# Spectrum Brands

Rayovac

VARTA Consumer Batteries

Remington

Russell Hobbs

united Industries

United Pet Group, Inc

Presentation to

## Barclays Back-To-School Consumer Conference

Boston – September 6, 2012

**Dave Lumley**
Chief Executive Officer

**Tony Genito**
Executive Vice President and CFO

# Forward-Looking Statements

Certain matters discussed in this presentation, with the exception of historical matters, may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, regarding our business strategy, future operations, financial condition, estimated revenues, projected costs, projected synergies, prospects, plans and objectives of management, as well as information concerning expected actions of third parties, are forward-looking statements. These statements are subject to a number of risks and uncertainties that could cause results to differ materially from those anticipated as of the date of this presentation. Important factors that could cause our actual results to differ materially from those expressed or implied herein include, without limitation: our ability to manage and otherwise comply with our covenants with respect to our significant outstanding indebtedness or maintain our credit ratings; changes and developments in external competitive market factors, such as introduction of new product features or technological developments; development of new competitors or competitive brands or competitive promotional activity or spending or industry consolidation; the cost and effect of unanticipated legal, tax or regulatory proceedings or new accounting policies, laws or regulations (including environmental, public health and consumer protection regulations); seasonality of our products and changes in consumer demand for the various types of products we offer resulting in the loss of, or a significant reduction in, sales to significant retail customers; our ability to develop and successfully introduce new products, protect our intellectual property and avoid infringing the intellectual property of third parties; public perception regarding the safety of our products, including the potential for environmental liabilities, product liability claims, litigation and other claims; unfavorable developments in the global credit markets; the impact of overall economic conditions, terrorist attacks, acts of war or other unrest in international markets on consumer spending; fluctuations in commodities prices, supply shortages, the costs or availability of raw materials or terms and conditions available from suppliers; changes in the general economic conditions in countries and regions where we do business, such as stock market prices, interest rates, currency exchange rates, inflation and consumer spending; our ability to successfully implement manufacturing, distribution and other cost efficiencies and to continue to benefit from our cost-cutting initiatives; the impact of expenses resulting from the implementation of new business strategies, divestitures or restructuring activities; our ability to integrate, and to realize synergies from, the combined businesses of Spectrum Brands, Inc. and Russell Hobbs, Inc.; our ability to identify, develop and retain key employees; unfavorable weather conditions or climate change and various other risks and uncertainties, including those discussed herein and those set forth in our filings with the Securities and Exchange Commission ("SEC").

We also caution the reader that undue reliance should not be placed on any forward-looking statements, which speak only as of the date of this presentation. We undertake no duty or responsibility to update any of these forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect actual outcomes. Additional factors that may affect future results and conditions are described in our filings with the SEC, which are available at the SEC's web site at www.sec.gov or at Spectrum Brands' website at www.spectrumbrands.com. The information contained in this presentation is summary information that is intended to be considered in the context of our SEC filings, and other public announcements that we may make, by press release or otherwise, from time to time. In addition, information related to past performance, while helpful as an evaluative tool, is not necessarily indicative of future results, the achievement of which cannot be assured. You should not view our past performance, or information about the market, as indicative of our future results. Further, performance information respecting investment returns on portfolio transactions is not directly equivalent to returns on an investment in our common stock.

# Reconciliation of Non-GAAP Financial Measurements

Management believes that certain non-GAAP financial measures may be useful in certain instances to provide additional meaningful comparisons between current results and results in prior operating periods. Excluding the impact of current exchange rate fluctuations may provide additional meaningful reflection of underlying business trends. In addition, within this presentation, including the tables that follow, reference is made to adjusted earnings before interest, taxes, depreciation and amortization (EBITDA), free cash flow and adjusted gross profit.

Adjusted EBITDA is a metric used by management and frequently used by the financial community which provides insight into an organization's operating trends and facilitates comparisons between peer companies, because interest, taxes, depreciation and amortization can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA can also be a useful measure of a company's ability to service debt and is one of the measures used for determining the Company's debt covenant compliance. Adjusted EBITDA excludes certain items that are unusual in nature or not comparable from period to period.

In addition, the Spectrum Brands' management uses adjusted gross profit as one means of analyzing the Spectrum Brands' current and future financial performance and identifying trends in its financial condition and results of operations. Management believes that adjusted gross profit is a useful measure for providing further insight into Spectrum Brands' operating performance because it eliminates the effects of certain items that are not comparable from one period to the next.

Also, management believes that free cash flow is useful to both management and investors in their analysis of Spectrum Brands' ability to service and repay its debt and meet its working capital requirements. Free cash flow should not be considered in isolation or as a substitute for pretax income (loss), net income (loss), cash provided by (used in) operating activities or other statement of operations or cash flow statement data prepared in accordance with GAAP or as a measure of profitability or liquidity. In addition, the calculation of free cash flow does not reflect cash used to service debt and therefore, does not reflect funds available for investment or discretionary uses.

Spectrum Brands provides this information to investors to assist in comparisons of past, present and future operating results and to assist in highlighting the results of on-going operations. While Spectrum Brands' management believes that non-GAAP measurements are useful supplemental information, such adjusted results are not intended to replace the Spectrum Brands' GAAP financial results and should be read in conjunction with those GAAP results.

**All GAAP reconciliations are available at [www.spectrumbrands.com](www.spectrumbrands.com)**

Spectrum BRANDS

# Attractive Segment Profile and Unrivalled Brand Portfolio

**Global Batteries & Appliances**
**FY'11 Net Sales $2.25B; EBITDA $307M**

Global Batteries

RAYOVAC
VARTA

Personal Care

REMINGTON

Small Appliances

Russell Hobbs
Toastmaster
FARBERWARE
GEORGE FOREMAN HEALTHY COOKING
Juiceman
Breadman
BLACK&DECKER Home

**Global Pet Supplies**
**FY'11 Net Sales $579M; EBITDA $99M**

Tetra
NATURE'S MIRACLE
Instant Ocean
Perfect Coat
Jungle Fish care made easy!
DINGO Meat in the Middle!
MARINELAND
PRO·PET
Excel
Lazy Pet
WILD HARVEST
FURminator PROFESSIONAL PET PRODUCTS
LITTERMAID

**Home & Garden**
**FY'11 Net Sales $354M; EBITDA $78M**

Spectracide
REPEL
Real-Kill
HOT SHOT It's Your Home. Not Theirs.
Garden Safe
SCHULTZ grow something
Cutter Enjoy the Outdoors Again
BLACK FLAG
TAT INSECTICIDES

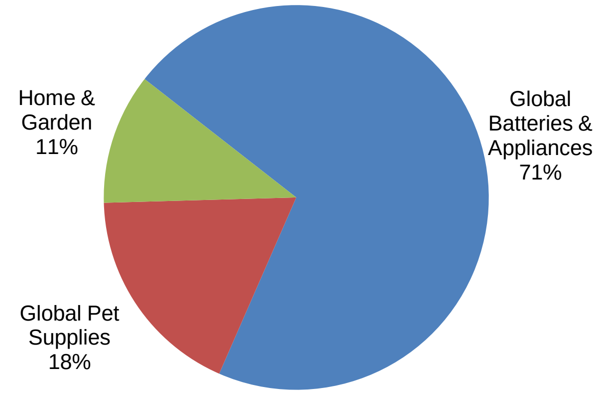
**Spectrum's portfolio includes widely used, trusted and well recognized brands**

Spectrum BRANDS

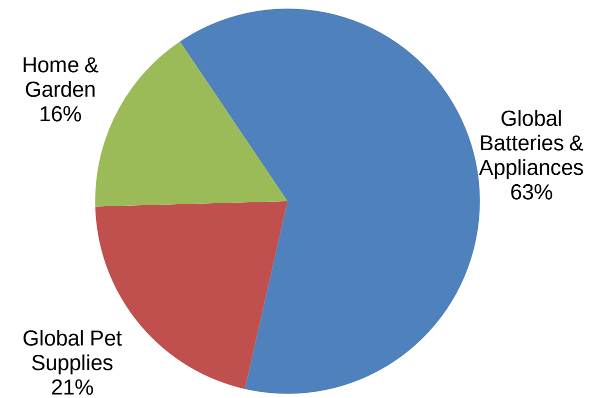
# Spectrum Brands –
## Providing Quality and Value to Retailers and Consumers Worldwide

- FY 2011 net sales and adjusted EBITDA of $3,187 million and $457 million, respectively
- Spectrum's Value Model drives success of strong, well-recognized and extendable brand names
- Top 3 global market positions in all product categories
- Global footprint with presence on 6 continents and products sold in more than 120 countries
- Strong relationships with major retailers globally
- Experienced and proven management team

**Diverse Portfolio Across Attractive Categories**




**FY 2011 Net Sales - $3,187 million**




**FY 2011 Adjusted EBITDA - $457 million[1]**

**The "Spectrum Value Model" drives adjusted EBITDA growth**

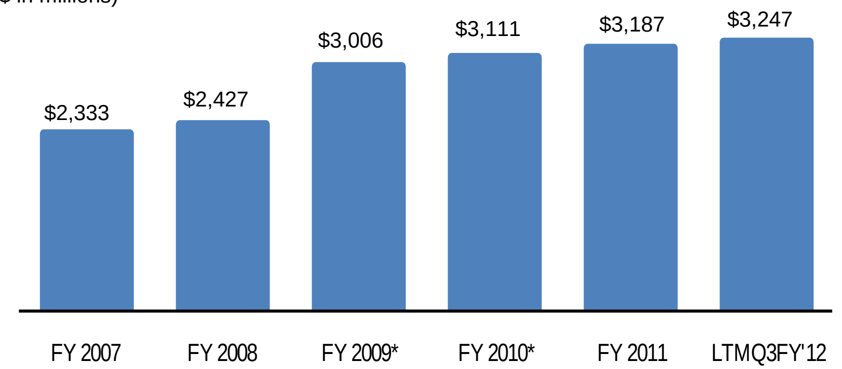
1. Adjusted EBITDA includes $26 million of corporate charges.

# Strong Financial Performance Despite a Challenged Consumer

- Quarter-over-quarter net sales and adjusted EBITDA growth virtually without exception since FY 2009
- Personal Care/Home & Garden leading the adjusted EBITDA improvements
- Drivers of solid financial performance include:
  - Resilient demand for SPB products across categories with “superior value” brand positioning
  - Increased distribution/market share in key product segments worldwide
  - Ongoing emphasis on continuous improvement processes, global new product development , efficient operating culture, and strong expense controls
  - Cost-saving initiatives at SPB, Russell Hobbs and Global Pet from SKU/brand rationalization and plant/distribution center consolidations
  - Leveraging infrastructure to reduce production expense through facility closures/SAP
  - Focus on non-discretionary, non-premium priced, replacement products
- CapEx focus on product development/ cost reductions

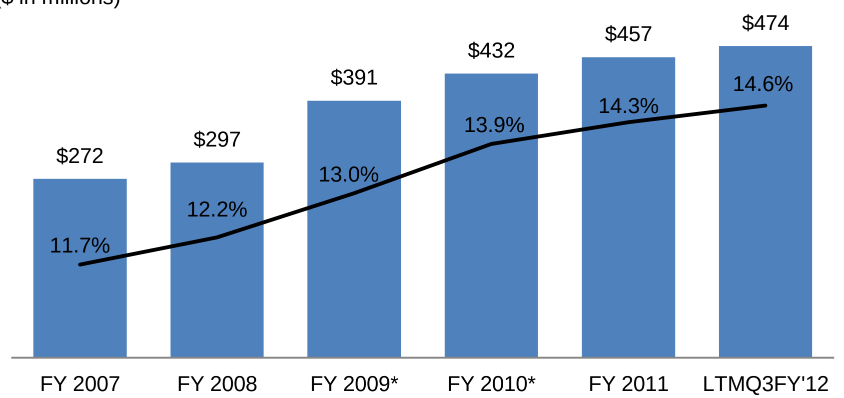
## Pro Forma Net Sales Improvement

($ in millions)




## Adjusted EBITDA/Margin Improvement

($ in millions)

