be fair, reasonable and competitive in relation to our peer group of companies, as identified below (the Peer Group), consistent with the objectives of our overall compensation program. The Committee approves the compensation of the Chief Executive Officer and approves, or makes recommendations for approval of our Board of Directors with respect to, the compensation of the other Named Executive Officers.

The primary purpose of the Committee is to discharge the responsibilities of the Board relating to the compensation of our executive officers. The duties and responsibilities of the Committee are:

- to determine and approve the Chief Executive Officer s compensation;
- to determine and approve, or make recommendations to the Board with respect to, the compensation of all other executive officers; and
- to consider and recommend incentive compensation and equity-based plans.

Role of Executive Officers in Compensation Decisions

The Committee believes that for our executive compensation program to be effective, the input of management is important. Committee meetings are regularly attended by our President and Chief Executive Officer; Senior Executive Vice President and Chief Financial & Administrative Officer; Senior Vice President and General Counsel; and other executives as needed. In particular, our Chief Executive Officer has an opportunity to present materials and discuss management s views regarding compensation issues. Our Chief Executive Officer furnishes his input to the Committee on the compensation of the other Named Executive Officers and he may be present during deliberations and voting on the other executives compensation. However, our Chief Executive Officer may not be present during deliberations and voting regarding his compensation, as well as during other executive sessions of the Committee.

Setting Compensation

In General

The Committee has selected and engaged Hay Group as its independent advisor to advise it on executive compensation. Hay Group prepares competitive pay analyses regarding both the Peer Group referenced in the next paragraph below (see Our Peer Group) and the broader market, provides information on our performance compared to the Peer Group, and advises the Committee on the level and design of compensation programs for executive officers. The Chairperson of the Committee works directly with Hay Group to determine the scope of the work needed to assist the Committee in its decision-making processes. Hay Group also works with management consistent with Committee direction to gain a better understanding of our pay policies and practices, and to facilitate the development of our compensation strategies and approach to determining compensation levels.

Our Peer Group

In making overall compensation decisions, the Committee compares each element of total compensation against the Peer Group and broader retail market data prepared by Hay Group. The Peer Group that the Committee uses to benchmark the compensation of our Named Executive Officers was developed in the fall of 2006 and was approved in February 2007. The composition of the Peer Group will be reviewed annually and updated as the Committee determines what needs to be adjusted to reflect changes at Regis or at members of our Peer Group (e.g., changes in lines of business, mergers, acquisitions, spin-offs and the like). We do not believe that there are any companies that are exact competitors or peers within our industry. Accordingly, we have selected companies for our Peer Group based on the following criteria:

- Annual revenues on a system-wide basis between one-half to two times our revenue;

- Small box specialty retail companies;

- Customer service element is critical to business;

- Exclusion of apparel companies, due to the increased risk such companies confront in forecasting fashion trends far enough in advance to order product and manage inventory; and

- Companies targeting a moderate customer in terms of income and style.

Each of the companies comprising our current 15-member Peer Group meet a majority of those criteria. The companies are:

- Advanced Auto Parts, Inc.
- Applebee s International, Inc.
- Auto Zone, Inc.
- Brinker International, Inc.
- CBRL Group, Inc.
- Foot Locker, Inc.
- Game Stop Corp.
- Guitar Center, Inc.
- H&R Block, Inc.
- Jack in the Box, Inc.
- Papa John s International, Inc.
- PetSmart, Inc.
- Radio Shack Corp.
- Service Corporation International
- Starbucks Corp.

The Peer Group provides direct incumbent information on a job title match basis (e.g., Chief Executive Officer, Chief Financial Officer) for the companies with which we compete for executive talent. Hay Group s Retail Industry Total Remuneration Survey (the Hay Group Survey or the Survey) is used to provide an additional benchmark for compensating the Named Executive Officers and furnishes compensation data on the broader retail market place. The Hay Group Survey provides compensation data on the retail market place (covering over 70 organizations, a majority of which are specialty stores). The compensation data utilized from the Survey is selected based on job content since data based on matching titles derived from proxy statement information may not be available or may not adequately represent the actual job content of our executive officers. The data from the Peer Group and the Hay Group Survey includes base salary, annual incentive bonus, equity incentive compensation and benefits and perquisites for the named executive officers of those companies. This data provides the Committee with market information for executives and accounts for the considerable variation in compensation that corresponds to differing levels of responsibility and duties by title among Named Executive Officers.

