



BOLDFACE

LICENSING + BRANDING

LETTER TO SHAREHOLDERS

JUNE 2013

Fiscal YTD 2013 Results

Gross
\$3.608 M
(Q3 2013)

\$5.362 M
(YTD)

Door Count
4,100+

Gross Margin
54% (Q3 2013)
46% (YTD)

“A COMPANY IS BORN”

Dear Shareholders,

We are so pleased to send our first shareholder letter to our founding shareholder group. In a mere nine months we have created some incredible traction. Founded on the idea that celebrity branding has become much smarter and design oriented, we created a full-service licensing company that caters to brands with longevity and market potential.

The first nine months were marked by many firsts for BOLDFACE. Our first and founding brand backed by the Kardashian Sisters, Kourtney, Kim and Khloé, had a holiday preview where we had great sell through in the majority of our retail locations. We set up our offices in Santa Monica California and currently have 7 full-time employees covering various areas of expertise.



Our Founders Robin Coe-Hutshing and Nicole Ostoya

We have spent considerable time strengthening our operations and have partnered with Covalent Works as our EDI provider and Walker International as our fulfillment center. In addition we have worked out our back of the house process to keep cost of goods in line with plan. To date, our holiday preview came in at over \$ 1.5 million net wholesale revenue and YTD our gross wholesale stands at 5,362M.

We are looking to the future with optimism and big plans.

Sincerely,

“We are pleased with revenue and gross margin increase we have achieved this quarter and a successful launch of our Kardashian Beauty brand,” said Nicole Ostoya, CEO of the Company. “We look forward to continuing our growth and to develop the brand domestically and internationally.”

KARDASHIAN
BEAUTY™

MARIO
LOPEZ

UGLYDOLL™

KARDASHIAN B E A U T Y™

KARDASHIAN BEAUTY™

Boldface has decided on a name change for its cosmetics/beauty brand. The new name is purely and simply Kardashian Beauty™.

“We have chosen to move forward with the new name, which symbolizes the beauty that resides firmly in the very heritage of Kourtney, Kim and Khloé. Each of the girls instinctively has her own individual [allure and] style, which is reflected in their namesake brand,” said Ms. Ostoya, Boldface’s CEO.

We have shipped the core expansion of the Kardashian Beauty brand to over 4,100 doors and expect to be at over 4,500 by June. This is in a variety of forms from 2 ft wall displays in Ulta Beauty, custom end-cap units in the top 2,100 CVS locations and a variety of other expressions with our other retail partners.

Sales are coming in strong and we are making salesplan at the majority of retailers.

We had a world wide debut of the Kardashian Beauty™ vending machine complete with touch screen technology and interactive software. Garnering attention from the Italian news organizations covering the fair we made the highlight reels of both stations covering the fair and were the featured story in Women’s Wear Daily’s coverage of the tradeshow.



KARDASHIAN B E A U T Y™



UGLYDOLL™

BOLDFACE GROUP, INC. SIGNS LICENSING AGREEMENT WITH UGLYDOLL

The Company has entered into a licensing agreement with Pretty Ugly, LLC, the creators of the popular UGLYDOLL™ brand, to expand the category of Beauty and Personal Care line of products.

The husband and wife artist team of David Horvath and Sun-Min Kim created the UGLYDOLL™ characters in 2001, and since then, the franchise has become a worldwide success with an extensive line of licensed products and publishing.

Since its inception the UGLYDOLL™ brand has been somewhat of a retail anomaly; showcased at Barneys, MoMA, Giant Robot, Colette Paris, as well as, Barnes & Noble and Toys R Us. Its customer base is equally varied from young children to design sophisticates.

Boldface intends to build a range of products and accessories that will speak to the unique personality of the UGLYDOLL™ brand and its devoted followers of all ages, and entice new followers along the way. Products will include Bath, Soap, Shower and Body Care products and Lip Balms, Fragrance, Bath Accessories, and more.

“We are committed to the positive message that UGLY is the new beautiful. The brand’s specific, unisex attitude and whimsical edge will be conveyed through design, packaging, unique scents and the use of quality ingredients with result driven formulas. We will make products that will make us feel good inside and out,” said Ms. Ostoya, Boldface’s CEO.