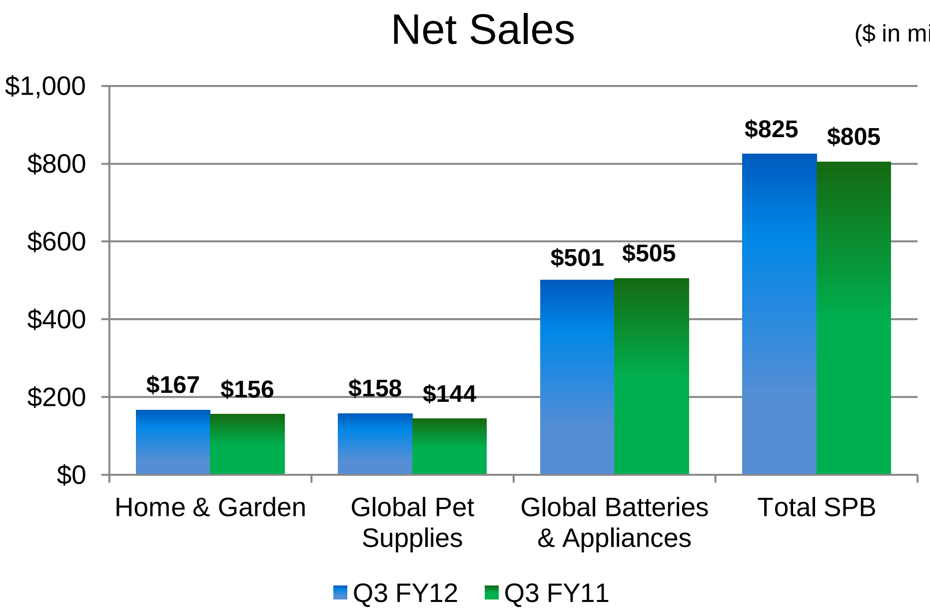



**Spectrum has generated robust sales and adjusted EBITDA growth, both organically and through acquisitions**

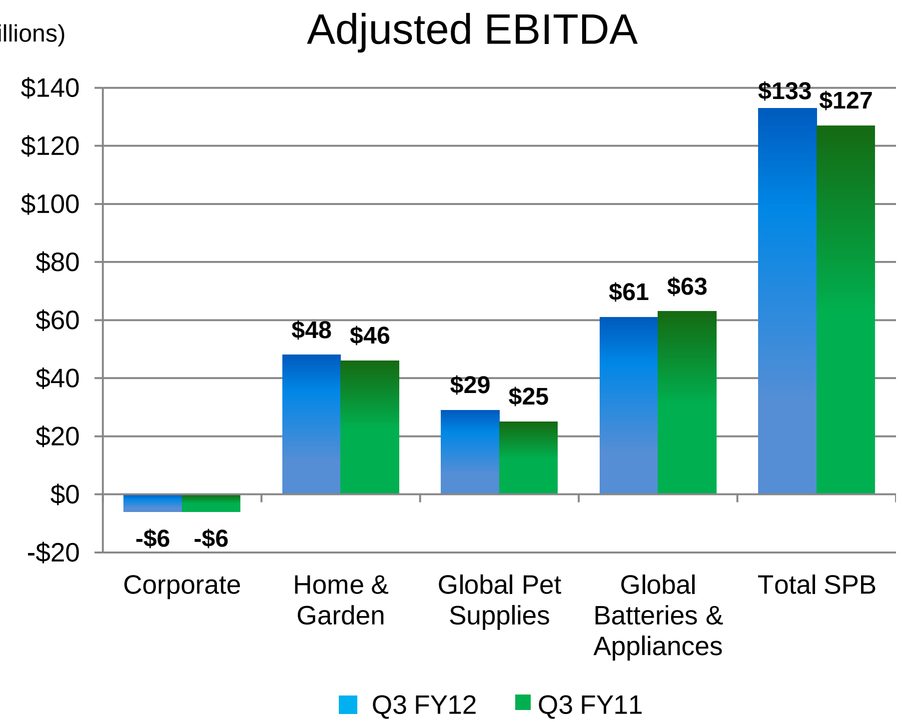
* Reflects pro forma as if Russell Hobbs merger completed at beginning of respective period.

Spectrum BRANDS

# Solid Performance – Q3 FY12 vs. Q3 FY11




($ in millions)




- Net income and diluted EPS more than doubled, while adjusted diluted EPS increased 18 percent
- Net sales, operating income and adjusted EBITDA grew 3 percent, 21 percent and 4 percent, respectively
- Third consecutive record third quarter of adjusted EBITDA
- Reaffirmed full-year financial guidance

# Spectrum Brands Vision

**VISION**

Be the leader in retailer metrics with superior value consumer products for everyday use

**GOAL**

Create shareholder value through a combination of adjusted EBITDA growth and debt reduction

# Spectrum Value Model:
## "Same Performance, Less Price / Better Value"

**Market Positioning**
Focus on #2 brands in markets with high barriers to entry

**Value to Retailers**
Best retailer margin; category mgmt; merchandising

**Product Performance**
Match or exceed competitor product performance

**Point of Sale Focus**
Win at point-of-sale, not through brand advertising

Spectrum Value Model

**Focused Investment**
Invest in product performance, R&D and cost improvement

**Control Costs**
Cost reductions via shared services, global NPD and common platform products

**The "Spectrum Value Model" differentiates Spectrum Brands and helps provide stability and sustainable earnings**

Spectrum BRANDS

# Proven Ability to Develop New Products

## Leveraging core strengths to fuel innovative product development

- R&D strategy focused on new product development and performance enhancements of existing products
- Aim to offer products that provide more features and better performance for value price
- Largely non-discretionary, non-premium priced, replacement products for everyday living

## Ongoing focus on successful new product launches

| Period | Key new product developments |
|---|---|
| **Fiscal 2012** | ✓ Platinum LCD Charger<br>✓ Cutter mosquito repellent fan<br>✓ Everyday rechargeable batteries<br>✓ Spectracide bug & weed killer in one<br>✓ Hot Shot DIY Mattress & Luggage treatment Kit<br>✓ Women’s hair care accessories<br> |
| **Fiscal 2011** | ✓ Platinum lithium ion power pack<br>✓ High performance LED indestructible lights<br>✓ i-Light (Europe / US launch)<br>✓ Remington – King of Shaves products<br>✓ Cutter natural insect repellents<br> |
| **Fiscal 2010** | ✓ Rayovac Platinum Nickel Metal Hydride rechargeable batteries<br>✓ Instant Ocean aquatic food and chemical products<br>✓ Dingo and Nature’s Miracle brand product extensions<br> |

**New products have helped Spectrum Brands drive sales and achieve market share gains**

Heightened focus on Consumables

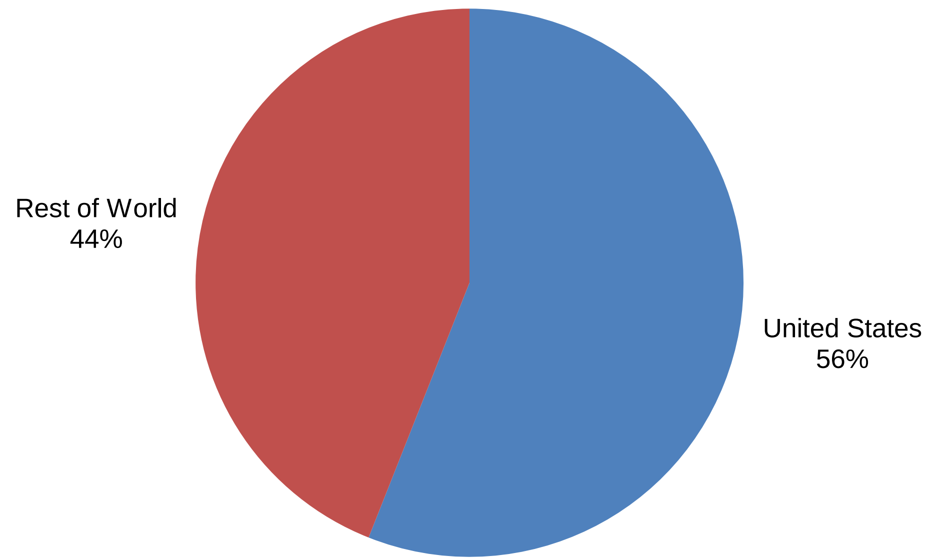
# Long Term Relationships with Key Retailers and Global Distribution Network

## Key Customers

| Customer | Length of relationship |
|---|---|
| Walmart | 20+ years |
| Lowe's | 20+ years |
| Canadian Tire | 20+ years |
| Boots | 20+ years |
| The Home Depot | 15+ years |
| Target | 10+ years |
| Carrefour | 10+ years |
| METRO Group | 10+ years |
| PETCO | 10 years |
| PetSmart | 10 years |
| TESCO | 8+ years |
| Argos | 8+ years |
| REWE | 8+ years |

## Truly Global Reach

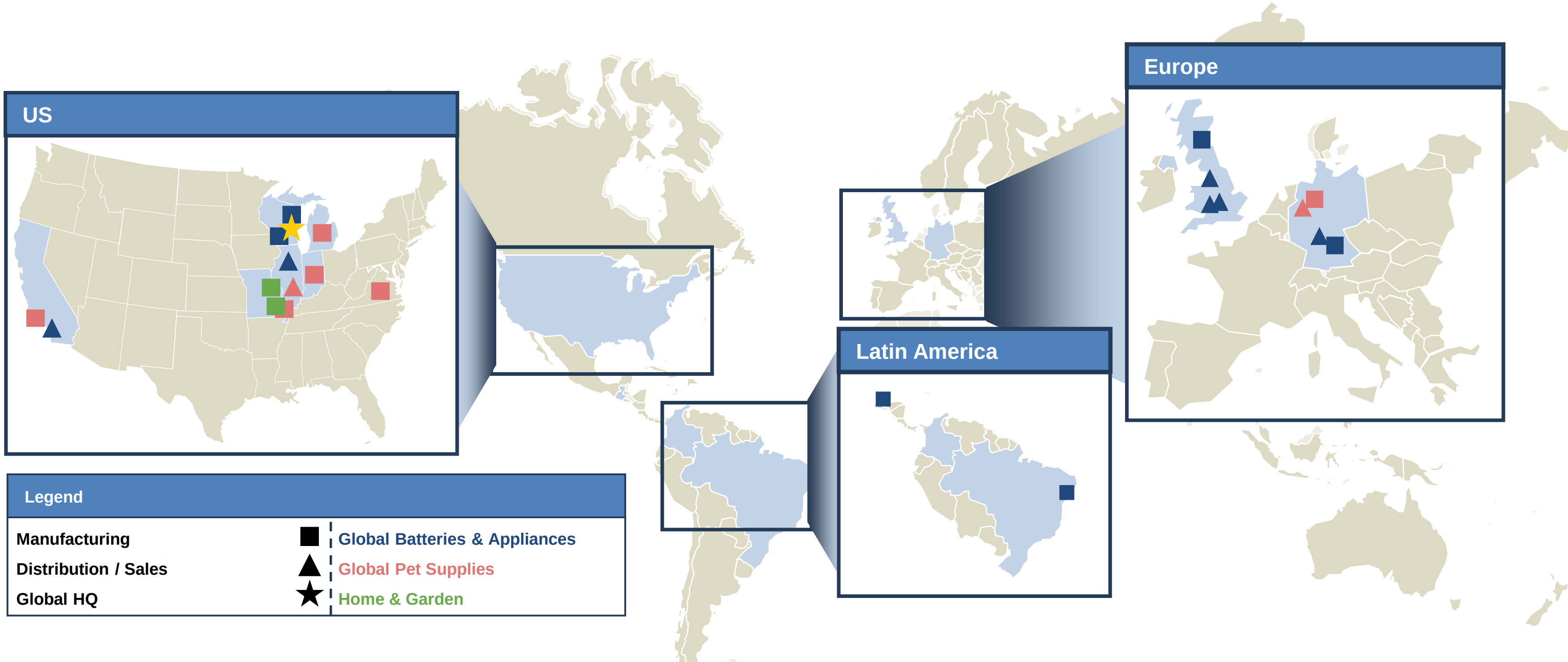
- Expansive distribution network
- Sells into approximately 120 countries on 6 continents




**Well-established customer relationships and global distribution facilitate market penetration**

# Low-Cost and Global Supply Chain

- Combination of manufacturing and third-party sourcing
  - Flexibility to manage production assets and reduce costs
  - Efficient capital management and working capital utilization
  - Significant "in-house" manufacturing allows for control of technologies and regulatory compliance
- Global sourcing system for raw materials, including Asian sourcing organization in Shenzhen, China
- Global manufacturing expertise, developed over 100 years, creates significant barrier to entry



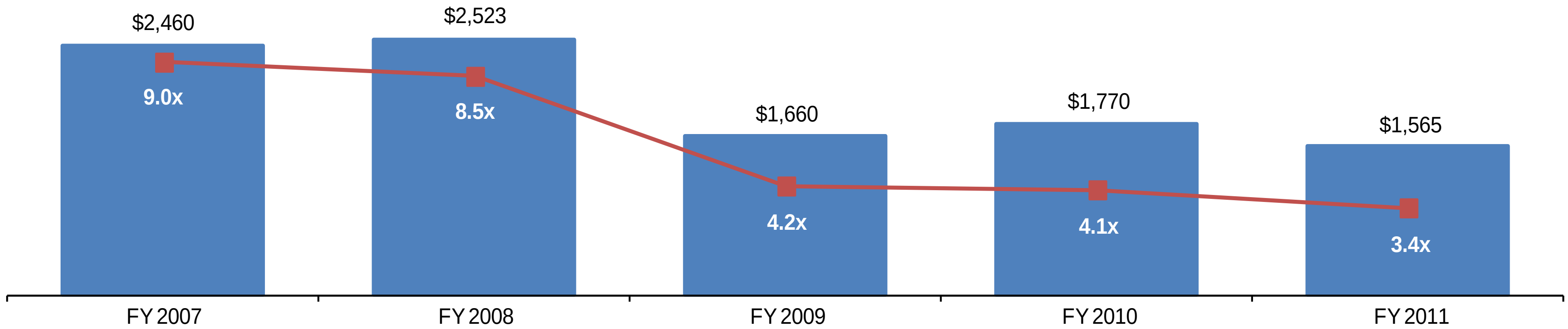

**The Company's goal is to achieve annual global cost improvement of 3%–5%**

# Growth Strategies –
## Utilize Strong Cash Flow to Pay Down Debt

- Track record of using strong free cash flow generation to make voluntary payments to reduce total debt
- Significant NOLs and limited CapEx requirements enhance free cash flow profile
- $220 million of debt prepayment on Term Loan in FY 2011, helping to reduce interest expense
- Objective is total leverage ratio in the range of 2.5x to 3.5x over the long term
- FY 2012 year-end target for total leverage ratio is approximately 3.4x
- Opportunistic approach to debt refinancing to ensure lowest possible rates on all debt tranches

**Total leverage (1)**

($ in millions)




**Spectrum's strong FCF and commitment to reduce debt have provided enhanced shareholder value**

(1) Calculated as total gross debt / adjusted EBITDA. Gross debt is stated prior to OID and other discounts.

