National Openings, LLC
Form S-4
September 22, 2015
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As filed with the Securities and Exchange Commission on September 21, 2015

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

SPECTRUM BRANDS, INC.

(Exact name of registrant as specified in its charter)

DELAWARE	**3690**	**22-2423556**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification No.)**

3001 Deming Way

Middleton, Wisconsin 53562

(608) 275-3340

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

***ADDITIONAL REGISTRANTS LISTED ON SCHEDULE A HERETO**

Nathan E. Fagre, Esq. General Counsel and Secretary,

3001 Deming Way, Middleton, Wisconsin 53562, (608) 275-3340

(Name, address, including zip code, and telephone number, including area code, of agent for service)

With a copy to:

Raphael M. Russo, Esq.

Paul, Weiss, Rifkind, Wharton & Garrison LLP

1285 Avenue of the Americas New York, New York 10019-6064, (212) 373-3000

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer ¨	Accelerated filer ¨
Non-accelerated filer x (Do not check if a smaller reporting company)	Smaller reporting company ¨

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ¨

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) ¨

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	**Amount to be registered**	**Proposed maximum offering price per unit**	**Proposed maximum aggregate offering price(1)**	**Amount of registration fee(2)**
6.125% Senior Notes due 2024	$250,000,000	100%	$250,000,000	$29,050
Guarantees of 6.125% Senior Notes due 2024	N/A	N/A	N/A	N/A(3)
5.750% Senior Notes due 2025	$1,000,000,000	100%	$1,000,000,000	$116,200
Guarantees of 5.750% Senior Notes due 2025	N/A	N/A	N/A	N/A(3)

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(f) under the Securities Act of 1933, as amended.

(2) The registration fee has been calculated pursuant to Rule 457(f) under the Securities Act of 1933, as amended.

(3) No additional consideration is being received for the guarantees. Pursuant to Rule 457(n) under the Securities Act of 1933, as amended, no separate feel is required in respect of such guarantees.

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this

Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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SCHEDULE A

Name*	State or Other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Code Number	I.R.S. Employer Identification Number
AA Group (U.S.) A LLC	Delaware	3690	45-4070567
AA Group (U.S.) B LLC	Delaware	3690	45-4070646
AAG IDQ Acquisition Corporation	Delaware	3690	46-4980905
Applica Mexico Holdings, Inc.	Delaware	3690	74-3100872
Armored AutoGroup Inc.	Delaware	3690	27-3620112
Armored AutoGroup Intermediate Inc.	Delaware	3690	27-3620036
Armored AutoGroup Parent Inc.	Delaware	3690	27-3619935
Armored AutoGroup Sales Inc.	Delaware	3690	27-5136040
IDQ Acquisition Corp.	Delaware	3690	80-0595723
IDQ Holdings, Inc.	Delaware	3690	03-0386828
IDQ Operating, Inc.	New York	3690	11-2225300
National Manufacturing Mexico A LLC	Delaware	3690	N/A**
National Manufacturing Mexico B LLC	Delaware	3690	N/A**
National Openings, LLC	Pennsylvania	3690	46-2516338
ROV Holding, Inc.	Delaware	3690	22-2423555
ROV International Holdings LLC	Delaware	3690	N/A**
Salix Animal Health, LLC	Florida	3690	65-0965477
SB/RH Holdings, LLC	Delaware	3690	27-2812840
Schultz Company	Missouri	3690	43-0625762
STP Products Manufacturing Company	Delaware	3690	06-1408442
The Armor All/STP Products Company	Delaware	3690	36-2999270
United Industries Corporation	Delaware	3690	43-1025604

* The address of each additional registrant s principal executive office is c/o Spectrum Brands, Inc., 3001 Deming Way, Middleton, Wisconsin 53562, (608) 275-3340.

** Single member LLC disregarded for U.S. tax purposes.

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The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated September 21, 2015

PRELIMINARY PROSPECTUS

Spectrum Brands, Inc.

Exchange Offer for

$250,000,000 6.125% Senior Notes due 2024 and Related Guarantees

$1,000,000,000 5.750% Senior Notes due 2025 and Related Guarantees

The Notes and the Guarantees

We are offering to exchange $250,000,000 of our outstanding 6.125% Senior Notes due 2024 and certain related guarantees, which were issued on December 4, 2014 in a private offering and which we collectively refer to as the 2024 initial notes, for a like aggregate amount of our registered 6.125% Senior Notes due 2024 and certain related guarantees, which we collectively refer to as the 2024 exchange notes. The 2024 exchange notes will be issued under the indenture dated as of December 4, 2014, as supplemented by the supplemental indenture dated as of February 24, 2015 and as further supplemented by the supplemental indenture dated as of June 23, 2015, which we refer to as the 2024 notes indenture. We refer to the 2024 initial notes and the 2024 exchange notes collectively as the 2024 notes.

We are offering to exchange $1,000,000,000 of our outstanding 5.750% Senior Notes due 2025 and certain related guarantees, which were issued on May 20, 2015 in a private offering and which we collectively refer to as the 2025 initial notes, for a like aggregate amount of our registered 5.750% Senior Notes due 2025 and certain related guarantees, which we collectively refer to as the 2025 exchange notes. The 2025 exchange notes will be issued under the indenture dated as of May 20, 2015, as supplemented by the supplemental indenture dated as of June 23, 2015, which we refer to as the 2025 notes indenture and, together with the

2024 notes indenture, the indentures. We refer to the 2025 initial notes and the 2025 exchange notes collectively as the 2025 notes.

We refer to the 2024 initial notes and the 2025 initial notes, collectively or individually, as the context requires, as the initial notes. We refer to the 2024 exchange notes and the 2025 exchange notes, collectively or individually, as the context requires, as the exchange notes. We refer to the initial notes and the exchange notes collectively as the notes.

The 2024 exchange notes will mature on December 15, 2024. We will pay interest on the 2024 exchange notes semi-annually on June 15 and December 15 of each year, commencing on December 15, 2015, at a rate of 6.125% per annum, to holders of record on the June 1 or December 1 immediately preceding the interest payment date.

The 2025 exchange notes will mature on July 15, 2025. We will pay interest on the 2025 exchange notes semi-annually on July 15 and January 15 of each year, commencing on January 15, 2016, at a rate of 5.750% per annum, to holders of record on the July 1 or January 1 immediately preceding the interest payment date.

The exchange notes will be guaranteed on a senior unsecured basis by our direct parent, SB/RH Holdings, LLC, and each of our existing and future domestic subsidiaries, which we refer to collectively as the guarantors.

The exchange notes and the related guarantees will be the general unsecured obligations of us and the guarantors and will rank equally in right of payment with all of our and the guarantors existing and future senior indebtedness, including the initial notes (but effectively subordinated to our secured debt, including the Secured Credit Facilities (as defined herein) to the extent of the value of the assets securing such secured debt), and senior in right of payment to all of our and the guarantors future indebtedness that expressly provide for its subordination to the exchange notes and the related guarantees. See Description of 2024 Notes and Description of 2025 Notes, as applicable.

Terms of the Exchange Offer

The exchange offer will expire at 5:00 p.m., New York City time, on , 2015, unless we extend it.

If all the conditions to this exchange offer are satisfied, we will exchange all of our initial notes that are validly tendered and not withdrawn for the applicable exchange notes.

You may withdraw your tender of initial notes at any time before the expiration of this exchange offer.

The exchange notes that we will issue you in exchange for your initial notes will be substantially identical to your initial notes except that, unlike your initial notes, the exchange notes will have no transfer restrictions or registration rights.

The exchange notes that we will issue you in exchange for your initial notes are new securities with no established market for trading.

Before participating in this exchange offer, please refer to the section in this prospectus entitled Risk Factors commencing on page 18.

Neither the Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We have not applied, and do not intend to apply, for listing or quotation of the notes on any national securities exchange or automated quotation system.

Each broker-dealer that receives exchange notes for its own account pursuant to this exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act of 1933, as amended (the Securities Act). This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for initial notes where such initial notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the expiration date (as defined herein), we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

The date of this prospectus is , 2015.

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We have not authorized anyone to give you any information or to make any representations about us or the transactions we discuss in this prospectus other than those contained in this prospectus. If you are given any information or representations about these matters that is not discussed in this prospectus, you must not rely on that information. This prospectus is not an offer to sell or a solicitation of an offer to buy securities anywhere or to anyone where or to whom we are not permitted to offer or sell securities under applicable law. The delivery of this prospectus does not, under any circumstances, mean that there has not been a change in our affairs since the date of this prospectus. Subject to our obligation to amend or supplement this prospectus as required by law and the rules and regulations of the SEC, the information contained in this prospectus is correct only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of these securities.

Until , (90 days after the date of this prospectus), all dealers effecting transactions in the exchange notes, whether or not participating in the exchange offer, may be required to deliver a prospectus. This is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Each prospective purchaser of the exchange notes must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the notes or possesses or distributes this prospectus and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the exchange notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and we shall not have any responsibility therefor.

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TRADEMARKS

We have proprietary rights to or are exclusively licensed to use a number of registered and unregistered trademarks that we believe are important to our business, including, without limitation, Rayovac, Remington, VARTA, Tetra, 8-in-1, Dingo, Nature s Miracle, IAMS, Eukanuba, Digest-eeze, Liquid Fence, Black Flag, Wild Harvest, Marineland, FURminator, Spectracide, Cutter, Hot Shot, Garden Safe, Repel, George Foreman, Russell Hobbs, Farberware, Toastmaster, Black & Decker, Kwikset, Weiser, Baldwin, National Hardware, Pfister, Armor All, STP, A/C PRO, Arctic Freeze, Sub Zero and Super Seal Stop Leak. We attempt to obtain registration of our key trademarks whenever possible or practicable and pursue any infringement of those trademarks. Solely for convenience, the trademarks, service marks and tradenames referred to in this prospectus are without the ® and TM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks and tradenames.

MARKET AND INDUSTRY DATA

We obtained the industry, market and competitive position data and information used throughout this prospectus from our own internal company surveys and management estimates as well as from industry and general publications and research, surveys or studies conducted by third parties. Industry and general publications and research, studies and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such data and information. While we believe that these publications and research, studies and surveys are reliable, neither we nor the initial purchasers have independently verified such data and information and neither we nor the initial purchasers make any representation or warranty as to the accuracy of such data and information.

There is only a limited amount of independent data available about our industry, market and competitive position, particularly outside of the United States. As a result, certain data and information are based on our good faith estimates, which are derived from our review of internal data and information, information that we obtain from customers, and other third-party sources. We believe these internal surveys and management estimates are reliable; however, no independent sources have verified such surveys and estimates.

The industry data that we present in this prospectus include estimates that involve risks and uncertainties and are subject to change based on various factors, including those discussed under Risk Factors and those discussed under Cautionary Statement Regarding Forward-Looking Statements.

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PROSPECTUS SUMMARY

The following summary highlights basic information about us, the exchange offer and the exchange notes. It may not contain all of the information that is important to you. For a more comprehensive understanding of our business and the offering, you should read this entire prospectus, including the section entitled Risk Factors. Certain statements in this summary are forward-looking statements. See Cautionary Statement Regarding Forward-Looking Statements.

Unless otherwise indicated in this prospectus or the context requires otherwise, Spectrum Brands refers only to Spectrum Brands, Inc. and not to any of its subsidiaries; Spectrum refers to Spectrum Brands, Inc. and, where applicable, its consolidated subsidiaries; SB/RH Holdings, the Company, we, or our refers to the Spectrum Brands parent SB/RH Holdings, LLC and, where applicable, its consolidated subsidiaries, including Spectrum Brands. SB Holdings refers to SB/RH Holdings parent Spectrum Brands Holdings, Inc.

Our Company

We are a diversified global branded consumer products company. Spectrum Brands is a wholly owned direct subsidiary of SB/RH Holdings, which is a direct subsidiary of SB Holdings. SB Holdings common stock trades on the New York Stock Exchange (the NYSE) under the symbol SPB.

We manufacture and market alkaline, zinc carbon and hearing aid batteries, herbicides, insecticides and repellants and specialty pet supplies. We design and market rechargeable batteries, battery-powered lighting products, electric shavers and accessories, grooming products and hair care appliances. Our operations also include the manufacturing and marketing of specialty pet supplies, and of herbicides, insecticides and insect repellents in North America. We also design, market and distribute a broad range of branded small appliances and personal care products. We also design, manufacture, market, distribute and sell certain hardware, home improvement and plumbing products, and are a leading United States (U.S.) provider of residential locksets and builders hardware and a leading provider of faucets. Our manufacturing and product development facilities are located in the U.S., Europe, Latin America and Asia. Substantially all of our rechargeable batteries, chargers and portable lighting products, shaving and grooming products, small household appliances and personal care products are manufactured by third-party suppliers, primarily located in Asia.

On May 21, 2015, we acquired Armored AutoGroup Parent, Inc. (AAG). AAG is a consumer products company consisting primarily of Armor All and STP products, two of the most recognizable brands in the automotive aftermarket appearance products and performance chemicals categories, respectively, and the AC/PRO brand of do-it-yourself automotive air conditioner recharge products. For information pertaining to the AAG Acquisition, see Note 13, Acquisitions to our Condensed Consolidated Financial Statements (Unaudited), included elsewhere in this prospectus.

We sell our products in approximately 160 countries through a variety of trade channels, including retailers, wholesalers and distributors, hearing aid professionals, industrial distributors and original equipment manufacturers (OEMs) and enjoy strong name recognition in our markets under the Rayovac, VARTA and Remington brands, each of which has been in existence for more than 80 years, and under the Tetra, 8-in-1, Dingo, Nature s Miracle, IAMS, Eukanuba, Healthy-Hide, Digest-eeze, Spectracide, Cutter, Hot Shot, Black & Decker, George Foreman, Russell Hobbs, Farberware, Black Flag, FURminator, Kwikset, Weiser, Baldwin, National Hardware, Stanley, Pfister and the previously mentioned AAG brands. We also have patented technologies such as Smartkey, a rekeyable lockset technology, and Smart Code Home Connect.

Our diversified global branded consumer products have positions in seven major product categories: consumer batteries, small appliances, personal care, hardware and home improvement, pet supplies, auto care and home and garden controls.

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Our chief operating decision-maker manages the businesses in five vertically integrated, product-focused reporting segments: (i) Global Batteries & Appliances, which consists of the Company s worldwide battery, personal care and small appliances primarily in the kitchen and home product categories (Global Batteries & Appliances); (ii) Hardware & Home Improvement, which consists of the Company s worldwide hardware, home improvement and plumbing business (Hardware & Home Improvement); (iii) Global Pet Supplies, which consists of the Company s worldwide pet supplies business (Global Pet Supplies); (iv) Home and Garden, which consists of the Company s home and garden and insect control business (Home and Garden); and (v) Global Auto Care, which consists of the Company s automotive aftermarket appearance products, performance chemicals/additives and do-it-yourself automotive air conditioner recharge (Global Auto Care). Management reviews our performance based on these segments. For information pertaining to our business segments, see Note 11, Segment Information, to our audited Consolidated Financial Statements and Note 11, Segment Results, to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus.

Global and geographic strategic initiatives and financial objectives are determined at the corporate level. Each business segment is responsible for implementing defined strategic initiatives and achieving certain financial objectives and has a general manager responsible for sales and marketing initiatives and the financial results for all product lines within that business segment.

Our operating performance is influenced by a number of factors including: general economic conditions; foreign exchange fluctuations; trends in consumer markets; consumer confidence and preferences; our overall product line mix, including pricing and gross margin, which vary by product line and geographic market; pricing of certain raw materials and commodities; energy and fuel prices; and our general competitive position, especially as impacted by our competitors advertising and promotional activities and pricing strategies.

Recent Developments

AAG Acquisition

On May 21, 2015, we completed our acquisition (the AAG Acquisition) of AAG pursuant to the Agreement and Plan of Merger by and among AAG, SB Holdings, Ignite Merger Sub, Inc. and, solely in its capacity as representative, Avista Capital Partners II GP, LLC, dated as of April 28, 2015, for $1.4 billion in cash.

We funded the AAG Acquisition with the proceeds of our offering of the 2025 initial notes and gross proceeds from SB Holdings registered offering of its common stock. SB Holdings also contributed to us the additional proceeds received by it in connection with the underwriters exercise of their option to purchase additional shares in the registered offering. We expect to use such additional proceeds for general corporate purposes.

Refinancing Transactions

On June 23, 2015, we entered into a Credit Agreement (the Credit Agreement), by and among Spectrum Brands, SB/RH Holdings, Deutsche Bank AG New York Branch, as administrative agent, and the lenders party thereto from time to time. See Description of Other Indebtedness Credit Agreement.

Pursuant to the Credit Agreement, on June 23, 2015, we closed senior secured credit facilities consisting of (a) a $1,450 million U.S. Dollar-denominated term loan facility (the USD Term Loan Facility), (b) a 300 million Euro-denominated term loan facility (the Euro Term Loan Facility), (c) a CAD$75 million Canadian Dollar-denominated term loan facility (the CAD Term Loan Facility and, collectively with the USD

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Term Loan Facility and the Euro Term Loan Facility, the Term Credit Facilities) and (d) a $500 million cash flow revolving credit facility (the Revolving Credit Facility and, together with the Term Credit Facilities, the Secured Credit Facilities).

The net proceeds of the Term Credit Facilities were used, among other things, to (i) refinance our Credit Agreement dated as of December 17, 2012 (as amended, modified, supplemented or restated from time to time, the Prior Term Loan Credit Agreement) and repay in full all obligations in respect of the Prior Term Loan Credit Agreement and related loan documents, (ii) repay in full all obligations in respect of our Loan and Security Agreement, dated as of June 16, 2010 (as amended, modified, supplemented or restated from time to time, the Prior ABL Facility Agreement) and (iii) to pay fees and expenses in connection with the transactions referenced in clause (i) and for general corporate purposes. A portion of the net proceeds, together with borrowings under the Revolving Credit Facility, was also used to fund the satisfaction and discharge of the indenture governing Spectrum Brands 6.750% Senior Notes due 2020 (the 6.75% Notes).

The Revolving Credit Facility includes a letter of credit subfacility. Letters of credit issued thereunder were used by Spectrum to replace then-existing letters of credit under the Prior ABL Facility Agreement on the closing date of the Credit Agreement. Letters of credit and proceeds of the loans under the Revolving Credit Facility may be used by Spectrum, the other borrowers and their respective subsidiaries for, among other things, working capital and other general corporate purposes, including the financing of permitted acquisitions and other permitted investments and dividends and other distributions on account of the capital stock of the borrowers, restricted payments and any other use not prohibited by the terms of the loan documents.

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Corporate Structure

The chart below is a summary of the organization structure of the Issuer and its parents and subsidiaries.

[1] SB/RH Holdings (i) is a guarantor of our obligations under the Secured Credit Facilities and pledged only the capital stock issued to it by Spectrum as collateral, (ii) is a guarantor of Spectrum Brands 6.375% Senior Notes due 2020 and Spectrum Brands 6.625% Senior Notes due 2022 (together, the 2020/2022 Notes), (iii) is a guarantor of our obligations under the initial notes and (iv) will be a guarantor of our obligations under the exchange notes offered hereby.

[2] None of our foreign subsidiaries are, or will be, guarantors of the 2020/2022 Notes, the initial notes or the exchange notes offered hereby. None of our foreign subsidiaries are guarantors under the Secured Credit Facilities as of the closing date of the Secured Credit Facilities.

[3] Our domestic subsidiaries, subject to certain exceptions, are guarantors of the 2020/2022 Notes and the initial notes and will be guarantors of the exchange notes offered hereby. Certain of our domestic subsidiaries are guarantors under the Secured Credit Facilities.

Additional Information

Spectrum Brands is a Delaware corporation and the address of our principal executive office is 3001 Deming Way, Middleton, Wisconsin 53562. Our telephone number is (608) 275-3340. Our website address is www.spectrumbrands.com. Information contained on or accessible through our website is not part of, and is not incorporated by reference into, this prospectus.

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Summary of the Exchange Offer

In connection with the closing of the offering of each of the 2024 initial notes and the 2025 initial notes, we entered into a registration rights agreement (as more fully described below) with the initial purchasers of the 2024 initial notes and the 2025 initial notes, as applicable. You are entitled to exchange in the exchange offer your initial notes for exchange notes.

Exchange Offer	We are offering to exchange $250 million aggregate principal amount of our 2024 exchange notes and certain related guarantees and $1,000 million aggregate principal amount of our 2025 exchange notes and certain related guarantees for a like aggregate principal amount of our 2024 initial notes and 2025 initial notes, respectively, and certain related guarantees.
	In order to exchange your initial notes, you must properly tender them and we must accept your tender. We will exchange all outstanding initial notes that are validly tendered and not validly withdrawn. Initial notes may be exchanged only for a minimum principal denomination of $2,000 and in integral multiples of $1,000 in excess thereof.
Expiration Date	This exchange offer will expire at 5:00 p.m., New York City time, on , (the expiration date), unless we decide to extend it.
Exchange Notes	The exchange notes will be identical in all material respects to the initial notes except that:
	the exchange notes have been registered under the Securities Act and will be freely tradable by persons who are not affiliates of ours or subject to restrictions due to being broker-dealers;
	the 2024 exchange notes are not entitled to the registration rights applicable to the 2024 initial notes under the registration rights agreement dated December 4, 2014 (the 2024 Notes Registration Rights Agreement);
	the 2025 exchange notes are not entitled to the registration rights applicable to the 2025 initial notes under the registration rights agreement dated May 20, 2015 (the 2025 Notes Registration Rights Agreement and, together with the 2024 Notes Registration Rights Agreement, the Registration Rights Agreements); and

- our obligation to pay additional interest on the initial notes due to the failure to consummate the exchange offer by a prior date does not apply to the exchange notes.

Conditions to the Exchange Offer	We will complete this exchange offer with respect to the applicable series of notes only if:

- there is no change in the laws and regulations which would impair our ability to proceed with this exchange offer for such series of notes,

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	there is no change in the current interpretation of the staff of the SEC which permits resales of such series of exchange notes, there is no stop order issued by the SEC which would suspend the effectiveness of the registration statement which includes this prospectus or the qualification of the applicable indenture governing the exchange notes under the Trust Indenture Act of 1939, as amended (the Trust Indenture Act), there is no litigation or threatened litigation which would impair our ability to proceed with this exchange offer for such series of notes, and we obtain all the governmental approvals we deem necessary to complete this exchange offer for such series of notes. Please refer to the section in this prospectus entitled The Exchange Offer Conditions to the Exchange Offer.
Procedures for Tendering Initial Notes	To participate in this exchange offer, you must complete, sign and date the letter of transmittal or its facsimile and transmit it, together with your initial notes to be exchanged and all other documents required by the letter of transmittal, to U.S. Bank National Association, as exchange agent, at its address indicated under The Exchange Offer Exchange Agent. In the alternative, you can tender your initial notes by book-entry delivery following the procedures described in this prospectus. For more information on tendering your initial notes, please refer to the section in this prospectus entitled The Exchange Offer Procedures for Tendering Initial Notes.
Special Procedures for Beneficial Owners	If you are a beneficial owner of initial notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your initial notes in the exchange offer, you should contact the registered holder promptly and instruct that person to tender on your behalf.
Guaranteed Delivery Procedures	If you wish to tender your initial notes and you cannot get the required documents to the exchange agent on time, you may tender your initial notes by using the guaranteed delivery procedures described under the

	section of this prospectus entitled The Exchange Offer Procedures for Tendering Initial Notes Guaranteed Delivery Procedure.
Withdrawal Rights	You may withdraw the tender of your initial notes at any time before 5:00 p.m., New York City time, on the expiration date of the exchange offer. To withdraw, you must send a written or facsimile transmission notice of withdrawal to the exchange agent at its address indicated under The Exchange Offer Exchange Agent before 5:00 p.m., New York City time, on the expiration date of the exchange offer.

Acceptance of Initial Notes and Delivery of Exchange Notes	If all the conditions to the completion of this exchange offer are satisfied, we will accept any and all initial notes that are properly tendered in this exchange offer before 5:00 p.m., New York City time, on the expiration date. We will return any initial notes that we do not accept for exchange to you without expense promptly after the expiration date. We will deliver the exchange notes to you promptly after the expiration date and acceptance of your initial notes for exchange. Please refer to the section in this prospectus entitled The Exchange Offer Acceptance of Initial Notes for Exchange; Delivery of Exchange Notes.
Federal Income Tax Considerations Relating to the Exchange Offer	Exchanging your initial notes for exchange notes will not be a taxable event to you for United States federal income tax purposes. Please refer to the section of this prospectus entitled Certain U.S. Federal Income Tax Considerations.
Exchange Agent	U.S. Bank National Association is serving as exchange agent in the exchange offer.
Fees and Expenses	We will pay all expenses related to this exchange offer. Please refer to the section of this prospectus entitled The Exchange Offer Fees and Expenses.
Use of Proceeds	We will not receive any proceeds from the issuance of the exchange notes. We are making this exchange offer solely to satisfy our obligations under the Registration Rights Agreements. See Use of Proceeds.
Consequences to Holders Who Do Not Participate in the Exchange Offer	To the extent you do not participate in this exchange offer:
	except as set forth in the next paragraph, you will not necessarily be able to require us to register your initial notes under the Securities Act,
	you will not be able to resell, offer to resell or otherwise transfer your initial notes unless they are registered under the Securities Act or unless you resell, offer to resell or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act, and

the trading market for your initial notes will become more limited to the extent other holders of initial notes participate in the exchange offer.

You will not be able to require us to register your initial notes under the Securities Act unless:

because of any change in law or in applicable interpretations thereof by the SEC staff, we are not permitted to effect the exchange offer for the applicable series of notes;

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(i) with respect to the 2024 notes, the exchange offer is not consummated within 440 days of December 4, 2014 and (ii) with respect to the 2025 notes, the exchange offer is not consummated within 440 days of May 20, 2015;

you so request with respect to your initial notes that are not eligible to be exchanged for exchange notes in this exchange offer; or

(i) you (so long as you are not an exchanging dealer) are not eligible to participate in this exchange offer or (ii) you (so long as you are not an exchanging dealer) participate in the exchange offer but may not resell the exchange notes without delivering a prospectus.

In these cases, the Registration Rights Agreements require us to file a registration statement for a continuous offering in accordance with Rule 415 under the Securities Act for the benefit of the holders of the initial notes described in this paragraph. We do not currently anticipate that we will register under the Securities Act any initial notes that remain outstanding after completion of the exchange offer.

Please refer to the section of this prospectus entitled The Exchange Offer Your Failure to Participate in the Exchange Offer May Have Adverse Consequences.

Resales

It may be possible for you to resell the notes issued in the exchange offer without compliance with the registration and prospectus delivery provisions of the Securities Act, subject to the conditions described under Obligations of Broker-Dealers below.

To tender your initial notes in this exchange offer and resell the exchange notes without compliance with the registration and prospectus delivery requirements of the Securities Act, you must make the following representations:

you are authorized to tender the initial notes and to acquire exchange notes, and that we will acquire good and unencumbered title thereto,

the exchange notes acquired by you are being acquired in the ordinary course of business, you have no arrangement or understanding with any person to participate in a distribution (within the meaning of the Securities Act) of the exchange notes and are not participating in, and do not intend to participate in, the distribution of such exchange notes,

you are not an affiliate (as defined in Rule 405 under the Securities Act) of ours, or if you are an affiliate, you will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable,

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	if you are not a broker-dealer, you are not engaging in, and do not intend to engage in, a distribution of exchange notes, and
	if you are a broker-dealer, and initial notes to be exchanged were acquired by you as a result of market-making or other trading activities, you will deliver a prospectus in connection with any resale of such exchange notes.
	Please refer to the sections of this prospectus entitled The Exchange Offer Procedure for Tendering Initial Notes Proper Execution and Delivery of Letters of Transmittal, Risk Factors Risks Related to the Exchange Offer Some persons who participate in the exchange offer must deliver a prospectus in connection with resales of the exchange notes and Plan of Distribution.
Obligations of Broker-Dealers	If you are a broker-dealer that receives exchange notes, you must acknowledge that you will deliver a prospectus meeting the requirements of the Securities Act in connection with any resales of the exchange notes. If you are a broker-dealer who acquired the initial notes as a result of market-making or other trading activities, you may use the exchange offer prospectus as supplemented or amended, in connection with resales of the exchange notes. If you are a broker-dealer who acquired the initial notes directly from us in the initial offering and not as a result of market-making and trading activities, you must, in the absence of an exemption, comply with the registration and prospectus delivery requirements of the Securities Act in connection with resales of the exchange notes.

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Summary of Terms of the 2024 Exchange Notes

The following is a summary of the terms of this offering of the 2024 exchange notes. For a more complete description of the 2024 notes as well as the definitions of certain capitalized terms used below, see Description of 2024 Notes in this prospectus.

Issuer	Spectrum Brands, Inc.
2024 Exchange Notes	$250,000,000 aggregate principal amount of 6.125% Senior Notes due 2024. The form and terms of the 2024 exchange notes are the same as the form and terms of the 2024 initial notes except that the issuance of the 2024 exchange notes is registered under the Securities Act, the 2024 exchange notes will not bear legends restricting their transfer and the 2024 exchange notes will not be entitled to registration rights under the 2024 Notes Registration Rights Agreement. The 2024 exchange notes will evidence the same debt as the 2024 initial notes, and both the 2024 initial notes and the 2024 exchange notes will be governed by the same indenture.
Maturity Date	December 15, 2024.
Interest	The 2024 exchange notes will bear interest at a rate of 6.125% per annum. Interest on the 2024 exchange notes will be payable in cash on June 15 and December 15 of each year, commencing on December 15, 2015.
Optional Redemption	On or after December 15, 2019, we may redeem some or all of the 2024 notes at any time at the redemption prices set forth in Description of 2024 Notes Optional Redemption. In addition, prior to December 15, 2019, we may redeem the 2024 notes at a redemption price equal to 100% of the principal amount plus a make-whole premium.
	Before December 15, 2017, we may redeem up to 35% of the 2024 notes, including additional notes, with an amount of cash equal to the net proceeds of equity offerings at a price of 106.125% of principal plus accrued and unpaid interest, provided that at least 65% of the aggregate principal amount of the 2024 notes remains outstanding after the redemption, as further described in Description of 2024 Notes Optional Redemption.

Change of Control	Upon a Change of Control (as defined under Description of 2024 Notes) we will be required to make an offer to purchase the 2024 notes. The purchase price will equal 101% of the principal amount of the 2024 notes on the date of purchase plus accrued and unpaid interest. We may not have sufficient funds available at the time of any Change of Control to make any required debt repayment (including repurchases of the 2024 notes). See Risk Factors Risks Related to the Notes We may not be able to make the change of control offer required by the indentures.

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Guarantees	The 2024 exchange notes will be unconditionally, jointly and severally guaranteed, on a senior unsecured basis, by SB/RH Holdings and all of our domestic subsidiaries.
Ranking	The 2024 exchange notes and the related exchange guarantees will be the senior unsecured obligations of us and the guarantors and will:
	rank equally in right of payment with all of our and the guarantors existing and future senior indebtedness, including the initial notes and the 2025 exchange notes; and
	rank senior in right of payment to all of our and the guarantors future indebtedness that expressly provide for its subordination to the 2024 notes and the related guarantees.
	However, the 2024 exchange notes will be effectively subordinated to any of our secured indebtedness, including under our Secured Credit Facilities, to the extent of the value of the assets securing such indebtedness. In addition, the 2024 exchange notes will be structurally subordinated to all indebtedness and other liabilities of Spectrum Brands subsidiaries that do not guarantee the 2024 exchange notes.
Certain Covenants	The terms of the indentures governing the 2024 notes restrict our ability and the ability of certain of our subsidiaries (as described in Description of 2024 Notes) to:
	incur additional indebtedness;
	create liens;
	engage in sale-leaseback transactions;
	pay dividends or make distributions in respect of capital stock;
	purchase or redeem capital stock;
	make investments or certain other restricted payments;

- sell assets;
- issue or sell stock of restricted subsidiaries;
- enter into transactions with affiliates; or
- effect a consolidation or merger.

However, these limitations will be subject to a number of important qualifications and exceptions. In addition, if the 2024 notes are rated investment grade at any time by both Moody s Investors Service and Standard & Poor s Ratings Services, most of the restrictive covenants and corresponding events of default contained in the indenture governing the 2024 notes will be suspended.

Absence of a Public Market for the Exchange Notes	The 2024 exchange notes are new securities for which there is no established market. We cannot assure you that a market for these 2024 exchange notes will develop or that this market will be liquid. Please refer to the section of this prospectus entitled Risk Factors Risks Related to the Exchange Offer There is no active trading market for the exchange notes.
Form of the Exchange Notes	The 2024 exchange notes will be represented by one or more permanent global securities in registered form deposited on behalf of The Depository Trust Company (DTC) with U.S. Bank National Association, as custodian. You will not receive 2024 exchange notes in certificated form unless one of the events described in the section of this prospectus entitled Book-Entry, Delivery and Form of Securities Exchange of Book-Entry Notes for Certificated Notes occurs. Instead, beneficial interests in the 2024 exchange notes will be shown on, and transfers of these 2024 exchange notes will be effected only through, records maintained in book-entry form by DTC with respect to its participants.
Trustee	U.S. Bank National Association is serving as trustee under the indenture governing the 2024 notes.
Use of Proceeds	We will not receive any proceeds from the issuance of the 2024 exchange notes. We are making this exchange offer solely to satisfy our obligations under the Registration Rights Agreements. See Use of Proceeds.
Risk Factors	You should consider all of the information contained in this prospectus before making an investment in the 2024 notes, including the 2024 exchange notes. In particular, you should consider the risks described under Risk Factors.