Compensation Elements

In General

The compensation and benefits programs for our Named Executive Officers all contribute to the recruitment, retention and motivation of the executive talent required to successfully manage and grow our business and to achieve our short and long-term business objectives. Beyond that, different elements of compensation are designed for different purposes. The elements of compensation for our Named Executive Officers are:

- Base salary, which is designed to attract and retain executives over time;

- Annual incentive (bonus) compensation, which is designed to focus executives on achieving the business objectives established by the Board for a particular year;

- Long-term incentive compensation, consisting of stock appreciation rights (SARs), restricted stock and restricted stock units, which is designed to focus executives on the long-term success of

Regis, as reflected in increases in our stock price, growth in our earnings per share (EPS) and other elements, and to encourage stock ownership that aligns the interests of executives with those of our shareholders; and

- Benefits, which are designed to provide long-term executive retention and commitment to us.

In addition, Named Executive Officers may receive termination and change in control compensation and benefits. Termination compensation and benefits are designed to ease an employee s transition due to an unexpected employment termination, while change in control compensation and benefits are designed to encourage employees to remain focused on our business in the event of rumored or actual fundamental corporate changes.

The Committee establishes the amount and mix of base salary and variable compensation by referencing market practices for each element as well as total compensation delivered to executives. In developing the total compensation package for a Named Executive Officer, the Committee considers the internal relationship of pay across all executive positions. The Committee has a long-standing total remuneration (i.e., base salary + variable pay + benefits) executive pay philosophy. Our approach to total remuneration is to provide an aggregate compensation package that is competitive around the median of the market based on the Peer Group.

Base Salary

The Committee views a competitive base salary as an important component to attract and retain executive talent. Base salaries also serve as the foundation for the annual incentive (bonus) plan, which expresses the bonus opportunity as a percent of base salary.

The Committee considers both internal equity and external competitiveness in determining the base salary of our Named Executive Officers. After considering input from our Chief Executive Officer regarding the performance of the other Named Executive Officers, the Committee uses its judgment regarding individual performance, market competitiveness, length of service and other factors, such as Company performance, it deems relevant to determine the appropriate base salary and size of any salary increase for each Named Executive Officer. The review of individual performance includes a specific review of individual performance of Messrs. Finkelstein and Pearce by the Nominating and Corporate Governance Committee, and more general reviews of individual performance of the other Named Executive Officers, focused primarily on the scope of responsibilities of each Named Executive Officer.

Base Salary Decisions for Fiscal 2007

The base salaries paid in 2007 to each of our Named Executive Officers are shown under the Salary column of the Summary Compensation Table. Changes in base salaries are typically considered by the Committee in April (to be effective in July) each year. In April 2006 base salaries for the executive officers were increased for fiscal 2007 based on a review of retail market data and a determination that adjustments were appropriate from a competitive standpoint. Similarly, the Committee also approved increases in base salary in April 2007 for fiscal 2008 based on the review of Peer Group and retail market data. Mr. Finkelstein and Mr. Pearce received base salary increases as part of their employment agreements negotiated during fiscal year 2007. In determining the new level of Mr. Finkelstein s base salary, the Committee took into account Mr. Finkelstein s age and the importance of securing his services beyond age 65, and therefore he was asked to sign a new five-year contract. In addition to the changes to the compensation packages for Mr. Finkelstein and Mr. Pearce in fiscal year 2007, we decided to eliminate certain benefits and adjust the base salaries of our other Named Executive Officers to maintain the overall level of compensation of these executives. These changes are explained below in the Benefits section.