# Growth Strategies –
## Pursue Bolt-On Acquisitions to Further Enhance Scale

**Key acquisition priorities**

**Global Pet Supplies**

- Large and rich list of targets identified for bolt-on acquisitions
- Primary focus in Companion Animal
- Potential acquisition categories include dog and cat treats, dog and cat healthcare, wild bird, dog and cat nutrition, reptile, and pet training and containment
- Seek targets that offer manufacturing and/or distribution synergies
- Fragmented industry is ripe for consolidation

**Home & Garden**

- Targets focused on small to medium-sized CPG companies in the H&G and cleaning categories
- Seek targets that offer product strategic fit and/or manufacturing and distribution synergies (e.g., Black Flag/TAT brand assets)
- Complementary brands and categories
- Evaluating liquid and aerosol fill opportunities

**Spectrum continually evaluates synergistic, bolt-on acquisitions to expand its product line, extend market penetration and grow its geographic footprint**

# Recent Acquisitions Drive Top-Line and Bottom-Line

## Black Flag/TAT Brands Acquisition – November 2011

- Black Flag/TAT produces and distributes a line of insecticide products, including liquids, aerosols, baits and traps that control ants, spiders, wasps, bedbugs, fleas and other insects, as well as roach, fly and yellow jacket products for motels
- Accretive transaction strengthens Home & Garden’s household insecticide portfolio and increases market share of the US consumer pest control market
  - Black Flag/TAT enhance Spectrum’s capabilities to serve consumer marketplace while expanding household insecticide presence in several less developed retail channels
  - Black Flag is one of the oldest brands in the US (dates to 1833) with extraordinary consumer recognition
  - Opportunity for meaningful manufacturing and distribution synergies


## FURminator Acquisition – December 2011

- FURminator is a leading global provider of branded, patented dog and cat grooming products with annual revenue of approximately $40 million
- Accretive transaction provides Spectrum with a leadership position in global dog and cat grooming category
  - Management expects the global dog/cat grooming category to grow a 3%–4% per year
- $140 million purchase price (represents approximately 6-7x EBITDA multiple after achieving significant synergies in the next 12 to 18 months)
- Acquisition helps provide additional balance in Spectrum’s Global Pet Supplies business which includes both aquatics and companion animals


# Global Batteries & Appliances (GBA) Segment

REMINGTON

Toastmaster

GEORGE FOREMAN
HEALTHY COOKING

VARTA

RAYOVAC

Juiceman

Breadman

FARBERWARE

BLACK&DECKER Home

Russell Hobbs

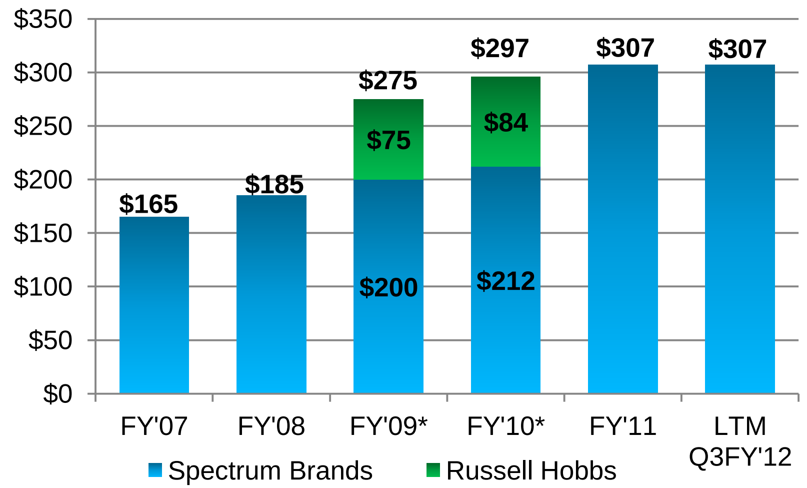
**Global Batteries & Appliances**

# Global Batteries & Appliances Segment

- Operating results driven by Spectrum Value Model
  - Same quality/performance at a lower price
  - Global battery business is growing market share
  - Battery industry is stable and expected to continue to see annual growth in cell units
  - Device population has stabilized and resumed growth
  - Appliances business holds market-leading positions in 6 key categories
- Consumers are switching to value brands
  - Experiencing market share gains in many categories around the world
- Large customers gaining share of total market, helping propel our share gains
  - Driving foot traffic into big-box retailers
  - Renewed focus on "one-stop shopping"
- Company is capitalizing on its platform with innovation and new product launches (e.g., women's hair care accessories)
- Strong adjusted EBITDA growth despite soft economy, rising costs from Asian suppliers and volatile FX

**Adjusted EBITDA Performance - GBA**

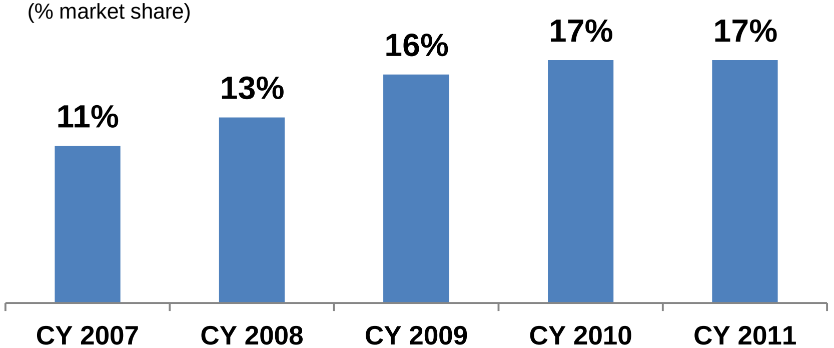
($ in millions)




*Assumes Russell Hobbs was part of Spectrum Brands for all of fiscal 2009 and 2010. Amounts have been restated for new segment definitions.

**Rayovac General Batteries – U.S. Market Share (1)**

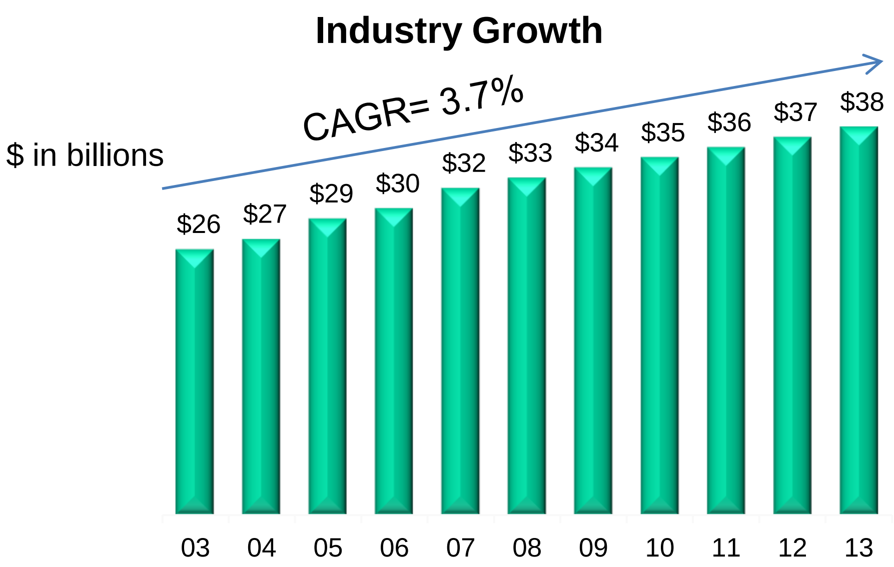
(% market share)

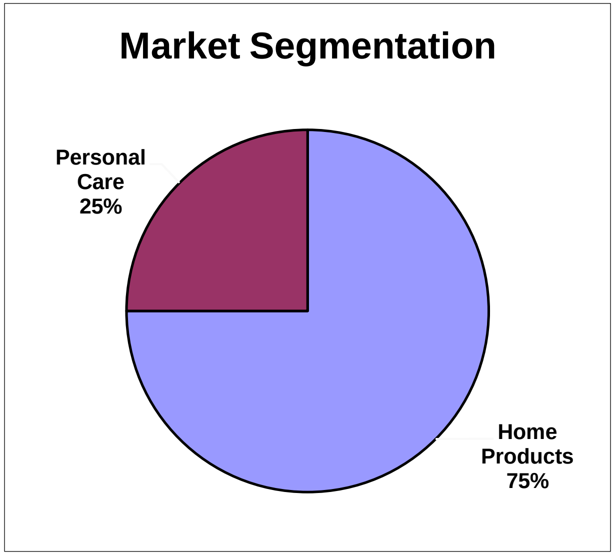



(1) Nielsen FDM including Walmart.

# Global Appliances Industry with a Large Footprint

- Stable, recession-resistant
  - Replacement nature/everyday use products
- Strong portfolio of flagship brands
  - Remington, Black & Decker, George Foreman, Russell Hobbs, Farberware
  - Leading market positions in served categories
- Global Appliances has the number 4 position in the global small appliance rankings, overtaking both Conair and Jarden




Source: Euromonitor - GA Addressed

Worldwide market share position: Phillips 5.9%, Groupe SEB 5.2%, P&G 5.1%, SPB 4.1%, Conair 3.5% and Jarden 3.5%

# Global Pet Supplies Segment

LitterMaid
kookamunga
Perfect Coat
WonderBox
Complete
Tetra
Lazy Pet
Nature's Miracle
Excel
Nozto Noz
n2n
8in1
Dingo
Rubbermaid
Whisper
MaRS
Instant Ocean
Aqua-Tech
Pets
Jungle
Fish care made easy!
Wild Harvest
One Earth
Jungle talk
Pro·Pet
Marineland
Ecotrition
FURminator
PROFESSIONAL PET PRODUCTS
PetNation
Birdola Products

UNITED PET GROUP, INC

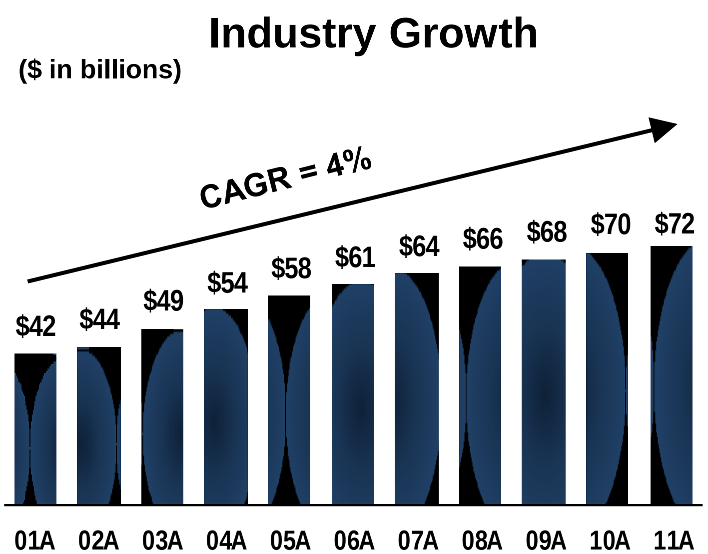
**UNITED WE STAND,**

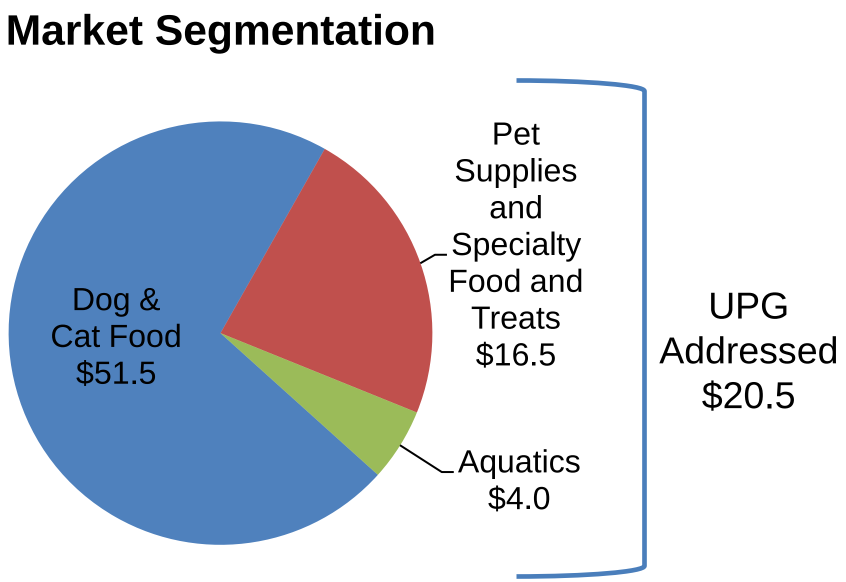
We stand for better health, better play, longer naps and more treats. A higher standard for pets of all kinds. UPG is committed to bring real solutions to pet owners and to make pets happy.