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Summary of Terms of the 2025 Exchange Notes

The following is a summary of the terms of this offering of the 2025 exchange notes. For a more complete description of the 2025 notes as well as the definitions of certain capitalized terms used below, see Description of 2025 Notes in this prospectus.

Issuer	Spectrum Brands, Inc.
2025 Exchange Notes	$1,000,000,000 aggregate principal amount of 5.750% Senior Notes due 2025. The form and terms of the 2025 exchange notes are the same as the form and terms of the 2025 initial notes except that the issuance of the 2025 exchange notes is registered under the Securities Act, the 2025 exchange notes will not bear legends restricting their transfer and the 2025 exchange notes will not be entitled to registration rights under the 2025 Notes Registration Rights Agreement. The 2025 exchange notes will evidence the same debt as the 2025 initial notes, and both the 2025 initial notes and the 2025 exchange notes will be governed by the same indenture.
Maturity Date	July 15, 2025.
Interest	The 2025 exchange notes will bear interest at a rate of 5.750% per annum. Interest on the 2025 exchange notes will be payable in cash on July 15 and January 15 of each year, commencing on January 15, 2016.
Optional Redemption	On or after July 15, 2020, we may redeem some or all of the 2025 notes at any time at the redemption prices set forth in Description of 2025 Notes Optional Redemption. In addition, prior to July 15, 2020, we may redeem the 2025 notes at a redemption price equal to 100% of the principal amount plus a make-whole premium.
	Before July 15, 2018, we may redeem up to 35% of the 2025 notes, including additional notes, with an amount of cash equal to the net proceeds of equity offerings at a price of 105.750% of principal plus accrued and unpaid interest, provided that at least 65% of the aggregate principal amount of the 2025 notes remains outstanding after the redemption, as further described in Description of 2025 Notes Optional Redemption.
Change of Control	

Upon a Change of Control (as defined under Description of 2025 Notes) we will be required to make an offer to purchase the 2025 notes. The purchase price will equal 101% of the principal amount of the 2025 notes on the date of purchase plus accrued and unpaid interest. We may not have sufficient funds available at the time of any Change of Control to make any required debt repayment (including repurchases of the 2025 notes). See Risk Factors Risks Related to the Notes We may not be able to make the change of control offer required by the indentures.

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Guarantees	The 2025 exchange notes will be unconditionally, jointly and severally guaranteed, on a senior unsecured basis, by SB/RH Holdings and all of our domestic subsidiaries.
Ranking	The 2025 exchange notes and the related exchange guarantees will be the senior unsecured obligations of us and the guarantors and will:
	rank equally in right of payment with all of our and the guarantors existing and future senior indebtedness, including the initial notes and the 2024 exchange notes; and
	rank senior in right of payment to all of our and the guarantors future indebtedness that expressly provide for its subordination to the 2025 notes and the related guarantees.
	However, the 2025 exchange notes will be effectively subordinated to any of our secured indebtedness, including under our Secured Credit Facilities, to the extent of the value of the assets securing such indebtedness. In addition, the 2025 exchange notes will be structurally subordinated to all indebtedness and other liabilities of Spectrum Brands subsidiaries that do not guarantee the 2025 exchange notes.
Certain Covenants	The terms of the indentures governing the 2025 notes restrict our ability and the ability of certain of our subsidiaries (as described in Description of 2025 Notes) to:
	incur additional indebtedness;
	create liens;
	engage in sale-leaseback transactions;
	pay dividends or make distributions in respect of capital stock;
	purchase or redeem capital stock;
	make investments or certain other restricted payments;

sell assets;

issue or sell stock of restricted subsidiaries;

enter into transactions with affiliates; or

effect a consolidation or merger.

However, these limitations will be subject to a number of important qualifications and exceptions. In addition, if the 2025 notes are rated investment grade at any time by both Moody s Investors Service and Standard & Poor s Ratings Services, most of the restrictive covenants and corresponding events of default contained in the indenture governing the 2025 notes will be suspended.

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Absence of a Public Market for the Exchange Notes	The 2025 exchange notes are new securities for which there is no established market. We cannot assure you that a market for these 2025 exchange notes will develop or that this market will be liquid. Please refer to the section of this prospectus entitled Risk Factors Risks Related to the Exchange Offer There is no active trading market for the exchange notes.
Form of the Exchange Notes	The 2025 exchange notes will be represented by one or more permanent global securities in registered form deposited on behalf of The Depository Trust Company (DTC) with U.S. Bank National Association, as custodian. You will not receive 2025 exchange notes in certificated form unless one of the events described in the section of this prospectus entitled Book-Entry, Delivery and Form of Securities Exchange of Book-Entry Notes for Certificated Notes occurs. Instead, beneficial interests in the 2025 exchange notes will be shown on, and transfers of these 2025 exchange notes will be effected only through, records maintained in book-entry form by DTC with respect to its participants.
Trustee	U.S. Bank National Association is serving as trustee under the indenture governing the 2025 notes.
Use of Proceeds	We will not receive any proceeds from the issuance of the 2025 exchange notes. We are making this exchange offer solely to satisfy our obligations under the Registration Rights Agreements. See Use of Proceeds.
Risk Factors	You should consider all of the information contained in this prospectus before making an investment in the 2025 notes, including the 2025 exchange notes. In particular, you should consider the risks described under Risk Factors.

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Summary Historical Financial Data of SB/RH Holdings

The following summary historical financial data have been derived from SB/RH Holdings audited consolidated financial statements and SB/RH Holdings unaudited condensed consolidated financial statements, each included elsewhere in this prospectus. SB/RH Holdings audited Consolidated Statements of Financial Position as of September 30, 2014 and 2013; SB/RH Holdings audited Consolidated Statements of Operations, audited Consolidated Statements of Comprehensive Income (Loss), audited Consolidated Statements of Shareholders Equity and audited Consolidated Statements of Cash Flows for the years ended September 30, 2014, 2013 and 2012; SB/RH Holdings Condensed Consolidated Statements of Financial Position as of June 28, 2015 (Unaudited) and September 30, 2014 and SB/RH Holdings Condensed Consolidated Statements of Operations (Unaudited), Condensed Consolidated Statements of Comprehensive Income (Loss) (Unaudited) and Condensed Consolidated Statements of Cash Flows (Unaudited) for the nine month periods ended June 28, 2015 and June 29, 2014 are included elsewhere in this prospectus.

The financial information and other data indicated may not be indicative of future performance, and the financial information and other data presented for the interim periods may not be indicative of the results for the full year. This financial information and other data should be read in conjunction with the audited and unaudited financial statements of SB/RH Holdings, including the notes thereto, and Management s Discussion and Analysis of Financial Condition and Results of Operations, included elsewhere in this prospectus.

	Year Ended September 30,			Nine Months Ended	
	2012	2013	2014	June 29, 2014	June 28, 2015
			(in millions)		
Statement of Operations Data:					
Net sales	$ 3,252.4	$ 4,085.6	$ 4,429.1	$ 3,250.8	$ 3,382.3
Gross profit	1,115.7	1,390.3	1,568.9	1,157.9	1,202.9
Operating income	306.1	352.9	484.5	368.4	344.1
Interest expense[(1)]	192.0	369.5	202.1	151.7	206.5
Other expense, net	0.9	3.5	6.3	4.4	5.6
Income (loss) from continuing operations before income taxes	113.2	(20.2)	276.1	212.3	132.0
Income tax expense[(2)(3)(4)]	60.4	27.4	59.0	43.8	4.8
Net income (loss)	52.8	(47.5)	217.1	168.5	127.2
Less: Net income attributable to non-controlling interest		(0.1)	0.3	0.2	0.2
Net income (loss) attributable to controlling interest	52.8	(47.4)	216.8	168.3	127.0
Restructuring and related charges cost of goods sold[(5)]	9.8	10.0	3.7	3.3	0.4
Restructuring and related charges operating expenses[(5)]	9.7	24.0	19.2	12.7	21.9
Cash Flow and Related Data:					
Net cash provided (used) by operating activities	$ 252.7	$ 258.2	$ 434.7	$ (49.2)	$ (163.6)
Capital expenditures	46.8	82.0	73.3	50.9	49.5
Depreciation and amortization (excluding amortization of debt issuance costs)	129.8	183.0	202.5	143.6	154.9

Statement of Financial Position Data (at period end):			
Cash and cash equivalents	$ 198.2	$ 192.9	$ 107.2
Working capital[6]	524.4	502.3	996.6
Total assets	5,619.0	5,511.3	7,473.8
Total long-term debt, net of current maturities	3,115.9	2,894.1	4,294.3
Total debt	3,218.9	3,006.7	4,393.8
Total shareholders equity	884.7	1,020.7	1,575.8

(1) Fiscal 2014 includes a non-cash charge of $9 million related to the write-off of unamortized debt issuance costs and unamortized discounts in connection with the amendment of our prior term credit facility. Fiscal 2013 includes fees and expenses of $106 million coupled with a non-cash charge of $16 million related to the write-off of unamortized debt issuance costs and unamortized premiums in connection with the extinguishment and replacement of our 9.5% senior secured notes due 2018 (the 9.5% Notes) and prior term credit facility in conjunction with the acquisition of our hardware and home improvement business. Fiscal 2012 includes a non-cash charge of $2 million related to the write-off of unamortized debt issuance costs and unamortized premiums in connection with the extinguishment and refinancing of our 12% Senior Subordinated Toggle Notes due 2019 (the 12% Notes).

(2) Fiscal 2014 income tax expense of $59 million includes a non-cash benefit of approximately $116 million resulting from a decrease in the valuation allowance against certain net deferred taxes.

(3) Fiscal 2013 income tax expense of $27 million includes a non-cash charge of approximately $62 million resulting from an increase in the valuation allowance against certain net deferred tax assets, net of a $50 million benefit due to the reversal of a portion of the valuation allowance in conjunction with the acquisition of our hardware and home improvement business.

(4) Fiscal 2012 income tax expense of $60 million includes a non-cash charge of approximately $12 million resulting from an increase in the valuation allowance against certain net deferred tax assets, net of a $15 million benefit due to the reversal of a portion of the valuation allowance in conjunction with the acquisition of FURminator.

(5) See Note 14, Restructuring and Related Charges, to SB/RH Holdings audited Consolidated Financial Statements and Note 12, Restructuring and Related Charges, to SB/RH Holdings Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus for further discussion.

(6) Working capital is defined as current assets less current liabilities.

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RISK FACTORS

An investment in the notes involves risks. Before deciding whether to invest in the notes, in addition to the other information included in this prospectus, you should consider the matters addressed in the section entitled Cautionary Statement Regarding Forward-Looking Statements and the risks discussed below. While we believe that these risks are the most important for you to consider, you should read this prospectus carefully, including our financial statements, the notes to our financial statements and management s discussion and analysis of our financial condition and results of operations, which are included elsewhere in this prospectus. These risk factors are not the only risks that we or our subsidiaries may face. Additional risks and uncertainties not presently known to us or not currently believed to be important also may adversely affect our business.

Risks Related to the Notes

The notes will be Spectrum Brands senior unsecured obligations and the guarantees will be unsecured obligations of the guarantors. As such, the notes and the guarantees will be effectively subordinated to any of Spectrum Brands or the guarantors secured debt, including our existing and any future debt under our Secured Credit Facilities.

Spectrum Brands obligations under the notes and the guarantors obligations under the guarantees will not be secured. The notes will be effectively subordinated to Spectrum Brands and the guarantors existing and any future secured indebtedness, including our Secured Credit Facilities, to the extent of the value of the assets securing such indebtedness, which assets include substantially all of our assets and the assets of our domestic restricted subsidiaries. As of June 28, 2015, Spectrum Brands and the guarantors had $2,013.0 million of secured indebtedness outstanding. If we are involved in any dissolution, liquidation or reorganization, or if we default under the indentures governing the notes, holders of our secured debt would be paid before holders of the notes receive any amounts due under the notes to the extent of the value of the collateral securing such indebtedness. In that event, holders of the notes may not be able to recover any or all of the principal or interest due under the notes.

The notes will be effectively subordinated to all liabilities of, and claims of creditors of, all of our foreign subsidiaries.

The notes will not be guaranteed by any of our non-U.S. subsidiaries. Any right that we or the guarantors have to receive any assets of any of the foreign subsidiaries upon the liquidation or reorganization of those subsidiaries, and the consequent rights of holders of notes to realize proceeds from the sale of any of those subsidiaries assets, will be effectively subordinated to the claims of those subsidiaries creditors, including trade creditors, and holders of preferred equity interests of those subsidiaries. The indentures permit these subsidiaries to incur additional debt, subject to certain limits, and will not limit their ability to incur liabilities other than debt. As of June 28, 2015, these non-guarantor subsidiaries had 20% of our total liabilities and generated 55% of our revenue in the nine month period ended June 28, 2015.

If we are unable to comply with the restrictions and covenants in the agreements governing the notes and our other debt, there could be a default under the terms of these agreements, which could result in an acceleration of payment of funds that we have borrowed and would impact our ability to make principal and interest payments on the notes.

If we are unable to comply with the restrictions and covenants in our Secured Credit Facilities, in the indentures governing the notes offered hereby or governing our 2020/2022 Notes (collectively, the Indentures) or in current or future debt financing agreements, there could be a default under the terms of these agreements. Our ability to comply with these restrictions and covenants, including meeting financial ratios and tests, may be affected by events beyond our control. As a result, we cannot assure you that we will be able to comply with these restrictions and covenants or meet these tests. Any default under the agreements governing our indebtedness, including a default under the aforementioned debt instruments, that is not waived by the required lenders, and the remedies sought by the holders of such indebtedness, could prevent us from paying principal, premium, if any, and interest on the notes and substantially decrease the market value of the notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants in the instruments governing our indebtedness (including covenants in the aforementioned debt instruments), we could be in default under the terms of the agreements governing such indebtedness. In the event of such default:

- the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest;

- the lenders under the Secured Credit Facilities could elect to terminate their commitments thereunder, cease making further loans and institute foreclosure proceedings against our assets; and

- we could be forced into bankruptcy or liquidation.

Moreover, the Secured Credit Facilities, the indentures governing the notes offered hereby and the Indentures each contain cross-default or cross-acceleration provisions that would be triggered by the occurrence of a default or acceleration under other instruments governing our indebtedness. If the payment of our indebtedness is accelerated, there can be no assurance that our assets would be sufficient to repay in full that indebtedness and our other indebtedness that would become due as a result of any acceleration.

If our operating performance declines, we may in the future need to obtain waivers from the required lenders under our Secured Credit Facilities to avoid being in default. If we breach our covenants under our Secured Credit Facilities and seek a waiver, we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under our Secured Credit Facilities, the lenders could exercise their rights, as described above, and we could be forced into bankruptcy or liquidation.

Despite our current levels of debt, we may still incur substantially more debt ranking equal or effectively senior to the notes and increase the risks associated with our proposed leverage.

Subject to certain restriction and limitation, we or our subsidiaries could incur significant additional indebtedness in the future. The provisions contained in the indentures and in our other debt agreements limit but do not prohibit our ability to incur additional indebtedness on an equal and ratable basis with the notes. In addition, any of our debt could be secured and therefore would be effectively senior to the notes to the extent of the value of the collateral securing that debt. This may have the effect of reducing the amount of proceeds available for the notes in the event of any bankruptcy, liquidation, reorganization or similar proceeding. If new debt is added to our current debt levels, the related risks that we now face as a result of our indebtedness could intensify.

Fraudulent transfer statutes may limit your rights as a holder of the notes.

Federal and state fraudulent transfer laws as previously interpreted by various courts permit a court, if it makes certain findings, to:

- avoid all or a portion of our obligations to holders of the notes;

- subordinate our obligations to holders of the notes to our other existing and future creditors, entitling such creditors to be paid in full before any payment is made on the notes; and

- take other action detrimental to holders of the notes, including invalidating the notes.

In that event, we cannot assure you that you would ever be repaid. There is also no assurance that amounts previously paid to you pursuant to the notes or guarantees would not be subject to return.

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Under federal and state fraudulent transfer laws, in order to take any of those actions, courts will typically need to find that we or the guarantors received less than fair consideration or reasonably equivalent value for incurring the indebtedness represented by the notes, and at the time the notes were issued:

- were insolvent or were rendered insolvent by reason of the issuance of the notes;
- were engaged, or were about to engage, in a business or transaction for which our capital was unreasonably small;
- intended to incur, or believed or should have believed we would incur, indebtedness beyond our ability to pay as such indebtedness matures; or
- were a defendant in an action for money damages, or had a judgment for money damages docketed against us or such guarantor if, in either case, after final judgment, the judgment was unsatisfied.

A court may also void an issuance of notes, a guarantee or grant of security, without regard to the above factors, if the court found that we issued the notes or the guarantors entered into their respective guaranty with actual intent to hinder, delay or defraud current or future creditors.

Many of the foregoing terms are defined in or interpreted under those fraudulent transfer statutes and as judicially interpreted. A court could find that we did not receive fair consideration or reasonably equivalent value for the incurrence of the indebtedness represented by the notes.

The measure of insolvency for purposes of the foregoing considerations will vary depending on the law of the jurisdiction that is being applied in any such proceeding. Generally, a company would be considered insolvent if, at the time it incurred the indebtedness:

- the sum of its indebtedness (including contingent liabilities) is greater than its assets, at fair valuation;
- the present fair saleable value of its assets is less than the amount required to pay the probable liability on its total existing indebtedness and liabilities (including contingent liabilities) as they become absolute and matured; or
- it could not pay its debts as they became due.

We cannot assure you what standard a court would apply in determining our solvency and whether it would conclude that we were solvent when we incurred our obligations under the notes.

In addition, the guarantees of the notes may also be subject to review under various laws for the protection of creditors. A court would likely find that we or a guarantor did not receive reasonably equivalent value or fair consideration for the notes or the guarantees, respectively, if we or a guarantor did not substantially benefit directly from the issuance of the notes. If a court were to void an issuance of the notes or the guarantees, you would no longer have a claim against us or the guarantors. Sufficient funds to repay the notes (or the related exchange notes) may not be available from other sources, including the remaining guarantors, if any. In addition, the court might direct you to repay any amounts that you already received from us or the guarantors. In addition, any payment by us pursuant to the notes made at a time we were found to be insolvent could be voided and required to be returned to us or to a fund for the benefit of our creditors if such payment is made to an insider within a one-year period prior to a bankruptcy filing or within 90 days for any outside party and such payment would give the creditors more than such creditors would have received in a distribution under the bankruptcy code.

We may not be able to make the change of control offer required by the indentures.

Upon a change of control, subject to certain conditions, we are required to offer to repurchase all outstanding notes in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the date of repurchase. We cannot assure you that we will have sufficient funds at the time of any change of control to make required repurchases of notes tendered. In addition, our other indebtedness agreements provide that certain change of control events will constitute an event of default thereunder. If the holders of the notes exercise their right to require us to repurchase all of the notes upon a change of control, the financial effect of this repurchase could cause a default under our other indebtedness, even if the change of control itself would not cause a default. Accordingly, it is possible that we will not have sufficient funds at the time of any such change of control to make the required repurchase of our other indebtedness and the notes or that restrictions in the indentures will not allow such repurchases. In addition, holders may not be entitled to require us to repurchase their notes upon a change of control in certain circumstances involving a significant change in the composition of our board of directors, including in connection with a proxy contest where our board of directors does not endorse a dissident slate of directors but approves them for purposes of the Continuing Directors definition. Lastly, certain other corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, would not constitute a Change of Control under the indentures. See Description of 2024 Notes Repurchase at the Option of Holders Change of Control and Description of 2025 Notes Repurchase at the Option of Holders Change of Control, as applicable, for additional information.

The market price of the notes may decline if we enter into a transaction that is not a change of control under the indentures.

We may enter into a highly leveraged transaction, reorganization, merger or similar transaction that is not a change of control under the indentures. Nevertheless, such transactions could result in a downgrade of our credit ratings, thereby negatively affecting the value of the notes.

Changes in credit ratings issued by nationally recognized statistical ratings organizations could adversely affect our cost of financing and the market price of our securities, including the notes.

Credit rating agencies rate our debt securities on factors that include our operating results, actions that we take, their view of the general outlook for our industry and their view of the general outlook for the economy. Actions taken by the rating agencies can include maintaining, upgrading, or downgrading the current rating or placing us on a watch list for possible future downgrading. Downgrading the credit rating of our debt securities or placing us on a watch list for possible future downgrading would likely increase our cost of financing, limit our access to the capital markets and have an adverse effect on the market price of our securities, including the notes offered hereby.

If the notes are rated investment grade at any time by both Moody s Investor Service and Standard & Poor s Ratings Services, most of the restrictive covenants and corresponding events of default contained in the indentures governing the notes will be suspended, resulting in a reduction of credit protection.

If, at any time, the credit rating on the applicable series of notes, as determined by both Moody s Investors Service and Standard & Poor s Ratings Services, equals or exceeds Baa3 and BBB-, respectively, or any equivalent replacement ratings, we will no longer be subject to most of the restrictive covenants and corresponding events of default contained in the applicable indenture. Any restrictive covenants or corresponding events of default that cease to apply to us as a result of achieving these ratings will be restored if one or both of the credit ratings on the notes later falls below these thresholds. However, during any period in which these restrictive covenants are suspended, we may incur other indebtedness, make restricted payments and take other actions that would have been prohibited if these covenants had been in effect. If the restrictive covenants are later restored, the actions taken while the covenants were suspended will not result in an event of default under the applicable indenture even if they would constitute an event of default at the time the covenants are restored. Accordingly, if these covenants and corresponding events of default are suspended, you will have less credit protection than you will at the time the notes are issued. See Description of 2024

Notes Suspension of Certain Covenants and Description of 2025 Notes Suspension of Certain Covenants, as applicable.

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The sale or other disposition by HRG Group, Inc., the holder of a majority of the outstanding shares of our common stock, to non-affiliates of a sufficient amount of the common stock of SB Holdings would constitute a change of control under the agreements governing our debt.

HRG Group, Inc. (f/k/a Harbinger Group Inc.) (HRG) owns a majority of the outstanding shares of the common stock of SB Holdings. The sale or other disposition by HRG to non-affiliates of a sufficient amount of the common stock of SB Holdings would constitute a change of control under certain of the agreements governing our debt, including any foreclosure on or sale of SB Holdings common stock pledged as collateral by HRG pursuant to the indenture governing HRG s outstanding secured notes. Under the Secured Credit Facilities, a change of control is an event of default and, if a change of control were to occur, we would be required to get an amendment to these agreements to avoid a default. If we were unable to get such an amendment, the lenders could accelerate the maturity of our Secured Credit Facilities. In addition, under the Indentures, upon a change of control, we are required to offer to repurchase such notes from the holders at a price equal to 101% of principal amount of such notes plus accrued interest or obtain a waiver of default from the holders of such notes. If we were unable to make the change of control offer, or to obtain a waiver of default, it would be an event of default under the applicable Indenture that could allow holders of such notes to accelerate the maturity of the notes.

Risks Related to the Exchange Offer

If you do not properly tender your initial notes, you will continue to hold unregistered initial notes and be subject to the same limitations on your ability to transfer initial notes.

We will only issue exchange notes for initial notes that are timely received by the exchange agent together with all required documents, including a properly completed and signed letter of transmittal. Therefore, you should allow sufficient time to ensure timely delivery of the initial notes and you should carefully follow the instructions on how to tender your initial notes. Neither we nor the exchange agent are required to tell you of any defects or irregularities with respect to your tender of the initial notes. If you are eligible to participate in the exchange offer and do not tender your initial notes or if we do not accept your initial notes because you did not tender your initial notes properly, then, after we consummate the exchange offer, you will continue to hold initial notes that are subject to the existing transfer restrictions and will no longer have any registration rights or be entitled to any additional interest with respect to the initial notes. In general, you may only offer or sell the initial notes if such transaction is registered under the Securities Act and applicable state securities laws, or offered and sold under an exemption from these requirements. Except as required by the Registration Rights Agreements, we do not currently anticipate that we will register under the Securities Act, any initial notes that remain outstanding after the Exchange Offer. In addition:

- if you tender your initial notes for the purpose of participating in a distribution of the exchange notes, you will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale of the exchange notes; and

- if you are a broker-dealer that receives exchange notes for your own account in exchange for initial notes that you acquired as a result of market-making activities or any other trading activities, you will be required to acknowledge that you will deliver a prospectus in connection with any resale of those exchange notes.

We have agreed that, for a period of 180 days after the exchange offer is consummated, we will make additional copies of this prospectus and any amendment or supplement to this prospectus available to any broker-dealer for use in connection with any resales of the exchange notes. After the exchange offer is consummated, if you continue to hold any initial notes, you may have difficulty selling them because there will be fewer initial notes outstanding.

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There is no active trading market for the exchange notes.

The exchange notes are a new issue of securities for which there is no existing trading market. Accordingly, we cannot assure you that a liquid market for the exchange notes will develop or, if developed, that it will continue or that you will be able to sell your exchange notes at a particular time or at favorable prices. We have not applied, and do not intend to apply for listing or quotation of the notes on any securities exchange or automated quotation system.

The liquidity of any market for the exchange notes is subject to a number of factors, including:

- the number of holders of exchange notes;
- our operating performance and financial condition;
- our ability to complete the exchange offer;
- the market for similar securities;
- the interest of securities dealers in making a market in the exchange notes; and
- prevailing interest rates.

We understand that one or more of the initial purchasers with respect to the initial notes presently intend to make a market in the exchange notes. However, they are not obligated to do so, and any market-making activity with respect to the exchange notes may be discontinued at any time without notice. In addition, any market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act and may be limited during the exchange offer or the pendency of an applicable shelf registration statement.

The issuance of the exchange notes may adversely affect the market for the initial notes.

To the extent the initial notes are tendered and accepted in the exchange offer, the trading market for the untendered and tendered but unaccepted initial notes could be adversely affected. Because we anticipate that most holders of the initial notes will elect to exchange their initial notes for exchange notes due to the absence of restrictions on the resale of exchange notes under the Securities Act, we anticipate that the liquidity of the market for any initial notes remaining after the completion of this exchange offer may be substantially limited. Please refer to the section in this prospectus entitled The Exchange Offer Your Failure to Participate in the Exchange Offer May Have Adverse Consequences.

Some persons who participate in the exchange offer must deliver a prospectus in connection with resales of the exchange notes.

Based on interpretations of the staff of the SEC contained in Exxon Capital Holdings Corp., SEC no-action letter (April 13, 1988), Morgan Stanley & Co. Inc., SEC no-action letter (June 5, 1991) and Shearman & Sterling, SEC no-action letter (July 2, 1983), we believe that you may offer for resale the exchange notes without compliance with the registration and prospectus delivery requirements of the Securities Act. However, in some instances described in this prospectus under Plan of Distribution, you will remain obligated to comply with the registration and prospectus delivery requirements of the Securities Act to transfer your exchange notes. In these cases, if you transfer any exchange note without delivering a prospectus meeting the requirements of the Securities Act or without an exemption from registration of your exchange notes under the Securities Act, you may incur liability under the Securities Act. We do not and will not assume, or indemnify you against, this liability.

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Risks Related To Our Business

Our substantial indebtedness may limit our financial and operating flexibility, and we may incur additional debt, which could increase the risks associated with our substantial indebtedness.

We have, and we expect to continue to have, a significant amount of indebtedness. As of June 28, 2015, we had total indebtedness under the Secured Credit Facilities, the 2020/2022 Notes, the notes and other debt instruments of approximately $4,402.3 billion. Our substantial indebtedness has had, and could continue to have, material adverse consequences for our business, and may:

- require us to dedicate a large portion of our cash flow to pay principal and interest on our indebtedness, which will reduce the availability of our cash flow to fund working capital, capital expenditures, research and development expenditures and other business activities;

- increase our vulnerability to general adverse economic and industry conditions;

- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;

- restrict our ability to make strategic acquisitions, dispositions or to exploit business opportunities;

- place us at a competitive disadvantage compared to our competitors that have less debt; and

- limit our ability to borrow additional funds (even when necessary to maintain adequate liquidity) or dispose of assets.

Under the Secured Credit Facilities and the Indentures, we may incur additional indebtedness. If new debt is added to our existing debt levels, the related risks that we now face would increase.

Furthermore, a substantial portion of our debt bears interest at variable rates. If market interest rates increase, the interest rate on our variable rate debt will increase and will create higher debt service requirements, which would adversely affect our cash flow and could adversely impact our results of operations. While we may enter into agreements limiting our exposure to higher debt service requirements, any such agreements may not offer complete protection from this risk.

Restrictive covenants in the Secured Credit Facilities and the Indentures may restrict our ability to pursue our business strategies.

The Secured Credit Facilities and the Indentures restrict, among other things, asset dispositions, mergers and acquisitions, dividends, stock repurchases and redemptions, other restricted payments and indebtedness, loans and investments, liens and affiliate transactions. The Secured Credit Facilities and the Indentures also contain customary events of default. These covenants could among other things, limit our ability to fund future working capital and capital expenditures, engage in future acquisitions or development activities, or otherwise realize the value of our assets and opportunities fully. In addition, the Secured Credit Facilities and the Indentures require us to dedicate a portion of cash flow from operations to payments on debt and the Revolving Credit Facility contains financial covenants relating to maximum leverage. Such requirements and covenants could limit the flexibility of our restricted entities in planning for, or reacting to, changes in the industries in which they operate. Our ability to comply with these covenants is subject to certain events outside of our control. If we are unable to comply with these covenants, the lenders under our Secured Credit Facilities could terminate their commitments and the lenders under our Secured Credit Facilities or the holders of the 2020/2022 Notes or the notes could accelerate repayment of our outstanding borrowings and, in either case, we may be unable to obtain adequate refinancing of outstanding borrowings on favorable terms or at all. If we are unable to repay outstanding borrowings when due, the lenders under the Secured Credit Facilities will also have the right to proceed against the collateral granted to them to secure the indebtedness owed to them. If our obligations under the Secured Credit Facilities are accelerated, we cannot assure you that our assets would be sufficient to repay in full such indebtedness.

We face risks related to the current economic environment.

The economic environment and related turmoil in the global financial system between 2008 and 2012 had an impact on our business and financial condition, and we may face additional challenges if economic and financial market conditions deteriorate in the future.

Global economic conditions have significantly impacted economic markets within certain sectors, with financial services and retail businesses being particularly impacted. Our ability to generate revenue depends significantly on discretionary consumer spending. It is difficult to predict new general economic conditions that could impact consumer and customer demand for our products or our ability to manage normal commercial relationships with our customers, suppliers and creditors. A number of negative economic factors, including constraints on the supply of credit to households, uncertainty and weakness in the labor market and general consumer fears of a new economic downturn could have a negative impact on discretionary consumer spending. If the economy deteriorates or fails to further improve, our business could be negatively impacted, including as a result of reduced demand for our products or supplier or customer disruptions. Any weakness in discretionary consumer spending could have a material adverse effect on our revenues, results of operations and financial condition. In addition, our ability to access the capital markets may be restricted at a time when it could be necessary or beneficial to do so, which could have an impact on our flexibility to react to changing economic and business conditions.

In the last few years, concern over continuing high unemployment, stagnant economic performance and government debt levels in many European Union countries caused significant fluctuations of the Euro relative to other currencies, such as the U.S. dollar. Continued weakness of the European economy could lead to a decrease in consumer confidence, which could cause reductions in discretionary spending and demand for our products. Furthermore, sovereign debt issues could also lead to further significant, and potentially longer-term, economic issues such as reduced economic growth and devaluation of the Euro against the U.S. dollar, any of which could adversely affect our business, financial conditions and operating results.

We depend on key personnel and may not be able to retain those employees or recruit additional qualified personnel.

We are highly dependent on the continuing efforts of our senior management team and other key personnel. Our business, financial condition and results of operations could be materially adversely affected if we lose any of these persons and are unable to attract and retain qualified replacements.

We participate in very competitive markets and we may not be able to compete successfully, causing us to lose market share and sales.

The markets in which we participate are very competitive. In the consumer battery market, our primary competitors are Duracell (a brand of Procter & Gamble), Energizer and Panasonic (a brand of Matsushita). In the electric shaving and grooming and electric personal care product markets, our primary competitors are Braun (a brand of Procter & Gamble), Norelco (a brand of Philips), and Vidal Sassoon and Revlon (brands of Helen of Troy). In the pet supplies market, our primary competitors are Mars, Hartz and Central Garden & Pet. In the Home and Garden Business, our principal national competitors are Scotts, Central Garden & Pet and S.C. Johnson. Our principal national competitors within our small appliances product category include Jarden Corporation, DeLonghi America, Euro-Pro Operating LLC, Metro Thebe, Inc., (d/b/a HWI Breville) NACCO Industries, Inc. (Hamilton Beach) and SEB S.A. In the hardware and home improvement industry, our principal competitors are Schlage, a division of Ingersoll-Rand, Masco, Fortune Brands, Kohler and American Standard. In each of these markets, we also face competition from numerous other companies. In addition, in a number of our product lines, we compete with our retail customers, who use their own private label brands, and with distributors and foreign manufacturers of unbranded products. Significant new competitors or increased competition from existing competitors may adversely affect our business, financial condition and results of our operations.

