

**COTY INC. ANNOUNCES LICENSING AGREEMENT WITH PHAT FASHIONS TO
DEVELOP AND MARKET FRAGRANCES**

NEW YORK, September 7th -Coty Inc., one of the world's leading beauty companies, announced today the signing of a US licensing agreement covering the Baby Phat, Kimora Lee Simmons and Phat Farm trademarks. Under the terms of the license, Coty will initially develop and market fragrances under the Baby Phat by Kimora Lee Simmons brand.

This partnership is the first time that the Baby Phat brand has entered the fragrance and toiletries sector. The brand is well known for success within the 'urban market'. This market sector has become established in the music, publishing, lifestyle and fashion sectors. The sector sprang from hip-hop culture and today is worth around \$10 billion, according to industry estimates Baby Phat is one of the most successful brands in a market that has successfully combined street culture with style and celebrity to appeal to a wide-based youth audience. These values will be echoed in the products developed under its banner in a range that will initially be sold in the US.

"Baby Phat is very much a brand of the 21st century," said Bernd Beetz, Chief Executive Officer, Coty Inc. "Russell Simmons and Kimora Lee have built a lifestyle and image based on their music and fashion roots that resonates with a wide section of the young US audience. Kimora's creative flair and clarity of vision for the Baby Phat brand, alongside Coty's expertise in developing products that are close to consumers' lives and desires will make for an exciting and dynamic partnership. This is an important new addition to our portfolio and firmly stamps our presence in the younger market. The Phat Farm and Baby Phat by Kimora Lee Simmons license, is another example of the way that we are able to succeed and build great brands by moving faster, thinking more freely and taking our ideas further."

Led by the husband and wife team, Russell Simmons and Kimora Lee, the two brands have fast established themselves as a desirable brand worn by celebrities, women and children the world over. Baby Phat was born out of Simmons' male designer label, Phat Farm. The apparel company is now owned by Kellwood Co., following an acquisition in January 2004. Kimora Lee Simmons started in the industry as a high profile fashion model and has since become President, Creative Director of her own Baby Phat fashion empire. This combination gives her an insight and approach that have built one of America's best known 'urban apparel brands.'

"The expertise and flair of Coty Inc. has been proven time and time again. Creating a Baby Phat by Kimora Lee Simmons fragrance with their team was a natural choice for me. I look forward to working with them and bringing the essence of the chic, urban woman to life." - Kimora Lee Simmons.

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The Baby Phat and Phat Farm brands join a stable of world-renowned brands such as Jennifer Lopez, Celine Dion, Davidoff and Rimmel; all of which have grown significantly as a result of Coty's vision, ambition and understanding of the consumer.

Financial terms of the agreement were not disclosed.

About Coty Inc.

Coty Inc. is one of the world's largest and most successful beauty companies with sales of \$1.95 billion in 2004. With operations in more than 25 countries, Coty Inc. boasts a global brand portfolio of unrivaled breadth and scope, spanning the three core categories of fragrance, color cosmetics and skincare in the prestige, mass and masstige distribution sectors.

Lancaster Group, the prestige division of Coty Inc., has a portfolio of brands including Davidoff, Jennifer Lopez, Lancaster, Jil Sander, JOOP!, Nikos, Chopard, Vivienne Westwood, Marc Jacobs and Kenneth Cole. **Coty Beauty**, Coty Inc.'s mass and masstige division, markets brands such as adidas, the healing garden, Rimmel, Calgon, Celine Dion, Stetson, Jovan, Aspen, Pierre Cardin, Isabella Rossellini, Astor, Esprit and mary-kateandashley. For further information, please visit www.Coty.com.

About BABY PHAT by Kimora Lee Simmons

The Baby Phat brand was established in 1999 by fashion icon, Kimora Lee Simmons, who transformed the line from baby tees to an inspirational lifestyle collection which includes denim separates, leather, outerwear, jewelry, handbags, sneakers and a limited edition diamond encrusted Motorola cell phone. Today, the slinky Baby Phat feline logo can be seen everywhere and is the perfect statement for the bold, fun, and sexy attitude of the Baby Phat woman.