Spectrum Brands

# Attractive Global Industry

- Global pet food/supplies industry estimated at $72 billion in 2011
- Consistent annual growth of 3-4%
- UPG addresses a $20.5 billion market segment with attractive growth characteristics, high fragmentation, and low seasonality



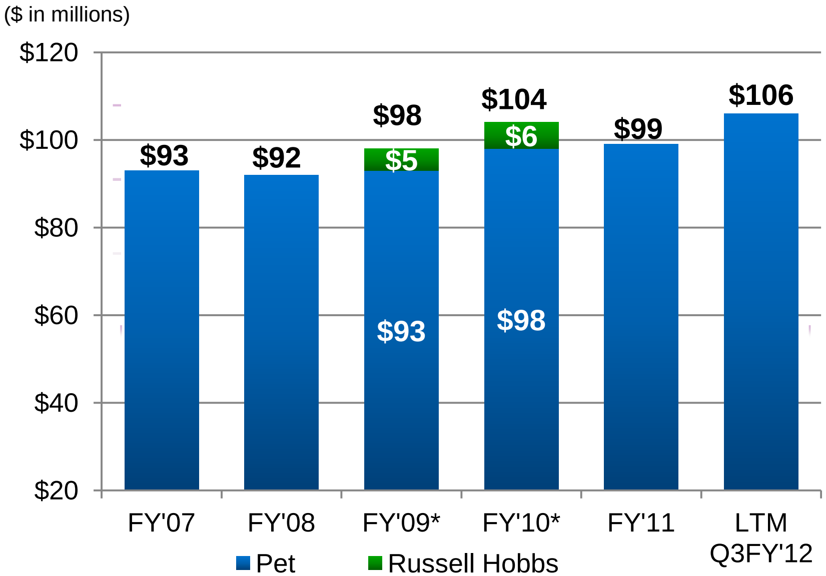




Source: Euromonitor and Management estimates

# Global Pet Supplies Segment

## Sole Player with Global Platform and Presence

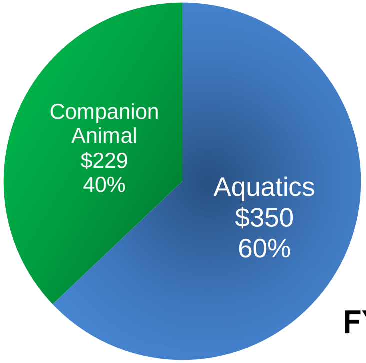
### Adjusted EBITDA Performance



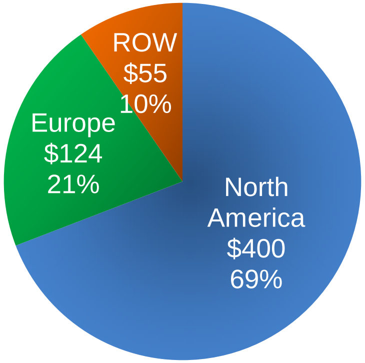

*Reflects pro forma as if Russell Hobbs merger completed at beginning of respective period. Fiscal year ended Sept. 30.

- Attractive industry trends (e.g., increasing pet ownership/spending per pet, low seasonality)
- North American aquatics business showing recent improvement
- Strong new product pipeline in FY'12 in both aquatics and companion animals
- $10-$15 million of cost-cutting opportunities being achieved in FY'11-'12
- Seeking acquisitive, "tuck-in" growth opportunities in companion animals (e.g., FURminator)

### Net Sales by Category



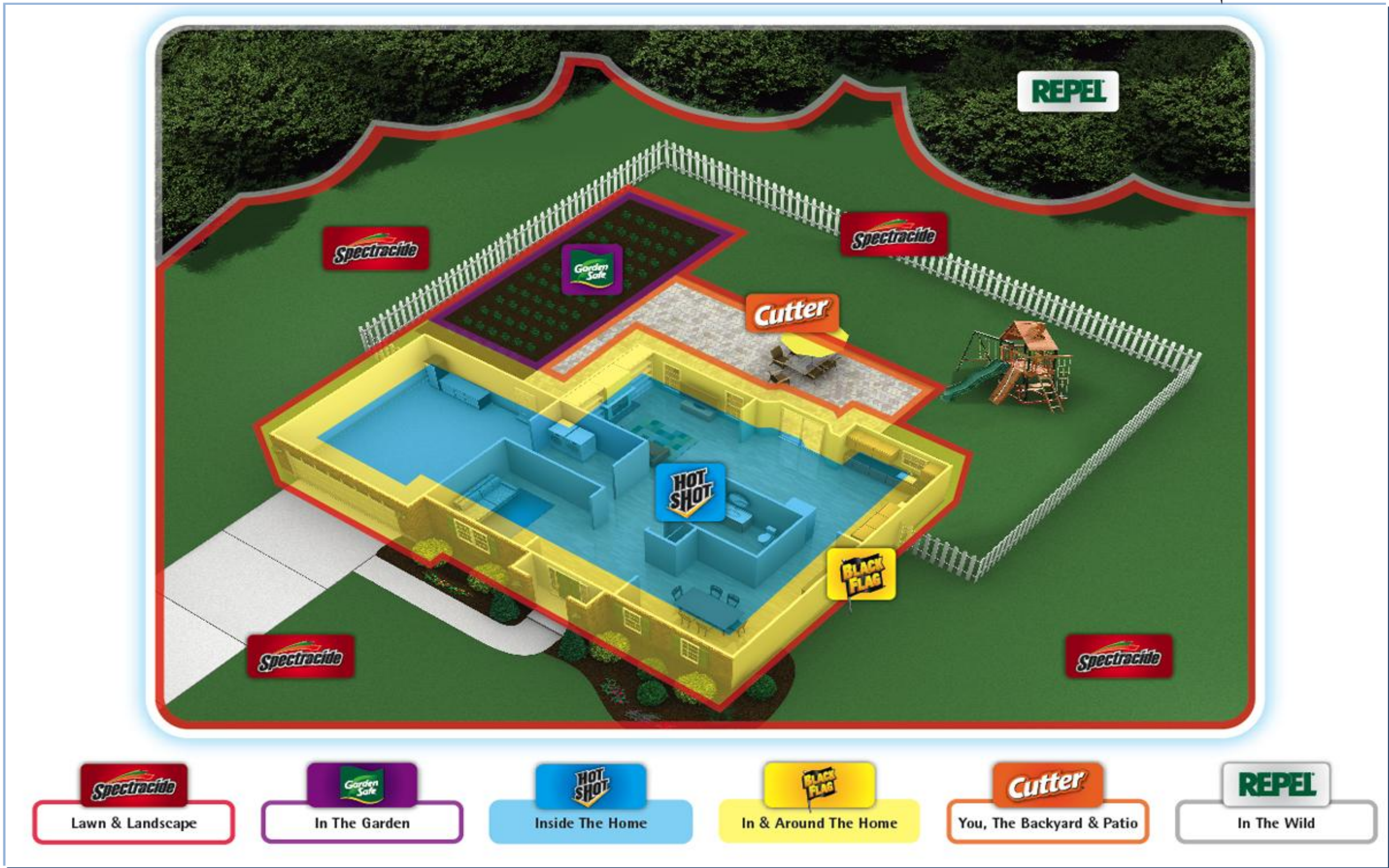

### Net Sales by Geography




**FY'11 net sales: $579 million**
**($ in millions)**

# Home & Garden Segment (United Industries)

## Industry-Leading Value Brands

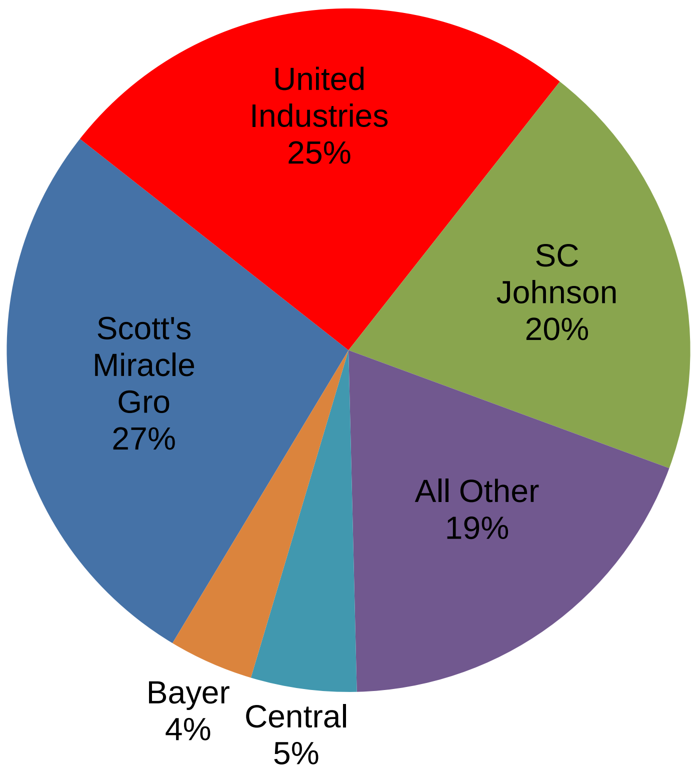


Strong #2 Share in the Industry

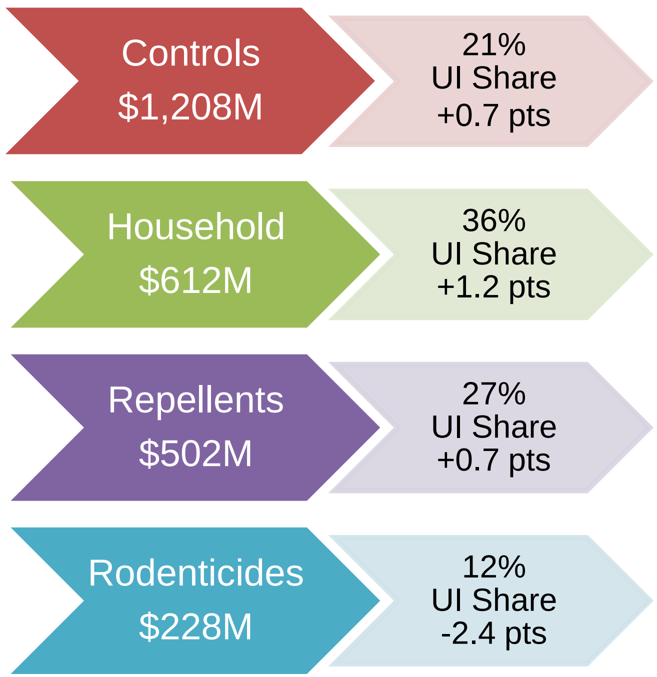
# U.S. Retail Home & Garden Pest Control Market

## $2.5 Billion Retail Category

### Vendor Market Share Estimate




### United Industries Share

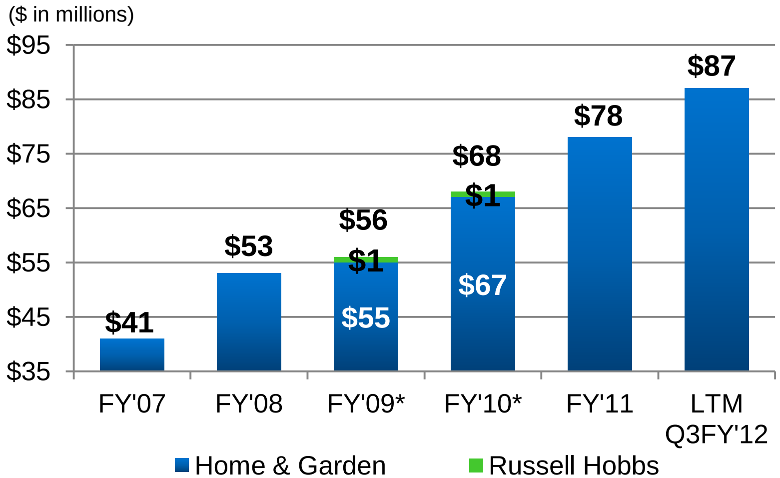



*UI Share includes Black Flag / TAT*

Source: UI Management Estimates 2011

# Home & Garden Segment – Delivering Robust Growth

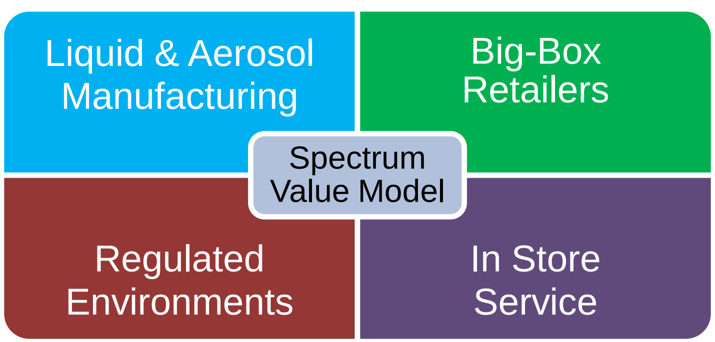
## Adjusted EBITDA Performance[1]




* Reflects pro forma as if Russell Hobbs merger completed at beginning of respective period. Fiscal year ended Sept. 30.