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We compete with our competitors for consumer acceptance and limited shelf space based upon brand name recognition, perceived product quality, price, performance, product features and enhancements, product packaging and design innovation, as well as creative marketing, promotion and distribution strategies, and new product introductions. Our ability to compete in these consumer product markets may be adversely affected by a number of factors, including, but not limited to, the following:

- We compete against many well-established companies that may have substantially greater financial and other resources, including personnel and research and development, and greater overall market share than us.

- In some key product lines, our competitors may have lower production costs and higher profit margins than us, which may enable them to compete more aggressively in offering retail discounts, rebates and other promotional incentives.

- Technological advancements, product improvements or effective advertising campaigns by competitors may weaken consumer demand for our products.

- Consumer purchasing behavior may shift to distribution channels, including to online retailers, where we and our customers do not have a strong presence.

- Consumer preferences may change to lower margin products or products other than those we market.

- We may not be successful in the introduction, marketing and manufacture of any new products or product innovations or be able to develop and introduce, in a timely manner, innovations to our existing products that satisfy customer needs or achieve market acceptance.

Some competitors may be willing to reduce prices and accept lower profit margins to compete with us. As a result of this competition, we could lose market share and sales, or be forced to reduce our prices to meet competition. If our product offerings are unable to compete successfully, our sales, results of operations and financial condition could be materially and adversely affected. In addition, we may be unable to implement changes to our products or otherwise adapt to changing consumer trends. If we are unable to respond to changing consumer trends, our operating results and financial condition could be adversely affected.

Sales of certain of our products are seasonal and may cause our operating results and working capital requirements to fluctuate.

On a consolidated basis our financial results are approximately equally weighted between quarters, however, sales of certain product categories tend to be seasonal. Sales in the consumer battery, electric shaving and grooming and electric personal care product categories, particularly in North America, tend to be concentrated in the December holiday season (our first fiscal quarter). Demand for hardware and home improvement products increases during the spring and summer construction period (our third and fourth fiscal quarters) and demand for pet supplies products remains fairly constant throughout the year. Demand for home and garden control products typically peaks during the first six months of the calendar year (our second and third fiscal quarters). Small Appliances peaks from

July through December primarily due to the increased demand by customers in the late summer for back-to-school sales and in the fall for the holiday season. As a result of this seasonality, our inventory and working capital needs fluctuate significantly throughout the year. In addition, orders from retailers are often made late in the period preceding the applicable peak season, making forecasting of production schedules and inventory purchases difficult. If we are unable to accurately forecast and prepare for customer orders or our working capital needs, or there is a general downturn in business or economic conditions during these periods, our business, financial condition and results of operations could be materially and adversely affected.

Adverse weather conditions during our peak selling season for our home and garden control products could have a material adverse effect on our Home and Garden Business.

Weather conditions have a significant impact on the timing and volume of sales of certain of our lawn and garden and household insecticide and repellent products. For example, periods of dry, hot weather can decrease

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insecticide sales, while periods of cold and wet weather can slow sales of herbicides. Adverse weather conditions during the first six months of the calendar year (our second and third fiscal quarters), when demand for home and garden control products typically peaks, could have a material adverse effect on our home and garden business and our financial results during such period.

We are subject to significant international business risks that could hurt our business and cause our results of operations to fluctuate.

Approximately 40% of our net sales for the fiscal year ended September 30, 2014 were to customers outside of the U.S. Our pursuit of international growth opportunities may require significant investments for an extended period before returns on these investments, if any, are realized. Our international operations are subject to risks including, among others:

- currency fluctuations, including, without limitation, fluctuations in the foreign exchange rate of the Euro, British Pound, Brazilian Real, Canadian Dollar, Australian Dollar, Japanese Yen and the Mexican Peso;
- changes in the economic conditions or consumer preferences or demand for our products in these markets;
- the risk that because our brand names may not be locally recognized, we must spend significant amounts of time and money to build brand recognition without certainty that we will be successful;
- labor unrest;
- political and economic instability, as a result of war, terrorist attacks, pandemics, natural disasters or otherwise;
- lack of developed infrastructure;
- longer payment cycles and greater difficulty in collecting accounts;
- restrictions on transfers of funds;
- import and export duties and quotas, as well as general transportation costs;
- changes in domestic and international customs and tariffs;

- changes in foreign labor laws and regulations affecting our ability to hire and retain employees;

- inadequate protection of intellectual property in foreign countries;

- unexpected changes in regulatory environments;

- difficulty in complying with foreign law; and

- adverse tax consequences.

The foregoing factors may have a material adverse effect on our ability to increase or maintain our supply of products, financial condition or results of operations.

Our products utilize certain key raw materials; any significant increase in the price of, or change in supply and demand for, these raw materials could have a material and adverse effect on our business, financial condition and profits.

The principal raw materials used to produce our products including zinc powder, brass, electrolytic manganese dioxide powder, petroleum-based plastic materials, steel, aluminum, copper and corrugated materials (for packaging) are sourced either on a global or regional basis by us or our suppliers, and the prices of those raw materials are susceptible to price fluctuations due to supply and demand trends, energy costs, transportation costs, government regulations, duties and tariffs, changes in currency exchange rates, price controls, general economic conditions and other unforeseen circumstances. In particular, during the years 2012 and 2013, we experienced extraordinary price increases for raw materials, particularly as a result of strong demand from China. Although we may increase the prices of certain of our goods to our customers, we may not be able to pass all of these cost increases on to our customers. As a result, our margins may be adversely impacted by such cost increases. We cannot provide any assurance that our sources of supply will not be interrupted due to changes in worldwide supply of or demand for raw materials or other events that interrupt material flow, which may have an adverse effect on our profitability and results of operations.

We regularly engage in forward purchase and hedging derivative transactions in an attempt to effectively manage and stabilize some of the raw material costs we expect to incur over the next 12 to 24 months. However, our hedging positions may not be effective, or may not anticipate beneficial trends, in a particular raw material market or may, as a result of changes in our business, no longer be useful for us. In addition, for certain of the principal raw materials we use to produce our products, such as electrolytic manganese dioxide powder, there are no available effective hedging markets. If these efforts are not effective or expose us to above average costs for an extended period of time, and we are unable to pass our raw materials costs on to our customers, our future profitability may be materially and adversely affected. Furthermore, with respect to transportation costs, certain modes of delivery are subject to fuel surcharges which are determined based upon the current cost of diesel fuel in relation to pre-established agreed upon costs. We may be unable to pass these fuel surcharges on to our customers, which may have an adverse effect on our profitability and results of operations.

In addition, we have exclusivity arrangements and minimum purchase requirements with certain of our suppliers for the Home and Garden Business, which increase our dependence upon and exposure to those suppliers. Some of those agreements include caps on the price we pay for our supplies and in certain instances, these caps have allowed us to purchase materials at below market prices. When we attempt to renew those contracts, the other parties to the contracts may not be willing to include or may limit the effect of those caps and could even attempt to impose above market prices in an effort to make up for any below market prices paid by us prior to the renewal of the agreement. Any failure to timely obtain suitable supplies at competitive prices could materially adversely affect our business, financial condition and results of operations.

We may not be able to fully utilize our U.S. net operating loss carryforwards.

As of September 30, 2014, we had U.S. federal net operating loss carryforwards (NOLs) of approximately $1,084 million and tax benefits related to state NOLs of $70 million. These net operating loss carryforwards expire through years ending in 2034. As of September 30, 2014, we determined that it continues to be more likely than not that the U.S. federal and most of the U.S. state net deferred tax asset, will not be realized in the future and as such recorded a full valuation allowance to offset the net U.S. federal and most of the U.S. state deferred tax asset, including Spectrum Brands NOLs. In addition, Spectrum Brands has had changes of ownership, as defined under Section 382 of the Internal Revenue Code (the IRC) of 1986, as amended, that continue to subject a significant amount of Spectrum Brands U.S. NOLs and other tax attributes to certain limitations.

As a consequence of the merger of Salton, Inc. and Applica Incorporated in December 2007 (which created Russell Hobbs, Inc.), as well as earlier business combinations and issuances of common stock consummated by both companies, use of the tax benefits of Russell Hobbs, Inc. s U.S. NOLs is also subject to limitations imposed by Section 382 of the IRC. We expect that a significant portion of these carryforwards, if any, will not be available to offset future taxable income. In addition, use of Russell Hobbs, Inc. s NOLs and tax credit carryforwards is dependent upon both Russell Hobbs, Inc. and us achieving profitable results in the future. Russell Hobbs Inc. s U.S. NOLs were subject to a full valuation allowance at September 30, 2014.

As of September 30, 2014, we estimate that approximately $302 million of the Spectrum Brands and Russell Hobbs, Inc. U.S. federal NOLs and tax benefits of $17 million from Spectrum Brands and Russell Hobbs, Inc.

state NOLs would expire unused even if the Company generates sufficient income to otherwise use all its NOLs, due to the limitation in Section 382 of the IRC.

If we are unable to fully utilize our NOLs, other than those restricted under Section 382 of the IRC, as discussed above, to offset taxable income generated in the future, our results of operations could be materially and negatively impacted.

Consolidation of retailers and our dependence on a small number of key customers for a significant percentage of our sales may negatively affect our business, financial condition and results of operations.

As a result of consolidation of retailers and consumer trends toward national mass merchandisers, a significant percentage of our sales are attributable to a very limited group of customers. Our largest customer accounted for approximately 16% of our consolidated net sales for the fiscal year ended September 30, 2014. As these mass merchandisers and retailers grow larger and become more sophisticated, they may demand lower pricing, special packaging or impose other requirements on product suppliers. These business demands may relate to inventory practices, logistics or other aspects of the customer-supplier relationship. Because of the importance of these key customers, demands for price reductions or promotions, reductions in their purchases, changes in their financial condition or loss of their accounts could have a material adverse effect on our business, financial condition and results of operations. See Risks Related to the AAG Acquisition We and AAG have similar major customers and the loss of any significant customer may adversely affect our results of operations.

Although we have long-established relationships with many of our customers, we do not have long-term agreements with them and purchases are generally made through the use of individual purchase orders. Any significant reduction in purchases, failure to obtain anticipated orders or delays or cancellations of orders by any of these major customers, or significant pressure to reduce prices from any of these major customers, could have a material adverse effect on our business, financial condition and results of operations. Additionally, a significant deterioration in the financial condition of the retail industry in general, the bankruptcy of any of our customers or if any of our customers were to leave the business, could have a material adverse effect on our sales and profitability.

In addition, as a result of the desire of retailers to more closely manage inventory levels, there is a growing trend among them to purchase products on a just-in-time basis. Due to a number of factors, including (i) manufacturing lead-times, (ii) seasonal purchasing patterns and (iii) the potential for material price increases, we may be required to shorten our lead-time for production and more closely anticipate our retailers and customers demands, which could in the future require us to carry additional inventories and increase our working capital and related financing requirements. This may increase the cost of warehousing inventory or result in excess inventory becoming difficult to manage, unusable or obsolete. In addition, if our retailers significantly change their inventory management strategies, we may encounter difficulties in filling customer orders or in liquidating excess inventories, or may find that customers are cancelling orders or returning products, which may have a material adverse effect on our business.

Furthermore, we primarily sell branded products and a move by one or more of our large customers to sell significant quantities of private label products, which we do not produce on their behalf and which directly compete with our products, could have a material adverse effect on our business, financial condition and results of operations.

As a result of our international operations, we face a number of risks related to exchange rates and foreign currencies.

Our international sales and certain of our expenses are transacted in foreign currencies. During the fiscal year ended September 30, 2014, approximately 40% of our net sales and operating expenses were denominated in foreign currencies. We expect that the amount of our revenues and expenses transacted in foreign currencies

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will increase as our Latin American, European and Asian operations grow and as a result of acquisitions in these markets and, as a result, our exposure to risks associated with foreign currencies could increase accordingly. Significant changes in the value of the U.S. dollar in relation to foreign currencies will affect our cost of goods sold and our operating margins and could result in exchange losses or otherwise have a material effect on our business, financial condition and results of operations. Changes in currency exchange rates may also affect our sales to, purchases from and loans to our subsidiaries as well as sales to, purchases from and bank lines of credit with our customers, suppliers and creditors that are denominated in foreign currencies.

We source many products from China and other Asian countries. To the extent the Chinese Renminbi (RMB) or other currencies appreciate with respect to the U.S. dollar, we may experience fluctuations in our results of operations. Since 2005, the RMB has no longer been pegged to the U.S. dollar at a constant exchange rate and instead fluctuates versus a basket of currencies. Although the People s Bank of China regularly intervenes in the foreign exchange market to prevent significant short-term fluctuations in the exchange rate, the RMB may appreciate or depreciate within a flexible peg range against the U.S. dollar in the medium to long term. Moreover, it is possible that in the future Chinese authorities may lift restrictions on fluctuations in the RMB exchange rate and lessen intervention in the foreign exchange market.

While we may enter into hedging transactions in the future, the availability and effectiveness of these transactions may be limited, and we may not be able to successfully hedge our exposure to currency fluctuations. Further, we may not be successful in implementing customer pricing or other actions in an effort to mitigate the impact of currency fluctuations and, thus, our results of operations may be adversely impacted.

Our international operations may expose us to risks related to compliance with the laws and regulations of foreign countries.

We are subject to three EU Directives that may have a material impact on our business: Restriction of the Use of Hazardous Substances in Electrical and Electronic Equipment, Waste of Electrical and Electronic Equipment and the Directive on Batteries and Accumulators and Waste Batteries, discussed below. Restriction of the Use of Hazardous Substances in Electrical and Electronic Equipment requires us to eliminate specified hazardous materials from products we sell in EU member states. Waste of Electrical and Electronic Equipment requires us to collect and treat, dispose of or recycle certain products we manufacture or import into the EU at our own expense. The EU Directive on Batteries and Accumulators and Waste Batteries bans heavy metals in batteries by establishing maximum quantities of heavy metals in batteries and mandates waste management of these batteries, including collection, recycling and disposal systems, with the costs imposed upon producers and importers such as us. The costs associated with maintaining compliance or failing to comply with the EU Directives may harm our business. For example:

Although contracts with our suppliers address related compliance issues, we may be unable to procure appropriate Restriction of the Use of Hazardous Substances in Electrical and Electronic Equipment compliant material in sufficient quantity and quality and/or be able to incorporate it into our product procurement processes without compromising quality and/or harming our cost structure.

We may face excess and obsolete inventory risk related to non-compliant inventory that we may hold for which there is reduced demand, and we may need to write down the carrying value of such inventories.

- We may be unable to sell certain existing inventories of our batteries in Europe and other countries that have adopted similar regulations.

Many of the developing countries in which we operate do not have significant governmental regulation relating to environmental safety, occupational safety, employment practices or other business matters routinely regulated in the U.S. and EU or may not rigorously enforce such regulation. As these countries and their economies develop, it is possible that new regulations or increased enforcement of existing regulations may increase the expense of doing business in these countries. In addition, social legislation in many countries in which we operate may result in significantly higher expenses associated with labor costs, terminating employees or distributors and closing manufacturing facilities. Increases in our costs as a result of increased regulation, legislation or enforcement could materially and adversely affect our business, results of operations and financial condition.

We may not be able to adequately establish and protect our intellectual property rights, and the infringement or loss of our intellectual property rights could harm our business.

To establish and protect our intellectual property rights, we rely upon a combination of national, foreign and multi-national patent, trademark and trade secret laws, together with licenses, confidentiality agreements and other contractual arrangements. The measures that we take to protect our intellectual property rights may prove inadequate to prevent third parties from infringing or misappropriating our intellectual property. We may need to resort to litigation to enforce or defend our intellectual property rights. If a competitor or collaborator files a patent application claiming technology also claimed by us, or a trademark application claiming a trademark, service mark or trade dress also used by us, in order to protect our rights, we may have to participate in expensive and time consuming opposition or interference proceedings before the U.S. Patent and Trademark Office or a similar foreign agency. Similarly, our intellectual property rights may be challenged by third parties or invalidated through administrative process or litigation. The costs associated with protecting intellectual property rights, including litigation costs, may be material. Furthermore, even if our intellectual property rights are not directly challenged, disputes among third parties could lead to the weakening or invalidation of our intellectual property rights, or our competitors may independently develop technologies that are substantially equivalent or superior to our technology. Obtaining, protecting and defending intellectual property rights can be time consuming and expensive, and may require us to incur substantial costs, including the diversion of the time and resources of management and technical personnel.

Moreover, the laws of certain foreign countries in which we operate or may operate in the future do not protect, and the governments of certain foreign countries do not enforce, intellectual property rights to the same extent as do the laws and government of the U.S., which may negate our competitive or technological advantages in such markets. Also, some of the technology underlying our products is the subject of nonexclusive licenses from third parties. As a result, this technology could be made available to our competitors at any time. If we are unable to establish and then adequately protect our intellectual property rights, our business, financial condition and results of operations could be materially and adversely affected.

We license various trademarks, trade names and patents from third parties for certain of our products. These licenses generally place marketing obligations on us and require us to pay fees and royalties based on net sales or profits. Typically, these licenses may be terminated if we fail to satisfy certain minimum sales obligations or if we breach the terms of the license. The termination of these licensing arrangements could adversely affect our business, financial condition and results of operations.

In our Global Batteries & Appliances segment, we license the use of the Black & Decker brand for marketing in certain small household appliances in North America, South America (excluding Brazil) and the Caribbean. In July 2014, The Black & Decker Corporation (BDC) extended the license agreement through December 2018. The failure to renew the license agreement with BDC or to enter into a new agreement on acceptable terms could have a material adverse effect on our financial condition, liquidity and results of operations. Additionally, in connection with our acquisition of the HHI Business, we received a limited right to use certain Stanley Black & Decker trademarks, brand names and logos in marketing our products and services for only five years. Pursuant to a transitional trademark license agreement, Stanley Black & Decker granted us the right to use the Stanley and Black & Decker marks and logos, and certain other marks and logos, for up to five years after the completion of the HHI Business acquisition in connection with certain products and services. When our right to use these Stanley Black & Decker trademarks, brand names and logos expires, we may not be able to maintain or enjoy comparable name recognition or status under our new brand. If we are unable to successfully manage the transition of our business to our new brand, our reputation among our customers could be adversely affected, and our revenue and profitability could decline.

Claims by third parties that we are infringing their intellectual property and other litigation could adversely affect our business.

From time to time in the past we have been subject to claims that we are infringing the intellectual property of others. We currently are the subject of such claims and it is possible that third parties will assert infringement claims against us in the future. An adverse finding against us in these or similar trademark or other intellectual property litigations may have a material adverse effect on our business, financial condition and results of operations. Any such claims, with or without merit, could be time consuming and expensive, and may require us to incur substantial costs, including the diversion of the resources of management and technical personnel, cause product delays or require us to enter into licensing or other agreements in order to secure continued access to necessary or desirable intellectual property. If we are deemed to be infringing a third party s intellectual property and are unable to continue using that intellectual property as we had been, our business and results of operations could be harmed if we are unable to successfully develop non-infringing alternative intellectual property on a timely basis or license non-infringing alternatives or substitutes, if any exist, on commercially reasonable terms. In addition, an unfavorable ruling in intellectual property litigation could subject us to significant liability, as well as require us to cease developing, manufacturing or selling the affected products or using the affected processes or trademarks. Any significant restriction on our proprietary or licensed intellectual property that impedes our ability to develop and commercialize our products could have a material adverse effect on our business, financial condition and results of operations.

Our dependence on a few suppliers and one of our U.S. facilities for certain of our products makes us vulnerable to a disruption in the supply of our products.

Although we have long-standing relationships with many of our suppliers, we generally do not have long-term contracts with them. An adverse change in any of the following could have a material adverse effect on our business, financial condition and results of operations:

- our ability to identify and develop relationships with qualified suppliers;
- the terms and conditions upon which we purchase products from our suppliers, including applicable exchange rates, transport and other costs, our suppliers willingness to extend credit to us to finance our inventory purchases and other factors beyond our control;
- the financial condition of our suppliers;
- political and economic instability in the countries in which our suppliers are located, as a result of war, terrorist attacks, pandemics, natural disasters or otherwise;
- our ability to import outsourced products;

- our suppliers noncompliance with applicable laws, trade restrictions and tariffs; or

- our suppliers ability to manufacture and deliver outsourced products according to our standards of quality on a timely and efficient basis.

If our relationship with one of our key suppliers is adversely affected, we may not be able to quickly or effectively replace such supplier and may not be able to retrieve tooling, molds or other specialized production equipment or processes used by such supplier in the manufacture of our products. The loss of one or more of our suppliers, a material reduction in their supply of products or provision of services to us or extended disruptions or interruptions in their operations could have a material adverse effect on our business, financial condition and results of operations.

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We manufacture the majority of our foil cutting systems for our shaving product lines, using specially designed machines and proprietary cutting technology, at our Portage, Wisconsin facility. In addition, we also manufacture the majority of our residential door locks at our Subic Bay, Philippines facility. Our home and garden products are mainly manufactured from our St. Louis, Missouri, facility. Damage to these facilities, or prolonged interruption in the operations of these facilities whether for repairs, as a result of labor difficulties or for other reasons, could have a material adverse effect on our ability to manufacture and sell our foil shaving, residential door locks and home and garden products which could in turn harm our business, financial condition and results of operations.

We face risks related to our sales of products obtained from third-party suppliers.

We sell a significant number of products that are manufactured by third party suppliers over which we have no direct control. While we have implemented processes and procedures to try to ensure that the suppliers we use are complying with all applicable regulations, there can be no assurances that such suppliers in all instances will comply with such processes and procedures or otherwise with applicable regulations. Noncompliance could result in our marketing and distribution of contaminated, defective or dangerous products which could subject us to liabilities and could result in the imposition by governmental authorities of procedures or penalties that could restrict or eliminate our ability to purchase products from non-compliant suppliers. Any or all of these effects could adversely affect our business, financial condition and results of operations.

In addition, the Dodd-Frank Wall Street Reform and Consumer Protection Act includes provisions regarding certain minerals and metals, known as conflict minerals, mined from the Democratic Republic of Congo and adjoining countries. These provisions require companies to undertake due diligence procedures and report on the use of conflict minerals in its products, including products manufactured by third parties. Compliance with these provisions will cause us to incur costs to certify that our supply chain is conflict free and we may face difficulties if our suppliers are unwilling or unable to verify the source of their materials. Our ability to source these minerals and metals may also be adversely impacted. In addition, our customers may require that we provide them with a certification and our inability to do so may disqualify us as a supplier.

Class action and derivative action lawsuits and other investigations, regardless of their merits, could have an adverse effect on our business, financial condition and results of operations.

We and certain of our officers and directors have been named in the past, and, may be named in the future, as defendants of class action and derivative action lawsuits. In the past, we have also received requests for information from government authorities. Regardless of their subject matter or merits, class action lawsuits and other government investigations may result in significant cost to us, which may not be covered by insurance, may divert the attention of management or may otherwise have an adverse effect on our business, financial condition and results of operations.

We may be exposed to significant product liability claims which our insurance may not cover and which could harm our reputation.

In the ordinary course of our business, we may be named as a defendant in lawsuits involving product liability claims. In any such proceeding, plaintiffs may seek to recover large and sometimes unspecified amounts of damages and the matters may remain unresolved for several years. Any such matters could have a material adverse effect on our business, results of operations and financial condition if we are unable to successfully defend against or settle these matters or if our insurance coverage is insufficient to satisfy any judgments against us or settlements relating to these matters. Although we have product liability insurance coverage and an excess umbrella policy, our insurance policies may not provide coverage for certain, or any, claims against us or may not be sufficient to cover all possible liabilities. Additionally, we do not maintain product recall insurance. We may not be able to maintain such insurance on acceptable terms, if at all, in the future. Moreover, any adverse publicity arising from claims made against us, even if the claims were not successful, could adversely affect the

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reputation and sales of our products. In particular, product recalls or product liability claims challenging the safety of our products may result in a decline in sales for a particular product and could damage the reputation or the value of the related brand. This could be true even if the claims themselves are ultimately settled for immaterial amounts. This type of adverse publicity could occur and product liability claims could be made in the future.

We may incur material capital and other costs due to environmental liabilities.

We are subject to a broad range of federal, state, local, foreign and multi-national laws and regulations relating to the environment. These include laws and regulations that govern:

- discharges to the air, water and land;
- the handling and disposal of solid and hazardous substances and wastes; and
- remediation of contamination associated with release of hazardous substances at our facilities and at off-site disposal locations.

Risk of environmental liability is inherent in our business. As a result, material environmental costs may arise in the future. In particular, we may incur capital and other costs to comply with increasingly stringent environmental laws and enforcement policies, such as the EU Directives: Restriction of the Use of Hazardous Substances in Electrical and Electronic Equipment, Waste of Electrical and Electronic Equipment and the Directive on Batteries and Accumulators and Waste Batteries, discussed above. Our international operations may expose us to risks related to compliance with the laws and regulations of foreign countries. See Our international operations may expose us to risks related to compliance with the laws and regulations of foreign countries.

Moreover, there are proposed international accords and treaties, as well as federal, state and local laws and regulations, that would attempt to control or limit the causes of climate change, including the effect of greenhouse gas emissions on the environment. In the event that the U.S. government or foreign governments enact new climate change laws or regulations or make changes to existing laws or regulations, compliance with applicable laws or regulations may result in increased manufacturing costs for our products, such as by requiring investment in new pollution control equipment or changing the ways in which certain of our products are made. We may incur some of these costs directly and others may be passed on to us from our third-party suppliers. Although we believe that we are substantially in compliance with applicable environmental laws and regulations at our facilities, we may not always be in compliance with such laws and regulations or any new laws and regulations in the future, which could have a material adverse effect on our business, financial condition and results of operations.

From time to time, we have been required to address the effect of historic activities on the environmental condition of our properties or former properties. We have not conducted invasive testing at all of our facilities to identify all potential environmental liability risks. Given the age of our facilities and the nature of our operations, material liabilities may arise in the future in connection with our current or former facilities. If previously unknown contamination of property underlying or in the vicinity of our manufacturing facilities is discovered, we could be required to incur material unforeseen expenses. If this occurs, it may have a material adverse effect on our business, financial condition and results of operations. We are currently engaged in investigative or remedial projects at a few of our facilities and any liabilities arising from such investigative or remedial projects at such facilities may have a material effect on our business, financial condition and results of operations.

In addition, in connection with business acquisitions, we have assumed, and in connection with future acquisitions may assume in the future, certain potential environmental liabilities. To the extent we have not identified such environmental liabilities or to the extent the indemnifications obtained from our counterparties are insufficient to cover such environmental liabilities, these environmental liabilities could have a material adverse effect on our business.

We are also subject to proceedings related to our disposal of industrial and hazardous material at off-site disposal locations or similar disposals made by other parties for which we are responsible as a result of our relationship with such other parties. These proceedings are under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) or similar state or foreign jurisdiction laws that hold persons who arranged for the disposal or treatment of such substances strictly liable for costs incurred in responding to the release or threatened release of hazardous substances from such sites, regardless of fault or the lawfulness of the original disposal. Liability under CERCLA is typically joint and several, meaning that a liable party may be responsible for all of the costs incurred in investigating and remediating contamination at a site. We occasionally are identified by federal or state governmental agencies as being a potentially responsible party for response actions contemplated at an off-site facility. At the existing sites where we have been notified of our status as a potentially responsible party, it is either premature to determine if our potential liability, if any, will be material or we do not believe that our liability, if any, will be material. We may be named as a potentially responsible party under CERCLA or similar state or foreign jurisdiction laws in the future for other sites not currently known to us, and the costs and liabilities associated with these sites may have a material adverse effect on our business, financial condition and results of operations.

Compliance with various public health, consumer protection and other regulations applicable to our products and facilities could increase our cost of doing business and expose us to additional requirements with which we may be unable to comply.

Certain of our products sold through, and facilities operated under, each of our business segments are regulated by the Environmental Protection Agency (EPA), the Food and Drug Administration (FDA) or other federal consumer protection and product safety agencies and are subject to the regulations such agencies enforce, as well as by similar state, foreign and multinational agencies and regulations. For example, in the U.S., all products containing pesticides must be registered with the EPA and, in many cases, similar state and foreign agencies before they can be manufactured or sold. Our inability to obtain, or the cancellation of, any registration could have an adverse effect on our business, financial condition and results of operations. The severity of the effect would depend on which products were involved, whether another product could be substituted and whether our competitors were similarly affected. We attempt to anticipate regulatory developments and maintain registrations of, and access to, substitute chemicals and other ingredients, but we may not always be able to avoid or minimize these risks.

As a distributor of consumer products in the U.S., certain of our products are also subject to the Consumer Product Safety Act, which empowers the U.S. Consumer Product Safety Commission (the Consumer Commission) to exclude from the market products that are found to be unsafe or hazardous. Under certain circumstances, the Consumer Commission could require us to repair, replace or refund the purchase price of one or more of our products, or we may voluntarily do so. Any additional repurchases or recalls of our products could be costly to us and could damage the reputation or the value of our brands. If we are required to remove, or we voluntarily remove our products from the market, our reputation or brands could be tarnished and we may have large quantities of finished products that could not be sold. Furthermore, failure to timely notify the Consumer Commission of a potential safety hazard can result in significant fines being assessed against us. Additionally, laws regulating certain consumer products exist in some states, as well as in other countries in which we sell our products, and more restrictive laws and regulations may be adopted in the future.

The Food Quality Protection Act (FQPA) established a standard for food-use pesticides, which is that a reasonable certainty of no harm will result from the cumulative effect of pesticide exposures. Under the FQPA, the EPA is evaluating the cumulative effects from dietary and non-dietary exposures to pesticides. The pesticides in certain of our products that are sold through the Home and Garden Business continue to be evaluated by the EPA as part of this program. It is possible that the EPA or a third party active ingredient registrant may decide that a pesticide we use in our products will be limited or made unavailable to us. We cannot predict the outcome or the severity of the effect of the EPA s continuing evaluations of active ingredients used in our products.

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In addition, the use of certain pesticide products that are sold through our Home and Garden Business may, among other things, be regulated by various local, state, federal and foreign environmental and public health agencies. These regulations may require that only certified or professional users apply the product, that users post notices on properties where products have been or will be applied or that certain ingredients may not be used. Compliance with such public health regulations could increase our cost of doing business and expose us to additional requirements with which we may be unable to comply.

Any failure to comply with these laws or regulations, or the terms of applicable environmental permits, could result in us incurring substantial costs, including fines, penalties and other civil and criminal sanctions or the prohibition of sales of our pest control products. Environmental law requirements, and the enforcement thereof, change frequently, have tended to become more stringent over time and could require us to incur significant expenses.

Most federal, state and local authorities require certification by Underwriters Laboratory, Inc. (UL), an independent, not-for-profit corporation engaged in the testing of products for compliance with certain public safety standards, or other safety regulation certification prior to marketing electrical appliances. Foreign jurisdictions also have regulatory authorities overseeing the safety of consumer products. Our products may not meet the specifications required by these authorities. A determination that any of our products are not in compliance with these rules and regulations could result in the imposition of fines or an award of damages to private litigants.

Public perceptions that some of the products we produce and market are not safe could adversely affect us.

On occasion, customers and some current or former employees have alleged that some products failed to perform up to expectations or have caused damage or injury to individuals or property. Public perception that any of our products are not safe, whether justified or not, could impair our reputation, damage our brand names and have a material adverse effect on our business, financial condition and results of operations. In addition, we rely on certain third party trademarks, brand names and logos which we do not have exclusive use of. Public perception that any such third party trademarks, band names and logos used by us are not safe, whether justified or not, could have a material adverse effect on our business, financial condition and results of operations.

If we are unable to negotiate satisfactory terms to continue existing or enter into additional collective bargaining agreements, we may experience an increased risk of labor disruptions and our results of operations and financial condition may suffer.

As of June 28, 2015, approximately 13% of our total labor force is covered by collective bargaining agreements. There are three collective bargaining agreements that will expire through the end of our fiscal year ending September 30, 2016, which cover approximately 50% of the labor force under collective bargaining agreements, or approximately 6% of our total labor force. While we currently expect to negotiate continuations to the terms of these agreements, there can be no assurances that we will be able to obtain terms that are satisfactory to us or otherwise to reach agreement at all with the applicable parties. In addition, in the course of our business, we may also become subject to additional collective bargaining agreements. These agreements may be on terms that are less favorable than those under our current collective bargaining agreements. Increased exposure to collective bargaining agreements, whether on terms more or less favorable than our existing collective bargaining agreements, could adversely affect the operation of our business, including through increased labor expenses. While we intend to comply with all collective bargaining agreements to which we are subject, there can be no assurances that we will be able to do so and any noncompliance could subject us to disruptions in our operations and materially and adversely affect our results of operations and financial condition.

Significant changes in actual investment return on pension assets, discount rates and other factors could affect our results of operations, equity and pension contributions in future periods.

