

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report:

March 22, 2007
(Date of earliest event reported)

SPECTRUM BRANDS, INC.
(Exact Name of Registrant as Specified in Charter)

Wisconsin
(State or other Jurisdiction of
Incorporation)

001-13615
(Commission File No.)

22-2423556
(IRS Employer Identification No.)

Six Concourse Parkway, Suite 3300, Atlanta, Georgia 30328
(Address of principal executive offices, including zip code)

(770) 829-6200
(Registrant's telephone number, including area code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 7.01. REGULATION FD DISCLOSURE

On March 12, 2007, Spectrum Brands, Inc. (the "Company") publicly announced that it had received a commitment from Goldman Sachs Credit Partners L.P. and Banc of America Securities LLC to refinance the Company's existing senior credit facility with a new bank credit facility (the "Proposed New Credit Facility").

On March 21, 2007, the Company publicly announced that Goldman Sachs Credit Partners L.P. and Banc of America Securities LLC in connection with seeking lending commitments under the Proposed New Credit Facility have furnished certain information from the Company to prospective lenders. On March 22, 2007, Goldman Sachs Credit Partners L.P. and Banc of America Securities LLC furnished certain additional information to prospective lenders. Attached as Exhibit 99.1 hereto and incorporated by reference herein is a presentation of certain of such additional information.

Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements, which are based on the Company's current expectations and involve risks and uncertainties, including, but not limited to, risks and uncertainties relating to (i) the Company's ability to refinance its existing senior credit facility and (ii) the ability to identify potential buyers for the Home and Garden Assets and to consummate any such sale. The Company cautions the reader that actual results could differ materially from the expectations described in the forward-looking statements. The Company also cautions the reader that undue reliance should not be placed on any of the forward-looking statements, which speak only as of the date of this report. The Company undertakes no responsibility to update any of these forward-looking statements to reflect events or circumstances after the date of this report or to reflect actual outcomes.

Item 9.01. FINANCIAL STATEMENTS AND EXHIBITS

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 22, 2007

SPECTRUM BRANDS, INC.

By: /s/ Randall J. Steward

Name: Randall J. Steward

Title: Executive Vice President and Chief
Financial Officer

EXHIBIT INDEX

Exhibit

Description

99.1

Supplemental Regulation FD Disclosure of Spectrum Brands, Inc., dated March 22, 2007

SUPPLEMENTAL REGULATION FD DISCLOSURE

In this supplemental disclosure, “Spectrum,” “SPC,” “the Company,” “we,” “us” and “our” refer to Spectrum Brands, Inc. and its subsidiaries, unless the context otherwise requires or it is otherwise indicated; “LTM period” with respect to any date, refers to the twelve month period ended on such date; and “H&G” refers to the Company’s Home and Garden business.

This Supplemental Regulation FD Disclosure contains forward-looking statements, which are based on the Company’s current expectations and involve risks and uncertainties, including, but not limited to, risks and uncertainties relating to (i) the Company’s ability to refinance its existing senior credit facility and (ii) the ability to identify potential buyers for the Home and Garden Assets and to consummate any such sale. The Company cautions the reader that actual results could differ materially from the expectations described in the forward-looking statements. The Company also cautions the reader that undue reliance should not be placed on any of the forward-looking statements, which speak only as of the date of this disclosure. The Company undertakes no responsibility to update any of these forward-looking statements to reflect events or circumstances after the date of this disclosure or to reflect actual outcomes.

Pro Forma Cash Flow

The Company expects to generate approximately \$150-200 million of cash from 3/30/07 to 9/30/07 due primarily to:

- A release of seasonal working capital from the H&G division and seasonal improvement in profitability
- The early payment of accrued interest (with respect to its existing senior credit facility and its 8 1/2% senior subordinated notes due 2013) on 3/30/07, as opposed to in April 2007

When combined with the \$100 million of cash the Company expects to have upon consummation of the refinancing, Spectrum expects to have approximately \$250 - 300 million of cash by 9/30/07.

Asset-Based Revolving Credit Facility

The Company expects to use approximately \$200 - 300 million of cash to pay down a portion of the term loan under its proposed new credit facility before 9/30/07 and put in place an asset-based revolving credit facility (“ABL”) (in an amount equal to or less than the amount of term loan repaid) to support future working capital needs.

This ABL will not result in incremental leverage, but will instead be sized according to how much term loan debt is repaid.