[1]Adj. EBITDA excludes impact of Growing Products division (shut down in Q2 FY'09)

### *Drivers of Success*




## Home and Garden

- Strong financial results
  - Attractive margins
  - Low CapEx requirements
- Attractive industry trends
  - Outdoor living explosion
  - Strong underlying demographic patterns
- Unique competitive environment
  - Few large competitors
  - High entrance barriers
- Solid retail relationships
  - Retail sales team
  - Customer-focused platform sales teams
- Strong operations platform
  - Innovative R&D
  - Low-cost product provider

Committed to value model of providing same performance at less price

Spectrum Brands

# Spectrum BRANDS

*Providing Quality and Value to Consumers Worldwide*

# Quarterly Dividend Initiated; One-Time Special Dividend Declared

- Quarterly common stock dividend of $0.25 per share to start in fiscal 2013
  - Quarterly dividends expected to be paid in March, June, September and December
- One-time, special dividend of $1.00 per share to be paid on September 18 to shareholders of record on August 27
- Initiation of dividend recognizes strong, consistent free cash flow generation capability and commitment to deliver attractive returns to shareholders
- After fiscal 2013, opportunity to raise dividend will be evaluated based upon free cash growth
- Special dividend recognizes strong fiscal 2012 results and allows shareholders to receive a dividend in fiscal 2012 equivalent to our planned dividend in fiscal 2013
- In future years, payment of special dividend is not anticipated and should not be expected

# Fiscal 2012 Outlook

- Net sales increase at or above GDP rate
- Higher percentage increase in adjusted EBITDA
- Net income versus net loss in FY 2011
- Free cash flow goal of at least $200 million
- Continued debt reduction to attain FY 2012 year-end total leverage ratio equivalent to FY 2011 year-end total leverage ratio of 3.4x
- CapEx of approximately $45 million – predominantly for cost reduction and new product development

# Investment Highlights

- Proven success using the Spectrum Value Model with continued focus on profitable growth and compelling value proposition
- Spectrum Value Model is working and resonating with retailers and consumers, who are increasingly open to trial and brand conversion
- Strong, well-known brand names with top 3 market positions
- Global footprint with diversified revenue stream, expansive distribution network
- Largely non-discretionary, replacement products for everyday living
- Attractive margins and strong free cash flow generator
- Experienced and proven management team
- Annual/long-term management incentive compensation programs aligned with shareholder interests – adjusted EBITDA and free cash flow focus
- Growing adjusted EBITDA and free cash flow

Spectrum BRANDS

NYSE: SPB

www.spectrumbrands.com

investorrelations@spectrumbrands.com

# Appendix

# Strong and Proven Leadership Team

| Name/Title | Years with Company | Industry Experience |
|---|---|---|
| ***Spectrum Brands***<br>**David Lumley**<br>Chief Executive Officer | 6 | 29 |
| **Tony Genito**<br>Executive Vice President, CFO and CAO | 8 | 20 |
| **John Heil**<br>President, Global Pet Supplies (UPG) | 7 | 21 |
| **Terry L. Polistina**<br>President, Global Appliances | 2 | 22 |

# Market Leading, Well Positioned Product Portfolio

## Leading Market Positions

| Category | Select Key Brands | Market Size | Market Position |
|---|---|---|---|
| Consumer Batteries | Rayovac, Varta | $3.4bn (US)<br>$5.3bn (Europe)<br>$1.4bn (Latin America) | #3 (North America)<br>#2 (Europe)<br>#1 (Latin America) |
| Electric shaving and grooming | Remington | $3.0bn (US) | #2 (North America, UK, Australia)<br>#3 (Continental Europe) |
| Electrical personal care products | Remington | $2.6bn (US) | #1 (Australia)<br>#2 (Europe)<br>#3 (North America) |
| Portable lighting | Rayovac, Varta | $2.0bn (US) | #2 (North America, Europe, Latin America) |
| Kitchen & home products | Farberware, Black & Decker, Russell Hobbs, George Foreman | $4.7bn (US kitchen) | #2 (US kitchen products)<br>#1 (US hand-held irons)<br>#1 (UK kitchen /home products) |
| Pet supplies | Tetra, 8in1, Nature's Miracle, Dingo, FURminator Professional Pet Products | $20.5bn (global) | #2 (Global pet supplies)<br>#1 (Global aquatics) |
| Home & garden control products | Spectracide, Cutter, Repel, Hot Shot, Black Flag | $2.5bn (US) | #2 (US) |

**We are a clear market leader with top 3 market positions across all of our key product segments**

Note: All market size and market position information is per Company estimates and industry data.

# Evolution of Global Batteries

**1906**

*French Battery Company Formed in Madison WI Later Renamed Rayovac*

**1999**

*Rayovac Reacquires Majority of Brand in Latin America*

**2002**

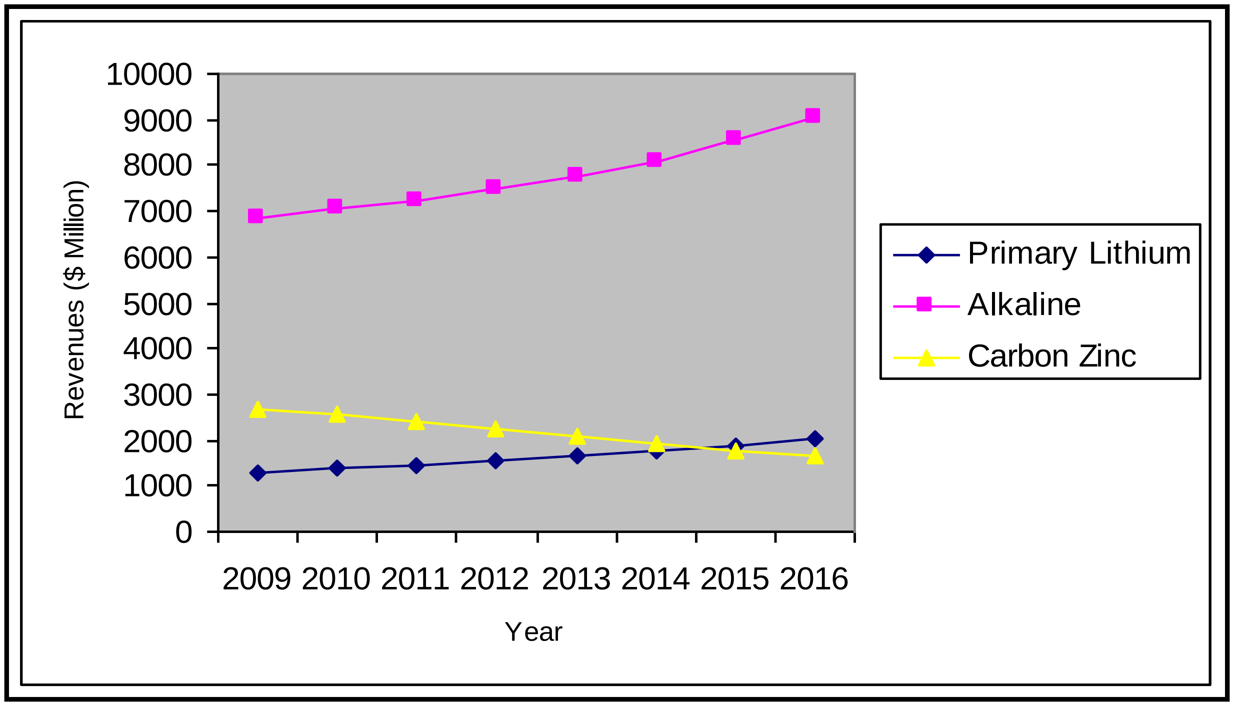
*Rayovac Acquires VARTA*

**2004**

*Rayovac Reacquires Brand in Brazil*

# Batteries is an Attractive Segment for SPB Given Market Share Gains & Estimated Organic Growth (Alkaline at 3.5% per Year)

Global Battery Market: Revenue by Battery Type (World), 2010-2016




*Source: Frost & Sullivan Analysis*


Spectrum BRANDS

# Evolution of Global Appliances

**1998** — *Applica acquires Black & Decker Household Products Group*

**2003** — *Spectrum Brands acquires Remington*

**2006** — *Harbinger completes acquisition of Applica*

**2007** — *Applica merges with Salton*

**2009** — *Applica/Salton renamed Russell Hobbs*

**2010** — *Acquires Farberware*

*Russell Hobbs merges with Spectrum Brands*

**2011** — *Remington combines with Russell Hobbs to form Global Appliances*

# Global Appliances – Diversified Product Line-up

| | Kitchen Products | Home Products | Personal Care |
|---|---|---|---|
| **Representative Brands** | Breadman, FARBERWARE, GEORGE FOREMAN, Juiceman, BLACK&DECKER Home, Russell Hobbs, toastmaster | BLACK&DECKER Home, Russell Hobbs, windmere | REMINGTON |
| **Product Offerings** | ▪ Kettles<br>▪ Storage and organization products<br>▪ Food storages<br>▪ Grills<br>▪ Toaster ovens<br>▪ Toasters<br>▪ Blenders / mixers<br>▪ Can openers<br>▪ Coffee makers / grinders<br>▪ Electric knives<br>▪ Deep fryers<br>▪ Food choppers<br>▪ Food processors<br>▪ Juicers<br>▪ Hand mixers<br>▪ Rice cookers<br>▪ Steamers<br>▪ Bread makers<br>▪ Sandwich makers | ▪ Hand-held irons<br>▪ Vacuum cleaners<br>▪ Air purifiers<br>▪ Clothes shavers<br>▪ Heaters | ▪ Straighteners,stylers, curling irons<br>▪ Men's and women's electric shavers & epilators<br>▪ Men's and women's groomers<br>▪ Haircut kits<br>▪ Hand-held hair dryers<br>▪ Hair setters<br>▪ i-Light |






# Growth Strategies –
## Benefit from Synergies from the Merger with Russell Hobbs

### Cost-saving synergies

- Cost-saving synergies target of $35 to $40 million (originally $25 to $30 million) targeted by the end of FY 2012 through consolidating overlapping infrastructure in various regions
- Merger integration activities are progressing on schedule
  - Completed the migration of Russell Hobbs onto Spectrum's SAP Enterprise Resource Planning ("ERP") platform in North America; on track internationally
  - Consolidated numerous distribution facilities and sales offices
- Cost savings from ongoing Merger integration activities should contribute to Spectrum's adjusted EBITDA growth

### Enhanced distribution

- Intend to leverage the enhanced global network as a result of the Merger to expand product distribution
  - Utilize Remington's more extensive distribution network in Western and Eastern Europe to expand the Russell Hobbs kitchen appliance business
  - Leverage Russell Hobbs' strong Latin American distribution footprint to expand the growing Remington presence
- The Merger has also strengthened existing relationships with customers such as Wal-Mart, The Home Depot, Lowe's, Target, Carrefour, Boots, and Canadian Tire
  - Improved ability to serve these customers more efficiently
- Well positioned to capitalize on the trend of global retail merchants who are continuing to consolidate their vendor base

**Merger synergies are driving significant cost savings and distribution growth**

# UPG: An Impressive Portfolio of Leading Brands

## Aquatics

| Brand | Product Categories |
|---|---|
| Tetra | 7 |
| Marineland | 5 |
| Whisper | 3 |
| Aqua-Tech | 2 |
| MaRS | 2 |
| Instant Ocean | 3 |

## Companion Animal

| Brand | Product Categories |
|---|---|
| Dingo | 2 |
| Nature's Miracle | 7 |
| Wild Harvest | 3 |
| Ecotrition | 4 |
| LitterMaid | 1 |
| Pro-Sense | 3 |