Our results of operations may be positively or negatively affected by the amount of income or expense we record for our defined benefit pension plans. U.S. Generally Accepted Accounting Principles (GAAP) requires

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that we calculate income or expense for the plans using actuarial valuations. These valuations reflect assumptions about financial markets and other economic conditions, which may change based on changes in key economic indicators. The most significant assumptions we use to estimate pension income or expense are the discount rate and the expected long-term rate of return on plan assets. In addition, we are required to make an annual measurement of plan assets and liabilities, which may result in a significant change to equity. Although pension expense and pension funding contributions are not directly related, key economic factors that affect pension expense would also likely affect the amount of cash we would contribute to pension plans as required under the Employee Retirement Income Security Act of 1974, as amended.

If our goodwill, indefinite-lived intangible assets or other long-term assets become impaired, we will be required to record additional impairment charges, which may be significant.

A significant portion of our long-term assets consist of goodwill, other indefinite-lived intangible assets and finite-lived intangible assets recorded as a result of past acquisitions as well as through fresh start reporting. We do not amortize goodwill and indefinite-lived intangible assets, but rather review them for impairment on a periodic basis or whenever events or changes in circumstances indicate that their carrying value may not be recoverable. We consider whether circumstances or conditions exist which suggest that the carrying value of our goodwill and other long-lived intangible assets might be impaired. If such circumstances or conditions exist, further steps are required in order to determine whether the carrying value of each of the individual assets exceeds its fair value. If analysis indicates that an individual asset s carrying value does exceed its fair value, the next step is to record a loss equal to the excess of the individual asset s carrying value over its fair value.

The steps required by GAAP entail significant amounts of judgment and subjectivity. Events and changes in circumstances that may indicate that there may be an impairment and which may indicate that interim impairment testing is necessary include, but are not limited to: strategic decisions to exit a business or dispose of an asset made in response to changes in economic, political and competitive conditions; the impact of the economic environment on the customer base and on broad market conditions that drive valuation considerations by market participants; our internal expectations with regard to future revenue growth and the assumptions we make when performing impairment reviews; a significant decrease in the market price of our assets; a significant adverse change in the extent or manner in which our assets are used; a significant adverse change in legal factors or the business climate that could affect our assets; an accumulation of costs significantly in excess of the amount originally expected for the acquisition of an asset; and significant changes in the cash flows associated with an asset. As a result of such circumstances, we may be required to record a significant charge to earnings in our financial statements during the period in which any impairment of our goodwill, indefinite-lived intangible assets or other long-term assets is determined. Any such impairment charges could have a material adverse effect on our business, financial condition and operating results.

If we are unable to protect the confidentiality of our proprietary information and know-how, the value of our technology, products and services could be harmed significantly.

We rely on trade secrets, know-how and other proprietary information in operating our business. If this information is not adequately protected, then it may be disclosed or used in an unauthorized manner. To the extent that consultants, key employees or other third parties apply technological information independently developed by them or by others to our proposed products, disputes may arise as to the proprietary rights to such information, which may not be resolved in our favor. The risk that other parties may breach confidentiality agreements or that our trade secrets become known or independently discovered by competitors, could harm us by enabling our competitors, who may have greater experience and financial resources, to copy or use our trade secrets and other proprietary information in the advancement of their products, methods or technologies. The disclosure of our trade secrets would impair our competitive position, thereby weakening demand for our products or services and harming our ability to maintain or increase our customer base.

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Disruption or failures of our information technology systems could have a material adverse effect on our business.

Our information technology systems are susceptible to security breaches, operational data loss, general disruptions in functionality, and may not be compatible with new technology. We depend on our information technology systems for the effectiveness of our operations and to interface with our customers, as well as to maintain financial records and accuracy. Disruption or failures of our information technology systems could impair our ability to effectively and timely provide our services and products and maintain our financial records, which could damage our reputation and have a material adverse effect on our business.

Our acquisition and expansion strategy may not be successful.

Our growth strategy is based in part on growth through acquisitions, which poses a number of risks. We may not be successful in identifying appropriate acquisition candidates, consummating acquisitions on satisfactory terms or integrating any newly acquired or expanded business with our current operations. We may issue additional equity, incur long-term or short-term indebtedness, spend cash or use a combination of these for all or part of the consideration paid in future acquisitions or expansion of our operations. The execution of our acquisition and expansion strategy could entail repositioning or similar actions that in turn require us to record impairments, restructuring and other charges. Any such charges would reduce our earnings. We cannot guarantee that any future business acquisitions will be pursued or that any acquisitions that are pursued will be consummated.

Significant costs have been incurred and are expected to be incurred in connection with the consummation of recent and future business acquisitions and the integration of such acquired businesses with the Company into a combined company, including legal, accounting, financial advisory and other costs.

We expect to incur one-time costs in connection with integrating the operations, products and personnel of the Company and acquired businesses into a combined company, in addition to costs related directly to completing such acquisitions described below. We would expect similar costs to be incurred with any future acquisition. These costs may include expenditures for:

- employee redeployment, relocation or severance;
- integration of operations and information systems;
- combination of research and development teams and processes; and
- reorganization or closures of facilities.

In addition, we expect to incur a number of non-recurring costs associated with combining our operations with those of acquired businesses. Additional unanticipated costs may yet be incurred as we integrate our business with acquired businesses. Although we expect that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of our operations with those of acquired businesses, may offset incremental transaction and transaction-related costs over time, this net benefit may not be achieved in the near term. Additionally, while we expect to benefit from leveraging distribution channels and brand names among us and our acquired businesses, we cannot assure you that we will achieve such benefits.

We may not realize the anticipated benefits of, and synergies from, our business acquisitions and may become responsible for certain liabilities and integration costs as a result.

Business acquisitions involve the integration of new businesses that have previously operated independently from us. The integration of our operations with those of acquired businesses is frequently expected to result in financial and operational benefits, including increased top line growth, margins, revenues and cost savings and be accretive to earnings per share, earnings before interest, taxes, depreciation and amortization and free cash flow before synergies. There can be no assurance, however, regarding when or the extent to which we will be able to realize these increased top line growth, margins, revenues, cost savings or accretions to earnings per share, earnings before interest, taxes, depreciation and amortization or free cash flow or other benefits. Integration may also be difficult, unpredictable, and subject to delay because of possible company culture conflicts and different opinions on technical decisions and product roadmaps. We will often be required to integrate or, in some cases, replace, numerous systems, including those involving management information, purchasing, accounting and finance, sales, billing, employee benefits, payroll and regulatory compliance, many of which may be dissimilar. In some instances, we and certain acquired businesses have served the same customers, and some customers may decide that it is desirable to have additional or different suppliers. Difficulties associated with the integration of acquired businesses could have a material adverse effect on our business.

We may also acquire partial or full ownership in businesses or may acquire rights to market and distribute particular products or lines of products. The acquisition of a business or the rights to market specific products or use specific product names may involve a financial commitment by us, either in the form of cash or equity consideration. In the case of a new license, such commitments are usually in the form of prepaid royalties and future minimum royalty payments. There is no guarantee that we will acquire businesses or product distribution rights that will contribute positively to our earnings. Anticipated synergies may not materialize, cost savings may be less than expected, sales of products may not meet expectations and acquired businesses may carry unexpected liabilities.

In addition, in connection with business acquisitions, we have assumed, and may assume in connection with future acquisitions, certain potential liabilities. To the extent such liabilities are not identified by us or to the extent the indemnifications obtained from third parties are insufficient to cover such liabilities, these liabilities could have a material adverse effect on our business.

Integrating our business with acquired businesses may divert our management s attention away from operations.

Successful integration of acquired businesses operations, products and personnel with us may place a significant burden on our management and other internal resources. The diversion of management s attention, and any difficulties encountered in the transition and integration process, could harm our business, financial condition and operating results.

As a result of business acquisitions, we may not be able to retain key personnel or recruit additional qualified personnel, which could materially affect our business and require us to incur substantial additional costs to recruit replacement personnel.

We are highly dependent on the continuing efforts of our senior management team and other key personnel. As a result of business acquisitions, our current and prospective employees could experience uncertainty about their future roles. This uncertainty may adversely affect our ability to attract and retain key management, sales, marketing and technical personnel. Any failure to attract and retain key personnel could have a material adverse effect on our business. In addition, we currently do not maintain key person insurance covering any member of our management team.

If any of our key personnel or those of our acquired businesses were to join a competitor or form a competing company, existing and potential customers or suppliers could choose to form business relationships with that competitor instead of us. There can be no assurance that confidentiality, non-solicitation, non-competition or similar agreements signed by former directors, officers, employees or stockholders of us, our acquired businesses or our transactional counterparties will be effective in preventing a loss of business.

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General customer uncertainty related to our business acquisitions could harm us.

Our customers may, in response to the announcement or consummation of a business acquisition, delay or defer purchasing decisions. If our customers delay or defer purchasing decisions, our revenues could materially decline or any anticipated increases in revenue could be lower than expected.

We are required to supply certain products and services to Stanley Black & Decker and its subsidiaries pursuant to the terms of certain supply agreements for a period of time after the completion of the HHI Business acquisition. Our provision of products and services under these agreements require us to dedicate resources of the HHI Business and may result in unfavorable results to us.

Certain products and services currently used by Stanley Black & Decker are produced and provided using equipment of the HHI Business which includes the acquired Tong Lung Metal Industry Co. Ltd. (the TLM Business) that we acquired or certain equipment belonging to Stanley Black & Decker and its subsidiaries that will continue to be located for a period of time after the completion of the HHI Business acquisition at facilities operated by the HHI Business and the TLM Business and maintained by us pursuant to certain specifications. We and Stanley Black & Decker entered into supply agreements (each, a Supply Agreement) whereby we provide Stanley Black & Decker and its subsidiaries with certain of these products and services for a period of time. This requires us to dedicate resources of the HHI Business and the TLM Business towards the provision of these products and services and may result in unfavorable results to us. These Supply Agreements are an accommodation to Stanley Black & Decker and its subsidiaries as part of the HHI Business acquisition, and the pricing of the products and services is on terms more favorable to Stanley Black & Decker and its subsidiaries than it would be in the ordinary course of business.

Risks Related to the AAG Acquisition

We face significant risks from the AAG Acquisition similar to risks generally associated with our acquisition and expansion strategy.

The AAG Acquisition subjects us to significant risks generally associated with our acquisition and expansion strategy. Significant costs have been incurred and are expected to be incurred in connection with the AAG Acquisition and our integration of AAG with our business, including legal, accounting, financial advisory and other costs. We may also not realize the anticipated benefits of, and synergies from, the AAG Acquisition and will be responsible for certain liabilities and integration costs as a result of the AAG Acquisition. As a result of the AAG Acquisition and other acquisitions, we may also not be able to retain key personnel or recruit additional qualified personnel, which could require us to incur substantial additional costs to recruit replacement personnel. General customer uncertainty, including our and AAG s customers, related to the AAG Acquisition could also harm us. Each of these general risks for acquisition and expansion activities, which are described in more detail under Risks Related To Our Business, could result in the AAG Acquisition having a material adverse effect on our business.

We and AAG have similar major customers and the loss of any significant customer may adversely affect our results of operations.

A limited number of the same customers represents a large percentage of our and AAG s respective net sales. One of our largest customers accounted for approximately 23% of AAG s net sales for the twelve months ended December 31, 2014. AAG s next largest customer accounted for approximately 12% of net sales for the same period and no other customer accounted for more than 10% of AAG s net sales for the same period. The success of our and AAG s businesses depend, in part, on our ability to maintain our level of sales and product distribution through high-volume distributors, retailers, super centers and mass merchandisers.

Currently, neither we nor AAG have long-term supply agreements with a substantial number of our retail customers, including our largest customers. These high-volume stores and mass merchandisers frequently reevaluate the products they carry. A decision by our major customers to discontinue or decrease the amount of products purchased from us, sell a national brand on an exclusive basis or change the manner of doing business with us, could reduce our revenues and materially adversely affect our results of operations. See Risks Related to our Business Consolidation of retailers and our dependence on a small number of key customers for a significant percentage of our sales may negatively affect our business, financial condition and results of operations.

A change in governmental regulations regarding the use of refrigerant gas R-134a or its potential future substitutes could have a material adverse effect on IDQ Sub s ability to sell its aftermarket A/C products.

The refrigerant R-134a is a critical component of IDQ Sub s aftermarket A/C products and is used in products which comprised approximately 90% of its gross sales in its fiscal year ended December 31, 2014. Older generation refrigerants such as R-12 (Freon) have been regulated for some time in the United States and elsewhere, due to concerns about their potential to contribute to ozone depletion. In recent years, refrigerants such as R-134a, which is an approved substitute for R-12, have also become the subject of regulatory focus due to their potential to contribute to global warming.

The European Union has passed regulations that require the phase out of R-134a in automotive cooling systems in new vehicles by 2017. In the United States, IDQ Sub has reported that it cannot predict what future action, if any, the EPA will take on the regulation of R-134a. But based on currently available information, it believes that it would take some time for suitable alternatives to R-134a to come into full-scale commercial production and therefore such alternatives would not be readily available for wide spread use in new car models. If the future use of R-134a is phased out or is limited or prohibited in jurisdictions in which we do business, the future market for IDQ Sub s products containing R-134a may be limited, which could have a material adverse impact on its results of operations, financial condition, and cash flows.

In addition, regulations may be enacted governing the packaging, use and disposal of IDQ Sub s products containing refrigerants. For example, regulations are currently in effect in California that govern the sale and distribution of products containing R-134a. While IDQ Sub has reported that it is not aware of any noncompliance with such regulations, its failure to comply with these or possible future regulations in California, or elsewhere, could result in material fines or costs or its inability to sell its products in those markets, which could have a material adverse impact on its results of operations, financial condition and cash flows. If substitutes for R-134a become widely used in A/C systems and their use for DIY and retrofit purposes are not approved by the EPA, it could have a material adverse effect on IDQ Sub s results of operations, financial condition and cash flows. In addition, the cost of HFO-1234yf, the leading long-term alternative to R-134a being proposed in the United States and the European Union for use in the A/C systems of new vehicles, will likely be higher than that of R-134a. If HFO-1234yf becomes widely used and IDQ Sub is able to develop products using HFO-1234yf, but is unable to price its products to reflect the increased cost of HFO-1234yf, it could have a material adverse effect on its results of operations, financial condition and cash flow.

All of IDQ Sub s products are produced at one facility, and a significant disruption or disaster at such a facility could have a material adverse effect on its results of operations.

IDQ Sub s manufacturing facility consists of one site which is located in Garland, Texas and thus it is dependent upon the continued safe operation of this facility. Its facility is subject to various hazards associated with the manufacturing, handling, storage, and transportation of chemical materials and products, including human error, leaks and ruptures, explosions, floods, fires, inclement weather and natural disasters, power loss or other infrastructure failures, mechanical failure, unscheduled downtime, regulatory requirements, the loss of certifications, technical difficulties, labor disputes, inability to obtain material, equipment or transportation, environmental hazards such as remediation, chemical spills, discharges or releases of toxic or hazardous substances or gases, and other risks. Many of these hazards could cause personal injury and loss of life, severe damage to, or destruction of, property and equipment and environmental contamination. In addition, the

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occurrence of material operating problems at IDQ Sub s facility due to any of these hazards could cause a disruption in the production of its products. IDQ Sub may also encounter difficulties or interruption as a result of the application of enhanced manufacturing technologies or changes to production lines to improve IDQ Sub s throughput or to upgrade or repair its production lines. IDQ Sub s insurance policies have coverage in case of significant damage to its manufacturing facility but may not fully compensate IDQ Sub for the cost of replacement for any such damage and any loss from business interruption. As a result, IDQ Sub may not be adequately insured to cover losses resulting from significant damage to its manufacturing facility. Any damage to its facility or interruption in manufacturing could result in production delays and delays in meeting contractual obligations, which could have a material adverse effect on IDQ Sub s relationships with its customers and on its results of operations, financial condition or cash flows in any given period.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

We have made or implied certain forward-looking statements in this prospectus. All statements, other than statements of historical facts included in this prospectus, including statements 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. When used in this prospectus, the words anticipate, intend, plan, estimate, believe, expect, project, could may and similar expressions are also intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words.

Since these forward-looking statements are based upon our current expectations of future events and projections and are subject to a number of risks and uncertainties, many of which are beyond our control and some of which may change rapidly, actual results or outcomes may differ materially from those expressed or implied herein, and you should not place undue reliance on these statements. Important factors that could cause our actual results to differ materially from those expressed or implied herein include, without limitation:

- the impact of our indebtedness on our business, financial condition and results of operations;
- the impact of restrictions in our debt instruments on our ability to operate our business, finance our capital needs or pursue or expand our business strategies;
- any failure to comply with financial covenants and other provisions and restrictions of our debt instruments;
- the impact of expenses resulting from the implementation of new business strategies, divestitures or current and proposed restructuring activities;
- our inability to successfully integrate and operate new acquisitions, including, but not limited to, the AAG Acquisition, at the level of financial performance anticipated;
- the unanticipated loss of key members of senior management;
- the impact of fluctuations in commodity prices, costs or availability of raw materials or terms and conditions available from suppliers, including suppliers willingness to advance credit;
- interest rate and exchange rate fluctuations;
- the loss of, or a significant reduction in, sales to any significant retail customer(s);

competitive promotional activity or spending by competitors or price reductions by competitors;

the introduction of new product features or technological developments by competitors and/or the development of new competitors or competitive brands;

the effects of general economic conditions, including inflation, recession or fears of a recession, depression or fears of a depression, labor costs and stock market volatility or changes in trade, monetary or fiscal policies in the countries where we do business;

changes in consumer spending preferences and demand for our products;

our ability to develop and successfully introduce new products, protect our intellectual property and avoid infringing the intellectual property of third parties;

our ability to successfully implement, achieve and sustain manufacturing and distribution cost efficiencies and improvements, and fully realize anticipated cost savings;

the cost and effect of unanticipated legal, tax or regulatory proceedings or new laws or regulations (including environmental, public health and consumer protection regulations);

public perception regarding the safety of our products, including the potential for environmental liabilities, product liability claims, litigation and other claims;

- the impact of pending or threatened litigation;
- changes in accounting policies applicable to our business;
- government regulations;
- the seasonal nature of sales of certain of our products;
- the effects of climate change and unusual weather activity;
- the effects of political or economic conditions, terrorist attacks, acts of war or other unrest in international markets; and
- various other risks and uncertainties.

Some of the above-mentioned factors are described in further detail in the section entitled Risk Factors set forth above. You should assume the information appearing in this prospectus is accurate only as of the date hereof or as otherwise specified, as our business, financial condition, results of operations and prospects may have changed since that date. Except as required by applicable law, including the securities laws of the U.S. and the rules and regulations of the SEC, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise to reflect actual results or changes in factors or assumptions affecting such forward-looking statements.

We also caution the reader that our estimates of trends, market share, retail consumption of our products and reasons for changes in such consumption are based solely on limited data available to us and our management s reasonable assumptions about market conditions, and consequently may be inaccurate, or may not reflect significant segments of the retail market.

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RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our consolidated ratio of earnings to fixed charges for each of the periods indicated. You should read these ratios in connection with our consolidated financial statements, including the notes to those statements, included elsewhere in this prospectus.

	Year Ended September 30,					Nine Months Ended June 28,
	2010	2011	2012	2013	2014	2015
Fixed charges:						
Interest expense	277.0	208.5	192.0	369.5	202.1	206.5
Total fixed charges	277.0	208.5	192.0	369.5	202.1	206.5
Earnings						
Earnings from continuing operations before income taxes	(123.8)	17.7	113.2	(20.2)	276.1	132.0
Add:						
Fixed Charges	277.0	208.5	192.0	369.5	202.1	206.5
Total adjusted earnings	153.2	226.2	305.2	349.3	478.2	338.5
Ratio of earnings to fixed charges	0.6x	1.1x	1.6x	0.9x	2.4x	1.6x

USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the exchange notes. We are making this exchange offer solely to satisfy our obligations under the Registration Rights Agreements. In consideration for issuing the exchange notes, we will receive initial notes in a like and corresponding aggregate principal amount.

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CAPITALIZATION

The following table presents our cash and cash equivalents and consolidated capitalization.

	As of June 28, 2015(1) (in millions)
Cash and cash equivalents	$ 107.2
Debt:	
Term Credit Facilities(2)	1,847.1
Revolving Credit Facility(2)	47.5
6.375% Senior Notes due 2020	520.0
6.625% Senior Notes due 2022	570.0
6.125% Senior Notes due 2024	250.0
5.750% Senior Notes due 2025	1,000.0
Capital leases	88.7
Other unsecured debt	79.0
Total debt	$ 4,402.3
Total shareholders equity	1,575.8
Total capitalization	$ 5,978.1

(1) Balances are reflected at par.

(2) See Description of Other Indebtedness Credit Agreement.

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

On May 21, 2015, Spectrum Brands Holdings, Inc. (SBH), the direct parent of SB/RH Holdings, LLC (the Company and, together with its consolidated subsidiaries, including Spectrum Brands, Inc., Spectrum Brands) completed the acquisition (the AAG Acquisition) of Armored AutoGroup Parent Inc. (AAG) pursuant to the Agreement and Plan of Merger by and among AAG, the Company, Ignite Merger Sub, Inc. and, solely in its capacity as representative, Avista Capital Partners II GP, LLC, dated as of April 28, 2015 for $1.4 billion in cash. Spectrum Brands funded the AAG Acquisition with the proceeds of its initial offering of an aggregate principal amount of $1,000 million of Spectrum Brands, Inc. s 5.750% Senior Notes due 2025 (the SBI 5.75% Notes) and the registered offering of $575 million of shares of SBH s common stock (the SBH Equity Offering).

The following unaudited pro forma condensed combined financial statements for the year ended September 30, 2014, the date of the latest publicly available annual financial information for the Company, and the nine month period ended June 28, 2015, the date of the latest publicly available interim financial information for the Company, gives effect to the AAG Acquisition for such periods. The unaudited pro forma condensed combined financial statements shown below reflect historical financial information and have been prepared on the basis that the transaction will be accounted for using the acquisition method of accounting under Accounting Standards Codification Topic 805: *Business Combinations* (ASC 805). Accordingly, the assets acquired and liabilities assumed in the AAG Acquisition will be measured at their respective fair values with any excess consideration reflected as goodwill. The unaudited pro forma condensed combined financial statements presented assume that AAG is a wholly owned subsidiary of Spectrum Brands. Because the financial position data of AAG is reflected in Spectrum Brands Condensed Consolidated Statements of Financial Position as of June 28, 2015 (Unaudited), included elsewhere in this prospectus, no pro forma financial position data is presented below.

The following unaudited pro forma condensed combined statements of income for the year ended September 30, 2014 and the nine month period ended June 28, 2015 are presented on a basis to reflect the AAG Acquisition and related transactions as if they had occurred on October 1, 2013. Because of different fiscal period ends, and in order to present results for comparable periods, the unaudited pro forma condensed combined statement of income for the year ended September 30, 2014 combines Spectrum Brands audited historical consolidated statement of income for the year then ended with the AAG audited historical consolidated statement of income information for the twelve month period ended December 31, 2014. The unaudited pro forma condensed combined statement of income for the year ended September 30, 2014 also includes the statement of income for IDQ Holdings, Inc. (IDQ) for the period from January 1 through March 16, 2014 as AAG acquired IDQ on March 17, 2014. The unaudited pro forma condensed combined statement of income for the nine months ended June 28, 2015 combines Spectrum Brands unaudited consolidated statement of income for the nine months ended June 28, 2015 with the AAG historical consolidated statement of income information for the period of October 1, 2014 through May 20, 2015, the date prior to the close of the AAG Acquisition. The AAG results from October 1, 2014 through May 20, 2015 have been derived by combining the historical unaudited consolidated statement of income for the three month period ended March 31, 2015, the historical unaudited consolidated statement of income for the three month period ended December 31, 2014 and the unaudited historical financial information for the period from April 1, 2015 through May 20, 2015. As a result of the foregoing, the AAG historical unaudited consolidated statement of income for the three month period ended December 31, 2014 is included in the unaudited pro forma condensed combined financial statements for both the year ended September 30, 2014 and the nine month period ended June 28, 2015. See Note 1 to the Unaudited Pro Forma Condensed Combined Financial Statements for additional information. Pro forma adjustments are made in order to reflect the potential effect of the AAG Acquisition and related transactions on the income statement.

The unaudited pro forma condensed combined financial statements should be read in conjunction with the notes to unaudited pro forma condensed combined financial statements. The unaudited pro forma condensed combined financial statements and the notes to unaudited pro forma condensed combined financial statements are based on, and should be read in conjunction with Spectrum Brands historical audited and unaudited consolidated

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financial statements, and the notes thereto, and the AAG historical audited and unaudited consolidated financial statements, and the notes thereto, each included elsewhere in this prospectus.

The process of valuing the AAG tangible and intangible assets acquired and liabilities assumed, as well as evaluating accounting policies for conformity, is still in the preliminary stages. Accordingly, the purchase accounting adjustments included in the unaudited pro forma condensed combined financial statements are preliminary and have been presented solely for the purpose of providing these unaudited pro forma condensed combined financial statements. For purposes of preparing the unaudited pro forma condensed combined financial statements, Spectrum Brands has made preliminary adjustments, where sufficient information is available to make a fair value estimate, to reflect those tangible and intangible assets acquired and liabilities assumed based on preliminary estimates of their fair value as of May 21, 2015. For those assets and liabilities where insufficient information is available to make a reasonable estimate of fair value, the unaudited pro forma condensed combined financial statements reflect the historical carrying value of those assets and liabilities at May 21, 2015. A final determination of the fair values of the assets acquired and liabilities assumed will include management s consideration of a final valuation. Spectrum Brands currently expects that the process of determining the fair values of the tangible and intangible assets acquired and liabilities assumed will be completed within one year of the acquisition date. Material revisions to Spectrum Brands preliminary estimates could be necessary as more information becomes available through the completion of this final determination. The final amounts may be materially different from the information presented in these unaudited pro forma condensed combined financial statements due to a number of factors, including changes in market conditions and financial results which may impact cash flow projections used in the valuation, and the identification of additional conditions that existed as of the date of the AAG Acquisition which may impact the fair value of the AAG net assets.

Spectrum Brands and AAG s historical consolidated financial information has been adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that are (1) directly attributable to the AAG Acquisition; (2) factually supportable; and (3) with respect to the unaudited pro forma statements of income, expected to have a continuing impact on the combined results. The unaudited pro forma condensed combined financial statements do not reflect any revenue enhancements, cost savings from operating efficiencies, synergies or other restructurings, or the costs and related liabilities that would be incurred to achieve such revenue enhancements and cost savings, which could result from the AAG Acquisition.

The pro forma adjustments are based upon available information and assumptions that the managements of Spectrum Brands and AAG believe reasonably reflect the AAG Acquisition. The unaudited pro forma condensed combined financial statements are provided for illustrative purposes only and do not purport to represent what the actual consolidated results of operations of Spectrum Brands would have been had the AAG Acquisition occurred on the dates assumed, nor are they necessarily indicative of the future consolidated results of operations of Spectrum Brands.

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SB/RH Holdings, LLC

Unaudited Pro Forma Condensed Combined Statement of Income

For the Year Ended September 30, 2014

(Unaudited)

(Amounts in millions)

	SB/RH Holdings, LLC 12 months ended September 30, 2014	Armored AutoGroup Parent, Inc. 12 months ended December 31, 2014	IDQ Holdings, Inc. January 1, 2014 through March 16, 2014	Pro Forma Adjustments	Note	Pro Forma Combined
Net sales	$ 4,429.1	$ 410.0	$ 33.3	$		$ 4,872.4
Cost of goods sold	2,856.5	226.0	18.4		(A)	3,100.9
Restructuring and related charges	3.7					3.7
Gross profit	1,568.9	184.0	14.9			1,767.8
Selling	678.2	49.9	1.7			729.8
General and administrative	319.0	86.9	8.6	(34.3)	(B)(C)	380.2
Research and development	47.9	2.9				50.8
Intangible asset and goodwill impairment		7.0		(7.0)	(D)	
Acquisition and integration charges	20.1					20.1
Restructuring and related charges	19.2					19.2
Total operating expenses	1,084.4	146.7	10.3	(41.3)		1,200.1
Operating income	484.5	37.3	4.6	41.3		567.7
Interest expense	202.1	71.5	4.6	(15.0)	(E)	263.2
Other expense, net	6.3	1.3	0.2			7.8
Income (loss) before income taxes	276.1	(35.5)	(0.2)	56.3		296.7
Income tax expense (benefit)	59.0	(11.0)		2.5	(F)	50.5
Net income (loss)	217.1	(24.5)	(0.2)	53.8		246.2
	0.3					0.3

Net income attributable to non-controlling interests										
Net income (loss) attributable to Parent	$	216.8	$	(24.5)	$	(0.2)	$	53.8	$	245.9

See accompanying notes to unaudited pro forma condensed combined financial statements

(Unaudited).

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SB/RH Holdings, LLC

Unaudited Pro Forma Condensed Combined Statement of Income

For the Nine Month Period Ended June 28, 2015

(Unaudited)

(Amounts in millions)

	SB/RH Holdings, LLC Nine months ended June 28, 2015	Armored AutoGroup Parent, Inc. October 1, 2014 May 20, 2015	Pro Forma Adjustments	Note	Pro Forma Combined
Net sales	$ 3,382.3	$ 275.8	$		$ 3,658.1
Cost of goods sold	2,179.0	154.4		(A)	2,333.4
Restructuring and related charges	0.4				0.4
Gross profit	1,202.9	121.4			1,324.3
Selling	517.7	23.2			540.9
General and administrative	238.1	90.0	(56.6)	(B)(C)(G)(H)	271.5
Research and development	36.9	1.9			38.8
Intangible asset and goodwill impairment		7.0	(7.0)	(D)	
Acquisition and integration charges	44.2		(17.8)	(I)	26.4
Restructuring and related charges	21.9				21.9
Total operating expenses	858.8	122.1	(81.4)		899.5
Operating income	344.1	(0.7)	81.4		424.8
Interest expense	206.5	85.2	(46.6)	(E)	245.1
Other expense, net	5.6	1.1			6.7
Income (loss) before income taxes	132.0	(87.0)	128.0		173.0
Income tax expense (benefit)	4.8	(11.6)	2.5	(F)	(4.3)
Net income (loss)	127.2	(75.4)	125.5		177.3
Net income attributable to non-controlling interests	0.2				0.2

Net income (loss) attributable to Parent	$ 127.0	$ (75.4)	$ 125.5		$ 177.1

See accompanying notes to unaudited pro forma condensed combined financial statements

(Unaudited).

SB/RH HOLDINGS, LLC

NOTES TO THE UNAUDITED PRO FORMA CONDENSED

COMBINED FINANCIAL STATEMENTS (Unaudited)

(Amounts in millions of dollars, except for share or as otherwise specified)

(1) Conforming Interim Periods

Spectrum Brands fiscal year end is September 30 while the AAG fiscal year end is December 31. The latest interim period for Spectrum Brands ended on June 28, 2015, and included its results for the third quarter and nine month period ended June 28, 2015, while AAG s latest interim period ended on March 31, 2015, and included its first quarter results for the three month period ended March 31, 2015. The unaudited pro forma condensed combined interim period results presented herein include the results for Spectrum Brands latest nine month periods and AAG s results for October 1, 2014 through May 20, 2015, the date prior to the close of the AAG Acquisition. Accordingly, the AAG historical financial information for the statement of income covering the period of October 1, 2014 through May 20, 2015, the date prior to the close of the AAG Acquisition, has been derived by adding the unaudited results for the three month period ended March 31, 2015 to the audited results for the fiscal year ended December 31, 2014, and deducting the unaudited results for the nine months ended September 30, 2014 and adding the unaudited period from April 1, 2015 through May 20, 2015, as follows:

	12 months ended December 31, 2014 A	9 months ended September 30, 2014 B	3 months ended December 31, 2014 (A - B) = C	3 months ended March 31, 2015 D	Period from April 1, 2015 May 20, 2015 E	October 1, 2014 through May 20, 2015 C + D + E
Net sales	$ 410.0	$ 341.6	$ 68.4	$ 119.4	$ 88.0	$ 275.8
Cost of goods sold	226.0	185.2	40.8	68.1	45.5	154.4
Restructuring and related charges						
Gross profit	184.0	156.4	27.6	51.3	42.5	121.4
Selling(A)	49.9	41.9	8.0	8.2	7.0	23.2
General and administrative(A)	86.9	65.0	21.9	22.1	46.0	90.0
Research and development	2.9	2.1	0.8	0.7	0.4	1.9
Intangible asset and goodwill impairment	7.0		7.0			7.0
Total operating expenses	146.7	109.0	37.7	31.0	53.4	122.1
Operating income (loss)	37.3	47.4	(10.1)	20.3	(10.9)	(0.7)
Interest expense	71.5	52.1	19.4	19.3	46.5	85.2

Other expense, net	1.3	1.0	0.3	0.4	0.4	1.1
Income (loss) before income taxes	(35.5)	(5.7)	(29.8)	0.6	(57.8)	(87.0)
Income tax expense (benefit)	(11.0)	(0.5)	(10.5)	0.2	(1.3)	(11.6)
Net income (loss)	$ (24.5)	$ (5.2)	$ (19.3)	$ 0.4	$ (56.5)	$ (75.4)

(A) The reclassification of the AAG Selling, general and administrative expenses were made to conform to Spectrum Brands presentation.