Annual Incentive (Bonus) Compensation

Annual incentive (bonus) compensation for our Named Executive Officers is determined each year under the Regis Corporation Short Term Incentive Compensation Plan (the Short Term Plan). The Short Term Plan establishes an annual cash bonus amount and payouts are based on achievement of EPS targets, objective measures which the Committee believes are reasonable gauges of our performance for this purpose.

Each year, the Committee evaluates our annual and long-term strategic plan to determine if the EPS financial metrics are appropriate to measure achievement of our objectives and to motivate executives. Based on discussions with our Chief Executive Officer and Chief Financial & Administrative Officer, the Board determines the financial metrics to be included in the Short Term Plan. The metrics are generally approved in April each year.

Annual Incentive Compensation Decisions for Fiscal 2007

The Short Term Plan provides for a full bonus if 100% of the targeted EPS for the year is achieved and a threshold bonus equal to 37.5% of the full bonus if 85% of the targeted EPS for the year is achieved. EPS performance between 85% and 100% of targeted EPS yield bonuses calculated by interpolation between those fixed points. No bonus is paid if EPS falls below 85% of the original EPS target. In addition, due to the critical role of the Chief Executive Officer in achieving such performance, the Short Term Plan provides for his total bonus to exceed the full bonus amount (up to 100% of his annual base salary) if EPS exceeds 105% of the EPS target for the year.

Annual incentive compensation targets under the Short Term Plan are expressed as a percentage of base salary (which, for this purpose, excludes the modest increase in base salary to cover perquisites described below under Benefits), and the percentage increases with job scope and complexity to provide greater upside opportunity for increased responsibility. For the last fiscal year, potential target bonus was set at 75% of base salary for the Chief Executive Officer (which, as noted above, may be increased to 100% of salary if the EPS target described above is achieved), 60% of base salary for any Senior Executive Vice President, and 50% or 55% of base salary for Executive Vice Presidents. The bonus opportunity for an executive officer whose base salary changed during the year is based on a weighted average of the annualized base salaries in effect for the year.

The table below shows the threshold and target payouts (expressed as a percentage of base salary) that correspond to the threshold and target levels of EPS achievement for each Named Executive Officer who participates in the Short Term Plan and continues to serve as one of our executive officers:

2007 Short Term Incentive Compensation Plan

Executive Officer	**FY07 Incentive Percent of Salary Threshold**	**Target***	**FY07 EPS Threshold**	**Target**
Mr. Finkelstein, Chairman & CEO	28% $ (279,022)	75% $ (747,380)	$ 1.84	$ 2.17
Mr. Pearce, SEVP, CFO & CAO	23% $ (100,401)	60% $ (261,916)	$ 1.84	$ 2.17
Mr. Nelson, EVP-Fashion, Education & Marketing	19% $ (77,193)	55% $ (223,455)	$ 1.84	$ 2.17
Mr. Kartarik, EVP-President Franchise Division	19% $ (72,252)	50% $ (190,137)	$ 1.84	$ 2.17

* As noted, the CEO is eligible to receive an increased bonus payout (equal to 100% of base salary) should actual EPS meet or exceed 105% of the Board-approved EPS target. For fiscal year 2007, EPS had to meet or exceed $2.28 for the CEO to receive the increased bonus; as this target was not reached in fiscal 2007, the CEO did not receive such increased bonus.

In fiscal year 2007, our executives received 100% of the target opportunity because we achieved EPS of $2.25, excluding an impairment charge of $0.43 per share. The Committee decided to exclude the impairment charge related to strategic decisions to merge our Title IV school business with Empire Education Group as described in more detail in our Annual Report on Form 10-K for the year ended June 30, 2007. The impairment charge was excluded in calculating EPS because of its nature as an unusual, non-recurring event.

Long-term Incentive Compensation

***In General*.** The Committee considers equity-based long-term incentive compensation (LTI) to be critical to the alignment of executive compensation with the creation of shareholder value. Our long-term equity incentive compensation awards are granted pursuant to our 2004 Long Term Incentive Plan (the Long Term Plan).