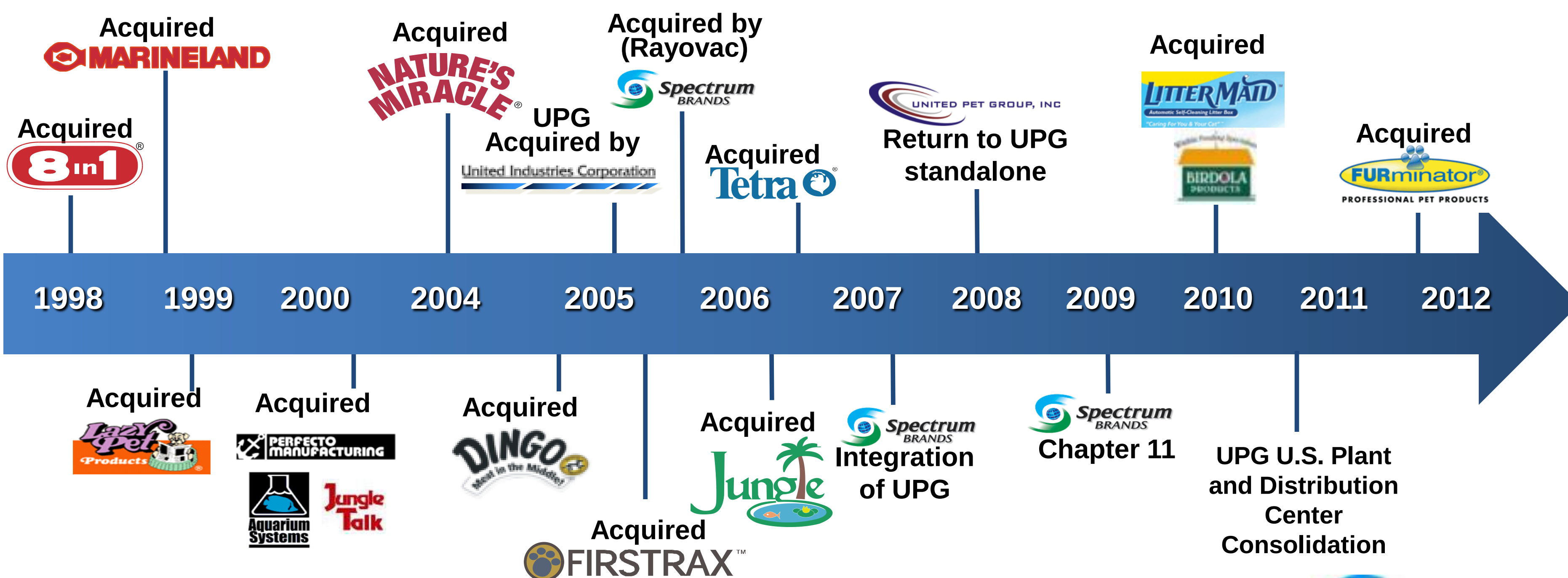
# Long-Standing Global Customer Relationships

| Retailer | Length of Relationship | Category Manager/ Advisor Roles |
|---|---|---|
| WAL★MART | 20 Years | Aquatics<br>Small Animal / Domestic Bird<br>Dog Containment |
| PETSMART | > 15 Years | Aquatics<br>Dog & Cat Health and Beauty Aids<br>Rawhide<br>Stain & Odor Control Products |
| PETCO Where the pets go. | > 15 Years | Aquatics<br>Dog & Cat Health and Beauty Aids<br>Small Animal / Domestic Bird<br>Stain & Odor Control Products |
| TARGET | > 10 Years | Dog & Cat Health and Beauty Aids<br>Rawhide<br>Small Animal / Domestic Bird<br>Aquatics |
| FRESSNAPF | > 10 Years | Aquatics |
| HORNBACH | > 10 Years | Aquatics |
| pets at home | > 10 Years | Aquatics |
| ZOLUX | > 20 Years | Aquatics |

Spectrum BRANDS

# UPG Historical Review: Acquisitions and Integration

- United Pet Group (UPG) was formed in 1998 by TA Associates and between 1999-2006 successfully executed an acquisition/integration strategy within the U.S. pet supplies industry
- Acquired by Spectrum in 2005 with subsequent acquisitions of Tetra and Jungle
- Current opportunity: finalize the consolidation, restart acquisition activity and globalize companion animal segment



# Acquisition: UPG is the Only Global Platform in the Industry

- Dedicated sales, marketing and operations teams in 3 primary geographies: North America, Europe, Pacific Rim
  - Represents 90% of the total pet supply market
- Competitors lack similar infrastructure
- Ideal to execute a global roll-up strategy

## Comparative Global Infrastructure

| | North America | Latin America | Europe | Japan |
|---|---|---|---|---|
| United Pet Group, Inc | ✓ | ✓ | ✓ | ✓ |
| Central Garden & Pet | ✓ | | | |
| Hartz | ✓ | ✓ | | |
| Hagen | ✓ | | ✓ | |
| Vitakraft | ✓ | | ✓ | |
| Doskocil | ✓ | | | |

Spectrum BRANDS

# Highly Recognized and Respected Value Brands

**Controls**

Spectracide | Garden Safe

- Weed & Grass Killers
- Outdoor Insect Control

**Household**

Hot Shot | Black Flag

- Ant, Roach and Wasp Killers
- Indoor Insect Control

**Repellents**

Cutter | Repel

- Personal and Area Mosquito Repellents
- Yard Treatment Products

**Rodenticide & Other**

Real-Kill | Schultz

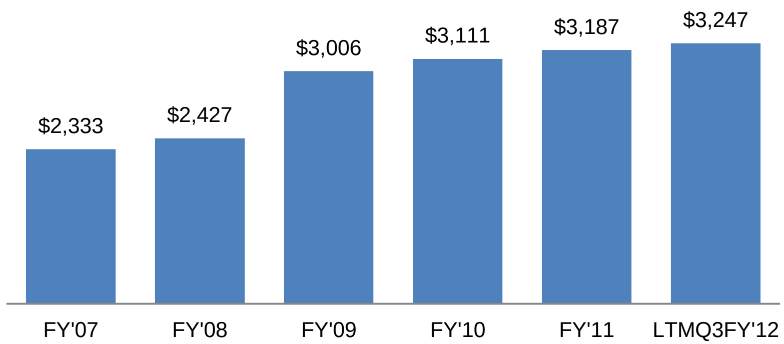
- Mouse / Rat Baits and Traps
- Plant Food

Spectrum Brands

# Financial Snapshot

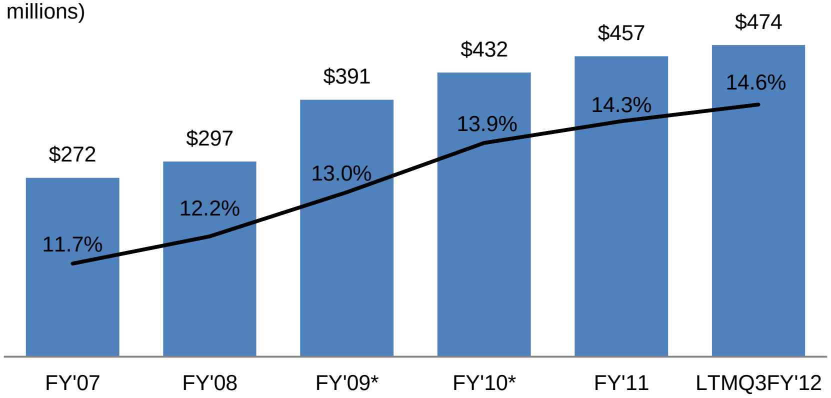
## Pro forma net sales

($ in millions)



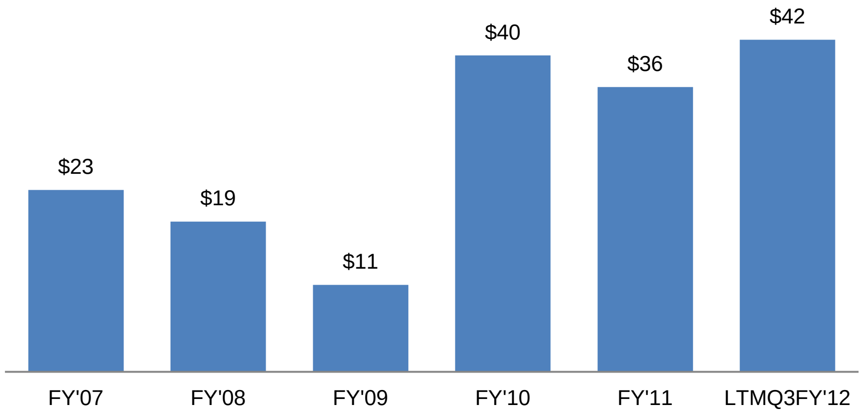

## Adjusted EBITDA

($ in millions)



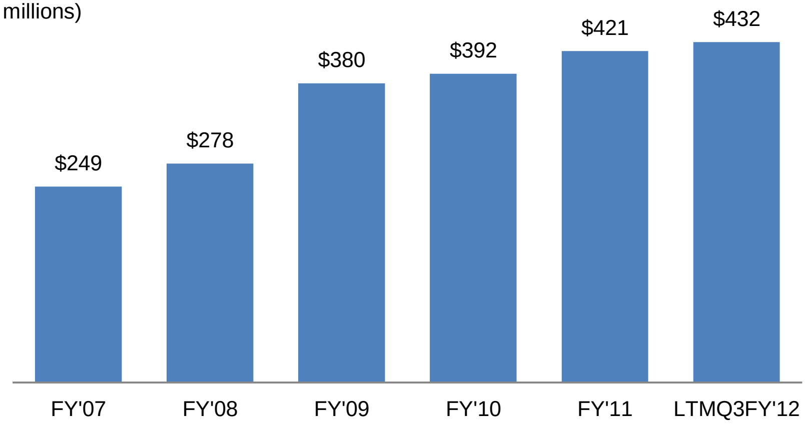

## Capital expenditures

($ in millions)




## Adjusted EBITDA less capital expenditures

($ in millions)




**Proven track record of top-line growth and improving profitability**

# Summary Consolidated Financial Information

| ($ in millions) | Predecessor Company | | Combined[1] | Successor Company | |
|---|---|---|---|---|---|
| | Fiscal Year Ended September 30, | | | | |
| | 2007 | 2008 | 2009 | 2010 | 2011 |
| **Key Metrics:** | | | | | |
| Pro forma net sales | $ 2,333 | $ 2,427 | $ 3,006 | $ 3,111 | $ 3,187 |
| Adjusted EBITDA | 272 | 297 | 391 | 432 | 457 |
| **Other Data:** | | | | | |
| Capital expenditures | $ 23 | $ 19 | $ 11 | $ 40 | $ 36 |
| Depreciation and amortization | 77 | 85 | 67 | 117 | 135 |
| **Cash Flow Data:** | | | | | |
| Net cash provided by (used in): | | | | | |
| Operating activities | $ (33) | $ (10) | $ 77 | $ 57 | $ 227 |
| Investing activities | (23) | (6) | (20) | (43) | (46) |
| Financing activities | 93 | 52 | (65) | 66 | (211) |
| **Balance Sheet Data:** [2] | | | | | |
| Cash and cash equivalents | $ 70 | $ 105 | $ 98 | $ 171 | $ 142 |
| Working capital | 370 | 372 | 324 | 537 | 441 |
| Total assets | 3,211 | 2,248 | 3,021 | 3,874 | 3,627 |
| Total debt (GAAP) | 2,460 | 2,523 | 1,585 | 1,744 | 1,552 |
| Total debt (Gross)[3] | 2,460 | 2,523 | 1,660 | 1,770 | 1,565 |

(1) Combined twelve months ended 09/30/2009 refers to the sum of the predecessor period of 10/01/2008 to 08/30/2009 and the successor period of 08/30/2009 to 09/30/2009.
(2) Balance sheet dates prior to the Merger with Russell Hobbs on 6/16/2010 have not been restated to reflect the combined company.
(3) Calculated as total gross debt /adjusted EBITDA. Gross debt is stated prior to OID and other discounts.

# Supplemental Financial Information

| ($ in millions) | Predecessor Company | | Combined[1] | Successor Company | |
|---|---|---|---|---|---|
| | Fiscal Year Ended September 30, | | | | |
| | 2007 | 2008 | 2009 | 2010 | 2011 |
| **Net Sales** | | | | | |
| Net sales, as reported | $ 2,333 | $ 2,427 | $ 2,231 | $ 2,567 | $ 3,187 |
| Pre-acquisition sales [2] | - | - | 775 | 544 | - |
| **Pro forma net sales** | **$ 2,333** | **$ 2,427** | **$ 3,006** | **$ 3,111** | **$ 3,187** |

(1) Combined 12 months ended 09/30/2009 refers to the sum of the predecessor period of 10/01/2008 to 08/30/2009 and the successor period of 08/30/2009 to 09/30/2009.
(2) Reflects Russell Hobbs net sales as if the merger was consummated 10/01/2008.