(2) Basis of Presentation

The AAG Acquisition will be accounted for under the acquisition method of accounting in accordance with ASC 805. In accounting for the transaction, Spectrum Brands will apply its historical accounting policies and recognize the assets and liabilities of AAG at their respective fair values as of May 21, 2015, the closing date of the AAG Acquisition. In preparing the unaudited pro forma condensed combined financial statements, the assets

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SB/RH HOLDINGS, LLC

NOTES TO THE UNAUDITED PRO FORMA CONDENSED

COMBINED FINANCIAL STATEMENTS (Unaudited) (Continued)

(Amounts in millions of dollars, except for share or as otherwise specified)

and liabilities of AAG have been measured at their estimated fair values on a preliminary basis using estimates and assumptions that Spectrum Brands management believes are reasonable based on information currently available. Use of different estimates and judgments could yield materially different results.

For purposes of measuring the estimated fair value of the assets acquired and liabilities assumed for purposes of preparing the unaudited pro forma condensed combined financial statements, Spectrum Brands used the guidance in ASC Topic 820, *Fair Value Measurement and Disclosure* (ASC 820), which established a framework for measuring fair values. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Market participants are assumed to be buyers and sellers in the principal (most advantageous) market for the asset or liability. Additionally, under ASC 820, fair value measurements for an asset assume the highest and best use of that asset by market participants. As a result, Spectrum Brands may be required to value assets of AAG at fair value measures that do not reflect Spectrum Brands intended use of those assets. Use of different estimates and judgments could yield different results.

(3) Significant Accounting Policies

The unaudited pro forma condensed combined financial statements do not assume any differences in accounting policies between Spectrum Brands and AAG. Spectrum Brands is in the process of reviewing the accounting policies of AAG to ensure their conformity with those of Spectrum Brands and, as a result of that review, Spectrum Brands may identify differences between the accounting policies of the two companies, that when conformed, could have a material impact on the unaudited pro forma condensed combined financial statements. At this time, Spectrum Brands is not aware of any differences in accounting policies that would have a material impact on the unaudited pro forma condensed combined financial statements.

(4) Preliminary Consideration Transferred

The acquisition method of accounting requires that the consideration transferred in a business combination be measured at fair value as of the closing date of the AAG Acquisition. The following summarizes the preliminary consideration paid for AAG:

Cash paid to AAG shareholders and option holders	$ 613.7
Cash paid to repay in full the AAG senior credit facilities	282.2
Assumption of AAG and IDQ Notes[(a)]	540.0

Cash paid to settle pre-acquisition costs incurred by AAG	25.5
Cash paid to escrow account for post close working capital and other adjustments	10.0
Preliminary purchase price of AAG[(b)]	$ 1,471.4

(a) Consists of $275.0 aggregate principal amount of Armored AutoGroup Inc. s 9¼% Senior Notes due 2018, $220.0 aggregate principal amount of IDQ Holdings, Inc. s 11.500% Senior Secured Notes due 2017 and $45.0 aggregate principal amount of IDQ Acquisition Corp. s 14.00%/14.75% Senior Secured PIK Notes due 2017 (collectively, the AAG and IDQ Notes) assumed (cash was subsequently paid to redeem such notes on June 15, 2015, June 22, 2015 and June 22, 2015, respectively).

(b) Excludes preliminary working capital adjustments that are not finalized.

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SB/RH HOLDINGS, LLC

NOTES TO THE UNAUDITED PRO FORMA CONDENSED

COMBINED FINANCIAL STATEMENTS (Unaudited) (Continued)

(Amounts in millions of dollars, except for share or as otherwise specified)

(5) Preliminary Fair Values of Net Assets Acquired

For the purposes of preparing the unaudited pro forma condensed combined financial statements, Spectrum Brands made preliminary estimates of the fair values of the assets acquired and liabilities assumed in the AAG Acquisition. These estimates have been recognized in preparing the unaudited pro forma condensed combined financial statements and the excess of the preliminary consideration transferred (see Note 4) on an assumed acquisition date of May 21, 2015 has been reflected as goodwill. On this basis, Spectrum Brands has estimated that the amounts recorded in accounting for the AAG Acquisition would be as follows:

Preliminary purchase price of AAG	$ 1,471.4
Less: Carrying value of net assets acquired	56.7
Less: Fair value of indefinite lived tradenames	299.0
Less: Fair value of customer relationships	66.0
Less: Fair value of developed technology	45.0
Less: Fair value of licensing arrangement	19.0
Less: Increase in net fair value of tangible assets acquired less liabilities assumed	20.0
Residual goodwill	$ 965.7
Carrying value of AAG net assets as of May 21, 2015	$ 471.4
Plus: Settled acquired pre-acquisition debt	567.7
Less: Historical intangible assets	(461.1)
Less: Historical goodwill	(521.3)
Total carrying value of net assets acquired	$ 56.7

(6) Pro Forma Reclassifications and Adjustments for the AAG Acquisition

(A) Spectrum Brands estimates cost of sales will increase by approximately $15.0 during the first inventory turn subsequent to the acquisition date as a result of the sale of inventory that was written-up to fair value in purchase accounting. This cost has been excluded from the pro forma adjustments as this amount is considered non-recurring.

(B) Adjustment reflects increased depreciation expense of $2.0 and $1.3, respectively, associated with the adjustment to record the AAG property, plant and equipment at fair value for the fiscal year ended September 30, 2014 and the period from October 1, 2014 through May 20, 2015.

(C) Adjustment reflects decreased intangible asset amortization expense of $36.3 and $24.0, respectively, associated with the adjustment to record the AAG intangible assets at fair value for the fiscal year ended September 30, 2014 and the period from October 1, 2014 through May 20, 2015.

(D) Adjustment reflects the reversal of the AAG intangible asset impairment charge recorded during the three months ended December 31, 2014, as the acquired AAG intangible assets have been reflected at fair value as of an assumed acquisition date of October 1, 2013 in preparing the unaudited pro forma condensed consolidated statements of income for the fiscal year ended September 30, 2014 and the period from October 1, 2014 through May 20, 2015.

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SB/RH HOLDINGS, LLC

NOTES TO THE UNAUDITED PRO FORMA CONDENSED

COMBINED FINANCIAL STATEMENTS (Unaudited) (Continued)

(Amounts in millions of dollars, except for share or as otherwise specified)

(E) In connection with the AAG Acquisition, Spectrum Brands issued $1,000.0 in 5.75% Notes and incurred related issuance costs. In addition, a substantial portion of the historical AAG debt was repaid in connection with the AAG Acquisition. These changes in the combined debt structure gave rise to interest expense adjustments that resulted in a net decrease to interest expense of $15.0 for the fiscal year ended September 30, 2014, and a net decrease of $46.6 for the period from October 1, 2014 through May 20, 2015. The adjustments consist of the following:

	Assumed Interest Rate	Fiscal Year Ended September 30, 2014	October 1, 2014 May 20, 2015
New SBI 5.75% Notes USD ($1,000.0)	5.75%	$ 58.1	$ 36.9
Amortization of debt issuance costs of SBI 5.75% Notes		2.0	1.3
Total pro forma interest expense on SBI acquisition-related debt		$ 60.1	$ 38.2
Less: elimination of interest expense related to prior AAG debt facilities that were repaid		(75.1)	(84.8)
Total pro forma adjustment to interest expense		$ (15.0)	$ (46.6)

(F) As a result of Spectrum Brands valuation allowance, the pro forma income adjustments do not have income tax consequences, except for the impact of the indefinite lived intangible adjustments, which resulted in the reversal of a $2.5 income tax benefit assuming a 35% effective tax rate for each of the fiscal years ended September 30, 2014 and the period from October 1, 2014 through May 20, 2015. The impact of all other pro forma adjustments is solely a change in deferred income taxes offset by the change in the valuation allowance.

(G) Adjustment reflects the reversal of $25.5 of pre-acquisition costs incurred by AAG.

(H) Adjustment reflects the reversal of $8.4 of pre-acquisition accelerated stock based amortization incurred by AAG in conjunction with the AAG Acquisition.

(I) Adjustment reflects the reversal of $17.8 of acquisition and integration charges incurred by Spectrum Brands in conjunction with the AAG Acquisition.

(7) Transaction Costs

Spectrum Brands estimates that expenses related to the AAG Acquisition will be approximately $31.1. These costs include fees for investment banking services, advisory, legal, accounting, due diligence, tax, valuation, printing and various other services necessary to complete this transaction. In accordance with ASC 805, these fees and expenses will be charged to expense as incurred. Spectrum Brands incurred and recorded $17.8 of transaction costs related to the AAG Acquisition, primarily professional fees through June 28, 2015.

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SELECTED HISTORICAL FINANCIAL DATA

The following selected historical financial data have been derived from SB/RH Holdings audited consolidated financial statements and SB/RH Holdings unaudited condensed consolidated financial statements, each included elsewhere in this prospectus. SB/RH Holdings audited Consolidated Statements of Financial Position as of September 30, 2014 and 2013; SB/RH Holdings audited Consolidated Statements of Operations, audited Consolidated Statements of Comprehensive Income (Loss), audited Consolidated Statements of Shareholders Equity and audited Consolidated Statements of Cash Flows for the years ended September 30, 2014, 2013 and 2012; SB/RH Holdings Condensed Consolidated Statements of Financial Position as of June 28, 2015 (Unaudited) and September 30, 2014 and SB/RH Holdings Condensed Consolidated Statements of Operations (Unaudited), Condensed Consolidated Statements of Comprehensive Income (Loss) (Unaudited) and Condensed Consolidated Statements of Cash Flows (Unaudited) for the nine month periods ended June 28, 2015 and June 29, 2014 are included elsewhere in this prospectus.

The following selected financial data, which may not be indicative of future performance and the financial information and other data presented for the interim periods may not be indicative of the results for the full year. This financial information and other data should be read in conjunction with the audited and unaudited financial statements of SB/RH Holdings, including the notes thereto, and Management s Discussion and Analysis of Financial Condition and Results of Operations, included elsewhere in this prospectus.

	Year Ended September 30,					Nine Months Ended	
	2010	2011	2012	2013	2014	June 29, 2014	June 28, 2015
Statement of Operations Data:							
Net sales	$ 2,567.0	$ 3,186.9	$ 3,252.4	$ 4,085.6	$ 4,429.1	$ 3,250.8	$ 3,382.3
Gross profit	921.4	1,128.9	1,115.7	1,390.3	1,568.9	1,157.9	1,202.9
Operating income(1)	169.1	228.7	306.1	352.9	484.5	368.4	344.1
Interest expense(2)	277.0	208.5	192.0	369.5	202.1	151.7	206.5
Other expense, net	12.3	2.5	0.9	3.5	6.3	4.4	5.6
Reorganization items expense	3.6						
Income (loss) from continuing operations before income taxes	(123.8)	17.7	113.2	(20.2)	276.1	212.3	132.0
Income tax expense(3)	63.2	92.3	60.4	27.4	59.0	43.8	4.8
Loss from discontinued operations, net of tax(4)	(2.7)						
Net income (loss)	(189.8)	(74.6)	52.8	(47.5)	217.1	168.5	127.2
Less: Net income (loss) attributable to noncontrolling interest				(0.1)	0.3	0.2	0.2
Net income (loss) attributable to controlling interest	(189.8)	(74.6)	52.8	(47.4)	216.8	168.3	127.0
Restructuring and related charges cost of goods sold(5)	7.2	7.8	9.8	10.0	3.7	3.3	0.4
Restructuring and related charges operating expenses(5)	17.0	20.8	9.7	24.0	19.2	12.7	21.9

Cash Flow and Related Data:							
Net cash provided (used) by operating activities	$ 57.3	$ 232.2	$ 252.7	$ 258.2	$ 434.7	$ (49.2)	$ (163.6)
Capital expenditures(6)	40.3	36.2	46.8	82.0	73.3	50.9	49.5
Depreciation and amortization (excluding amortization of debt issuance costs)(6)	117.3	134.7	129.8	183.0	202.5	143.6	154.9
Statement of Financial Position Data (at period end):							
Cash and cash equivalents	$ 170.6	$ 142.4	$ 157.9	$ 198.2	$ 192.9		$ 107.2
Working capital(7)	537.3	412.0	454.4	524.4	502.3		996.6
Total assets	3,873.7	3,662.3	3,753.5	5,619.0	5,511.3		7,473.8
Total long-term debt, net of current maturities	1,723.1	1,535.5	1,652.9	3,115.9	2,894.1		4,294.3
Total debt	1,743.8	1,576.6	1,669.3	3,218.9	3,006.7		4,393.8
Total shareholders equity	1,046.7	989.1	992.7	933.9	1,070.2		1,575.8

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(1) Pursuant to the guidance in Financial Accounting Standards Board Accounting Standards Codification Topic 350: Intangibles-Goodwill and Other, we conduct annual impairment testing of goodwill and indefinite-lived intangible assets. As a result of these analyses we recorded a non-cash pretax impairment charge of approximately $32 million in Fiscal 2011. See the Critical Accounting Policies Valuation of Assets and Asset Impairment section of Management s Discussion and Analysis of Financial Condition and Results of Operations as well as Note 2(i), Significant Accounting Policies and Practices Intangible Assets, to our audited Consolidated Financial Statements and Note 2, Significant Accounting Policies Intangible Assets, to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus, for further details on impairment charges.

(2) Fiscal 2014 includes a non-cash charge of $9 million related to the write-off of unamortized debt issuance costs and unamortized discounts in connection with the amendment of our prior term credit facility. Fiscal 2013 includes fees and expenses of $106 million coupled with a non-cash charge of $16 million related to the write-off of unamortized debt issuance costs and unamortized premiums in connection with the extinguishment and replacement of the 9.5% Notes and prior term credit facility in conjunction with the acquisition of our hardware and home improvement business. Fiscal 2012 includes a non-cash charge of $2 million related to the write-off of unamortized debt issuance costs and unamortized premiums in connection with the extinguishment and refinancing of the 12% Notes. Fiscal 2011 includes a non-cash charge of $24 million related to the write-off of unamortized debt issuance costs and unamortized discounts in conjunction with the refinancing of our prior term debt facility. Fiscal 2010 includes a non-cash charge of $83 million related to the write-off of unamortized debt issuance costs and unamortized discounts and premiums in connection with the extinguishment and refinancing of debt that was completed in conjunction with the merger with Russell Hobbs.

(3) Fiscal 2014 income tax expense of $59 million includes a non-cash benefit of approximately $116 million resulting from a decrease in the valuation allowance against certain net deferred taxes. Fiscal 2013 income tax expense of $27 million includes a non-cash charge of approximately $62 million resulting from an increase in the valuation allowance against certain net deferred tax assets, net of a $50 million benefit due to the reversal of a portion of the valuation allowance in conjunction with the acquisition of our hardware and home improvement business. Fiscal 2012 income tax expense of $60 million includes a non-cash charge of approximately $12 million resulting from an increase in the valuation allowance against certain net deferred tax assets, net of a $15 million benefit due to the reversal of a portion of the valuation allowance in conjunction with the acquisition of FURminator. Fiscal 2011 income tax expense of $92 million includes a non-cash charge of approximately $65 million resulting from an increase in the valuation allowance against certain net deferred tax assets. Fiscal 2010 income tax expense of $63 million includes a non-cash charge of approximately $92 million resulting from an increase in the valuation allowance against certain net deferred tax assets.

(4) On November 5, 2008, SB Holdings board of directors committed to the shutdown of the growing products portion of the Home and Garden Business, which included the manufacturing and marketing of fertilizers, enriched soils, mulch and grass seed, following an evaluation of the historical lack of profitability and the projected input costs and significant working capital demands for the growing product portion of the Home and Garden Business during Fiscal 2009. During the second quarter of Fiscal 2009, we completed the shutdown of the growing products portion of the Home and Garden Business and, accordingly, began reporting the results of operations of this business as discontinued operations. Therefore, the presentation of all historical continuing operations excludes the growing products portion of the Home and Garden Business.

(5) See Note 14, Restructuring and Related Charges, to SB/RH Holdings audited Consolidated Financial Statements and Note 12, Restructuring and Related Charges, to SB/RH Holdings Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus, for further discussion.

(6) Amounts reflect the results of continuing operations only.

(7) Working capital is defined as current assets less current liabilities.

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MANAGEMENT S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Introduction

The following is management s discussion of the financial results, liquidity and other key items related to our performance and should be read in conjunction with Selected Historical Financial Data and our audited Consolidated Financial Statements and related notes included elsewhere in this prospectus. All references to Fiscal 2014, Fiscal 2013 and Fiscal 2012 refer to fiscal year periods ended September 30, 2014, 2013 and 2012, respectively. All references to Fiscal 2015 Nine Months and Fiscal 2014 Nine Months refer to the nine-month periods ended June 28, 2015 and June 29, 2014, respectively.

We are a global branded consumer products company. Spectrum Brands, Inc. is a wholly owned direct subsidiary of SB/RH Holdings, LLC, which is a direct subsidiary of Spectrum Brands Holdings, Inc. (SB Holdings). SB Holdings common stock trades on the New York Stock Exchange (the NYSE) under the symbol SPB.

Unless the context requires otherwise, Spectrum, SB/RH Holdings, the Company, we, or our refers to SB/RH Holdings, LLC and, where applicable, its consolidated subsidiaries.

Business Overview

We manufacture and market alkaline, zinc carbon and hearing aid batteries, herbicides, insecticides and repellants and specialty pet supplies. We design and market rechargeable batteries, battery-powered lighting products, electric shavers and accessories, grooming products and hair care appliances. Our operations also include the manufacturing and marketing of specialty pet supplies, and of herbicides, insecticides and insect repellents in North America. We also design, market and distribute a broad range of branded small appliances and personal care products. We also design, manufacture, market, distribute and sell certain hardware, home improvement and plumbing products, and are a leading U.S. provider of residential locksets and builders hardware and a leading provider of faucets. Our manufacturing and product development facilities are located in the U.S., Europe, Latin America and Asia. Substantially all of our rechargeable batteries, chargers and portable lighting products, shaving and grooming products, small household appliances and personal care products are manufactured by third-party suppliers, primarily located in Asia.

On May 21, 2015, we acquired AAG. AAG is a consumer products company consisting primarily of Armor All and STP products, two of the most recognizable brands in the automotive aftermarket appearance products and performance chemicals categories, respectively, and the AC/PRO brand of do-it-yourself automotive air conditioner recharge products. For information pertaining to the AAG Acquisition, see Note 13, Acquisitions to our Condensed Consolidated Financial Statements (Unaudited), included elsewhere in this prospectus.

We sell our products in approximately 160 countries through a variety of trade channels, including retailers, wholesalers and distributors, hearing aid professionals, industrial distributors and original equipment manufacturers and enjoy strong name recognition in our markets under the Rayovac, VARTA and Remington brands, each of which has been in existence for more than 80 years, and under the Tetra, 8-in-1, Dingo, Nature s Miracle, IAMS, Eukanuba, Healthy-Hide, Digest-eeze, Spectracide, Cutter, Hot Shot, Black & Decker, George Foreman, Russell Hobbs, Farberware, Black Flag, FURminator, Kwikset, Weiser, Baldwin, National Hardware, Stanley, Pfister and the previously mentioned AAG brands. We also have patented technologies such as Smartkey, a rekeyable lockset technology, and Smart Code Home Connect.

Our diversified global branded consumer products have positions in seven major product categories: consumer batteries, small appliances, personal care, hardware and home improvement, pet supplies, auto care and home and garden controls.

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Our chief operating decision-maker manages the businesses in five vertically integrated, product-focused reporting segments: (i) Global Batteries & Appliances, which consists of the Company s worldwide battery, personal care and small appliances primarily in the kitchen and home product categories (Global Batteries & Appliances); (ii) Hardware & Home Improvement, which consists of the Company s worldwide hardware, home improvement and plumbing business (Hardware & Home Improvement); (iii) Global Pet Supplies, which consists of the Company s worldwide pet supplies business (Global Pet Supplies); (iv) Home and Garden, which consists of the Company s home and garden and insect control business (Home and Garden); and (v) Global Auto Care, which consists of the Company s automotive aftermarket appearance products, performance chemicals/additives and do-it-yourself automotive air conditioner recharge (Global Auto Care). Management reviews our performance based on these segments. For information pertaining to our business segments, see Note 11, Segment Information, to our audited Consolidated Financial Statements and Note 11, Segment Results, to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus.

Global and geographic strategic initiatives and financial objectives are determined at the corporate level. Each business segment is responsible for implementing defined strategic initiatives and achieving certain financial objectives and has a general manager responsible for sales and marketing initiatives and the financial results for all product lines within that business segment.

Cost Reduction Initiatives

We continually seek to improve our operational efficiency, match our manufacturing capacity and product costs to market demand and better utilize our manufacturing resources. We have undertaken various initiatives to reduce manufacturing and operating costs.

Fiscal 2014. To reduce operating costs we implemented a series of initiatives to rationalize the international operations within our residential hardware and home improvement business, which was acquired in Fiscal 2013 (the HHI Business). These initiatives will include headcount reductions and the exit of certain unprofitable international business within the Hardware and Home Improvement segment (the HHI Business Rationalization Initiatives).

Fiscal 2013. To reduce operating costs we implemented a series of initiatives throughout the Company comprised principally of headcount reductions in the Global Batteries & Appliances and Global Pet Supplies segments and within Corporate (the Global Expense Rationalization Initiatives). On November 3, 2014, we announced an expansion of our Global Expense Rationalization Initiatives, which consist of headcount reductions. Costs associated with the expanded initiatives, which are expected to be incurred through September 30, 2015, are currently projected to total approximately $46,500, which include costs associated with the Global Expense Rationalization Initiatives announced in Fiscal 2013.

Fiscal 2009. In connection with our announcement of a plan to reduce headcount within each of our segments and to exit certain facilities in the U.S. related to the Global Pet Supplies segment, we implemented a number of cost reduction initiatives (the Global Cost Reduction Initiatives). These initiatives also included consultation, legal and accounting fees related to the evaluation of our capital structure.

Meeting Consumer Needs through Technology and Development

We continue to focus our efforts on meeting consumer needs for our products through new product development and technology innovations. Research and development efforts associated with our electric shaving and grooming products allow us to deliver to the market unique cutting systems. Research and development efforts associated with our electric personal care products allow us to deliver to our customers products that save them time, provide salon alternatives and enhance their in-home personal care options. We are continuously pursuing new innovations for our shaving, grooming and hair care products including foil and rotary shaver improvements, trimmer enhancements and technologies that deliver skin and hair care benefits.

During Fiscal 2014, at our Home and Garden Business segment, we entered the animal repellents category with the acquisition of The Liquid Fence Company. In addition, we increased our pest repellent offerings with the Cutter Backwoods Dry Insect Repellent aerosol and the Repel Tick Defense aerosol. Continuing our pursuit of innovation, we started offering the Mulch-Lock Ready-to-Use and Mulch-Lock Concentrate, which are versatile landscaping tools that can be used to eliminate frequent groundcover maintenance and help customers save time, effort and money. We also introduced our novel, award-winning Black Flag Refillable Rat Bait Station, a reusable rodenticide product that is easy to refill. At our Global Batteries & Appliances segment, Rayovac released the Phone Boost 800 portable charging device and the car and wall USB power chargers. In addition, Rayovac introduced the Virtually Indestructible Spotlight and the Virtually Indestructible Lantern. Our Russell Hobbs brand entered the health fryer market with the new versatile Purifry and Purifry Multi. Our Black & Decker brand introduced the Mill & Brew Coffee Maker, an integrated bean grinder that allows coffee drinkers to have the freshest cup of hot coffee. Our Remington brand introduced new personal care products such as the HyperFlex rotary shaver, Vacuum Beard and Grooming kit, SmartEdge Shaver and Virtually Indestructible Hair Clipper. At our Hardware and Home Improvement segment, we launched our SmartKey re-key technology in padlocks, enhancing security and allowing homeowners to use the same key to unlock their home and their padlocks. Within our Hardware and Home Improvement segment, our Kwikset Brand launched the revolutionary Kevo Bluetooth enabled deadbolt. This is a first of a kind deadbolt that turns a smart phone into a key and allows authorized users to open their Kwikset deadbolt by simply touching the lock. Owners of Kevo can also send digital EKeys and monitor the use of their lock by downloading the Kevo app. At our Global Pet Supplies segment, we recently launched the Tetra Betta Ring, which is a designer aquarium indoor system for Betta fish with LED lighting that provides for a relaxing atmosphere. In addition, our Tetra brand introduced a breakthrough innovation for ideal water parameters with biodegradable balls. The biodegradable balls fulfill the living requirements of bacteria by consuming harmful substances with the effect of improving aquarium water quality and less algae growth.

Competitive Landscape

We compete in seven major product categories: consumer batteries, small appliances, personal care, hardware and home improvement, pet supplies, home and garden controls and auto care, which consists of the recently acquired AAG business.

The consumer battery product category consists of non-rechargeable alkaline or zinc carbon batteries in cell sizes of AA, AAA, C, D and 9-volt, specialty batteries, which include rechargeable batteries, hearing aid batteries, photo batteries and watch/calculator batteries; and portable lighting products. Most consumer batteries are marketed under one of the following brands: Rayovac/VARTA, Duracell, Energizer or Panasonic. In addition, some retailers market private label batteries, particularly in Europe. The majority of consumers in North America and Europe purchase alkaline batteries. The Latin America market consists primarily of zinc carbon batteries but is gradually converting to higher-priced alkaline batteries as household disposable income grows. Our major competitors in the consumer batteries product category are Energizer Holdings, Inc., The Procter & Gamble Company and Matsushita.

We believe that we are the largest worldwide marketer of hearing aid batteries and that we continue to maintain a leading global market position. We believe that our close relationship with hearing aid manufacturers and other customers, as well as our product performance improvements and packaging innovations, position us for continued success in this category.

Our global pet supplies business comprises aquatics equipment (aquariums, filters, pumps, etc.), aquatics consumables (fish food, water treatments and conditioners, etc.) and specialty pet products for dogs, cats, birds and other small domestic animals. The pet supply market is extremely fragmented, with no competitor holding a market share greater than twenty percent. We believe that our brand positioning, including the leading global aquatics brand in Tetra, our diverse array of innovative and attractive products and our strong retail relationships and global infrastructure will allow us to remain competitive in this fast growing industry. Our largest competitors in the pet supplies product category are Mars Corporation, The Hartz Mountain Corporation and Central Garden & Pet Company.

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Products in our home and garden category are sold through the Home and Garden Business, which operates in the U.S. market under the major brand names Spectracide, Hot Shot, Cutter, Repel, Black Flag and Garden Safe. The Home and Garden Business manufactures and markets outdoor and indoor insect control products, rodenticides, herbicides, insect repellents and lawn maintenance products. In addition, we produce and market several private-label brands for many major retailers.

The Home and Garden Business marketing position is primarily that of a branded value, enhanced and supported by innovative products of outstanding quality and appealing packaging that is designed to drive sales at the point of purchase. Our commitment to quality and value has earned the trust of consumers and the confidence of retailers, who count on us to deliver the fast-selling products, merchandising solutions and quality service they require. The Home and Garden Business primary competitors include The Scotts Miracle-Gro Company, Central Garden & Pet Company and S.C. Johnson & Son, Inc.

We also operate in the shaving and grooming and personal care product category, consisting of electric shavers and accessories, electric grooming products and hair care appliances. Electric shavers include men s and women s shavers (both rotary and foil design) and electric shaver accessories consisting of shaver replacement parts (primarily foils and cutters), pre-shave products and cleaning agents. Electric shavers are marketed primarily under our Remington brand. Our primary competitors in the electric shaving and grooming category are Procter & Gamble, makers of Braun, and Koninklijke Phillips Electronics N.V., makers of Norelco. Electric grooming products include beard and mustache trimmers, nose and ear trimmers, body groomers and haircut kits and related accessories. Hair care appliances include hair dryers, straightening irons, styling irons and hair-setters. Europe and North America account for the majority of our worldwide electric personal care product category sales. Our major competitors in the electric personal care product category are Conair Corporation, Wahl Clipper Corporation and Helen of Troy Limited.

The Hardware & Home Improvement segment has developed a market-leading franchise with leading brands, making it the most desired manufacturer among top home builders and major retailers. Hardware & Home Improvement is acclaimed as a market leader in the U.S. and Canadian lockset business. Competition within the industry varies based on location as well as product segment. The main source of competition for locks includes other third party manufacturers such as Schlage, a division of Ingersoll-Rand, and private label import brands such as Defiant and Gatehouse. The major U.S. competitors of Pfister, the plumbing brand sold by our Hardware & Home Improvement segment, are Masco, Fortune Brands, Kohler and American Standard. Hardware & Home Improvement also competes with The Home Depot and Lowe s private label brands.

Products in our small appliances category consist of small electrical appliances primarily in the kitchen and home product categories. Primary competitor brands in the small appliance category include Hamilton Beach, Procter Silex, Sunbeam, Mr. Coffee, Oster, General Electric, Rowenta, DeLonghi, Kitchen Aid, Cuisinart, Krups, Braun, Rival, Europro, Kenwood, Philips, Morphy Richards, Breville and Tefal.

Our auto care category consists of the recently-acquired AAG business, consisting primarily of the Armor All and STP products, two of the most recognizable brands in the automotive aftermarket appearance products and performance chemicals categories, respectively, and the AC/PRO brand of do-it-yourself automotive air conditioner recharge products.

The following factors contribute to our ability to succeed in these highly competitive product categories:

Strong Diversified Global Brand Portfolio. We have a global portfolio of well-recognized consumer product brands. We believe that the strength of our brands positions us to extend our product lines and provide our retail customers with strong sell-through to consumers.

Strong Global Retail Relationships. We have well-established business relationships with many of the top global retailers, distributors and wholesalers, which have assisted us in our efforts to expand our overall market penetration and promote sales.

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Expansive Distribution Network. We distribute our products in approximately 160 countries through a variety of trade channels, including retailers, wholesalers and distributors, hearing aid professionals, industrial distributors and Original Equipment Manufacturers.

Innovative New Products, Packaging and Technologies. We have a long history of product and packaging innovations in each of our seven product categories and continually seek to introduce new products both as extensions of existing product lines and as new product categories.

Experienced Management Team. Our management team has substantial consumer products experience. On average, each senior management team member has more than 20 years of experience at Spectrum, VARTA, Remington, Russell Hobbs or other branded consumer product companies such as Newell Rubbermaid and Schering-Plough.

Seasonal Product Sales

On a consolidated basis our financial results are approximately equally weighted between quarters, however, sales of certain product categories tend to be seasonal. Sales in the consumer battery, electric shaving and grooming and electric personal care product categories, particularly in North America, tend to be concentrated in the December holiday season (Spectrum s first fiscal quarter). Demand for hardware and home improvement products increases during the spring and summer construction period (Spectrum s third and fourth fiscal quarters). Demand for pet supplies products remains fairly constant throughout the year. Demand for home and garden control products sold though the Home and Garden Business typically peaks during the first six months of the calendar year (Spectrum s second and third fiscal quarters). Small Appliances peaks from July through December primarily due to the increased demand by customers in the late summer for back-to-school sales and in the fall for the holiday season.

The seasonality of our sales during the last three fiscal years is as follows:

Percentage of Annual Sales

	Fiscal Year Ended September 30,		
	2014	**2013**	**2012**
Fiscal Quarter Ended			
December	25%	21%	26%
March	23%	24%	23%
June	25%	27%	25%
September	27%	28%	26%

Fiscal Quarter and Fiscal Nine Months Ended June 28, 2015 Compared to Fiscal Quarter and Fiscal Nine Months Ended June 29, 2014

In this prospectus, we refer to the three month period ended June 28, 2015 as the Fiscal 2015 Quarter, the nine month period ended June 28, 2015 as the Fiscal 2015 Nine Months, the three month period ended June 29, 2014 as the Fiscal 2014 Quarter, and the nine month period ended June 29, 2014 as the Fiscal 2014 Nine Months.