At its April meeting, the Committee reviews the portfolio of long-term incentive vehicles, the targeted award size and the performance measures associated with any awards. The Committee also reviews recommendations provided by management and Hay Group regarding LTI design. The Board s practice is to make annual grants of equity awards, including stock appreciation rights and restricted stock, upon recommendation of the Committee at that time. The Committee believes that the use of multiple equity vehicles balances a focus on equity-driven growth with the retention hook of restricted stock. The grant date is the date the Committee approved as the date the grant becomes effective (generally the same day as Committee approval, but it may be a date in the future when an event occurs (e.g., new hire or promotion date)). The exercise price of the stock appreciation rights is the closing price of a share of our

Common Stock on that grant date. From time to time, the Board will consider making grants under other special circumstances, such as recruiting new executive talent, upon the promotion of an executive, and to retain key individuals.

Stock Appreciation Rights (SARs). A stock appreciation right is similar to a stock option in that it allows the recipient to benefit from any appreciation in our stock price from the grant date through the exercise date. However, with a SAR, the recipient is not required to actually purchase the exercised shares to realize any appreciation in value (as is the case with a stock option), but rather simply receives the amount of the increase in shares of our stock. Because the value that may be earned through SARs is dependent upon an increase in our stock price, the Committee views SAR grants as a critical link between management wealth accumulation and the creation of shareholder value. The Long Term Plan provides that SARs may not be granted with an exercise price less than 100% of fair market value of a share of our Common Stock on the SAR grant date.

The Committee has awarded the Named Executive Officers with SARs that have a ten-year term and vest annually in 20% increments on each of the first five anniversaries of the date of grant, provided that the Named Executive Officer remains employed by us on each such date. Vesting automatically is accelerated in the event of a change in control of Regis. As provided in the applicable award agreements for SARs, if a Named Executive Officer dies or becomes disabled, unvested SARs are immediately vested and the individual s estate has 12 months from the date of death (or the remaining term, if shorter) to exercise his or her SARs. If a Named Executive Officer retires, voluntarily terminates employment, or is dismissed without cause, the award agreements provide that he or she has 90 days from the date of termination to exercise all vested SARs. If a Named Executive Officer is terminated for cause, the award agreements provide that all outstanding SARs are forfeited. The holder of a SAR does not have any voting or dividend right until he or she exercises the SARs.

Restricted Stock. Restricted stock is a share of our Common Stock that has vesting restrictions tied to continued employment. Restricted stock provides recipients with the opportunity to earn full value shares of our Common Stock. Under the terms of the award agreements used for grants made to Named Executive Officers, the restricted stock awards vest at a rate of 20% annually on each of the first five anniversaries of the date of grant provided that the Named Executive Officer remains employed by us on each such date. Vesting automatically is accelerated in the event of the recipient s death or disability, or in the event of a change in control of Regis. In addition, vesting can be accelerated if the Committee determines that such action would be in the best interests of Regis. If a recipient of a grant of restricted stock leaves for any reason other than death or disability before vesting, the Long Term Plan provides that any unvested portion of the restricted stock award is forfeited, subject to the Committee s discretion to cancel any or all restrictions and vest any or all of the restricted stock award. Recipients of restricted stock are entitled to vote the shares, whether or not vested, and will be entitled to dividends that will accumulate and be paid out upon vesting in the form of additional shares of restricted stock.