Spectrum BRANDS

# Reconciliation of Adjusted EBITDA

| ($ in millions) | Fiscal Year Ended September 30, 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|
| **Net (Loss) Income** | $ (597) | $ (932) | $ 943 | $ (190) | $ (75) |
| Interest expense [2] | 256 | 229 | 190 | 277 | 208 |
| Income tax expense (benefit) | 56 | (10) | 74 | 63 | 92 |
| Depreciation and amortization [3] | 77 | 85 | 67 | 117 | 135 |
| **EBITDA** | **$ (208)** | **$ (627)** | **$ 1,274** | **$ 268** | **$ 360** |
| Pre-acquisition earnings [4] | $ - | $ - | $ 81 | $ 66 | $ - |
| Goodwill and intangibles impairment | 363 | 861 | 34 | - | 32 |
| Restructuring and related charges | 98 | 39 | 46 | 24 | 29 |
| Acquisition and integration related charges | - | - | - | 38 | 37 |
| Loss from discontinued operations, net of tax | 34 | 26 | 86 | 3 | - |
| Brazilian IPI credit [5] | (9) | (12) | (6) | (5) | - |
| Reorganization items, net | - | - | (1,139) | 4 | - |
| Fresh-start inventory fair value adjustments | - | - | 16 | 35 | - |
| Other fair value adjustments | - | - | 2 | 3 | - |
| Accelerated depreciation and amortization [6] | (10) | - | (4) | (3) | (1) |
| Transaction costs | 4 | 9 | - | - | - |
| **Adjusted EBITDA** | **$ 272** | **$ 297** | **$ 391** | **$ 432** | **$ 457** |

(1) Combined 12 months ended 09/30/2009 refers to the sum of the predecessor period of 10/01/2008 to 08/30/2009 and the successor period of 08/30/2009 to 09/30/2009.
(2) During FY 2011, we recorded accelerated amortization of unamortized discounts and unamortized debt issuance costs totaling $61.4 million as an adjustment to increase interest expense.
(3) Excludes amortization of debt issuance costs.
(4) Reflects pro forma earnings of Russell Hobbs as if the Merger was consummated on October 1, 2008.
(5) Adjustment reflects expiring taxes and related estimated penalties, associated with our provision for presumed credits applied to the Brazilian excise tax on manufactured products, for which the examination period expired.
(6) Adjustment reflects accelerated amortization and/or depreciation associated with restructuring initiatives. As this amount is included within restructuring and related charges, the adjustment negates the impact of reflecting the add back of depreciation and/or amortization twice.

Spectrum BRANDS

# Reconciliation of Adjusted EBITDA by Segment

| ($ in millions) | FY 2011 Global Batteries & Appliances | | Global Pet Supplies | | Home & Garden Business | | Corporate | | Unallocated Items [1] | | Consolidated Spectrum | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Net (Loss) Income** | $ | 180 | $ | 50 | $ | 62 | $ | (67) | $ | (300) | $ | (75) |
| Interest expense | | - | | - | | - | | - | | 208 | | 208 |
| Income tax expense | | - | | - | | - | | - | | 92 | | 92 |
| Depreciation and amortization [2] | | 68 | | 24 | | 12 | | 31 | | - | | 135 |
| **EBITDA** | **$** | **248** | **$** | **74** | **$** | **74** | **$** | **(36)** | | **-** | **$** | **360** |
| Restructuring and related charges | $ | 6 | $ | 17 | $ | 2 | $ | 4 | | - | $ | 29 |
| Acquisition and integration related charges | | 31 | | - | | - | | 6 | | - | | 37 |
| Intangible asset impairment | | 23 | | 8 | | 1 | | - | | - | | 32 |
| Accelerated depreciation and amortization [3] | | (1) | | - | | - | | - | | - | | (1) |
| **Adjusted EBITDA** | **$** | **307** | **$** | **99** | **$** | **77** | **$** | **(26)** | | **-** | **$** | **457** |

(1) It is our policy to record income tax expense and interest expense on a consolidated basis. Accordingly, such amounts are not reflected in the operating results of the operating segments.
(2) Excludes amortization of debt issuance costs.
(3) Adjustment reflects accelerated amortization and/or depreciation associated with restructuring initiatives. As this amount is included within restructuring and related charges, the adjustment negates the impact of reflecting the add back of depreciation and/or amortization twice.

Spectrum BRANDS

**Table 1**
**SPECTRUM BRANDS HOLDINGS, INC.**
**Condensed Consolidated Statements of Operations**
For the three and twelve months ended September 30, 2011 and September 30, 2010
(Unaudited)
(In millions, except per share amounts)

| | Three Months Ended September 30, | | | Twelve Months Ended September 30, | | |
|---|---|---|---|---|---|---|
| | F2011 | F2010 | INC(DEC) % | F2011 | F2010 | INC(DEC) % |
| Net sales | $ 827.3 | $ 789.0 | 4.9% | $ 3,186.9 | $ 2,567.0 | 24.1% |
| Cost of goods sold | 543.9 | 512.9 | | 2,050.2 | 1,638.5 | |
| Restructuring and related charges | 2.9 | 1.6 | | 7.8 | 7.2 | |
| Gross profit | 280.5 | 274.5 | 2.2% | 1,128.9 | 921.3 | 22.5% |
| Selling | 132.8 | 139.0 | | 536.5 | 466.8 | |
| General and administrative | 62.0 | 59.4 | | 241.7 | 199.4 | |
| Research and development | 7.3 | 9.7 | | 32.9 | 31.0 | |
| Acquisition and integration related charges | 5.1 | 16.0 | | 36.6 | 38.4 | |
| Restructuring and related charges | 8.0 | 5.8 | | 20.8 | 17.0 | |
| Intangibles impairment | 32.5 | - | | 32.5 | - | |
| Total operating expenses | 247.7 | 229.9 | | 901.0 | 752.6 | |
| Operating income | 32.8 | 44.6 | | 227.9 | 168.7 | |
| Interest expense | 42.4 | 46.9 | | 208.3 | 277.0 | |
| Other expense, net | 1.1 | 3.8 | | 2.5 | 12.3 | |
| (Loss) income from continuing operations before reorganization items and income tax expense | (10.7) | (6.1) | | 17.1 | (120.6) | |
| Reorganization items, net | - | - | | - | 3.6 | |
| (Loss) gain from continuing operations before income taxes | (10.7) | (6.1) | | 17.1 | (124.2) | |
| Income tax expense | 23.1 | 18.2 | | 92.3 | 63.2 | |
| Loss from continuing operations | (33.8) | (24.3) | | (75.2) | (187.4) | |
| Loss from discontinued operations, net of tax (a) | - | - | | - | (2.7) | |
| Net loss | $ (33.8) | $ (24.3) | | $ (75.2) | $ (190.1) | |
| **Average shares outstanding (b)** | 51.9 | 50.4 | | 51.1 | 36.0 | |
| Loss from continuing operations | $ (0.65) | $ (0.48) | | $ (1.47) | $ (5.20) | |
| Loss from discontinued operations | - | - | | - | (0.08) | |
| **Basic loss per share** | $ (0.65) | $ (0.48) | | $ (1.47) | $ (5.28) | |
| **Average shares and common stock equivalents outstanding (b) (c)** | 51.9 | 50.4 | | 51.1 | 36.0 | |
| Loss from continuing operations | $ (0.65) | $ (0.48) | | $ (1.47) | $ (5.20) | |
| Loss from discontinued operations | - | - | | - | (0.08) | |
| **Diluted loss per share** | $ (0.65) | $ (0.48) | | $ (1.47) | $ (5.28) | |

**Note:** The merger with Russell Hobbs consummated on June 16, 2010. The financial results of Russell Hobbs are reported in the consolidated results since June 16, 2010.

(a) Reflects the loss from discontinued operations, net of tax, of the growing products portion of the Home and Garden Business. The shutdown of the growing products portion of the Home and Garden Business was completed during the second quarter of Fiscal 2009.

(b) Per share figures calculated prior to rounding.

(c) For the three and twelve months ended September 30, 2011 and September 30, 2010, we have not assumed the exercise of common stock equivalents as the impact would be antidilutive.

**Table 2**
**SPECTRUM BRANDS HOLDINGS, INC.**
**Supplemental Financial Data**
For the three and twelve months ended September 30, 2011 and September 30, 2010
(Unaudited)
($ in millions)

| Supplemental Financial Data | F2011 | F2010 |
|---|---|---|
| Cash and cash equivalents | $ 142.4 | $ 170.6 |
| Trade receivables, net | $ 356.6 | $ 365.0 |
| Days Sales Outstanding (a) | 33 | 41 |
| Inventory, net | $ 434.6 | $ 530.3 |
| Inventory Turnover (b) | 3.8 | 3.0 |
| Total Debt | $ 1,551.6 | $ 1,743.8 |

| | Three Months Ended September 30, | | Twelve Months Ended September 30, | |
|---|---|---|---|---|
| Supplemental Cash Flow Data | F2011 | F2010 | F2011 | F2010 |
| Depreciation and amortization, excluding amortization of debt issuance costs | $ 34.5 | $ 33.9 | $ 135.1 | $ 117.4 |
| Capital expenditures | $ 8.7 | $ 22.9 | $ 36.2 | $ 40.3 |

| | Three Months Ended September 30, | | Twelve Months Ended September 30, | |
|---|---|---|---|---|
| Supplemental Segment Sales & Profitability | F2011 | F2010 | F2011 | F2010 |
| Net Sales | | | | |
| Global Batteries & Appliances | $ 592.9 | $ 567.6 | $ 2,254.1 | $ 1,658.1 |
| Global Pet Supplies | 153.8 | 145.1 | 578.9 | 566.3 |
| Home and Garden | 80.6 | 76.3 | 353.9 | 342.6 |
| Total net sales | $ 827.3 | $ 789.0 | $ 3,186.9 | $ 2,567.0 |
| Segment Profit | | | | |
| Global Batteries & Appliances | $ 58.4 | $ 52.8 | $ 238.9 | $ 171.3 |
| Global Pet Supplies | 21.7 | 19.3 | 75.6 | 57.7 |
| Home and Garden | 14.2 | 9.7 | 65.2 | 51.2 |
| Total segment profit | 94.3 | 81.8 | 379.7 | 280.2 |
| Corporate | 13.0 | 13.8 | 54.1 | 48.9 |
| Restructuring and related charges | 10.9 | 7.4 | 28.6 | 24.2 |
| Acquisition and integration related charges | 5.1 | 16.0 | 36.6 | 38.4 |
| Intangibles impairment | 32.5 | - | 32.5 | - |
| Interest expense | 42.4 | 46.9 | 208.3 | 277.0 |
| Other expense, net | 1.1 | 3.8 | 2.5 | 12.3 |
| (Loss) income from continuing operations before reorganization items and income tax expense | $ (10.7) | $ (6.1) | $ 17.1 | $ (120.6) |

**Note:** The merger with Russell Hobbs consummated on June 16, 2010. The financial results of Russell Hobbs are reported within the Global Batteries & Appliances segment since June 16, 2010.

(a) Reflects actual days sales outstanding at end of period.

(b) Reflects cost of sales (excluding restructuring and related charges) during the last twelve months divided by inventory as of the end of the period.

**Table 3**

**SPECTRUM BRANDS HOLDINGS, INC.**

**Reconciliation of GAAP to Adjusted Diluted Earnings Per Share**

For the three and twelve months ended September 30, 2011 and September 30, 2010

(Unaudited)

| | THREE MONTHS | | TWELVE MONTHS | |
|---|---|---|---|---|
| | F2011 | F2010 | F2011 | F2010 |
| Diluted loss per share, as reported | $ (0.65) | $ (0.48) | $ (1.47) | $ (5.28) |
| Adjustments, net of tax: | | | | |
| Preacquisition earnings | - | - | - | 0.49 (a) |
| Acquisition and integration related charges | 0.06 (b) | 0.20 (b) | 0.47 (b) | 0.49 (b) |
| Restructuring and related charges | 0.14 (c) | 0.10 (d) | 0.36 (e) | 0.31 (f) |
| Intangible asset impairment | 0.41 (g) | - | 0.41 (g) | - |
| Debt refinancing costs | - | - | 0.37 (h) | 1.04 (h) |
| Discontinued operations | - | - | - | 0.05 (i) |
| Fresh-start reporting inventory fair value adjustment | - | - | - | 0.44 (j) |
| Reorganization items, net | - | - | - | 0.05 (k) |
| Russell Hobbs inventory fair value adjustment | - | 0.03 (l) | - | 0.03 (l) |
| Income taxes | 0.51 (m) | 0.40 (n) | 1.69 (m) | 2.09 (n) |
| Share dilution | - | - | - | 1.56 (o) |
| Other adjustments | - | - | - | (0.06) (p) |
| | 1.12 | 0.73 | 3.30 | 6.49 |
| **Diluted earnings per share, as adjusted** | **$ 0.47** | **$ 0.25** | **$ 1.83** | **$ 1.21** |

(a) For the twelve months ended September 30, 2010, the net of tax adjustment of $25.1 million reflects the adjusted earnings of the Russell Hobbs' business from the beginning of the period through June 15, 2010, the date prior to the Merger.

(b) For the three and twelve months ended September 30, 2011, reflects $3.3 million, net of tax, and $23.8 million, net of tax, respectively, of acquisition and integration primarily related charges in connection with the Merger with Russell Hobbs. The costs were primarily costs incurred to integrate the businesses. For the three and twelve months ended September 30, 2010, reflects $10.4 million, net of tax, and $25.0 million, net of tax, respectively, of acquisition and integration related charges related to the Merger with Russell Hobbs. The costs were primarily legal and professional fees and employee termination costs.

(c) For the three months ended September 30, 2011, reflects $7.1 million, net of tax, of restructuring and related charges related to the Global Cost Reduction Initiatives announced in Fiscal 2009.

(d) For the three months ended September 30, 2010, reflects $4.8 million, net of tax, of restructuring and related charges as follows: (i) $2.7 million for the Global Cost Reduction Initiatives announced in 2009; (ii) $1.6 million for the Global Realignment Initiatives announced in 2007; and (iii) $0.5 million for the Ningbo Exit Plan.