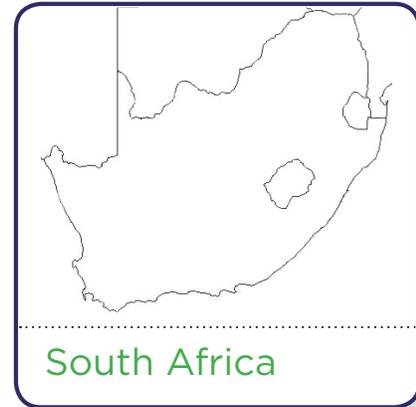
In January 2013, Universal Partnerships & Licensing announced it had entered into an agreement to expand the digital category of the imaginative UGLYDOLL™ world, or “UGLYVERSE”, by launching interactive and wireless content, such as apps, games, widgets and virtual goods. A feature film based on the UGLYDOLL™ characters is currently in development at Illumination Entertainment, Universal Pictures’ main supplier of family and animated films. The film will be produced by Illumination founder Christopher Meledandri (Despicable Me, Hop, Dr. Seuss’ the Lorax), and distributed worldwide by Universal.



NEW MARKETS = GROWTH CATALYSTS



“Ulta has emerged as one of our strongest partners”



Boldface has secured international distribution deals in the EU, South Africa, Australia and the Middle East. The interest has been global and was underlined with the reaction from the Cosmoprof debut this past March.



SOCIAL MEDIA

“The fan response to the product has been positive and energetic. Our Facebook page has been a significant source of product feedback.”

facebook Search for people, places and things

KARDASHIAN BEAUTY™

Kardashian Beauty Official
31,490 likes · 3,160 talking about this

Health/Beauty
Kardashian Beauty is AVAILABLE NOW at select CVS, Ulta, Fred Meyer, Duane Reade and Ricky's stores. Follow us here for product news, event updates, and

Get the Look!

31,490

Photos Likes Twitter Instagram

Rachel Natoli Are these available in stores at Ulta?
Like · Reply · 2 · May 22 at 11:13am via mobile

Kardashian Beauty Official Yes! Check your local store
Like · 2 · May 22 at 11:33am

Allison Jones Nickle there needs to be an easy place to buy this stuff if you plan on selling it...
Like · Reply · 1 · May 22 at 10:25am

Kardashian Beauty Official Where are you located?
Like · 1 · May 22 at 10:34am

Susan Ashcraft Where is this sold?
Like · Reply · 1 · May 22 at 10:23am via mobile

Kardashian Beauty Official Check your local CVS Beauty Club, Duane Reade, or Kmart Fashion stores also available online!
Like · 2 · May 22 at 10:34am

Gemma Harvey Can we get this in New Zealand?
Like · Reply · May 22 at 12:37pm via mobile

Kardashian Beauty Official Not yet but we're working on it!
Like · May 22 at 1:30pm

MARIO LOPEZ



Lopez brand is slated to launch fall of 2013.

Mario Lopez is an actor, television personality, dancer and all around entertainer. He is one of the most recognized Latino stars on TV today. Mario's good looks put him solidly in the dreamboat category, but his personal warmth and humor give him an approachable quality that is instantly likeable.

Mario hosts a radio show five days a week as well hosting *Extra* five days a week. Mario was recently elevated to prime time with his hosting gig at *The X Factor*.



MEET THE BOARD:

The company was happy to announce the appointment of two new board members, Mr. Pat Collins and Mr. Victor Azrak. This rounds out the board to offer the Company a solid base of knowledge from which to operate. We proudly put forth the bios below.

BOARD MEMBERS:

RONALD S. ALTBACH, CHAIRMAN OF THE BOARD OF DIRECTORS

Ronald Altbach has been the Chairman of the Board of Directors of BLB since May 2012 and was appointed as the Chairman of BGI's Board of Directors effective July 12, 2012. From November 2008 through the present, he has served as president of Regeneration Capital Group, a merchant bank with a focus on middle market Chinese companies seeking financing and public listings in the U.S. Regeneration Capital's sector concentration includes healthcare, education, small business lending, and agriculture. From 2004 through 2008, Mr. Altbach served as the Chief Executive Officer of TableMAX, a gaming equipment manufacturer. From 1998 through 2003, he was Chairman and Chief Executive Officer of Cross Media Marketing, an American Stock Exchange listed company, which he founded. From 1994 through 1998, Mr. Altbach served as Vice Chairman of Rosecliff, Inc., a private equity group, and served as Chairman of Paul Sebastian, Inc., one of Rosecliff's portfolio companies during the same period. Before joining Rosecliff, Mr. Altbach designed and executed alternative distribution strategies for several major U.S. fragrance brands as these brands, primarily public companies, sought new markets and new sources of revenue. His first experience with public companies came in 1984 when a company he founded, Mediacom Industries, merged with a publicly listed shell. Mr. Altbach served as president of Mediacom Filmworks, a subsidiary that produced films, music videos and television specials. Mr. Altbach began his career as a songwriter/producer/performer, most notably with the Beach Boys.