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Net Sales

Net sales for the Fiscal 2015 Quarter increased $119.0 million to $1,247.5 million from $1,128.5 million in the Fiscal 2014 Quarter, an 11% increase. The following table details the principal components of the change in net sales from the Fiscal 2014 Quarter to the Fiscal 2015 Quarter (in millions):

	Net Sales
Fiscal 2014 Quarter Net Sales	$ 1,128.5
Addition of global auto care	64.4
Increase in global pet supplies	64.4
Increase in home and garden	27.7
Increase in personal care	15.3
Increase in hardware and home improvement	11.5
Increase in small appliances	10.5
Decrease in consumer batteries	(11.2)
Foreign currency impact, net	(63.6)
Fiscal 2015 Quarter Net Sales	$ 1,247.5

Net sales for the Fiscal Nine Months increased $131.5 million to $3,382.3 million from $3,250.8 million in the Fiscal 2014 Nine Months, a 4% increase. The following table details the principal components of the change in net sales from the Fiscal 2014 Nine Months to the Fiscal 2015 Nine Months (in millions):

	Net Sales
Fiscal 2014 Nine Months Net Sales	$ 3,250.8
Addition of global auto care	64.4
Increase in global pet supplies	117.0
Increase in home and garden	42.8
Increase in small appliances	35.1
Increase in hardware and home improvement	34.6
Increase in personal care	25.2
Decrease in consumer batteries	(31.5)
Foreign currency impact, net	(156.1)
Fiscal 2015 Nine Months Net Sales	$ 3,382.3

Consolidated net sales by product line for the Fiscal 2015 Quarter, the Fiscal 2014 Quarter, the Fiscal 2015 Nine Months and the Fiscal 2014 Nine Months are as follows (in millions):

	Fiscal Quarter		Fiscal Nine Months	
	2015	2014	2015	2014
Product line net sales by segment				

Global batteries and appliances				
Consumer batteries	$ 178.3	$ 213.3	$ 600.3	$ 689.2
Small appliances	161.3	163.9	536.7	533.2
Personal care	119.4	117.6	402.3	412.6
Total Global batteries and appliances	$ 459.0	$ 494.8	$ 1,539.3	$ 1,635.0
Hardware and home improvement	313.5	306.9	874.1	852.2
Global pet supplies	208.3	152.2	538.8	440.7
Global auto care	64.4		64.4	
Home and garden	202.3	174.6	365.7	322.9
Total net sales to external customers	$ 1,247.5	$ 1,128.5	$ 3,382.3	$ 3,250.8

Global consumer battery sales decreased $35.0 million, or 16%, during the Fiscal 2015 Quarter versus the Fiscal 2014 Quarter. Excluding the impact of negative foreign exchange of $23.8 million, global consumer battery sales decreased $11.2 million. The constant currency decrease in global consumer battery sales was primarily attributable to a decrease in North American sales of $20.6 million, which was partially offset by an increase in European and Asia Pacific (EURAPAC) consumer battery sales of $9.8 million. The North American battery decrease was due to the following: (i) $13.5 million in alkaline batteries; (ii) $4.1 million in specialty batteries; and (iii) $3.0 million in lights. The decrease in North American alkaline battery sales was primarily attributable to continued competitor discounting coupled with a retail customer bankruptcy. The decrease in North American specialty batteries and lights was primarily attributable to distribution loss to a competitor at a major retailer. On a constant currency basis, the EURAPAC sales increase was primarily due to gains of $6.3 million and $2.3 million in alkaline and specialty batteries, respectively. The increase in EURAPAC alkaline battery sales was driven by customer gains and increased volume at existing retailers. The increase in EURAPAC specialty batteries was attributed to customer gains and higher sales volume of hearing aid batteries. EURAPAC light sales also increased $1.2 million on a constant currency basis as a result of increased promotional activity and customer gains. Global consumer battery sales decreased $88.9 million, or 13%, during the Fiscal 2015 Nine Months compared to the Fiscal 2014 Nine Months. Excluding the impact of negative foreign exchange of $57.4 million, global consumer battery sales decreased $31.5 million. The constant currency decrease in global consumer battery sales was primarily attributable to the factors discussed above for the Fiscal 2015 Quarter across all geographic regions.

Small appliance sales decreased $2.6 million, or 2%, during the Fiscal 2015 Quarter compared to the Fiscal 2014 Quarter, which included $13.1 million of negative foreign exchange impact. Excluding foreign exchange, EURAPAC and North American sales increased $6.2 million, and $5.0 million, respectively, which were slightly tempered by modest declines in Latin America of $0.7 million. The EURAPAC sales increase was attributable to promotions at current customers coupled with customer gains, which were partially offset by exits of unprofitable product categories. The North American sales increase was attributed to the continued success of new product launches. Small appliance sales increased $3.5 million, or 1%, during the Fiscal 2015 Nine Months versus the Fiscal 2014 Nine Months, which included a negative foreign currency exchange impact of $31.6 million. Excluding foreign exchange, EURAPAC and North American sales increased $21.3 million and $12.7 million, respectively, based on factors discussed above for the Fiscal 2015 Quarter. Latin American sales increased $1.1 million compared to the Fiscal 2014 Nine Months resulting from new product introductions and volume gains in certain product lines.

Personal care sales increased $1.8 million, or 2%, during the Fiscal 2015 Quarter compared to the Fiscal 2014 Quarter, which included $13.5 million of negative foreign exchange impact. Excluding foreign exchange, North American, EURAPAC, and Latin American sales increased $7.0 million, $6.3 million and $2.0 million, respectively. The North American sales increase was primarily a result of product display location changes at a major customer and promotional activity. The increase is also attributed to the growth in the ecommerce channel. The Latin American sales increase was primarily attributable to growth in Mexico and customer gains throughout the region. The EURAPAC sales increase was due to a combination of sales attributed to new products and continued expansion into Eastern European markets. Personal care sales decreased $10.3 million, or 2%, during the Fiscal 2015 Nine Months compared to the Fiscal 2014 Nine Months. Excluding the negative foreign currency exchange impact of $35.5 million, personal care sales increased $25.2 million in the Fiscal 2015 Nine Months. Excluding foreign exchange, EURAPAC, North American, and Latin American sales increased $13.3 million, $6.6 million, and $5.3 million, respectively. The constant currency increases were due to factors discussed above for the Fiscal 2015 Quarter.

Hardware and home improvement sales increased $6.6 million, or 2%, during the Fiscal 2015 Quarter, which included negative foreign exchange impact of $4.9 million. On a constant currency basis, sales increased domestically due to gains at existing customers in security and plumbing of $6.5 million coupled with the Tell acquisition contributing $9.9 million during the Fiscal 2015 Quarter. The increase was partially offset by a $1.2 million decrease in Mexico driven by lower volume and the exit of low margin categories. The gains were also offset by $4.1 million resulting from exits of unprofitable categories in Canada and China, and $2.7 million resulting from the expiration of a customer tolling arrangement. Hardware and home improvement sales increased $21.9 million, or 3%, during the Fiscal 2015 Nine Months compared to the Fiscal 2014 Nine Months, which included negative foreign exchange impacts of $12.7 million. The change in net sales was primarily attributed to the Tell acquisition which contributed $29.0 million during the Fiscal 2015 Nine Months, in addition to gains in other domestic security and plumbing sales of $19.4 million, offset by decreases in Mexico, Canada, and China of $3.4 million, $3.2 million, and $5.5 million, respectively, for the reasons noted above.

Global pet supplies sales increased $56.1 million, or 37%, during the Fiscal 2015 Quarter compared to the Fiscal 2014 Quarter, which included negative foreign exchange impact of $8.3 million. On a constant currency basis and including acquisitions, companion animal sales increased $66.2 million while aquatic sales decreased $1.8 million. The constant currency sales increase in companion animal was primarily driven by the acquisitions of Proctor & Gamble s European pet food business (European IAMS and Eukanuba) and Salix Animal Health LLC (Salix), which accounted for $66.2 million of sales during the Fiscal 2015 Quarter. The aquatics sales decline was primarily due to a reduction in promotional activity related to low margin products. Global pet supplies sales increased $98.1 million, or 22%, during the Fiscal 2015 Nine Months versus the Fiscal 2014 Nine Months, which included a negative foreign exchange impact of $18.9 million. On a constant currency basis and including acquisitions, companion animal sales increased $127.3 million while aquatic sales decreased $10.3 million, primarily due to the factors discussed above.

Home and garden sales increased $27.7 million, or 16%, during the Fiscal 2015 Quarter compared to the Fiscal 2014 Quarter. The sales gain was attributable to increases in repellent product sales, lawn and garden control product sales and household insect control sales of $10.6 million, $8.6 million and $8.5 million, respectively. The sales increase in all three product categories was a result of distribution gains and strong point of sale activity driving replenishment orders at existing customers. The increase was also attributed to the timing of the peak season. Home and garden sales increased $42.8 million, or 13%, during the Fiscal 2015 Nine Months compared to the Fiscal 2014 Nine Months, primarily attributable to the factors discussed above coupled with the full period impact of the acquisition of The Liquid Fence Company (Liquid Fence), which occurred during the second quarter of our fiscal year ended September 30, 2014 (Fiscal 2014).

Global auto care, which consists of the AAG business that was acquired on May 21, 2015, accounted for $64.4 million of sales for both the Fiscal 2015 Quarter and Fiscal 2015 Nine Months.

Gross Profit. Gross profit and gross profit margin for the Fiscal 2015 Quarter was $458.0 million and 36.7%, respectively, versus $417.0 million and 37.0%, respectively, for the Fiscal 2014 Quarter. Gross profit was up primarily due to the previously discussed acquisitions during Fiscal 2015, which contributed $54.6 million in gross profit in the Fiscal 2015 Quarter. The slight decrease in gross margin as a percentage of sales is attributable to a $4.7 million one-time non-cash increase to cost of goods sold due to the sale of inventory which was revalued in connection with the acquisition of AAG.

Gross profit for the Fiscal 2015 Nine Months was $1,202.9 million versus $1,157.9 million for the Fiscal 2014 Nine Months. Our gross profit margin for both the Fiscal 2015 Nine Months and the Fiscal 2014 Nine Months was flat at 35.6%. Acquisition activity during the Fiscal 2015 Nine Months resulted in a $7.7 million one-time non-cash increase to cost of goods sold due to the sale of inventory which was revalued in connection with the acquisitions of AAG, Salix and European IAMS and Eukanuba. Furthermore, foreign currency exchange negatively impacted gross profit margin by 10 basis points during the Fiscal 2015 Nine Months.

Operating Expenses. Operating expenses for the Fiscal 2015 Quarter totaled $320.6 million compared to $267.8 million for the Fiscal 2014 Quarter. Activity from AAG accounted for a $17.6 million increase in operating expenses. Also contributing to this increase in operating expenses was a $21.5 million increase in Acquisition and related charges, a $7.4 million increase in Restructuring and related charges and a $6.0 million increase in stock based compensation expense. The $21.5 million increase in Acquisition and integration related

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charges was primarily attributable to costs related to the continued integration of European IAMS and Eukanuba and Salix and the acquisition of AAG during the Fiscal 2015 Quarter. The increase in Restructuring and related charges was primarily due to an increase in activity related to the HHI Business Rationalization Initiatives.

Operating expenses for the Fiscal 2015 Nine Months totaled $858.8 million compared to $789.5 million for the Fiscal 2014 Nine Months. Activity from AAG accounted for a $17.6 million increase in operating expenses. Also contributing to this increase in operating expenses was a $29.7 million increase in Acquisition and related charges, a $9.2 million increase in Restructuring and related charges and a $6.2 million increase in stock based compensation expense. The drivers of the operating expense increases during the Fiscal 2015 Nine Months were primarily attributable to the factors discussed above for the Fiscal 2015 Quarter.

See Note 2, Significant Accounting Policies Acquisition and Integration Related Charges, to our Condensed Consolidated Financial Statements (Unaudited) included elsewhere in this prospectus for additional information regarding our Acquisition and integration related charges.

See Note 12, Restructuring and Related Charges, to our Condensed Consolidated Financial Statements (Unaudited) included elsewhere in this prospectus for additional information regarding our Restructuring and related charges.

Segment Results. As discussed above, we manage our business in five reportable segments: (i) Global Batteries & Appliances; (ii) Hardware & Home Improvement; (iii) Global Pet Supplies; (vi) Home and Garden; and (v) Global Auto Care.

The operating segment profits do not include restructuring and related charges, acquisition and integration related charges, interest expense, interest income and income tax expense. Corporate expenses primarily include general and administrative expenses and global long-term incentive compensation plans which are evaluated on a consolidated basis and not allocated to our operating segments. All depreciation and amortization included in income from operations is related to operating segments or corporate expense. Costs are allocated to operating segments or corporate expense according to the function of each cost center.

All capital expenditures are related to operating segments. Variable allocations of assets are not made for segment reporting.

Financial information pertaining to our reportable segments is contained in Note 11, Segment Results, to our Condensed Consolidated Financial Statements (Unaudited) included elsewhere in this prospectus.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (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, since 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 our debt covenant compliance. Adjusted EBITDA excludes certain items that are unusual in nature or not comparable from period to period. While we believe that Adjusted EBITDA is useful supplemental information, such adjusted results are not intended to replace our Generally Accepted Accounting Principles (GAAP) financial results and should be read in conjunction with those GAAP results.

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Below are reconciliations of GAAP Net income (loss), as adjusted, to Adjusted Earnings Before Interest and Taxes (EBIT) and to Adjusted EBITDA for each segment and for Consolidated SB/RH for the Fiscal 2015 Quarter, the Fiscal 2015 Nine Months, the Fiscal 2014 Quarter and the Fiscal 2014 Nine Months:

Fiscal 2015 Quarter	Global Batteries & Appliances	Hardware & Home Improvement	Global Pet Supplies	Global Auto Care	Home and Garden	Corporate / Unallocated Items[a]	Consolidated SB/RH
				(in millions)			
Net income (loss), as adjusted[a]	$ 40.6	$ 44.6	$ 20.2	$ 12.2	$ 59.9	$ (130.9)	$ 46.6
Income tax expense						(23.8)	(23.8)
Interest expense						112.9	112.9
Acquisition and integration related charges	0.9	1.8	3.8	0.5	(0.8)	18.0	24.2
Restructuring and related charges	1.0	6.3	3.1		0.1		10.5
Purchase accounting fair value adjustment				4.7			4.7
Other[b]						2.1	2.1
Adjusted EBIT	$ 42.5	$ 52.7	$ 27.1	$ 17.4	$ 59.2	$ (21.7)	$ 177.2
Depreciation and amortization[c]	17.6	9.9	11.3	1.8	3.2	15.2	59.0
Adjusted EBITDA	$ 60.1	$ 62.6	$ 38.4	$ 19.2	$ 62.4	$ (6.5)	$ 236.2

Fiscal 2015 Nine Months	Global Batteries & Appliances	Hardware & Home Improvement	Global Pet Supplies	Global Auto Care	Home and Garden	Corporate / Unalloc-ated Items[a]	Consolidated SB/RH
				(in millions)			
Net income (loss), as adjusted[a]	$ 166.8	$ 115.5	$ 35.6	$ 12.2	$ 88.7	$ (291.6)	$ 127.2
Income tax expense						4.8	4.8
Interest expense						206.5	206.5
Acquisition and integration related charges	3.5	6.3	8.2	0.5	1.3	24.4	44.2
Restructuring and related charges	6.4	7.8	7.5		0.3	0.3	22.3
Purchase accounting fair value adjustment		0.8	2.2	4.7			7.7
Other[d]						3.9	3.9
Adjusted EBIT	$ 176.7	$ 130.4	$ 53.5	$ 17.4	$ 90.3	$ (51.7)	$ 416.6

Depreciation and amortization[c]	52.5	29.8	28.9	1.8	9.7	32.2	154.9
Adjusted EBITDA	$ 229.2	$ 160.2	$ 82.4	$ 19.2	$ 100.0	$ (19.5)	$ 571.5

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Fiscal 2014 Quarter	Global Batteries & Appliances	Hardware & Home Improvement	Global Pet Supplies	Home and Garden	Corporate / Unallocated Items[(a)]	Consolidated SB/RH
			(in millions)			
Net income (loss), as adjusted[(a)]	$ 44.4	$ 48.3	$ 22.3	$ 47.8	$ (84.2)	$ 78.6
Income tax expense					20.5	20.5
Interest expense					47.3	47.3
Acquisition and integration related charges	1.3	0.4		0.6	0.4	2.7
Restructuring and related charges	2.6	0.6	0.5			3.7
Adjusted EBIT	$ 48.3	$ 49.3	$ 22.8	$ 48.4	$ (16.0)	$ 152.8
Depreciation and amortization[(c)]	18.7	10.5	7.9	3.2	9.2	49.5
Adjusted EBITDA	$ 67.0	$ 59.8	$ 30.7	$ 51.6	$ (6.8)	$ 202.3

Fiscal 2014 Nine Months	Global Batteries & Appliances	Hardware & Home Improvement	Global Pet Supplies	Home and Garden	Corporate / Unallocated Items[(a)]	Consolidated SB/RH
			(in millions)			
Net income (loss), as adjusted[(a)]	$ 173.2	$ 115.9	$ 54.2	$ 69.3	$ (244.1)	$ 168.5
Income tax expense					43.8	43.8
Interest expense					151.7	151.7
Acquisition and integration related charges	5.9	4.0		0.9	3.7	14.5
Restructuring and related charges	9.8	3.7	1.8		0.7	16.0
Adjusted EBIT	$ 188.9	$ 123.6	$ 56.0	$ 70.2	$ (44.2)	$ 394.5
Depreciation and amortization[(c)]	53.4	31.2	23.6	9.4	26.0	143.6
Adjusted EBITDA	$ 242.3	$ 154.8	$ 79.6	$ 79.6	$ (18.2)	$ 538.1

(a) 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 and are presented within Corporate / Unallocated Items.
(b) Included in other are costs associated with a transition agreement with a key executive.
(c) Included within depreciation and amortization is amortization of stock based compensation.
(d) Included in other are costs associated with onboarding for a key executive coupled with costs associated with a transition agreement with another key executive.

Global Batteries & Appliances

	Fiscal Quarter		Fiscal Nine Months	
	2015	2014	2015	2014
	(in millions)			
Net sales to external customers	$ 459.0	$ 494.8	$ 1,539.3	$ 1,635.0
Segment profit	$ 42.1	$ 49.1	$ 180.4	$ 190.6
Segment profit as a % of net sales	9.2%	9.9%	11.7%	11.7%
Segment Adjusted EBITDA	$ 60.1	$ 67.0	$ 229.2	$ 242.3
Assets as of June 28, 2015 and September 30, 2014	$ 2,093.7	$ 2,152.0	$ 2,093.7	$ 2,152.0

Global Batteries & Appliances net sales to external customers are discussed within the Product line net sales by segment discussion above.

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Segment profit in the Fiscal 2015 Quarter decreased to $42.1 million from $49.1 million in the Fiscal 2014 Quarter, driven by the previously discussed net sales decrease which was partially tempered by product cost improvement initiatives. Segment profitability as a percentage of net sales decreased to 9.2% in the Fiscal 2015 Quarter compared to 9.9% in the Fiscal 2014 Quarter as a result of unfavorable manufacturing variances and foreign currency translation, which was partially tempered by previously discussed cost improvement initiatives.

Segment profit in the Fiscal 2015 Nine Months decreased to $180.4 million from $190.6 million in the Fiscal 2014 Nine Months, driven by decreased net sales offset by operating cost improvements as discussed for the Fiscal 2015 Quarter. Segment profitability as a percentage of net sales remained flat at 11.7% in the Fiscal 2015 Nine Months versus Fiscal 2014 Nine Months.

Segment Adjusted EBITDA in the Fiscal 2015 Quarter decreased to $60.1 million from $67.0 million in the Fiscal 2014 Quarter. Segment Adjusted EBITDA in the Fiscal 2015 Nine Months decreased to $229.2 million from $242.3 million in the Fiscal 2014 Nine Months. The decrease in segment Adjusted EBITDA for both periods was driven by the factors that drove the decrease in segment profit discussed above for each respective period.

Segment assets at June 28, 2015 decreased to $2,093.7 million from $2,152.0 million at September 30, 2014. The decrease was primarily due to the decrease of $56.7 million in intangible assets as a result of amortization of definite lived intangible assets and foreign currency impact.

Hardware & Home Improvement

	Fiscal Quarter		**Fiscal Nine Months**	
	2015	**2014**	**2015**	**2014**
		(in millions)		
Net sales to external customers	$ 313.5	$ 306.9	$ 874.1	$ 852.2
Segment profit	$ 53.7	$ 50.7	$ 129.9	$ 125.5
Segment profit as a % of net sales	17.1%	16.5%	14.9%	14.7%
Segment Adjusted EBITDA	$ 62.6	$ 59.8	$ 160.2	$ 154.8
Assets as of June 28, 2015 and September 30, 2014	$ 1,708.9	$ 1,629.0	$ 1,708.9	$ 1,629.0

Hardware and home improvement net sales to external customers are discussed within the Product line net sales by segment discussion above.

Segment profit in the Fiscal 2015 Quarter increased to $53.7 million from $50.7 million in the Fiscal 2014 Quarter. Segment profitability as a percentage of net sales increased to 17.1% in the Fiscal 2015 Quarter, versus 16.5% in the Fiscal 2014 Quarter. The increase in segment profit was driven by the previously discussed net sales increase, while the increase in segment profit as a percentage of net sales is attributed to product cost improvement programs and expense control.

Segment profit in the Fiscal 2015 Nine Months increased to $129.9 million from $125.5 million in the Fiscal 2014 Nine Months. Segment profitability as a percentage of net sales was 14.9% in the Fiscal 2015 Nine Months and 14.7% in the Fiscal 2014 Nine Months. The increase in segment profit and increase in segment profitability as a percentage of net sales was driven by the factors discussed above for the Fiscal 2015 Quarter.

Segment Adjusted EBITDA was $62.6 million in the Fiscal 2015 Quarter versus $59.8 million in the Fiscal 2014 Quarter. The increase in Segment Adjusted EBITDA was due to the previously discussed increase in net sales. Segment Adjusted EBITDA was $160.2 million in the Fiscal 2015 Nine Months versus $154.8 million in the Fiscal 2014 Nine Months. The increase in Segment Adjusted EBITDA for this period was driven by the increased sales and cost savings discussed above.

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Segment assets at June 28, 2015 and September 30, 2014 were $1,708.9 million and $1,629.0 million, respectively. The increase in segment assets was primarily driven by a seasonal increase in accounts receivable and inventory of $89.4 million and the Tell acquisition, offset by depreciation and amortization.

Global Pet Supplies

	Fiscal Quarter		Fiscal Nine Months	
	2015	2014	2015	2014
	(in millions)			
Net sales to external customers	$ 208.3	$ 152.2	$ 538.8	$ 440.7
Segment profit	$ 28.0	$ 22.9	$ 52.3	$ 56.5
Segment profit as a % of net sales	13.4%	15.0%	9.7%	12.8%
Segment Adjusted EBITDA	$ 38.4	$ 30.7	$ 82.4	$ 79.6
Assets as of June 28, 2015 and September 30, 2014	$ 1,156.4	$ 890.4	$ 1,156.4	$ 890.4

Global pet supply net sales to external customers are discussed within the Product line net sales by segment discussion above.

Segment profit increased to $28.0 million in the Fiscal 2015 Quarter compared to $22.9 million in the Fiscal 2014 Quarter and segment profitability as a percentage of net sales in the Fiscal 2015 Quarter decreased to 13.4% from 15.0% in the Fiscal 2014 Quarter. The increase in segment profit was driven by the previously discussed net sales increase, while the decrease in segment profit as a percentage of net sales is attributed to the lower profit margins of an acquired business.

Segment profit decreased to $52.3 million in the Fiscal 2015 Nine Months compared to $56.5 million in the Fiscal 2014 Nine Months. Segment profitability as a percentage of net sales in the Fiscal 2015 Nine Months decreased to 9.7% from 12.8% in the Fiscal 2014 Nine Months. The decreases in segment profit and segment profitability as a percent of net sales were driven by the factors discussed above for the Fiscal 2015 Quarter.

Segment Adjusted EBITDA in the Fiscal 2015 Quarter increased to $38.4 million from $30.7 million in the Fiscal 2014 Quarter. The increase in Segment Adjusted EBITDA was primarily due a combined increase of $7.5 million from the Salix and European IAMS and Eukanuba acquisitions tempered by the factors discussed above for the decrease in segment profit for the Fiscal 2015 Quarter. Segment Adjusted EBITDA in the Fiscal 2015 Nine Months increased to $82.4 million from $79.6 million in the Fiscal 2014 Nine Months. The increase in segment Adjusted EBITDA was driven by the combined increase in Adjusted EBITDA of $15.2 million from the Salix and European IAMS and Eukanuba acquisitions, which was more than offset by the factors that drove the decrease in segment profit discussed above.

Segment assets at June 28, 2015 increased to $1,156.4 million from $890.4 million at September 30, 2014. The increase in segment assets was primarily attributable to the acquisitions of Salix and European IAMS and Eukanuba during the Fiscal 2015 Nine Months. Goodwill and intangible assets increased to $797.2 million at June 28, 2015 from $668.7 million at September 30, 2014.

See Note 13, Acquisitions, to our Condensed Consolidated Financial Statements (Unaudited) included elsewhere in this prospectus for additional information regarding our Acquisitions.

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Home and Garden

	Fiscal Quarter 2015	Fiscal Quarter 2014	Fiscal Nine Months 2015	Fiscal Nine Months 2014
	(in millions)			
Net sales to external customers	$ 202.3	$ 174.6	$ 365.7	$ 322.9
Segment profit	$ 59.3	$ 48.4	$ 90.4	$ 70.2
Segment profit as a % of net sales	29.3%	27.7%	24.7%	21.7%
Segment Adjusted EBITDA	$ 62.4	$ 51.6	$ 100.0	$ 79.6
Assets as of June 28, 2015 and September 30, 2014	$ 594.8	$ 526.6	$ 594.8	$ 526.6

Home and Garden net sales to external customers are discussed within the Product line net sales by segment discussion above.

Segment profitability in the Fiscal 2015 Quarter increased to $59.3 million from $48.4 million in the Fiscal 2014 Quarter. Segment profitability as a percentage of net sales in the Fiscal 2015 Quarter increased to 29.3% from 27.7% last year. The increase in segment profit and segment profitability as a percentage of net sales is attributable to the increase in net sales to external customers as discussed within Product line net sales by segment above, coupled with product cost improvements initiatives.

Segment profitability in the Fiscal 2015 Nine Months increased to $90.4 million from $70.2 million in the Fiscal 2014 Nine Months, driven by increased sales in the Fiscal 2015 Nine Months from Liquid Fence acquisition that closed in the second quarter of Fiscal 2014, and product cost improvements. Segment profitability as a percentage of net sales in the Fiscal 2015 Nine Months increased to 24.7%, from 21.7% in the Fiscal 2014 Nine Months due to factors discussed for the increase in segment profit.

Segment Adjusted EBITDA in the Fiscal 2015 Quarter increased to $62.4 million from $51.6 million in the Fiscal 2014 Quarter. Segment Adjusted EBITDA in the Fiscal 2015 Nine Months increased to $100.0 million from $79.6 million in the Fiscal 2014 Nine Months. The increases in segment Adjusted EBITDA for both periods were driven by the factors discussed above for the increase in segment profit and segment profitability.

Segment assets at June 28, 2015 increased to $594.8 million from $526.6 million at September 30, 2014. The increase in segment assets was driven by normal seasonal increases in inventory in preparation of our major selling season. Goodwill and intangible assets decreased to $441.2 million at June 28, 2015 from $449.2 million at September 30, 2014, due to amortization of definite lived intangible assets.

Global Auto Care

	Fiscal Quarter 2015	Fiscal Nine Months 2015
	(in millions)	
Net sales to external customers	$ 64.4	$ 64.4
Segment profit	$ 12.8	$ 12.8
Segment profit as a % of net sales	19.9%	19.9%
Segment Adjusted EBITDA	$ 19.2	$ 19.2

Assets as of June 28, 2015	$ 1,658.4	$ 1,658.4

Results of the AAG business, reported as a separate business segment, Global Auto Care, relate to operations subsequent to the acquisition date, May 21, 2015.

Global Auto Care net sales to external customers are discussed within the Product line net sales by segment discussion above.

Corporate Expense. Our corporate expense was $23.7 million in the Fiscal 2015 Quarter compared to $15.4 million in the Fiscal 2014 Quarter. The $8.3 million increase in corporate expense is primarily attributable to an increase of $6.0 million in stock compensation expense coupled with a $2.1 million expense related to a transition and retention agreement entered into with a key executive. Corporate expense as a percentage of consolidated net sales increased to 1.9% in the Fiscal 2015 Quarter compared to 1.4% in the Fiscal 2014 Quarter based on the factors discussed above.

Our corporate expense was $55.2 million in the Fiscal 2015 Nine Months compared to $44.0 million in the Fiscal 2014 Nine Months, and corporate expense as a percentage of consolidated net sales increased to 1.6% in the Fiscal 2015 Nine Months compared to 1.4% in the Fiscal 2014 Nine Months. The increase in corporate expense and corporate expense as a percentage of net sales is primarily attributable to the factors discussed above for the Fiscal 2015 Quarter.

Acquisition and Integration Related Charges. Acquisition and integration related charges include, but are not limited to, transaction costs such as banking, legal and accounting professional fees directly related to acquisitions, termination and related costs for transitional and certain other employees, integration related professional fees and other post business combination related expenses associated with our acquisitions. See Note 2, Significant Accounting Policies Acquisition and Integration Related Charges to our Condensed Consolidated Financial Statements (Unaudited) included elsewhere in this prospectus for further detail regarding our Acquisition and integration related charges.

Restructuring and Related Charges. See Note 12, Restructuring and Related Charges to our Condensed Consolidated Financial Statements (Unaudited) included elsewhere in this prospectus for information regarding our restructuring and related charges.

Interest Expense. On May 20, 2015, in connection with the acquisition of AAG, we issued $1,000.0 million aggregate principal amount of 5.75% unsecured notes due 2025 (the 5.75% Notes). On June 23, 2015, we (i) entered into Term Loan facilities pursuant to a senior credit agreement (the Senior Credit Agreement) which consist of a $1,450.0 million U.S. dollar denominated term loan facility due June 23, 2022 (the U.S. USD Term Loan), a CAD$75.0 million Canadian dollar denominated term loan facility due June 23, 2022 (the CAD Term Loan) and a 300.0 million Euro denominated term loan facility due June 23, 2022 (the Euro Term Loan) (together, the Term Loan) and (ii) entered into a $500.0 million cash flow revolving credit facility due June 23, 2022 pursuant to the Senior Credit Agreement (the Revolver Facility). The proceeds from the Term Loan facilities and draws on the Revolver Facility were used to repay our then-existing senior term credit facility (the Prior Term Loan), repay our outstanding 6.75% senior unsecured notes due 2020 (the 6.75% Notes), repay and replace our then-existing asset based revolving loan facility (the Prior Revolver Facility), and to pay fees and expenses in connection with the refinancing and for general corporate purposes.

Interest expense in the Fiscal 2015 Quarter was $112.9 million compared to $47.3 million in the Fiscal 2014 Quarter. The $65.6 million increase in interest expense in the Fiscal 2015 Quarter was driven primarily by $58.8 million of one-time costs incurred related to the financing of the acquisition of AAG and the refinancing of our debt structure discussed above and additional interest expense on debt issued in conjunction with the acquisitions of Tell, European IAMS and Eukanuba and Salix in the first half of Fiscal 2015. Interest expense incurred in conjunction with the AAG Acquisition included $14.1 million of costs related to bridge financing commitments and $4.5 million of costs related to interest on the acquired AAG senior notes from the date of the acquisition through the time of payoff in June 2015.

Expenses related to the refinancing of the Term Loan, Revolver Facility and redemption of the 6.75% Notes included: (i) $16.9 million of cash costs related to the call premium and pre-paid interest on the 6.75% Notes; (ii) $4.1 million of non-cash costs for the write off of unamortized deferred financing fees on the 6.75% Notes; (iii) $10.4 million of cash costs related to fees associated with the refinancing of the Term Loan; and (iv) $8.8 million of non-cash costs for the write off of unamortized deferred financing fees and original issue discount on the Prior Term Loan and Prior Revolver Facility. See Note 6, Debt, to our Condensed Consolidated Financial Statements (Unaudited) included elsewhere in this prospectus for additional information regarding our outstanding debt.

Interest expense in the Fiscal 2015 Nine Months was $206.5 million compared to $151.7 million in the Fiscal 2014 Nine Months. The $54.8 million increase in interest expense in the Fiscal 2015 Nine Months is primarily driven by the $58.8 million of one-time costs incurred in the Fiscal 2015 Quarter described above and the previously discussed debt incurred to finance acquisitions during the first half of Fiscal 2015. See Note 6, Debt, to our Condensed Consolidated Financial Statements (Unaudited) included elsewhere in this prospectus for additional information regarding our outstanding debt.

Income Taxes. Our effective tax rates for the Fiscal 2015 Quarter and the Fiscal 2015 Nine Months were (104%) and 4%, respectively. Our effective tax rate for both the Fiscal 2014 Quarter and the Fiscal 2014 Nine Months was 21%. Our effective tax rates differ from the U.S. federal statutory rate of 35% principally due to (i) income earned outside the U.S. that is subject to statutory rates lower than 35%, (ii) the release of valuation allowance on U.S. net operating loss deferred tax assets offsetting tax expense on both U.S. pretax income and foreign income not permanently reinvested, and (iii) deferred income tax expense related to the change in book versus tax basis of indefinite-lived intangibles, which are amortized for tax purposes but not for book purposes. Additionally, we recorded a tax benefit of $31.4 million for both the Fiscal 2015 Quarter and the Fiscal 2015 Nine Months from the reversal of a portion of the U.S. valuation allowance on deferred tax assets as a result of the AAG Acquisition. For the Fiscal 2015 Nine Months, we recorded a tax charge of $3.6 million to establish a valuation allowance against certain deferred tax assets related to our Brazil operations, since it is more likely than not that we will not obtain tax benefits from these assets. For the Fiscal 2014 Quarter and the Fiscal 2014 Nine Months, the tax rate was reduced due to a favorable Mexican tax law change.

We are not treating current and certain prior year earnings as permanently reinvested, except for jurisdictions where repatriation is either precluded or restricted by law. Due to the valuation allowance recorded against U.S. net deferred tax assets, including net operating loss carryforwards, we do not recognize any incremental U.S. tax expense on the expected future repatriation of foreign earnings. Should the U.S. valuation allowance be released at some future date, the recording of U.S. tax on foreign earnings not considered permanently reinvested might have a material effect on our effective tax rate. By the end of our fiscal year ending September 30, 2015, we expect to record approximately $2.6 million of additional tax liability from non-U.S. withholding and other taxes expected to be incurred on repatriation of foreign earnings, and also expect to record $16.7 million of U.S. tax on future repatriation that would be offset by operating losses.