(e) For the twelve months ended September 30, 2011, reflects $18.6 million, net of tax, of restructuring and related charges as follows: (i) $16.6 million for the Global Cost Reduction Initiatives announced in Fiscal 2009 and (ii) $2.0 million for the Global Realignment Initiatives announced in Fiscal 2007.

(f) For the twelve months ended September 30, 2010, reflects $15.7 million, net of tax, of restructuring and related charges as follows: (i) $12.0 million for the Global Cost Reduction Initiatives announced in 2009; (ii) $2.3 million for the Global Realignment Initiatives announced in 2007; and (iii) $1.4 million for the Ningbo Exit Plan.

(g) For the three and twelve months ended September 30, 2011, reflects an impairment charge of $21.1 million, net of tax, of trade names as follows: (i) $15.1 million related to Global Batteries & Appliances; (ii) $5.6 million related to Global Pet Supplies; and (iii) $0.4 million related to the Home and Garden Business. The impairment evaluation was done in accordance with ASC 350, "Intangibles-Goodwill and Other."

(h) For the twelve months ended September 30, 2011, reflects $19.1 million, net of tax, related to the write off of unamortized debt financing costs and original issue discount in connection with the refinancing of the Company's Term Loan during Company's second quarter of Fiscal 2011. For the twelve months ended September 30, 2010, reflects $53.4 million, net of tax, related to the write-off of unamortized debt issuance costs and the write off of unamortized discounts and premiums related to extinguishment of debt that was refinanced in conjunction with the Merger of Russell Hobbs.

(i) Reflects a loss from discontinued operations, net of tax, of $2.7 million related to the Company's shutdown of the growing products portion of the Home and Garden Business. The shutdown was completed during the Company's second quarter of Fiscal 2009.

(j) Reflects $22.3 million, net of tax, related to an inventory write up in conjunction with the valuation of the Company as a result of fresh-start reporting upon the Company's emergence from bankruptcy in the fourth quarter of Fiscal 2009.

(k) Reflects $2.4 million, net of tax, related to professional fees in connection with the Company's voluntary filing of, and subsequent emergence from, Chapter 11 bankruptcy.

(l) Reflects $1.4 million, net of tax, related to an inventory write up in conjunction with the Merger with Russell Hobbs in accordance with ASC 805, Business Combinations.

(m) For the three and twelve months ended September 30, 2011, reflects adjustments to income tax expense of $26.9 million and $86.3 million, respectively, to exclude the impact of the valuation allowance against deferred taxes and other tax related items in order to reflect a normalized effective tax rate.

(n) For the three and twelve months ended September 30, 2010, reflects adjustments to income tax expense of $20.3 million and $106.7 million, respectively, to exclude the impact of the valuation allowance against deferred taxes and other tax related items in order to reflect a normalized effective tax rate.

(o) Adjustment to reflect the full dilution of shares and restricted stock outstanding, post merger, assuming shares were issued and outstanding for all periods presented.

(p) For the twelve months ended September 30, 2010, general and administrative expenses include $3.1 million, net of tax, respectively, related to expiring taxes and related estimated penalties, associated with the Company's provision for presumed credits applied to the Brazilian excise tax on manufactured products, for which the examination period expired.

**Table 4**
**SPECTRUM BRANDS HOLDINGS, INC.**
**Reconciliation of GAAP Loss from Continuing Operations to Adjusted EBITDA**
**for the three months ended September 30, 2011**
(Unaudited)
($ millions)

| | Global Batteries & Appliances | Global Pet Supplies | Home & Garden | Corporate | Unallocated Items (a) | Consolidated Spectrum Brands Holdings, Inc. |
|---|---|---|---|---|---|---|
| Net income (loss) | $ 24.8 | $ 6.3 | $ 12.9 | $ (12.2) | $ (65.5) | $ (33.8) |
| Income tax expense | - | - | - | - | 23.1 | 23.1 |
| Interest expense | - | - | - | - | 42.4 | 42.4 |
| Restructuring and related charges | 4.6 | 6.8 | 0.6 | (1.3) | - | 10.9 |
| Acquisition and integration related charges | 6.7 | - | - | (1.6) | - | 5.1 |
| Intangible asset impairment | 23.2 | 8.6 | 0.7 | - | - | 32.5 |
| Adjusted EBIT | $ 59.3 | $ 21.7 | $ 14.2 | $ (15.1) | $ - | $ 80.0 |
| Depreciation and amortization (b) | 17.2 | 6.7 | 3.1 | 7.6 | - | 34.5 |
| EBITDA | $ 76.5 | $ 28.3 | $ 17.3 | $ (7.5) | $ - | $ 114.5 |

Note: Amounts calculated prior to rounding

(a) It is the Company's policy to record Income tax expense (benefit) and interest expense on a consolidated basis. Accordingly, such amounts are not reflected in the operating results of the operating segments.

(b) Included within depreciation and amortization is amortization of unearned restricted stock compensation.

**Table 4**
**SPECTRUM BRANDS HOLDINGS, INC.**
**Reconciliation of GAAP Loss from Continuing Operations to Adjusted EBITDA**
**for the twelve months ended September 30, 2011**
(Unaudited)
($ millions)

| | Global Batteries & Appliances | Global Pet Supplies | Home & Garden | Corporate | Unallocated Items (a) | Consolidated Spectrum Brands Holdings, Inc. |
|---|---|---|---|---|---|---|
| Net income (loss) | $ 179.6 | $ 49.1 | $ 61.8 | $ (65.2) | $ (300.6) | $ (75.1) |
| | | | | | | - |
| Income tax expense | - | - | - | - | 92.3 | 92.3 |
| Interest expense | - | - | - | - | 184.0 | 184.0 |
| Write-off unamortized discounts and financing fees (b) | - | - | - | - | 24.3 | 24.3 |
| Restructuring and related charges | 6.1 | 16.7 | 2.7 | 3.1 | - | 28.6 |
| Acquisition and integration related charges | 30.9 | 0.4 | - | 5.3 | - | 36.6 |
| Intangible asset impairment | 23.2 | 8.6 | 0.7 | | | 32.5 |
| Add back accelerated depreciation (c) | (1.0) | - | - | - | - | (1.0) |
| Adjusted EBIT | $ 238.8 | $ 74.8 | $ 65.2 | $ (56.8) | $ - | $ 322.0 |
| Depreciation and amortization (d) | 68.1 | 24.3 | 12.4 | 30.4 | - | 135.1 |
| EBITDA | $ 306.9 | $ 99.1 | $ 77.6 | $ (26.4) | $ - | $ 457.1 |

Note: Amounts calculated prior to rounding

(a) It is the Company's policy to record Income tax expense and interest expense on a consolidated basis. Accordingly, such amounts are not reflected in the operating results of the operating segments.

(b) Adjustment reflects $24.3 million write off of unamortized deferred financing fees and discounts associated with the refinancing of the Company's Term Loan facility.

(c) Adjustment reflects accelerated depreciation associated with certain restructuring initiatives. Inasmuch as this amount is included within Restructuring and related charges, this adjustment negates the impact of reflecting the add back of depreciation.

(d) Included within depreciation and amortization is amortization of unearned restricted stock compensation.

**Table 4**
**SPECTRUM BRANDS HOLDINGS, INC.**
**Reconciliation of GAAP Net Income (loss) to Adjusted EBITDA**
**for the three months ended September 30, 2010**
(Unaudited)
($ millions)

| | Global Batteries & Appliances | Global Pet Supplies | Home & Garden | Corporate | Unallocated Items (a) | Consolidated Spectrum Brands Holdings, Inc. |
|---|---|---|---|---|---|---|
| Net Income (loss) | $ 35.5 | $ 15.7 | $ 9.0 | $ (19.4) | $ (65.0) | $ (24.3) |
| Income tax expense | - | - | - | - | 18.2 | 18.2 |
| Interest expense | - | - | - | - | 46.9 | 46.9 |
| Restructuring and related charges | 1.0 | 3.2 | 0.8 | 2.4 | - | 7.4 |
| Acquisition and integration related charges | 12.8 | - | - | 3.1 | - | 16.0 |
| Accelerated depreciation and amortization (b) | - | - | (0.6) | - | - | (0.6) |
| Russell Hobbs inventory fair value adjustment | 2.2 | - | - | - | - | 2.2 |
| Adjusted EBIT | 51.6 | 18.9 | 9.2 | (13.9) | - | 65.8 |
| Depreciation and amortization (c) | 18.8 | 6.9 | 4.1 | 4.1 | - | 33.9 |
| Adjusted EBITDA | $ 70.4 | $ 25.8 | $ 13.3 | $ (9.8) | $ - | $ 99.7 |

Note: Amounts calculated prior to rounding

(a) It is the Company's policy to record Income tax expense and Interest expense on a consolidated basis. Accordingly, such amounts are not reflected in the operating results of the operating segments.

(b) Adjustment reflects restricted stock amortization and accelerated depreciation associated with certain restructuring initiatives. Inasmuch as this amount is included within Restructuring and related charges, this adjustment negates the impact of reflecting the add back of depreciation and amortization.

(c) Included within depreciation and amortization is amortization of unearned restricted stock compensation.

**Table 4**
**SPECTRUM BRANDS HOLDINGS, INC.**
**Reconciliation of GAAP Net Income (loss) to Adjusted EBITDA**
**for the twelve months ended September 30, 2010**
(Unaudited)
($ millions)

| | Global Batteries & Appliances | Global Pet Supplies | Home & Garden | Corporate | Unallocated Items (a) | Consolidated Spectrum Brands Holdings, Inc. |
|---|---|---|---|---|---|---|
| Net Income (loss) | $ 142.8 | $ 51.5 | $ 40.0 | $ (84.1) | $ (340.2) | $ (190.1) |
| Loss from discontinued operations, net of tax | - | - | 2.7 | - | - | 2.7 |
| Income tax expense | - | - | - | - | 63.2 | 63.2 |
| Interest expense | - | - | - | - | 194.9 | 194.9 |
| Write-off unamortized discounts and financing fees (b) | - | - | - | - | 82.1 | 82.1 |
| Pre-acquisition earnings | 61.4 | 3.7 | 1.2 | - | - | 66.3 |
| Restructuring and related charges | 3.5 | 6.8 | 8.5 | 5.5 | - | 24.2 |
| Acquisition and integration related charges | 14.3 | - | - | 24.1 | - | 38.4 |
| Reorganization items, net | - | - | - | 3.6 | - | 3.6 |
| Accelerated depreciation and amortization (c) | - | - | (0.8) | (2.1) | - | (3.0) |
| Fresh-Start inventory fair value adjustment | 18.6 | 13.7 | 2.2 | - | - | 34.5 |
| Russell Hobbs inventory fair value adjustment | 2.5 | - | - | - | - | 2.5 |
| Brazilian IPI credit/other | (4.8) | (0.1) | - | - | - | (4.9) |
| Adjusted EBIT | 238.3 | 75.5 | 53.7 | (53.3) | - | 314.3 |
| Depreciation and amortization (d) | 57.9 | 28.3 | 14.4 | 16.9 | - | 117.4 |
| Adjusted EBITDA | $ 296.2 | $ 103.8 | $ 68.1 | $ (36.4) | $ - | $ 431.8 |

Note: Amounts calculated prior to rounding

(a) It is the Company's policy to record Income tax expense and interest expense on a consolidated basis. Accordingly, such amounts are not reflected in the operating results of the operating segments.

(b) Adjustment reflects $61.4 million write off of unamortized deferred financing fees and discounts associated with the Company's refinanced capital structure on June 16, 2010; $4.2 million charge related to pre-payment premiums associated with the paydown of the ABL and FILO extinguished on June 16, 2010 and $16.5 million related to the termination of interest swaps and commitment fees.

(c) Adjustment reflects restricted stock amortization and accelerated depreciation associated with certain restructuring initiatives. Inasmuch as this amount is included within Restructuring and related charges, this adjustment negates the impact of reflecting the add back of depreciation and amortization.

(d) Included within depreciation and amortization is amortization of unearned restricted stock compensation.

**Table 5**

**SPECTRUM BRANDS HOLDINGS, INC.**

**Pro Forma Net Sales Comparison**

For the twelve months ended September 30, 2011 and September 30, 2010

(Unaudited)

(In millions)

| | TWELVE MONTHS | | |
|---|---|---|---|
| | F2011 | F2010 | INC(DEC) % |
| Spectrum Brands Holdings, Inc. | $ 3,186.9 | $ 2,567.0 | 24.1% |
| Russell Hobbs (a) | - | 544.0 | |
| Pro Forma Net Sales | $ 3,186.9 | $ 3,111.0 | 2.4% |

(a) Reflects net sales for Russell Hobbs for the period from the beginning of the applicable period through June 15, 2010, the day prior to the acquisition. This adjustment results in reporting net sales for the period as if the acquisition had occurred at the beginning of all periods presented.

**Table 6**
**SPECTRUM BRANDS HOLDINGS, INC.**
**Reconciliation of Forecasted Cash Flow from Operating Activities to Forecasted Free Cash Flow**
**for the twelve months ended September 30, 2012**
(Unaudited)
($ millions)

| | |
|---|---|
| **Forecasted:** | |
| Net Cash provided from Operating Activities | $245 |
| Purchases of property, plant and equipment | (45) |
| Free Cash Flow | $200 |