This ABL is not expected to result in incremental permanent debt, but is only expected to fund seasonal working capital needs and be repaid as such working capital is released each fall.

Segment EBITDA

Consolidated EBITDA for LTM 12/31/06 was \$257 million, comprised of:

- \$128 million in Global Batteries / Personal Care (“Global B&PC”)
- \$95 million in Global Pet
- \$63 million in H&G
- \$(29) million of corporate costs

Please see the reconciliation of the EBITDA numbers to GAAP numbers set forth below.

H&G EBITDA

Company management believes that the normalized run-rate of H&G EBITDA, excluding all one-time items, is approximately \$75 million.

- Actual H&G EBITDA for LTM 12/31/06 was approximately \$63 million
- The \$12 million difference is due to one-time expenses related to disruptions from the integration of the H&G division, implementation of the new SAP system, as well as excess freight charges and manufacturing inefficiencies
- Management believes that these issues have been resolved

Please see the reconciliation of the EBITDA numbers to GAAP numbers set forth below.

Debt Reconciliation from 12/31/06 to 3/30/07

As of December 31, 2006 there was:

- approximately \$1,157 million of term debt and \$108 million of revolver debt, for a total of \$1,265 million of funded credit facility debt
- approximately \$38 million of cash
- approximately \$1,227 million of funded credit facility debt, net of cash

As of March 30, 2007, pro forma for the refinancing of the existing senior credit facility:

- \$1,550 million of funded credit facility debt
- approximately \$100 million of cash
- approximately \$1,450 million of funded credit facility debt, net of cash

The difference between \$1,227 million and \$1,450 million of funded credit facility debt (i.e. \$223 million) between 12/31/06 and 3/30/07 can be explained as follows:

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- \$44 million of transaction expenses, including legal and financing fees and expenses
- \$11 million of call premium on the existing term loans
- \$31 million of accrued interest on the existing credit facility and the 8 1/2% senior subordinated notes due 2013
- \$15 million of cash restructuring charges
- \$29 million of negative free cash flow (i.e. EBITDA less capital expenditures, interest, taxes and other)
- \$64 million of working capital increase (primarily to support the seasonal buildup in the H&G division)
- \$29 million of other changes in assets and liabilities

Non-GAAP Financial Measures

Within this Supplemental Regulation FD Disclosure, reference is made to earnings before interest, taxes, depreciation and amortization (“EBITDA”). EBITDA as used in this Supplemental Regulation FD Disclosure is adjusted to give effect to unusual items, non-cash items and other adjustments. See table below, “Reconciliation of GAAP to Earnings Before Interest, Taxes, Depreciation and Amortization,” for a complete reconciliation of operating income on a GAAP basis to EBITDA. Spectrum’s management and some investors use EBITDA as one means of analyzing the company’s financial performance and identifying trends in its financial condition and results of operations. Spectrum provides this information to assist with meaningful comparisons of past, present and future operating results and to assist in highlighting the results of on-going core operations. Management believes that EBITDA is useful supplemental information; however, the presentation of EBITDA numbers is not intended to replace the Company’s reported GAAP financial results and should be read in conjunction with those GAAP results.

Reconciliation of GAAP to Earnings Before Interest, Taxes, Depreciation and Amortization

	Global B&PC	Pet	H&G	Corp	LTM 12/31/06
GAAP Operating Income	\$ (91)	\$ (208)	\$ 74	\$ (72)	\$ (297)
Depreciation	30	8	6	4	48
Amortization (1)	-	12	7	16	35
Restructuring and Related Charges (2)	27	12	(2)	20	57

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Goodwill & Intangible Asset Impairment (3)	162	271	-	-	433
Discontinued Operations – Home and Garden (4)	-	-	(22)	-	(22)

Other Adjustments	-	-	-	3	3
EBITDA	\$ 128	\$ 95	\$ 63	\$ (29)	\$ 257

All numbers represented above are in millions.

- (1) Consists of amortization of intangibles and unearned restricted stock compensation.
- (2) Restructuring and related charges in Fiscal 2006 primarily reflect integration initiatives associated with the United and Tetra acquisitions, as well as a series of actions in Europe to reduce operating costs and rationalize operating structure.
- (3) Reflects the impairment of certain goodwill and intangible assets written off as a result of our annual impairment evaluation in accordance with SFAS142, "Goodwill and Intangible Assets."
- (4) Represents the operating loss of the discontinued Home and Garden Business for the 1st Quarter ended December 31, 2006 as EBITDA includes the Home and Garden business.