During our fiscal year ending September 30, 2014, we earned domestic pretax book income after having generated significant domestic book and tax losses since our fiscal year ended September 30, 1997. We generated a domestic tax loss during the Fiscal 2015 Quarter and the Fiscal 2015 Nine Months. Should we generate domestic pretax profits in the near-term, there is a reasonable possibility that some or most of the domestic valuation allowance could be released, which could result in a material tax benefit. We estimate that $123.4 million of valuation allowance related to domestic deferred tax assets cannot be released regardless of the amount of domestic income generated due to prior period ownership changes that limit the amount of NOLs we can use. Additionally, we expect that $5.1 million of valuation allowance corresponding to capital losses created by the sale of the Fanal business in the Fiscal 2015 Quarter cannot be released because we do not expect to generate sufficient capital gains in the carryforward period.

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Fiscal Year Ended September 30, 2014 Compared to Fiscal Year Ended September 30, 2013

Highlights of Consolidated Operating Results

Net Sales. Net sales for Fiscal 2014 increased $343 million to $4,429 million from $4,086 million in Fiscal 2013, an 8% increase. The following table details the principal components of the change in net sales from Fiscal 2013 to Fiscal 2014 (in millions):

	Net Sales
Fiscal 2013 Net Sales	$ 4,086
Increase in hardware and home improvement products	296
Increase in home and garden products	42
Increase in consumer batteries	28
Increase in electric personal care products	10
Increase in electric shaving and grooming products	2
Decrease in small appliances	(4)
Decrease in pet supplies	(23)
Foreign currency impact, net	(8)
Fiscal 2014 Net Sales	$ 4,429

Consolidated product line net sales by segment for Fiscal 2014 and Fiscal 2013 were as follows (in millions):

	Fiscal Year 2014	Fiscal Year 2013
Product line net sales by segment		
Global batteries and appliances		
Consumer batteries	$ 958	$ 932
Small appliances	731	740
Electric shaving and grooming products	278	277
Electric personal care products	264	255
Total Global batteries and appliances	$ 2,231	$ 2,204
Hardware and home improvement	1,166	870
Global pet supplies	600	622
Home and garden	432	390
Total net sales to external customers	$ 4,429	$ 4,086

Global consumer battery sales increased $26 million, or 3%, during Fiscal 2014 compared to Fiscal 2013. Excluding the impact of negative foreign exchange of $2 million, global consumer battery sales increased $28 million. The constant currency increase in global consumer battery sales was attributable to increases in European and Latin American consumer battery sales of $24 million and $10 million, respectively, partially offset by a decrease in North American consumer battery sales of $6 million. The increase in European and Latin American sales were a result of retailer distribution gains, new customers and products, successful promotion activities and geographic expansion. The decrease in North America was primarily driven by the non-recurrence of approximately $10 million of flashlight sales in North America related to storm activity in the first quarter of Fiscal 2013.

Small appliance sales decreased $9 million, or 1%, during Fiscal 2014 versus Fiscal 2013. Excluding the negative foreign exchange impact of $5 million, small appliances decreased $4 million. Excluding foreign exchange impacts, North American sales declined $20 million, which was tempered by gains in Europe and Latin America of $13 million and $2 million, respectively. The North American sales declines were due to our exit of low-margin promotions in Fiscal 2014. The European and Latin American sales gains were attributable to promotions with existing retailers during Fiscal 2014, coupled with innovative new product launches.

Electric shaving and grooming product sales increased $1 million, or 1%, during Fiscal 2014 compared to Fiscal 2013. Excluding the impact of negative foreign exchange of $1 million, electric shaving and grooming product sales increased $2 million. The constant currency increase was attributable to European and Latin American sales gains of $5 million and $1 million, respectively, offset by a $4 million decline in North American sales. The gains in Europe and Latin America were due to innovative new product launches, promotional activities and expansion into new channels. The decrease in North America was due to the non-recurrence of promotions during the first quarter of Fiscal 2013 and customer inventory management.

Electric personal care sales increased $9 million, or 4%, in Fiscal 2014 versus Fiscal 2013. Geographically, excluding the impact of negative foreign exchange of $1 million, sales increased $5 million in Latin America, $3 million in Europe and $2 million in North America. Latin American sales gains were attributable to volume expansion in Colombia, successful hair care accessories product launches throughout Central America, distribution gains in Brazil and increased promotional activities. The increase in both European and North American sales was driven by innovative new products and successful promotions.

Hardware and home improvement sales increased $296 million, or 34%, during Fiscal 2014 compared to Fiscal 2013. On a proforma basis, as if the acquisition of the HHI Business had occurred at the beginning of the Fiscal 2013, hardware and home improvement sales increased $104 million, or 10%, to $1,166 million in Fiscal 2014 versus $1,062 million in Fiscal 2013. This increase was attributable to the residential security category which accounted for $91 million of the increase due to strong retail positioning in North America coupled with the continued recovery of the U.S. housing market. The plumbing category increased $17 million while the hardware product category decreased $2 million. The plumbing product category increased due to growth in the U.S. from both retail and non-retail channels. Also contributing to the Fiscal 2014 sales increase were sales related to the Tong Lung Metal Industry Co. Ltd., a Taiwan Corporation (the TLM Business), as prior year results did not include the TLM Business until April 8, 2013.

Global pet supplies sales decreased $22 million, or 4%, during Fiscal 2014 versus Fiscal 2013, which included a positive foreign currency exchange impact of $1 million. Excluding foreign exchange impacts, aquatic sales and companion animal sales decreased $19 million and $4 million, respectively. The decline in aquatic sales was driven by lower kit and equipment sales in North America and lower aquatic food sales internationally coupled with a one-time negative impact from product registration issues in Russia during the third and fourth quarter of Fiscal 2014. The decline in companion animal sales was driven by adverse weather in North America, which negatively affected retail store traffic during the second quarter of Fiscal 2014, and the non-recurrence of companion animal promotions that took place during the first quarter of Fiscal 2013.

Home and garden product sales increased $42 million, or 11%, in Fiscal 2014 versus Fiscal 2013. The sales gains were attributable to increases in repellent product sales and lawn and garden control sales of $23 million and $20 million, respectively. The repellent product sales increase was driven by market share gains, the extended selling season due to favorable weather and a $13 million increase due to the acquisition of The Liquid Fence Company, Inc. (Liquid Fence) on January 2, 2014. The increase in lawn and garden control sales was primarily driven by distribution gains at key retailers and the extended selling season discussed above. These gains were partially offset by a slight decline in household insect control sales of $1 million.

Gross Profit. Gross profit and gross profit margin for Fiscal 2014 was $1,569 million and 35.4% versus $1,390 million and 34.0%, respectively, for Fiscal 2013. The increase in gross profit and improvement in gross profit margin was primarily attributable to an increase in sales, particularly the shift towards higher margin sales, and continuing cost improvements. In addition, the increase in gross profit margin was driven by the non-recurrence of a $31 million increase to cost of goods sold due to the sale of inventory during Fiscal 2013 that was revalued in connection with the acquisition of the HHI Business.

Operating Expenses. Operating expenses for Fiscal 2014 totaled $1,084 million compared to $1,037 million for Fiscal 2013. The $47 million increase in operating expenses during Fiscal 2014 is primarily attributable to an

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increase of $76 million in Selling and General and administrative expenses as a result of increased sales partially offset by a $28 million decrease in Acquisition and integration related charges as a result of the HHI Business acquisition in Fiscal 2013.

See Note 2(u), Significant Accounting Policies and Practices Acquisition and Integration Related Charges, to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding our Acquisition and integration charges.

Segment Results. As discussed above, we manage our business in four reportable segments: (i) Global Batteries & Appliances; (ii) Global Pet Supplies; (iii) Home and Garden Business; and (iv) Hardware & Home Improvement.

The operating segment profits do not include restructuring and related charges, acquisition and integration related charges, interest expense, interest income and income tax expense. Corporate expenses primarily include general and administrative expenses and global long-term incentive compensation plans which are evaluated on a consolidated basis and not allocated to our operating segments. All depreciation and amortization included in income from operations is related to operating segments or corporate expense. Costs are allocated to operating segments or corporate expense according to the function of each cost center.

Financial information pertaining to our reportable segments is contained in Note 11, Segment Information, to our audited Consolidated Financial Statements included elsewhere in this prospectus.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (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, since 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 our debt covenant compliance. Adjusted EBITDA excludes certain items that are unusual in nature or not comparable from period to period. While we believe that Adjusted EBITDA is useful supplemental information, such adjusted results are not intended to replace our U.S. Generally Accepted Accounting Principles (GAAP) financial results and should be read in conjunction with those GAAP results.

Below are reconciliations of GAAP Net income, as adjusted, to Adjusted Earnings Before Interest and Taxes (Adjusted EBIT) and to Adjusted EBITDA for each segment and for Consolidated SB/RH Holdings for Fiscal 2014 and Fiscal 2013:

Fiscal 2014	**Global Batteries & Appliances**	**Global Pet Supplies**	**Home and Garden**	**Hardware & Home Improvement**	**Corporate / Unallocated Items[(a)]**	**Consolidated SB/RH Holdings**
				(in millions)		
Net income (loss), as adjusted[(a)]	$ 235	$ 79	$ 88	$ 157	$ (342)	$ 217
Income tax expense					59	59
Interest expense					202	202
Acquisition and integration related charges	8		1	4	7	20
Restructuring and related charges	11	3		8	1	23

Other[b]									1		1
Adjusted EBIT	$ 254	$	82	$	89	$	169	$	(72)	$	522
Depreciation and amortization[c]	73		31		13		40		46		203
Adjusted EBITDA	$ 327	$	113	$	102	$	209	$	(26)	$	725

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Fiscal 2013	Global Batteries & Appliances	Global Pet Supplies	Home and Garden	Hardware & Home Improvement	Corporate / Unallocated Items[(a)]	Consolidated SB/RH Holdings
			(in millions)			
Net income (loss), as adjusted[(a)]	$ 214	$ 77	$ 78	$ 75	$ (491)	$ (47)
Pre-acquisition earnings of HHI[(d)]				30		30
Income tax expense					27	27
Interest expense					370	370
Acquisition and integration related charges	6	2		7	33	48
Restructuring and related charges	15	11	1	6	1	34
HHI Business inventory fair value adjustment				31		31
Venezuela devaluation	2					2
Adjusted EBIT	$ 237	$ 90	$ 79	$ 149	$ (60)	$ 495
Depreciation and amortization[(c)]	67	30	11	32	43	183
Adjusted EBITDA	$ 304	$ 120	$ 90	$ 181	$ (17)	$ 678

(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 and are presented within Corporate / Unallocated Items.

(b) Included in other are costs associated with onboarding for a key executive.

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

(d) The Pre-acquisition earnings of HHI do not include the TLM Taiwan business as stand alone financial data is not available for the periods presented. The TLM Taiwan business is not deemed material to the Company s operating results.

Global Batteries & Appliances

	Fiscal Year 2014	Fiscal Year 2013
Net sales to external customers	$ 2,231	$ 2,204
Segment profit	$ 257	$ 238
Segment profit as a % of net sales	11.5%	10.8%
Segment Adjusted EBITDA	$ 327	$ 304
Assets as of September 30	$ 2,152	$ 2,361

Global Batteries and Appliances net sales to external customers are discussed in the Product line net sales by segment discussion above.

Segment profit in Fiscal 2014 increased to $257 million from $238 million in Fiscal 2013. Segment profitability as a percentage of net sales increased slightly to 11.5% in Fiscal 2014 versus 10.8% in Fiscal 2013. The increase in segment profit and segment profitably as a percentage of net sales were primarily attributable to increased sales and cost improvements, which were partially offset by unfavorable product mix and pricing pressures in the U.S. and Europe.

Segment Adjusted EBITDA in Fiscal 2014 increased to $327 million from $304 million in Fiscal 2013. The increase in segment Adjusted EBITDA was driven by the factors discussed above.

Segment assets at September 30, 2014 decreased to $2,152 million from $2,361 million at September 30, 2013. The decrease in segment assets of $209 million is primarily due to the transfer of $147 million in cash and cash equivalents from our Global Batteries and Appliances segment to Corporate, coupled with a decrease of $49 million in intangible assets. Goodwill and intangible assets, which are substantially the result of the revaluation impacts of fresh-start reporting during Fiscal 2009 and acquisitions, decreased to $1,272 million at September 30, 2014 from $1,322 million at September 30, 2013 due to amortization of intangible assets, coupled with negative foreign exchange impacts.

Hardware & Home Improvement

	Fiscal Year	
	2014	2013
Net sales to external customers	$ 1,166	$ 870
Segment profit	$ 172	$ 89
Segment profit as a % of net sales	14.8%	10.2%
Segment Adjusted EBITDA	$ 209	$ 181
Assets as of September 30	$ 1,629	$ 1,736

Results of the HHI Business, reported in the Hardware & Home Improvement segment, relate to operations subsequent to the acquisition date of December 17, 2012. A portion of the HHI Business, consisting of the TLM Business, is included in the results of the Hardware and Home Improvement segment subsequent to its acquisition on April 8, 2013.

Hardware and home improvement net sales to external customers are discussed in the Product line net sales by segment discussion above.

Segment profit increased $83 million to $172 million in Fiscal 2014 compared to $89 million Fiscal 2013. Segment profitability as a percentage of net sales was 14.8% in Fiscal 2014 and 10.2% in Fiscal 2013. The increase in segment profit was primarily driven by the inclusion of the HHI Business for the entire Fiscal 2014. Furthermore, the increase in segment profit and segment profit as a percentage of net sales was driven by the increase in sales and cost improvements, coupled with the non-recurrence of a $31 million increase to cost of goods sold in Fiscal 2013 which related to the sale of inventory revalued in connection with the acquisition.

Segment Adjusted EBITDA was $209 million in Fiscal 2014 compared to $181 million in Fiscal 2013. The increase in Segment Adjusted EBITDA were driven by the increased sales, cost improvements and other factors discussed above.

Segment assets at September 30, 2014 decreased to $1,629 million from $1,736 million at September 30, 2013. The decrease of $107 million is primarily due to the transfer of $35 million in cash and cash equivalents from our Hardware and Home Improvement segment to Corporate, coupled with a decrease in intangible assets and property, plant and equipment of $21 million and $14 million, respectively, principally due to depreciation and amortization recognized in Fiscal 2014.

Global Pet Supplies

	Fiscal Year	
	2014	2013
Net sales to external customers	$ 600	$ 622
Segment profit	$ 82	$ 91

Segment profit as a % of net sales	13.7%	14.6%
Segment Adjusted EBITDA	$ 113	$ 120
Assets as of September 30	$ 890	$ 949

Global Pet Supply net sales to external customers are discussed in the Product line net sales by segment discussion above.

Segment profit decreased $9 million to $82 million in Fiscal 2014 compared to $91 million in Fiscal 2013 and segment profitability as a percentage of net sales in Fiscal 2014 decreased to 13.7%, compared to 14.6% in Fiscal 2013. The decrease in segment profit and profitability as a percentage of net sales were primarily driven by decreased sales and unfavorable product mix in Fiscal 2014 as compared to Fiscal 2013, which was partially offset by cost improvements in manufacturing and sourcing.

Segment Adjusted EBITDA in Fiscal 2014 decreased $7 million to $113 million from $120 million in Fiscal 2013. The decrease in Adjusted EBITDA was driven by the factors discussed above for segment profit.

Segment assets at September 30, 2014 decreased to $890 million from $949 million at September 30, 2013. The decrease in segment assets was primarily driven by a $13 million transfer of cash and cash equivalents from our Global Pet Supplies segment to Corporate, coupled with a $32 million decrease in goodwill and intangible assets. Goodwill and intangible assets, which are substantially the result of the revaluation impacts of fresh-start reporting during Fiscal 2009 and acquisitions, decreased to $669 million at September 30, 2014 from $701 million at September 30, 2013 due to amortization of intangible assets coupled with negative foreign exchange impacts.

Home and Garden Business

	Fiscal Year	
	2014	**2013**
Net sales to external customers	$ 432	$ 390
Segment profit	$ 89	$ 78
Segment profit as a % of net sales	20.6%	20.1%
Segment Adjusted EBITDA	$ 102	$ 90
Assets as of September 30	$ 527	$ 501

Home and Garden net sales to external customers are discussed in the Product line net sales by segment discussion above.

Segment profitability in Fiscal 2014 increased $11 million to $89 million from $78 million in Fiscal 2013, driven by increased sales in Fiscal 2014 and the acquisition of Liquid Fence. Segment profitability as a percentage of net sales in Fiscal 2014 increased to 20.6% from 20.1% in Fiscal 2013.

Segment Adjusted EBITDA increased $12 million to $102 million in Fiscal 2014 compared to segment Adjusted EBITDA of $90 million in Fiscal 2013 driven by the increase in net sales coupled with cost and operating expense improvements.

Segment assets at September 30, 2014 increased to $527 million from $501 million at September 30, 2013. The increased in segment assets was primarily driven by a $23 million increase in goodwill and intangible assets due to the acquisition of Liquid Fence. Goodwill and intangible assets, which are substantially a result of the revaluation impacts of fresh-start reporting during Fiscal 2009 and acquisitions, increased to $449 million at September 30, 2014, from $426 million at September 30, 2013.

See Note 15, Acquisitions to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding the Liquid Fence acquisition.

Corporate Expense. Our corporate expense was $73 million in Fiscal 2014 compared to $60 million in Fiscal 2013. The increase in corporate expense is primarily attributable to an increase of $5 million related to corporate support of the HHI business and other initiatives coupled with an increase in stock based compensation of $2 million and onboarding costs for a key executive. Corporate expense as a percentage of consolidated net sales for Fiscal 2014 increased slightly to 1.6% versus 1.5% for Fiscal 2013 due to the factors discussed above.

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Acquisition and Integration Related Charges. Acquisition and integration related charges include, but are not limited to, transaction costs such as banking, legal and accounting professional fees directly related to acquisitions, termination and related costs for transitional and certain other employees, integration related professional fees and other post business combination related expenses associated with our acquisitions. See Note 2(u), Significant Accounting Policies and Practices Acquisition and Integration Related Charges, to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding our Acquisition and integration related charges.

Restructuring and Related Charges. See Note 14, Restructuring and Related Charges, to our audited Consolidated Financial Statements included elsewhere in this prospectus for information regarding our Restructuring and related charges.

Interest Expense. Interest expense in Fiscal 2014 was $202 million compared to $370 million in Fiscal 2013. The decrease in interest expense in Fiscal 2014 of $174 million is primarily due to a non-recurrence of $122 million of costs related to extinguishment of our 9.5% Notes in Fiscal 2013 coupled with ongoing interest cost savings of $56 million from the refinancing of those notes. The decrease in interest expense is also due to a non-recurrence of $29 million in costs and expenses related to the acquisition financing for the HHI Business in Fiscal 2013. These savings were partially offset by $11 million in costs related to the refinancing of our Term Loan Facility in Fiscal 2014, consisting of the write off of unamortized deferred financing fees and original issue discount, and the inclusion of a full year of interest related to the HHI Business financing in Fiscal 2014 versus a partial period in Fiscal 2013. See Note 6, Debt, to our audited Consolidated Financial Statements included elsewhere in this prospectus.

Income Taxes. In Fiscal 2014, we recorded income tax expense of $59 million on pretax income from continuing operations of $276 million, and in Fiscal 2013, we recorded income tax expense of $27 million on a pretax loss from continuing operations of $20 million. Our effective tax rate on income from continuing operations was approximately 21% for Fiscal 2014. Our effective tax rate on our loss from continuing operations was approximately (136)% for Fiscal 2013. During Fiscal 2014, our effective tax rate differs from the U.S. federal statutory rate of 35% principally due to income earned outside the U.S. that is subject to statutory rates lower than 35%. During Fiscal 2013, our effective tax rate differed from the U.S. federal statutory rate of 35% principally due to: (i) losses in the U.S. and certain foreign jurisdictions for which no tax benefit can be recognized due to full valuation allowances that have been provided on our net operating loss carryforward tax benefits and other deferred tax assets; (ii) deferred income tax expense related to the change in book versus tax basis of indefinite lived intangibles, which are amortized for tax purposes but not for book purposes and (iii) the reversal of U.S. valuation allowances of $50 million on deferred tax assets as a result of the acquisition of the HHI Business. Additionally, in Fiscal 2013, the consolidated pretax income was close to break even, resulting in a higher effective tax rate as this rate is calculated by dividing tax expense into pretax income (loss) from continuing operations.

As of September 30, 2014, we have provided residual taxes on approximately $3 million of earnings not yet taxed in the U.S. Due to the valuation allowance recorded against U.S. net deferred tax assets, including net operating loss carryforwards (NOLs), we do not recognize any incremental U.S. tax expense on the expected future repatriation of foreign earnings. Should the U.S. valuation allowance be released at some future date, the U.S. tax on future foreign earnings not considered to be permanently reinvested might have a material effect on our effective tax rate. As of September 30, 2014, we project approximately $2 million of additional tax expense from non-U.S. withholding and other taxes expected to be incurred on repatriation of foreign earnings.

As of September 30, 2014, we have U.S. federal NOLs of approximately $1,084 million, with a federal tax benefit of $380 million and future tax benefits related to state NOLs of $70 million. We also have foreign NOLs of approximately $106 million. During Fiscal 2014, we used approximately $302 million of U.S. NOLs, including $179 million from one-time internal restructuring and external debt refinancing activities.

The realization of our deferred tax assets depends on our ability to generate sufficient taxable income of the appropriate character in future periods and in the appropriate taxing jurisdictions. We establish valuation allowances for deferred tax assets when we estimate it is more likely than not that the tax assets will not be realized. We base these estimates on projections of future income, including tax planning strategies, in certain jurisdictions. Changes in industry conditions and other economic conditions may impact our ability to project future income. Accounting Standards Codification (ASC) Topic 740: Income Taxes (ASC 740) requires the establishment of a valuation allowance when it is more likely than not that some portion or all of the deferred tax assets will not be realized. In accordance with ASC 740, we periodically assess the likelihood that our deferred tax assets will be realized and determine if adjustments to the valuation allowance are required.

Our total valuation allowance for the tax benefit of deferred tax assets that may not be realized is approximately $327 million at September 30, 2014. Of this amount, approximately $293 million relates to U.S. net deferred tax assets and approximately $34 million relates to foreign net deferred tax assets.

For Fiscal 2014, we generated domestic pretax profits of $83 million. Should we continue to generate domestic pretax profits in subsequent periods, there is a reasonable possibility that some or most of the domestic valuation allowance of $293 million could be released at some future date, which could result in a material tax benefit. We estimate that $122 million of valuation allowance related to domestic deferred tax assets cannot be released regardless of the amount of domestic income generated due to prior period ownership changes that limit the amount of NOLs we can use.

ASC 740, which clarifies the accounting for uncertainty in tax positions, requires that we recognize the impact of a tax position if that position is more likely than not to be sustained on audit based on the technical merits of the position. As of September 30, 2014 and September 30, 2013, the total amount of unrecognized tax benefits that, if recognized, would affect the effective income tax rate in future periods was $12 million and $14 million, respectively.

See Note 9, Income Taxes, to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding income taxes.

Fiscal Year Ended September 30, 2013 Compared to Fiscal Year Ended September 30, 2012

Highlights of Consolidated Operating Results

Net Sales. Net sales for Fiscal 2013 increased $834 million to $4,086 million from $3,252 million in Fiscal 2012, a 26% increase. The following table details the principal components of the change in net sales from Fiscal 2012 to Fiscal 2013 (in millions):

	Net Sales
Fiscal 2012 Net Sales	$ 3,252
Addition of hardware and home improvement products	870
Increase in pet supplies	12
Increase in electric personal care products	5
Increase in home and garden products	3
Decrease in electric shaving and grooming products	(1)
Decrease in consumer batteries	(9)
Decrease in small appliances	(27)

Foreign currency impact, net		(19)
Fiscal 2013 Net Sales	$	4,086

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Consolidated net sales by product line for Fiscal 2013 and Fiscal 2012 are as follows (in millions):

	Fiscal Year	
	2013	2012
Product line net sales by segment		
Global batteries and appliances		
Consumer batteries	$ 932	$ 949
Small appliances	740	772
Electric shaving and grooming products	277	279
Electric personal care products	255	250
Total Global batteries and appliances	$ 2,204	$ 2,250
Hardware and home improvement products	870	
Global pet supplies	622	615
Home and garden	390	387
Total net sales to external customers	$ 4,086	$ 3,252

Global consumer battery sales decreased $17 million, or 2%, during Fiscal 2013 compared to Fiscal 2012. Excluding the impact of negative foreign exchange of $8 million, global consumer battery sales decreased $9 million. The constant currency decrease in global consumer battery sales was primarily attributable to the non-recurrence of promotions, timing of holiday shipments and inventory management at key customers, tempered by new customer listings and expansion into new channels.

Small appliance sales decreased $32 million, or 4%, during Fiscal 2013 versus Fiscal 2012, primarily attributable to declines in North American sales of $45 million and negative foreign exchange impacts of $4 million, partially offset by a $17 million increase in European small appliance sales. The North American sales declines resulted from the planned exit of certain low margin products. Strong small appliances sales in Europe were driven by market share gains in the United Kingdom, regional expansion in both Eastern and Western Europe and successful new product introductions.

Electric shaving and grooming product sales decreased $2 million, or 1%, during Fiscal 2013 compared to Fiscal 2012, attributable to an $11 million decline in North American sales and $1 million of negative foreign currency impacts, partially offset by an increase of $10 million in European sales and a slight increase in Latin American sales. North American sales declined as a result of labor disruptions at U.S. ports of entry during the peak holiday period in Fiscal 2013, coupled with decreased retail space available for the product category at a major retailer and customer inventory management. European sales gains were driven by successful new product launches and promotions, market growth, increased distribution and customer gains. The gain in Latin American sales was driven by expansion in Brazil due to successful new product launches and distribution gains, tempered by lower sales to customers who export to Venezuela and import restrictions in Argentina.

Electric personal care sales increased $5 million, or 2%, in Fiscal 2013 versus Fiscal 2012, resulting from a sales increase of $8 million in Europe, driven by new innovative products, coupled with additional distribution channels and customer gains. The gains were tempered by a $3 million decline in Latin American sales, resulting from decreased promotions and lower sales to customers who export to Venezuela, partially offset by distribution gains in Brazil and Central America.

Hardware and home improvement sales were $870 million for Fiscal 2013, reflecting the results of the HHI Business subsequent to the acquisition on December 17, 2012. Pro forma net sales for Fiscal 2013 and Fiscal 2012 as if the acquisition had occurred at the beginning of both periods were $1,062 million and $974 million, respectively. The Fiscal 2013 sales growth was driven by double-digit improvements in the HHI Business U.S. residential security and plumbing categories due to the housing market recovery. The results of TLM Taiwan are included in the results of hardware and home improvement sales subsequent to its acquisition on April 8, 2013.

Global pet supplies sales increased $7 million, or 1%, during Fiscal 2013 versus Fiscal 2012, driven by increased companion animal sales of $16 million, tempered by a $4 million decline in aquatics sales and $5 million of negative foreign currency impacts. Gains in companion animal sales resulted from strong growth in the Dingo and FURminator brands, expansion in Europe, new product launches and the inclusion of FURminator sales during all of Fiscal 2013 as the acquisition was completed on December 22, 2011. The decline in aquatic sales was primarily due to a decline in tropical food and outdoor pond product sales in Europe as a result of a later arrival of the spring season due to cooler temperatures.

Home and garden product sales increased $3 million, or 1%, in Fiscal 2013 versus Fiscal 2012, driven by a $4 million increase in lawn and garden control sales resulting from an extension to the season due to favorable fall weather, combined with reduced returns and more efficient trade spending. The negative impact on household insect control sales due to a late spring season was offset by increased year over year fourth quarter sales driven by the extension of the season due to favorable fall weather and gains in the first quarter of Fiscal 2013 from new retail distribution. Also contributing to the sales gains was the inclusion of Black Flag sales during all of Fiscal 2013, as the acquisition was completed on October 31, 2011, and retail replenishment following strong retail sales in the fourth quarter of Fiscal 2012.

Gross Profit. Gross profit for Fiscal 2013 was $1,390 million versus $1,116 million for Fiscal 2012. The increase in gross profit was driven by the acquisition of the HHI Business which contributed $273 million in Gross profit in Fiscal 2013. Our gross profit margin for Fiscal 2013 decreased slightly to 34.0% from 34.3% in Fiscal 2012. The slight decline in gross profit margin was driven by a $31 million increase to cost of goods sold due to the sale of inventory which was revalued in connection with the acquisition of the HHI Business, which offset improvements to gross profit resulting from the exit of low margin products in our small appliances category.

Operating Expenses. Operating expenses for Fiscal 2013 totaled $1,037 million compared to $810 million for Fiscal 2012. The $227 million increase in operating expenses during Fiscal 2013 is primarily attributable to the acquisition of the HHI Business which accounted for $190 million in operating expenses and led to a $17 million increase in Acquisition and integration related charges. Furthermore, we incurred a $14 million increase in Restructuring and related charges primarily related to the Global Expense Rationalization initiatives announced in Fiscal 2013 and an $18 million increase in stock compensation expense. These increases were tempered by $8 million in savings across all segments from our cost reduction initiatives and positive foreign exchange impacts of $4 million.

See Note 2(u), Significant Accounting Policies and Practices Acquisition and Integration Related Charges, to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding our Acquisition and integration charges.

See Note 14, Restructuring and Related Charges, to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding our Restructuring and related charges.

Segment Results. As discussed above, we manage our business in four reportable segments: (i) Global Batteries & Appliances; (ii) Global Pet Supplies; (iii) Home and Garden Business; and (iv) Hardware & Home Improvement.

The operating segment profits do not include restructuring and related charges, acquisition and integration related charges, interest expense, interest income and income tax expense. Corporate expenses primarily include general and administrative expenses and global long-term incentive compensation plans which are evaluated on a consolidated basis and not allocated to our operating segments. All depreciation and amortization included in income from operations is related to operating segments or corporate expense. Costs are allocated to operating segments or corporate expense according to the function of each cost center.

Financial information pertaining to our reportable segments is contained in Note 11, Segment Information, to our audited Consolidated Financial Statements included elsewhere in this prospectus.

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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, since 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 our debt covenant compliance. Adjusted EBITDA excludes certain items that are unusual in nature or not comparable from period to period. While we believe that Adjusted EBITDA is useful supplemental information, such adjusted results are not intended to replace our Generally Accepted Accounting Principles (GAAP) financial results and should be read in conjunction with those GAAP results.

Below are reconciliations of GAAP Net income (loss), as adjusted, to Adjusted EBIT and to Adjusted EBITDA for each segment and for Consolidated SB/RH Holdings for Fiscal 2013 and Fiscal 2012:

Fiscal 2013	Global Batteries & Appliances	Global Pet Supplies	Home and Garden	Hardware & Home Improvement	Corporate / Unallocated Items[a]	Consolidated SB/RH Holdings
			(in millions)			
Net income (loss), as adjusted[a]	$ 214	$ 77	$ 78	$ 75	$ (491)	$ (47)
Pre-acquisition earnings of HHI[b]				30		30
Income tax expense					27	27
Interest expense					370	370
Acquisition and integration related charges	6	2		7	33	48
Restructuring and related charges	15	11	1	6	1	34
HHI Business inventory fair value adjustment				31		31
Venezuela devaluation	2					2
Adjusted EBIT	$ 237	$ 90	$ 79	$ 149	$ (60)	$ 495
Depreciation and amortization[c]	67	30	11	32	43	183
Adjusted EBITDA	$ 304	$ 120	$ 90	$ 181	$ (17)	$ 678

Fiscal 2012	Global Batteries & Appliances	Global Pet Supplies	Home and Garden	Hardware & Home Improvement	Corporate / Unallocated Items[a]	Consolidated SB/RH Holdings
			(in millions)			
Net income (loss), as adjusted[a]	$ 221	$ 70	$ 71	$	$ (313)	$ 49
Pre-acquisition earnings of HHI[b]				183		183
Income tax expense					60	60
Interest expense					192	192
Acquisition and integration related charges	15	5	2		9	31

Restructuring and related charges	7	10	1		1	19
Adjusted EBIT	$ 243	$ 85	$ 74	$ 183	$ (51)	$ 534
Depreciation and amortization[c]	64	28	13		29	134
Adjusted EBITDA	$ 307	$ 113	$ 87	$ 183	$ (22)	$ 668

(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 and are presented within Corporate / Unallocated Items.

(b) The Pre-acquisition earnings of HHI do not include the TLM Taiwan business as standalone financial data is not available for the periods presented. The TLM Taiwan business is not deemed material to the Company s operating results.

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

Global Batteries & Appliances

	Fiscal Year 2013	Fiscal Year 2012
Net sales to external customers	$ 2,204	$ 2,250
Segment profit	$ 238	$ 244
Segment profit as a % of net sales	10.8%	10.9%
Segment Adjusted EBITDA	$ 304	$ 307
Assets as of September 30	$ 2,361	$ 2,243

Global Batteries and Appliances net sales to external customers are discussed in the Product line net sales by segment discussion above.