Long-Term Incentive Compensation Decisions for Fiscal 2007

Review and Revision of Long-term Incentive Awards. In fiscal 2007, the Committee asked Hay Group to review our executive pay and benefits packages as well as the design of our long-term incentive awards. As part of this effort, the Committee decided to make modifications to our executive LTI program. These modifications included the introduction of restricted stock units as an authorized form of long-term incentive awards (as discussed in the next following paragraph), and the elimination of cash-based incentive awards that were available under the Long Term Plan since fiscal 2004. Under that program, the Named Executive Officers, other than Messrs. Kunin and Clarke, had received grants in each of fiscal 2004, 2005 and 2006 under which payouts that could range from 80% to 120% of the following target amount for each Named Executive Officer: Mr. Finkelstein, $100,000; Mr. Pearce, $50,000; Mr. Nelson, $35,000; and Mr. Kartarik, $35,000, would be made at the end of a three-year performance period if we have achieved specified goals involving EPS growth (weighted 60%) and Return on Invested Capital (ROIC) (weighted 40%). In fiscal 2007, the Committee recommended to the Board and the Board agreed to cease making cash-based awards because it was viewed as ineffective in motivating executive performance and because the Committee wanted to focus exclusively on forms of long-term incentive compensation that would support our objective of encouraging executive stock ownership. In connection with the cessation of cash-based awards, participants were provided with increased annual grants of SARs and restricted stock. No amounts were earned under the cash-based incentive awards granted in 2004 and scheduled to pay out in fiscal 2007.

Restricted Stock Units. In fiscal 2007, we added restricted stock units (RSUs) as a variant to the grant of restricted stock. As described below, RSUs were awarded to each of Mr. Finkelstein and Mr. Pearce in 2007 for retention purposes. The number of units granted correspond to a specified number of shares of stock and are paid out in our Common Stock. The RSUs vest in full after a five-year period, subject to accelerated vesting in the event of death or disability, unless otherwise determined by the Committee. The recipient of an RSU does not vote the shares underlying the RSU until it is settled in Common Stock, but the recipient does receive cash payments equivalent in value to the cash dividends payable on the same number of shares of Common Stock.

2007 Annual Equity Awards. For fiscal year 2007, the annual equity grants to all the Named Executive Officers were a combination of SARs, restricted stock and restricted stock units.

2007 LTI Awards

	SARs (#)	Restricted Stock (#)	Restricted Stock Units (#)
Mr. Finkelstein	22,000	11,000	165,000
Mr. Pearce	6,200	6,200	50,000
Mr. Nelson	4,200	4,200	0
Mr. Kartarik	4,200	4,200	0

The SARs and restricted stock awards were granted on April 26, 2007 at the closing price of $39.04 and vest ratably over a five-year period (i.e., 20% per year). The RSUs were granted to Mr. Finkelstein on March 9, 2007 and to Mr. Pearce on May 9, 2007 as part of their new employment agreements, and cliff vest on February 7, 2012 and May 9, 2012, respectively. In each case the RSUs will be converted to shares of our Common Stock and paid out on January 31, 2013.

Benefits

Historically, the Committee supported a compensation philosophy for our Named Executive Officers that included a benefits package that leads the market median (primarily to compensate for a philosophy which supported the payment of base salaries that lag the market median) and was designed to retain and encourage executive commitment to Regis. The benefits we provide our Named Executive Officers are summarized in the footnotes to the Summary Compensation Table or otherwise reported in the accompanying tables, including footnotes. Benefits for our Named Executive Officers include core benefits available to all full-time employees (e.g., coverage for medical, dental, prescription drugs, basic life insurance, long-term disability coverage). We also provide retirement benefits, a nonqualified deferred compensation plan and payments and benefits upon termination of employment and/or a change in control. These benefits are described below under Summary of Executive Agreements and Retirement Plans and Arrangements.

During 2007, as part of an effort to equalize the benefits package and base salaries with the market median, the Committee decided to eliminate certain perquisites and instead make a modest increase to the executives base salaries. The Committee determined that these changes to the compensation program will allow us to continue to provide key benefits that help to attract and retain key executive talent since many benefits are keyed off base salary amounts. The only remaining perquisites provided to Named Executive Officers are related to executive medical benefits, which provide reimbursement of co-pay and other out-of-pocket expenses related to medical care. We believe that the benefits package, including the provisions of the employment agreements with our executives that provide retirement and post-termination payments, are competitive with the market based on information Hay Group has provided to our Compensation Committee.