EMIL RENSING, DIRECTOR

Emil Rensing has been a director of Boldface Group, Inc. since November 21, 2012. Mr. Rensing is the Chief Digital Officer of EPIX, an American hybrid premium television channel and subscription video-on-demand service that is operated by Studio 3 Partners, a joint venture between Paramount Pictures, Lions Gate Entertainment and Metro-Goldwyn-Mayer. He joined EPIX in January 2009. Prior to that, Mr. Rensing co-founded Next New Networks, a leading independent producer of online television networks, with Fred Siebert, Herb Scannell, Timothy Shey and Jed Simmons in October 2006. Next New Networks was subsequently acquired by Google in February 2011. Prior to co-founding Next New Networks, Mr. Rensing was a partner in Frederator Studios, a business dedicated to packaging and developing media properties, serving AOL Time-Warner, Victoria's Secret Pink, Ziff-Davis, Avon, the WWE and other major clients. Previously, he was a part of MTV's product strategy team which focused on the development of MTVi, the online division of the MTV Networks, and held various engineering and product strategy positions with AOL. Mr. Rensing has been instrumental in the early success of AOL, MTV Networks Online, Frederator Studios and Next New Networks.

MR. PAT COLLINS, DIRECTOR

Mr. Pat Collins, 38, has been with JH Partners since 2002 and is currently a partner with the firm. Mr. Collins is responsible for originating, executing and monitoring private equity investments. Mr. Collins works in all consumer sectors, but has a particular expertise and focus in emerging markets, beauty and direct marketing. He also plays a key role in managing partner company financings and is the primary point of contact for lenders. Mr. Collins' operating experience primarily consists of working with management teams to effect key strategic initiatives and operational improvements. Mr. Collins currently serves on the board of Neutral Duty Free Shops. He is also actively engaged with AmeriMark, RLJ Entertainment, Bell Automotive and Studio Moderna and was previously involved with Jurlique, Bare Escentuals, Country Home Products and Walter Drake. Prior to joining JH Partners, Mr. Collins worked at Behrman Capital, a private equity firm with \$1.8 billion under management. Prior to Behrman Capital, Mr. Collins was an investment banker at Merrill Lynch & Co., Inc. in New York. Mr. Collins received an MBA from Harvard Business School and a BA from Yale University, where he was elected to Phi Beta Kappa.

MR. VICTOR AZRAK, DIRECTOR

Mr. Victor Azrak started American Marketing Enterprises (AME) in June of 1993 with his brother Elliott. Within five years AME grew to become the leading licensed sleepwear company in the industry. AME developed a portfolio of licenses over the years including Power Rangers, Hello Kitty, Disney and Marvel. Mr. Azrak sold AME to Li and Fung USA in November of 2007 but continues to run AME today. Mr. Azrak lives in Brooklyn NY with his wife and four children and is very active in his community supporting many charitable causes.

NICOLE OSTOYA

Nicole, as CEO of BOLDFACE, is focused on top-tier entertainment and designer opportunities exploring white space in the market, announces its founding license: Kardashian Beauty™ by Kourtney, Kim and Khloé Kardashian.

Nicole brings expertise in fragrance, color and treatment product development in all channels of distribution from prestige to mass as well as access to celebrities of all levels. With years of successful enterprises in the beauty arena, both in retail and product development, BOLDFACE will benefit from strong operational strength gleaned from her background.

In 2010 Nicole co-founded Gold Grenade, a product development, strategic marketing, comprehensive brand management company that specializes in beauty, cosmetics and personal care. Gold Grenade was founded with her partner Robin Coe Hutshing in 2010 with offices in Santa Monica.

An entrepreneur at heart, Nicole left the corporate world, founded and built a team to start the company, iDTV, a web based direct to consumer channel, which utilized all of her retail talents in the electronic retail world. Following that venture she joined Robin Coe Hutshing at Studio USA as CEO of the company she had started 26 years earlier at Fred Segal Santa Monica.

Previous accomplishments include an 18-year career at Nordstrom where, among other things, at 25 she was one of the youngest full line store managers in Nordstrom history. Other Nordstrom highlights include running the beauty buying offices for Southern California and managing the West Coast buying offices for fragrance as the Merchandiser.

