

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person * GALLAGHER GERALD R (Last) (First) (Middle) 1135 ARBOR DRIVE (Street) ROMEOVILLE, IL 60446 (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 10/24/2007	3. Issuer Name and Ticker or Trading Symbol Ulta Salon, Cosmetics & Fragrance, Inc. [ULTA]		
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)		5. If Amendment, Date Original Filed (Month/Day/Year)
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person		

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	102,179 ⁽¹⁾	I	See footnotes. ⁽²⁾ ⁽³⁾
Common Stock	2,566 ⁽¹⁾	I	See footnotes. ⁽²⁾ ⁽⁴⁾
Series III Non-Convertible Preferred Stock	621,838 ⁽⁵⁾	I	See footnotes. ⁽²⁾ ⁽³⁾
Series III Non-Convertible Preferred Stock	15,615 ⁽⁵⁾	I	See footnotes. ⁽²⁾ ⁽⁴⁾

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

Persons who 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.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Series I, IV, V Convertible Preferred Stock	⁽⁶⁾	⁽⁶⁾	Common Stock	5,830,100 ⁽⁶⁾	\$ ⁽⁶⁾	I	See footnotes. ⁽²⁾ ⁽³⁾
Series II Convertible Preferred Stock	⁽⁷⁾	⁽⁷⁾	Common Stock	179,934 ⁽⁷⁾	\$ ⁽⁷⁾	I	See footnotes. ⁽²⁾ ⁽³⁾
Series I, IV, V Convertible Preferred Stock	⁽⁶⁾	⁽⁶⁾	Common Stock	146,422 ⁽⁶⁾	\$ ⁽⁶⁾	I	See footnotes. ⁽²⁾ ⁽⁴⁾
Series II Convertible Preferred Stock	⁽⁷⁾	⁽⁷⁾	Common Stock	4,519 ⁽⁷⁾	\$ ⁽⁷⁾	I	See footnotes. ⁽²⁾ ⁽⁴⁾
Stock Option (right to buy)	12/03/2003	12/03/2013	Common Stock	79,000 ⁽¹⁾	\$ 0.63 ⁽¹⁾	D	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GALLAGHER GERALD R 1135 ARBOR DRIVE ROMEOVILLE, IL 60446	X	X		

Signatures

/s/ Robert S. Guttman as attorney-in-fact for Gerald R. Gallagher	10/24/2007
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Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) The number of shares reported (and exercise prices of options, as applicable) reflects a 0.632-for-1 reverse stock split in connection with the Issuer's initial public offering which is effective as of the date hereof.
- (2) Gerald Gallagher disclaims beneficial ownership of these securities (except to the extent of his pecuniary interest in such securities), and this report shall not be deemed an admission that Mr. Gallagher is the beneficial owner of the securities for purposes of Section 16 or for any other purpose.
Oak Investment Partners VII, L.P. is the record holder of the securities. As the general partner of Oak Investment Partners VII, L.P., Oak Associates VII, LLC may be deemed a beneficial owner of the securities. As a managing member of Oak Associates VII, LLC, Gerald R. Gallagher, may be deemed to be a beneficial owner of the securities.
- (4) Oak VII Affiliates Fund, L.P. is the record holder of the securities. As the general partner of Oak VII Affiliates Fund, L.P., Oak VII Affiliates, LLC may be deemed a beneficial owner of the securities. As a managing member of Oak VII Affiliates, LLC, Gerald R. Gallagher, may be deemed to be a beneficial owner of the securities.
- (5) The Series III Non-Convertible Preferred Stock will be redeemed for cash upon the closing of the Issuer's initial public offering.
These securities have no stated expiration date. The Issuer has the right and intends to cause the mandatory conversion of the Convertible Preferred Stock into shares of Common Stock upon the closing of its initial public offering. This right may be exercised upon prompt reasonable notice. Upon such mandatory conversion of the
- (6) Convertible Preferred Stock, accrued and unpaid dividends will be paid in cash by the Issuer. The number of underlying shares of Common Stock reported in Column 3 reflects a 0.632-for-1 reverse stock split, which will be effected through the conversion of such Convertible Preferred Stock to Common Stock on a 0.632-for-1 basis upon the closing of the Issuer's initial public offering.
These securities have no stated expiration date. The Issuer has the right and intends to cause the mandatory conversion of the Convertible Preferred Stock into shares of
- (7) Common Stock upon the closing of its initial public offering. This right may be exercised upon prompt reasonable notice. The number of underlying shares of Common Stock reported in Column 3 reflects a 0.632-for-1 reverse stock split, which will be effected through the conversion of such Convertible Preferred Stock to Common Stock on a 0.632-for-1 basis upon the closing of the Issuer's initial public offering.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure.

Potential 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 number.

POWER OF ATTORNEY

Know all by these present, that the undersigned party hereby constitutes and appoints each of Gregg R. Bodnar, Chief Financial Officer of Ulta Salon, Cosmetics & Fragrance, Inc. ("ULTA") and Robert S. Guttman, General Counsel of Ulta, signing singly, such party's true and lawful attorney-in-fact to:

(1) execute for and on behalf of such party, all documents relating to the reporting of beneficial ownership of securities required to be filed with the United States Securities and Exchange Commission (the "SEC") pursuant to Section 13(d) or Section 16(a) of the Securities Exchange Act of 1934 and the rules thereunder (the "EXCHANGE ACT"), including, without limitation, Schedule 13D and Form 3, Form 4 and Form 5 and successive forms thereto;

(2) do and perform any and all acts for and on behalf of such party that may be necessary or desirable to complete and execute any such documents, complete and execute any amendment or amendments thereto, and timely file such documents with the SEC and any stock exchange, automated quotation system or similar authority; and

(3) take any other action of any type whatsoever in furtherance of the foregoing which, in the opinion of such attorney-in-fact, may be of benefit to, in the best interest of, or legally required by, such party, it being understood that the documents executed by such attorney-in-fact on behalf of such party pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorney-in-fact may approve in such attorney-in-fact's discretion.

Such party hereby grants to each such attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary, or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as such party might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such attorney-in-fact, or such attorney-in-fact's substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers herein granted. The undersigned acknowledges that the foregoing attorneys-in-fact, in serving in such capacity at the request of such party, are not assuming, nor is Ulta assuming, any of the undersigned's responsibilities to comply with the Exchange Act.

This Power of Attorney shall remain in full force and effect until such party is no longer required to file such documents with respect to such party's holdings of and transactions in securities issued by Ulta, unless earlier revoked by such party in a signed writing delivered to the foregoing attorney-in-fact.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 19th day of October, 2007.

By: /s/ Gerald R. Gallagher

Name: Gerald R. Gallagher

Managing Member of Oak Associates VII,
LLC, The General Partner of Oak Investment
Partners VII, Limited Partnership

Managing Member of Oak VII Affiliates,
LLC, The General Partner of Oak VII Affiliates
Fund, Limited Partnership