Stock Ownership by Named Executive Officers

The Board believes that each of our officers who has reached the level of Executive Vice President or above should be a shareholder and should have a financial stake in Regis. Accordingly, the Committee adopted the following Common Stock ownership requirements, which are reflected in the Corporate Governance Guidelines on our website, as of April 26, 2007:

- Chief Executive Officer 5x annual base salary
- Senior Executive Vice President 3x annual base salary
- Executive Vice President 2x annual base salary

The individual stock ownership requirements were quantified based on annual salary at the time of adoption and will remain fixed at such amount. The Chief Executive Officer and each current Senior Executive Vice President and Executive Vice President have until May 1, 2012 to meet their respective ownership thresholds.

Post-Employment Compensation Change in Control Arrangements

In General. Pursuant to their Employment Agreements that were entered into during the 2007 fiscal year, Mr. Finkelstein and Mr. Pearce are entitled to certain compensation and other benefits if their employment terminates due to certain articulated reasons (including in connection with a change in control), as described below under Summary of Executive Agreements. Under Mr. Kunin s Amended and Restated Compensation Agreement dated June 29, 2007, he will continue to receive his monthly base compensation for life following any termination of employment, and he is entitled to other compensation and benefits in connection with a change in control. Our other Named Executive Officers are entitled to similar change in control benefits under the terms of their respective Employment and Deferred Compensation Agreements, but these agreements do not provide for separate compensation in connection with a termination of employment unrelated to a change in control. Award agreements under our Long Term Plan do, however, provide for accelerated vesting of awards upon death, disability or a change in control. In addition, the employment agreements with our Named Executive Officers contain covenants not to compete or solicit, as well as confidentiality provisions, that the Committee considers especially valuable in the event of an executive s termination of employment.

***Change in Control*.** The Committee and the Board recognize the importance to us and our shareholders of avoiding the distraction and loss of key management personnel that may occur in connection with any rumored or actual change in control of Regis. To that end, properly designed change in control provisions in the employment agreements with our Named Executive Officers protect shareholder interests by enhancing executive focus during rumored or actual change in control activity through:

- Incentives to remain with us despite uncertainties while a transaction is under consideration or is pending;
- Assurances of severance and other benefits in the event of termination;
- Immediate vesting of equity elements of total compensation after a change in control; and
- Additional stock grants granted immediately upon the change in control.

To diminish the potential distraction due to personal uncertainties and risks that inevitably arise when a change in control is threatened or pending, the Committee and the Board have provided our Named Executive Officers with what the Committee and the Board determined to be competitive change in control compensation and benefit provisions in their Employment Agreements. The Employment Agreements of our Named Executive Officers provide for specific enhanced payments and benefits in the event of a change in control; these are discussed in the sections captioned Summary of Executive Agreements.

***Gross-Up Payments*.** As shown below in the Potential Payments Upon Termination or Change in Control table, if any payments made to a Named Executive Officer due to termination or change in control subjects the Named Executive Officer to any excise taxes due (parachute excise tax) under Section 4999 of the Internal Revenue Code (Code Section 4999), we will pay to the Named Executive Officer a gross-up payment to compensate the individual for the net effect of the imposition of such parachute excise tax. The effects of Code Section 4999 generally are unpredictable and can have widely divergent and unexpected effects based on an executive officer s personal compensation history. Therefore, to provide an equal level of benefit to similarly situated employees without regard to the effect of the parachute excise tax, the Committee and the Board have determined that Code Section 4999 gross-up payments are appropriate for our Named Executive Officers.

Previously our Named Executive Officers also were eligible for a gross-up for the regular federal, state and other (non-parachute) taxes due on amounts received upon a change in control. However, this gross-up provision was eliminated during the 2007 fiscal year. The Committee determined that these other taxes did not involve the special circumstances that caused the Committee to continue gross-ups for the parachute excise taxes and also that, unlike parachute tax gross-ups, such other tax gross-ups were not a common practice at other companies. Accordingly, gross-ups for other than the parachute excise tax were eliminated. In partial recompense for agreeing to the elimination of non-parachute tax gross-ups, each affected executive will be entitled to a fixed stock grant upon a change in control.

Tax, Accounting and Other Implications

Deductibility of Executive Compensation

Section 162(m) of the Internal Revenue Code imposes a $1 million limit on the amount that a public company may deduct for compensation paid to a company s chief executive officer or any of our three other most highly compensated executive officers (other than our chief financial officer) who are employed as of the end of the year. This limitation does not apply to compensation that meets the requirements under Section 162(m) for qualifying performance-based compensation (i.e., compensation paid only if the individual s performance meets pre-established objective goals based on performance criteria approved by shareholders.) The Committee s policy is to design compensation programs that further the best interests of Regis and our shareholders and that preserve the tax deductibility of compensation expenses. Incentive bonuses paid to executive officers under the Short Term Plan and stock appreciation rights awarded under the Long Term Plan are designed to qualify as performance-based compensation. The Committee also believes, however, that it must maintain the flexibility to take actions which it deems to be in our best interests but which may not qualify for tax deductibility under Section 162(m). In this regard, the Committee recognizes that if the amount of base salary (and any other compensation that is not determined to be performance-based under Section 162(m), such as time-vested restricted stock) for any of our executive officers exceeds $1 million, any amounts over $1 million will not be deductible for federal income tax purposes.

As required under the tax rules, we must obtain shareholder approval of the material terms of the performance goals for qualifying performance-based compensation every five years. We last requested and received shareholder approval in 2004.

Accounting for Stock-Based Compensation

Effective July 1, 2005, we began accounting for stock-based payments made under our Long Term Plan in accordance with the requirements of Statement of Financial Accounting Standards No. 123, Share-Based Payment (SFAS 123(R)). As a result of this change in accounting methods, we started introducing forms of equity-based compensation other than stock options, such as restricted stock, stock appreciation rights and restricted stock units, since stock options no longer carried comparatively favorable accounting consequences. The introduction of these new forms of equity-based compensation have allowed us to be more flexible in identifying equity-based awards that incentivize different types of performance, such as through the use of cliff-based vesting restricted stock units that have a stronger retention feature or the grant of restricted stock that provides a stronger alignment with the interest of our shareholders.

Committee Considerations

The Committee considered (i) the impact of the $1 million limit on the deductibility of non-performance based compensation imposed by Code Section 162(m), (ii) the accounting treatment of various types of equity-based compensation under SFAS 123(R), and (iii) the non-deductibility of excess parachute tax payments under Internal Revenue Code Section 280G (and the related excise tax imposed on covered employees under Code Section 4999 as described above under Gross-Up Payments) in its design of executive compensation programs. In addition, the Committee considered other tax and accounting provisions in developing the compensation programs for our Named Executive Officers. These included the special rules applicable to non-qualified deferred compensation arrangements under Internal

Revenue Code Section 409A, as well as the overall income tax rules applicable to various forms of compensation. While the Committee strove to compensate our Named Executive Officers in a manner that produced favorable tax and accounting treatment, its main objective was to develop fair and equitable compensation arrangements that appropriately motivate, reward and retain those executives.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis contained in this Proxy Statement with the management of Regis. Based on that review and related discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

Susan S. Hoyt, Chairperson
Rolf F. Bjelland
Thomas L. Gregory
Van Zandt Hawn
Members of the Compensation Committee

Summary Compensation Table

The following table shows, for the Chief Executive Officer, the Chief Financial Officer, the three other most highly compensated executive officers of Regis, and a former executive officer who would have been in our three other most highly compensated executive officers except that he was not serving as an executive officer at year-end, together referred to as the Named Executive Officers, information concerning compensation earned for services in all capacities during the fiscal year ended June 30, 2007.

Name and Principal Position	**Year**	**Salary** ($)	**Bonus** ($)	**Stock Awards ($)(1)**	**Option Awards ($)(1)**	**Non-Equity Incentive Plan Compensation ($)(2)**	**Change in Pension Value and Non-qualified Deferred Compensation Earnings ($)(3)**	**All Other Compensation ($)(4)**	**Total** ($)
Paul D. Finkelstein	2007	1,061,150	0	563,238	107,456	747,380	1,927,577	321,304	4,728,105
Chairman of the Board of Directors, President and Chief Executive Officer									
Randy L. Pearce	2007	485,915	0	148,046	32,698	261,916	143,354	206,709	1,278,638
Senior Executive Vice President, Chief Financial and Administrative Officer									
Myron Kunin	2007	789,371	0	0	0	0	61,770	37,100	888,241
Vice Chairman of the Board of Directors									
Gordon B. Nelson	2007	451,729	0	63,372	22,044	223,455	215,638	224,539	1,200,777
Executive Vice President, Fashion, Education and Marketing									
Mark Kartarik	2007	424,432	0	58,714	20,580	190,137	88,836	171,819	954,518
Executive Vice President, Regis Corporation and President, Franchise Division									
Fraser Clarke	2007	292,819	0	0	0	0	60,456	955,682	1,308,957
Former President and Chief Executive Officer, Hair Club for Men and Women(5)									

(1) Values expressed represent the actual compensation expense recognized by us during fiscal 2007 for equity awards granted in fiscal 2007 and prior years as determined pursuant to SFAS 123(R) utilizing the assumptions discussed in Note 1 to our consolidated financial statements for the fiscal year ended June 30, 2007, but disregarding the estimate of forfeitures related to service-based vesting.

(2) Amounts represent payouts of annual incentive (bonus) compensation under the Short Term Plan, which is described above.

(3) Amounts represent the change in the present value of benefits under the pension plans and above-market earnings on deferred compensation in the following amounts:

Name	**Change in Present Value of Pension Plan ($)**	**Above-Market Earnings on Deferred Compensation ($)**
Paul D. Finkelstein	1,745,130	182,447
Randy L. Pearce	120,365	22,989
Myron Kunin	7,261	54,509
Gordon B. Nelson	122,571	93,067
Mark Kartarik	77,878	10,958
Fraser Clarke	0	60,456

(4) The following table sets forth All Other Compensation amounts by type:

Name	Deferred Compensation Company Match and Profit-Sharing Contribution ($)	Dividends and Dividend Equivalents on Stock and Option Awards ($)	Life Insurance Premiums ($)	Tax Gross-Ups ($)	Accrued Severance ($)	Total All Other Compensation ($)(a)
Paul D. Finkelstein	71,836	18,176	100,000	131,292	0	321,304
Randy L. Pearce	45,482	4,978	65,000	91,249	0	206,709
Myron Kunin	37,100	0	0	0	0	37,100
Gordon B. Nelson	42,584	2,026	65,000	98,375	0	224,539
Mark Kartarik	17,873	1,915	65,000	87,031	0	171,819
Fraser Clarke	50,816	0	65,000	59,866	780,000	955,682

(a) Total All Other Compensation for Mr. Nelson also includes $16,554 of perquisites, which relate primarily to executive medical benefits, including the reimbursement of co-pay and other out-of-pocket expenses.

(5) Mr. Clarke ceased being an executive officer of Regis on June 28, 2007.

22

Grants of Plan-Based Awards in 2007

The following table sets forth certain information concerning plan-based awards granted to the Named Executive Officers during the fiscal year ended June 30, 2007. No options were repriced or materially modified during the fiscal year.

		Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(1)						
Name	**Grant Date**	**Threshold ($)**	**Target($)**	**Maximum ($)**	**All Other Stock Awards: Number of Shares of Stock or Units(#)(2)**	**All Other Option Awards: Number of Securities Underlying Options(#)(2)**	**Exercise or Base Price of Option Awards ($)(2)**	**Exercise or Base Price of Option Awards ($)(2)**
Paul D. Finkelstein	04/26/07				11,000			