Segment profit in Fiscal 2013 decreased to $238 million from $244 million in Fiscal 2012, primarily attributable to unfavorable product mix and pricing pressures in the U.S, coupled with the decrease in sales discussed above. Segment profitability as a percentage of net sales decreased slightly to 10.8% in Fiscal 2013 versus 10.9% in Fiscal 2012, driven by unfavorable mix and pricing pressures in the U.S., which offset gains from the exit of low margin products in the small appliances category.

Segment Adjusted EBITDA in Fiscal 2013 decreased to $304 million from $307 million in Fiscal 2012. The decrease in segment Adjusted EBITDA was driven by the factors discussed above for the decline in segment profit.

Segment assets at September 30, 2013 increased to $2,361 million from $2,243 million at September 30, 2012. The increase is primarily due to the acquisition of Shaser. Goodwill and intangible assets, which are a direct result of the revaluation impacts of fresh-start reporting which occurred during the year ended September 30, 2009 (Fiscal 2009) and acquisitions, increased to $1,322 million at September 30, 2013 from $1,261 million at September 30, 2012, primarily due to the acquisition of Shaser.

Hardware & Home Improvement

	Fiscal Year 2013	Fiscal Year 2012
Net sales to external customers	$ 870	$
Segment profit	$ 89	$
Segment profit as a % of net sales	10.2%	%
Segment Adjusted EBITDA	$ 181	$
Assets as of September 30	$ 1,736	$

Results of the HHI Business, reported as a separate business segment, Hardware & Home Improvement, relate to operations subsequent to the acquisition date, December 17, 2012. The results of TLM Taiwan are reflected in the Hardware & Home Improvement segment subsequent to its acquisition on April 8, 2013.

Hardware and Home Improvement net sales to external customers are discussed in the Product line net sales by segment discussion above.

Segment profit in Fiscal 2013 was $89 million. Segment profitability as a percentage of net sales in Fiscal 2013 was 10.2%. Segment profitability was negatively impacted by a $31 million increase to cost of goods sold due to the sale of inventory which was revalued in connection with the acquisition.

Including pre-acquisition earnings of the HHI Business, segment Adjusted EBITDA was $181 million in Fiscal 2013.

Segment assets at September 30, 2013 were $1,736 million. Goodwill and intangible assets were $1,192 million at September 30, 2013.

See Note 15, Acquisitions, to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding the HHI Business acquisition.

Global Pet Supplies

	Fiscal Year	
	2013	2012
Net sales to external customers	$ 622	$ 615
Segment profit	$ 91	$ 86
Segment profit as a % of net sales	14.6%	14.0%
Segment Adjusted EBITDA	$ 120	$ 113
Assets as of September 30	$ 949	$ 956

Global Pet Supply net sales to external customers are discussed in the Product line net sales by segment discussion above.

Segment profit increased $5 million to $91 million in Fiscal 2013 compared to $86 million in Fiscal 2012. Segment profitability as a percentage of net sales in Fiscal 2013 increased to 14.6%, compared to 14.0% in the same period last year. The increase in segment profit and profitability as a percentage of net sales was driven by cost improvements and operating expense reductions, which offset increased cost of goods sold and unfavorable product mix in Fiscal 2013 versus Fiscal 2012.

Segment Adjusted EBITDA in Fiscal 2013 increased $7 million to $120 million from $113 million in Fiscal 2012. The increase in Adjusted EBITDA was driven by the factors discussed above for segment profit.

Segment assets at September 30, 2013 decreased slightly to $949 million from $956 million at September 30, 2012. Goodwill and intangible assets, which are substantially the result of the revaluation impacts of fresh-start reporting during Fiscal 2009 and acquisitions, decreased to $701 million at September 30, 2013 from $715 million at September 30, 2012 due to amortization of intangible assets, tempered by positive foreign exchange impacts.

Home and Garden Business

	Fiscal Year	
	2013	2012
Net sales to external customers	$ 390	$ 387
Segment profit	$ 78	$ 74
Segment profit as a % of net sales	20.1%	19.0%
Segment Adjusted EBITDA	$ 90	$ 87
Assets as of September 30	$ 501	$ 508

Home and Garden net sales to external customers are discussed in the Product line net sales by segment discussion above.

Segment profitability in Fiscal 2013 increased $4 million to $78 million from $74 million in Fiscal 2012, driven by the increase in lawn and garden control sales and strong expense management. Segment profitability as a percentage of net sales in Fiscal 2013 improved to 20.1% from 19.0% in Fiscal 2012, as a result of strong expense management.

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Segment Adjusted EBITDA improved $3 million to $90 million in Fiscal 2013 compared to segment Adjusted EBITDA of $87 million in Fiscal 2012, driven by the increase in net sales coupled with cost and operating expense improvements.

Segment assets at September 30, 2013 decreased to $501 million from $508 million at September 30, 2012. Goodwill and intangible assets, which are substantially a result of the revaluation impacts of fresh-start reporting during Fiscal 2009 and acquisitions, decreased to $426 million at September 30, 2013, from $433 million at September 30, 2012, driven by amortization of intangible assets.

Corporate Expense. Our corporate expense was $60 million in Fiscal 2013 compared to $52 million in Fiscal 2012. This increase is primarily attributable to an $18 million increase in stock based compensation expense, tempered by operating expense improvements. Corporate expense as a percentage of consolidated net sales for Fiscal 2013 remained constant with Fiscal 2012 at 1.5%.

Acquisition and Integration Related Charges. Acquisition and integration related charges include, but are not limited to, transaction costs such as banking, legal and accounting professional fees directly related to acquisitions, termination and related costs for transitional and certain other employees, integration related professional fees and other post business combination related expenses associated with our acquisitions. See Note 2(u), Significant Accounting Policies and Practices Acquisition and Integration Related Charges, to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding our Acquisition and integration charges.

Restructuring and Related Charges. See Note 14, Restructuring and Related Charges, to our audited Consolidated Financial Statements included elsewhere in this prospectus for information regarding our restructuring and related charges.

Interest Expense. Interest expense in Fiscal 2013 was $370 million compared to $192 million in Fiscal 2012. The increase in interest expense in Fiscal 2013 of $178 million is primarily due to costs and expenses related to the extinguishment of our 9.5% Notes and the financing of the acquisition of the HHI Business coupled with higher ongoing interest expense related to the debt issued in connection with that acquisition, partially offset by the non-recurrence of costs and expenses related to the extinguishment of our 12% Notes in Fiscal 2012. We incurred $122 million of costs related to the extinguishment of our 9.5% Notes including cash tender, consent and redemption premium costs totaling $111 million and non-cash costs for the write off of unamortized deferred financing fees less unamortized original issue premium totaling $11 million. We incurred $23 million in costs and expenses related to the acquisition financing for the HHI Business including cash costs of $24 million for bridge financing fees and transaction costs, along with non-cash costs of $5 million related to the write-off of debt issuance costs and original issue discount on the former term loan facility. In addition, we incurred $69 million of ongoing cash interest expense related to the debt incurred for the acquisition of the HHI Business. The higher expense incurred in Fiscal 2013 was partially offset by the non-recurrence of $25 million of cash and $2 million of non-cash costs incurred in connection with the extinguishment of our 12% Notes, savings related to the extinguishments of the 12% Notes and the 9.5% Notes coupled with other items netting to reduced interest of $9 million. See Note 6, Debt, to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding our outstanding debt.

Income Taxes. In Fiscal 2013, we recorded income tax expense of $27 million on a pretax loss from continuing operations of $20 million, and in Fiscal 2012, we recorded income tax expense of $60 million on pretax income from continuing operations of $113 million. Our effective tax rate on our loss from continuing operations was approximately 136% for Fiscal 2013. Our effective tax rate on income from continuing operations was approximately

53% for Fiscal 2012. Our effective tax rates differ from the U.S. federal statutory rate of 35% principally due to: (i) losses in the U.S. and certain foreign jurisdictions for which no tax benefit can be recognized due to full valuation allowances that have been provided on our net operating loss carryforward tax benefits and other deferred tax assets; (ii) deferred income tax expense related to the change in book versus tax basis of indefinite lived intangibles, which are amortized for tax purposes but not for book purposes; and (iii) the reversal in Fiscal 2013 of U.S. valuation allowances of $50 million on deferred tax assets as a result of the acquisition of the HHI Business and the reversal in Fiscal 2012 of U.S. valuation allowances of $15 million on deferred tax assets as a result of the FURminator acquisition. Additionally, in Fiscal 2013, the consolidated pretax income was close to break even, resulting in a higher effective tax rate as this rate is calculated by dividing tax expense into pretax income (loss).

In light of our plans to voluntarily pay down our U.S. debt, fund distributions to shareholders, fund U.S. acquisitions, and our ongoing U.S. operational cash flow requirements, in Fiscal 2012 we began recording residual U.S. and foreign taxes on current foreign earnings, which we do not consider to be permanently reinvested, except for locations precluded by local legal restrictions from repatriating earnings. We evaluate annually the available earnings, permanent reinvestment classification and availability of and management s intent to use alternative mechanisms for repatriation for each jurisdiction in which we do business. As of September 30, 2013, we have provided residual taxes on approximately $46 million of earnings not yet taxed in the U.S. Due to the valuation allowance recorded against U.S. net deferred tax assets, including net operating loss carryforwards, we do not recognize any incremental U.S. tax expense on the expected future repatriation of these foreign earnings. Should the U.S. valuation allowance be released at some future date, the U.S. tax on foreign earnings not considered to be permanently reinvested might have a material effect on our effective tax rate. For Fiscal 2013, we expect approximately $3 million of additional tax expense from non-U.S. withholding and other taxes to be incurred on repatriation of current earnings.

As of September 30, 2013, we have U.S. federal and state net operating loss carryforwards of approximately $1,502 million and $1,538 million, respectively. These net operating loss carryforwards expire through years ending in 2033. We also have foreign loss carryforwards of approximately $111 million, which will expire beginning in 2014. Certain of the foreign net operating losses have indefinite carryforward periods. We have had multiple changes of ownership, as defined under Internal Revenue Code (IRC) Section 382, that subject our U.S. federal and state net operating losses and other tax attributes to certain limitations. The annual limitation on our use of these carryforwards is based on a number of factors including the value of our stock (as defined for tax purposes) on the date of the ownership change, our net unrealized built in gain position on that date, the occurrence of realized built in gains in years subsequent to the ownership change, and the effects of subsequent ownership changes (as defined for tax purposes), if any. In addition, separate return year limitations apply to limit our utilization of the acquired Russell Hobbs U.S. federal and state net operating losses to future income of the Russell Hobbs subgroup. Based on these factors, we estimate that $301 million of the total U.S. federal and $358 million of the state net operating loss would expire unused even if the Company generates sufficient income to otherwise use all its NOLs. In addition, we project that $103 million of the total foreign net operating loss carryforwards will expire unused. We have provided a full valuation allowance against these deferred tax assets as well.

The ultimate realization of our deferred tax assets depends on our ability to generate sufficient taxable income of the appropriate character in the future and in the appropriate taxing jurisdictions. We establish valuation allowances for deferred tax assets when we estimate it is more likely than not that the tax assets will not be realized. We base these estimates on projections of future income, including tax planning strategies, in certain jurisdictions. Changes in industry conditions and other economic conditions may impact our ability to project future income. Accounting Standards Codification (ASC) Topic 740: Income Taxes (ASC 740) requires the establishment of a valuation allowance when it is more likely than not that some portion or all of the deferred tax assets will not be realized. In accordance with ASC 740, we periodically assess the likelihood that our deferred tax assets will be realized and determine if adjustments to the valuation allowance are required.

Our total valuation allowance for the tax benefit of deferred tax assets that may not be realized is approximately $449 million at September 30, 2013. Of this amount, approximately $416 million relates to U.S. net deferred tax assets and approximately $33 million relates to foreign net deferred tax assets. Our total valuation allowance was approximately $382 million at September 30, 2012. Of this amount, approximately $347 million related to U.S. net deferred tax assets and approximately $35 million related to foreign net deferred tax assets. As a result of the purchase of the HHI Business, we reversed $50 million of U.S. valuation allowance during Fiscal 2013. As a result of the purchase of FURminator, we released $15 million of U.S. valuation allowance during Fiscal 2012. These releases were attributable to the net deferred tax liabilities recorded on the opening balance sheets of the acquired companies in purchase accounting, which offset other U.S. net deferred tax assets.

ASC 740, which clarifies the accounting for uncertainty in tax positions, requires that we recognize in our financial statements the impact of a tax position if that position is more likely than not to be sustained on audit based on the technical merits of the position. As of September 30, 2013 and September 30, 2012, the total amount of unrecognized tax benefits that, if recognized, would affect the effective income tax rate in future periods was $14 million and $6 million, respectively. See Note 9, Income Taxes, to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information.

Liquidity and Capital Resources

Operating Activities

Fiscal 2015 Nine Months

For the Fiscal 2015 Nine Months, cash used by operating activities totaled $163.6 million compared to cash used of $49.2 million during the Fiscal 2014 Nine Months. The $114.4 million increase in cash used by operating activities was primarily due to:

- Cash used for working capital and other items of $63.0 million driven by increases in inventory and other working capital accounts, and a decrease in accounts payable; partially offset by decreases in accounts receivable;
- Higher cash payments for acquisition and integration and restructuring related costs of $19.4 million;
- Higher cash payments for interest totaling $89.4 million;

Offset by,

- Cash generated by higher Adjusted EBITDA of $33.4 million; and
- Lower cash payments for income taxes of $24.0 million.

We expect to fund our cash requirements, including capital expenditures, interest and principal payments due in Fiscal 2015, through a combination of cash on hand, cash flow from operations and funds available for borrowings under our Revolver Facility. Going forward, our ability to satisfy financial and other covenants in our senior credit agreements and senior unsecured indentures and to make scheduled payments or prepayments on our debt and other financial obligations will depend on our future financial and operating performance. There can be no assurances that our business will generate sufficient cash flows from operations or that future borrowings under our Revolver Facility will be available in an amount sufficient to satisfy our debt maturities or to fund our other liquidity needs. While our cash flow from operations for the Fiscal 2015 Nine Months is negative, primarily driven by the seasonal increase of working capital related to certain segments, we expect cash flow from operations for the full year Fiscal 2015 to be positive from normal operating performance and seasonal reductions in working capital during the last quarter of the fiscal year, which is consistent with the previous full fiscal years.

At June 28, 2015, there are no significant foreign cash balances available for repatriation. During Fiscal 2015, we expect to generate between $75 million and $125 million of foreign cash that may be repatriated for general corporate purposes.

See Risk Factors for further discussion of the risks associated with our ability to service all of our existing indebtedness and our ability to maintain compliance with financial and other covenants related to our indebtedness.

Fiscal 2014

Cash provided by operating activities totaled $435 million during Fiscal 2014 compared to $258 million during Fiscal 2013. The $177 million increase in cash provided by operating activities was primarily due to:

- Cash generated from higher adjusted EBITDA of $79 million, excluding pre-acquisition earnings of the HHI Business;
- A $68 million generation of cash from working capital and other items driven by lower accounts receivable and inventory, partially offset by lower accounts payable and other working capital items;
- Lower cash payments for interest of $46 million; and
- Lower cash acquisition, integration and restructuring related costs of $14 million.

Offset by,

- Higher cash payments for income taxes of $31 million.

We expect to fund our cash requirements, including capital expenditures, interest and principal payments due in Fiscal 2015, through a combination of cash on hand, cash flow from operations and funds available for borrowings under our ABL Facility. Going forward, our ability to satisfy financial and other covenants in our senior credit agreements and in the Indentures and to make scheduled payments or prepayments on our debt and other financial obligations will depend on our financial and operating performance. There can be no assurances that our business will generate sufficient cash flows from operations or that future borrowings under our ABL Facility will be available in an amount sufficient to satisfy our debt maturities or to fund our other liquidity needs.

At September 30, 2014, there are no significant foreign cash balances available for repatriation. For Fiscal 2015, we expect to generate between $75 million and $125 million of foreign cash that may be repatriated for general corporate purposes.

See Risk Factors, for further discussion of the risks associated with our ability to service all of our existing indebtedness, our ability to maintain compliance with financial and other covenants related to our indebtedness and the impact of the current economic crisis.

Investing Activities

Fiscal 2015 Nine Months

Net cash used by investing activities was $1,242.3 million for the Fiscal 2015 Nine Months compared to $67.3 million for the Fiscal 2014 Nine Months. The $1,175.0 million increase in cash used by investing activities in the Fiscal 2015 Nine Months is driven by an increase in cash used for acquisitions of $1,167.9 million, which included: (i) $900.5 million purchase, net of cash acquired, of AAG; (ii) $147.8 million purchase, net of cash acquired, of Salix;

(iii) $115.7 million purchase, net of cash acquired, of European IAMS and Eukanuba; and (iv) $29.2 million purchase, net of cash acquired, of Tell. Further contributing to the increase of cash used was the decrease in proceeds from sales of property, plant and equipment of $7.8 million. These items were partially offset by the $25.3 million cash paid for the Liquid Fence acquisition in the Fiscal 2014 Nine Months coupled with a decrease in purchases of property, plant and equipment of $1.4 million.

Fiscal 2014

Net cash used by investing activities was $94 million for Fiscal 2014 compared to $1,477 million for Fiscal 2013. The $1,383 million decrease in cash used by investing activities in Fiscal 2014 was primarily driven by a decrease in cash used for acquisitions of $1,366 million, which related to the $1,351 million purchase, net of cash acquired, of the HHI Business, and the $43 million purchase, net of cash acquired, of Shaser in Fiscal 2013, compared to a $28 million purchase, net of cash acquired, of Liquid Fence in Fiscal 2014.

We expect to make investments in capital projects similar to historical levels, as well as incremental investments in high return cost reduction projects slightly above historical levels.

Financing Activities

Debt Financing

Fiscal 2015 Nine Months

At June 28, 2015 we had the following debt instruments outstanding: (i) a Term Loan pursuant to the Senior Credit Agreement which consists of $1,450.0 USD Term Loan, $60.9 million CAD Term Loan, $336.2 million Euro Term Loan; (ii) $520.0 million 6.375% unsecured notes due 2020 (the 6.375% Notes); (iii) $570.0 million 6.625% unsecured notes due 2022 (the 6.625% Notes); (iv) $250.0 million 6.125% unsecured notes due 2024 (the 6.125% Notes); (v) $1,000.0 million 5.75% Notes; and (vi) a $500.0 million Revolver Facility.

At June 28, 2015, we were in compliance with all covenants under the Senior Credit Agreement, the indenture governing the 6.375% Notes and the 6.625% Notes, the indenture governing the 6.125% Notes and the indenture governing the 5.75% Notes. From time to time we may repurchase our existing indebtedness, including outstanding securities of SB/RH Holdings, LLC or its subsidiaries, in the open market or otherwise.

See Note 6, Debt, to our Condensed Consolidated Financial Statements (Unaudited), included elsewhere in this prospectus, for additional information regarding our outstanding debt.

Fiscal 2014

At September 30, 2014 we had the following debt instruments outstanding: (i) our First Restated Term Loan Facility, which consists of $648 million principal due September 4, 2017 under our Tranche A Loans, $510 million principal due September 4, 2019 under our Tranche C Loans, $34 million Canadian dollar denominated principal due December 17, 2019 under our CAD Term Loans and $283 million Euro denominated principal due September 4, 2019 under our Initial Euro Term Loans; (ii) $300 million of our 6.75% Notes; (iii) $520 million of our 6.375% Notes; (iv) $570 million of our 6.625% Notes; and (v) a $400 million ABL Facility.

At September 30, 2014, we were in compliance with all covenants under the First Restated Term Loan Facility, the indenture governing both the 6.375% Notes and the 6.625% Notes, the indenture governing the 6.75% Notes and the Prior ABL Facility Agreement.

From time to time we may repurchase our existing indebtedness, including outstanding securities of SB/RH Holdings or its subsidiaries, in the open market or otherwise.

See Note 6, Debt, to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding our outstanding debt.

Financing Cash Flows

Fiscal 2015 Nine Months

The Fiscal 2015 Nine Months net cash provided by financing activities of $1,333.2 million consisted of the following: (i) proceeds related to the issuance $1,851.1 million of Term Debt; (ii) a net use of $1,404.4 million to repay debt under the Senior Credit Facilities; (iii) proceeds related to the issuance of the 6.125% Notes and 5.75% Notes of $250.0 million and $1,000.0 million, respectively; (iv) a use of $300.0 million to repay senior unsecured notes; (v) a use of $540.0 million to repay senior unsecured debt acquired in connection with the AAG Acquisition; (vi) borrowings of $47.5 million on our Revolver Facility; (vii) proceeds related to a capital contribution from parent of 528.3 million; (viii) a use to pay share-based tax withholdings of employees for vested stock awards of $1.9 million; (ix) a use to pay $51.0 million of dividends; (x) a use to pay $42.4 million of debt issuance costs and original issue discount; and (xi) a use of $4.0 million for other repayment of debt. The primary use of the proceeds was to refinance debt as discussed in Note 6 Debt and fund acquisitions as discussed in Note 13 Acquisitions to our Condensed Consolidated Financial Statements (unaudited) included elsewhere in this prospectus.

The Fiscal 2014 Nine Months net cash provided by financing activities of $1.7 million consisted of the following: (i) proceeds related to the issuance $523.7 million of Term Debt; (ii) a use of $567.5 million to repay debt under the Senior Credit Facilities; (iii) borrowings of $110.0 million on our ABL Facility; (iv) a use to pay share-based tax withholdings of employees for vested stock awards of $26.5 million; (v) a use to pay $42.0 million of dividends; (vi) a use to pay $5.5 million of debt issuance costs; and (vii) $9.5 million of proceeds from other financing activities. The primary use of the proceeds was to fund working capital needs as discussed within Liquidity and Capital Resources Operating Activities.

Fiscal 2014

Net cash used by financing activities was $338 million for Fiscal 2014 versus net cash provided by financing activities of $1,263 million for Fiscal 2013.

The Fiscal 2014 net cash used consisted of the following: (i) proceeds related to the issuance of $524 million of Term Debt; (ii) a use of $765 million to repay debt under the Senior Credit Facilities; (iii) a use to pay $77 million of dividends; (iv) a use to pay share-based tax withholdings of employees for vested stock awards of $25 million; (v) a use to pay $5 million of debt issuance costs; and (vi) proceeds of $10 million for other financing activities.

The Fiscal 2013 cash proceeds consisted of the following: (i) proceeds related to the issuance $1,936 million of Term Debt; (ii) proceeds related to issuance of $570 million of 6.625% Notes and $520 million of 6.375% Notes; (iii) a use of $1,061 million to extinguish $950 million of our 9.5% Notes, which included tender and call premium of $111 million; (iv) a use of $571 million to repay debt under the Senior Credit Facilities; (v) a use to pay $61 million of debt issuance costs; (vi) a use to pay $89 million of dividends; (vii) a use to pay share-based tax withholdings of employees for vested stock awards of $20 million; (viii) proceeds from a $28 million contribution from our parent; and (ix) $11 million of proceeds from other financing activities. The primary use of the net proceeds from borrowings was to fund the acquisitions discussed within Liquidity and Capital Resources Investing Activities.

Interest Payments and Fees

In addition to principal payments on our debt obligations as mentioned above, we have annual interest payment obligations of approximately $216.1 million in the aggregate. This includes interest under our 6.375% Notes of approximately $33.2 million, interest under our 6.625% Notes of approximately $37.8 million, interest under our 6.125% Notes of approximately $15.3 million, interest under our 5.75% Notes of approximately $57.5 million and interest under our Term Loan and Revolver Facilities of approximately $69.8 million and $2.5 million, respectively. Interest on our debt is payable in cash. Interest on the 6.375% Notes, the 6.625% Notes, the 6.125% Notes and the 5.75% Notes is payable semi-annually in arrears and interest under the Term Loan and the Revolver Facilities is payable on various interest payment dates as provided in the Senior Credit Agreement. We are required to pay certain fees in connection with our outstanding debt obligations. Such fees include a quarterly commitment fee of up to 0.50% on the unused portion of the Revolver Facility and certain additional fees with respect to the letter of credit sub-facility under the Revolver Facility.

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Equity Financing Activities

Fiscal 2015 Nine Months

During the Fiscal 2015 Nine Months, we granted 0.43 million restricted stock units to our employees. All vesting dates are subject to the recipient s continued employment with us, except as otherwise permitted by our Board of Directors or in certain cases where the employee is terminated without cause. The total market value of the restricted stock units on the date of grant was approximately $39.3 million, which represented unearned restricted stock compensation. Unearned compensation is amortized to expense over the appropriate vesting period.

Fiscal 2014

During Fiscal 2014, we granted approximately 641 thousand shares of SB Holdings restricted stock units to our employees and our directors. All vesting dates are subject to the recipient s continued employment with us, except as otherwise permitted by our Board of Directors or in certain cases if the employee is terminated without cause. The total market value of the restricted shares on the date of grant was approximately $49 million, which represented unearned restricted stock compensation. Such unearned compensation is amortized to expense over the appropriate vesting period.

From time to time we may repurchase our outstanding shares of Common Stock in the open market or otherwise.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Contractual Obligations & Other Commercial Commitments

Contractual Obligations

The following table summarizes our contractual obligations as of September 30, 2014 and the effect such obligations are expected to have on our liquidity and cash flow in future periods (in millions). Due to our debt financing activities discussed above, our contractual obligations and commercial commitments have materially changed since September 30, 2014. Debt obligations, excluding capital lease obligations, for the fiscal years ending September 2015, 2016, 2017, 2018, 2019 and thereafter are: $4.6 million; $97.6 million; $18.5 million; $18.5 million; $18.5 million; and $4,156.0 million, respectively.

	Contractual Obligations Payments due by Fiscal Year						
	2015	**2016**	**2017**	**2018**	**2019**	**Thereafter**	**Total**
Debt, excluding capital lease obligations	$ 106	$ 69	$ 552	$ 8	$ 761	$ 1,422	$ 2,918
Interest payments excluding capital lease obligations	145	140	138	121	119	165	828
Capital lease obligations[(1)]	13	13	13	9	9	87	144
Operating lease obligations	37	33	29	19	14	32	164

Employee benefit obligations(2)	12	11	11	11	12	65	122
Total Contractual Obligations(3)	$ 313	$ 266	$ 743	$ 168	$ 915	$ 1,771	$ 4,176

(1) Capital lease payments due by fiscal year include executory costs and imputed interest not reflected in the audited Consolidated Statements of Financial Position included elsewhere in this prospectus.

(2) Employee benefit obligations represent the sum of our estimated future minimum required funding for our qualified defined benefit plans based on actuarially determined estimates and projected future benefit payments from our unfunded postretirement plans. For additional information about our employee benefit obligations, see Note 10, Employee Benefit Plans, to our audited Consolidated Financial Statements and Note 9, Employee Benefit Plans, to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus.

(3) At September 30, 2014, our audited Consolidated Statements of Financial Position includes tax reserves for uncertain tax positions. However, it is not possible to predict or estimate the timing of payments for these obligations. The Company cannot predict the ultimate outcome of income tax audits currently in progress for certain of our companies; however, it is reasonably possible that during the next 12 months, some portion of our unrecognized tax benefits could be recognized.

Other Commercial Commitments

The following table summarizes our other commercial commitments as of September 30, 2014, consisting entirely of standby letters of credit that back the performance of certain of our entities under various credit facilities, insurance policies and lease arrangements (in millions). There have been no material changes in our commercial commitments since September 30, 2014.

	Other Commercial Commitments Amount of Commitment Expiration by Fiscal year						
	2015	**2016**	**2017**	**2018**	**2019**	**Thereafter**	**Total**
Letters of credit	$ 39	$ 15	$	$	$	$	$ 54
Total Other Commercial Commitments	$ 39	$ 15	$	$	$	$	$ 54

Critical Accounting Policies

Our audited Consolidated Financial Statements and our Condensed Consolidated Financial Statements (Unaudited) included elsewhere in this prospectus have been prepared in accordance with U.S. GAAP and fairly present our financial position and results of operations. We believe the following accounting policies are critical to an understanding of our financial statements. The application of these policies requires management s judgment and estimates in areas that are inherently uncertain.

Valuation of Assets and Asset Impairment

We evaluate certain long-lived assets to be held and used, such as property, plant and equipment and definite-lived intangible assets for impairment based on the expected future cash flows or earnings projections associated with such assets. Impairment reviews are conducted at the judgment of management when it believes that a change in circumstances in the business or external factors warrants a review. Circumstances such as the discontinuation of a product or product line, a sudden or consistent decline in the sales forecast for a product, changes in technology or in the way an asset is being used, a history of operating or cash flow losses or an adverse change in legal factors or in the business climate, among others, may trigger an impairment review. An asset s value is deemed impaired if the discounted cash flows or earnings projections generated do not support the carrying value of the asset. The estimation of such amounts requires management s judgment with respect to revenue and expense growth rates, changes in working capital and selection of an appropriate discount rate, as applicable. The use of different assumptions would increase or decrease discounted future operating cash flows or earnings projections and could, therefore, change impairment determinations.

ASC 350 requires companies to test goodwill and indefinite-lived intangible assets for impairment annually, or more often if an event or circumstance indicates that an impairment loss may have been incurred. In Fiscal 2014, Fiscal 2013 and Fiscal 2012, we tested our goodwill and indefinite-lived intangible assets as required. As a result of this testing, there were no impairment charges in Fiscal 2014, Fiscal 2013 and Fiscal 2012.

We used a discounted estimated future cash flows methodology to determine the fair value of our reporting units (goodwill). Fair value of indefinite-lived intangible assets, which represent trade names, was determined using a relief from royalty methodology. Assumptions critical to our fair value estimates were: (i) the present value factors used in determining the fair value of the reporting units and trade names; (ii) royalty rates used in our trade name valuations; (iii) projected average revenue growth rates used in the reporting unit and trade name models; and (iv) projected long-term growth rates used in the derivation of terminal year values. We also tested the aggregate estimated fair value of our reporting units for reasonableness by comparison to our total market capitalization, which includes both our equity and debt securities. These and other assumptions are impacted by economic conditions and expectations of management and will change in the future based on period specific facts and circumstances.

The fair values of our Global Batteries & Appliances, Hardware & Home Improvement, Global Pet Supplies and Home and Garden Business reporting units, which are also our segments, exceeded their carry values by 87%, 47%, 80% and 146%, respectively, as of the date of our latest annual impairment testing.

See Note 2(h), Significant Accounting Policies and Practices Property, Plant and Equipment, Note 2(i), Significant Accounting Policies and Practices Intangible Assets, Note 4, Property, Plant and Equipment, and Note 5, Goodwill and Intangible Assets, to our audited Consolidated Financial Statements and Note 2, Significant Accounting Policies Intangible Assets, and Note 5, Goodwill and Intangible Assets, to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus for more information about these assets.

Revenue Recognition and Concentration of Credit Risk

We recognize revenue from product sales generally upon delivery to the customer or the shipping point in situations where the customer picks up the product or where delivery terms so stipulate. This represents the point at which title and all risks and rewards of ownership of the product are passed, provided that: there are no uncertainties regarding customer acceptance, there is persuasive evidence that an arrangement exists; the price to the buyer is fixed or determinable and ability to collect is deemed to be reasonably assured. We are generally not obligated to allow for, and our general policy is not to accept, product returns for battery sales. We do accept returns in specific instances related to our hardware and home improvement, electric shaving and grooming, electric personal care, home and garden, small appliances and pet supply products. The provision for customer returns is based on historical sales and returns and other relevant information. We estimate and accrue the cost of returns, which are treated as a reduction of net sales.

We enter into various promotional arrangements, primarily with retail customers, including arrangements entitling such retailers to cash rebates from us based on the level of their purchases, which require us to estimate and accrue the costs of the promotional programs. These costs are generally treated as a reduction of net sales.

We also enter into promotional arrangements that target the ultimate consumer. Such arrangements are treated as either a reduction in net sales or an increase in cost of sales, based on the type of promotional program. The income statement presentation of our promotional arrangements complies with ASC Topic 605: Revenue Recognition. Cash consideration, or an equivalent thereto, given to a customer is generally classified as a reduction of net sales. If we provide a customer anything other than cash, the cost of the consideration is classified as an expense and included in cost of sales.

For all types of promotional arrangements and programs, we monitor our commitments and use statistical measures and past experience to determine the amounts to be recorded for the estimate of the earned, but unpaid, promotional costs. The terms of our customer-related promotional arrangements and programs are tailored to each customer and are generally documented through written contracts, correspondence or other communications with the individual customers.

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We also enter into various arrangements, primarily with retail customers, which require us to make an upfront cash or slotting payment to secure the right to distribute through such customer. We capitalize slotting payments provided the payments are supported by a time or volume based arrangement with the retailer, and amortize the associated payment over the appropriate time or volume based term of the arrangement. The amortization of slotting payments is treated as a reduction in net sales and a corresponding asset is reported in Deferred charges and other in our audited Consolidated Statements of Financial Position included elsewhere in this prospectus.

Our trade receivables subject us to credit risk which is evaluated based on changing economic, political and specific customer conditions. We assess these risks and make provisions for the ability to collect based on our best estimate of the risks presented and information available at the date of the financial statements. The use of different assumptions may change our estimate of the ability to collect. We extend credit to our customers based upon an evaluation of the customer s financial condition and credit history and generally do not require collateral. Our credit terms generally range between 30 and 90 days from invoice date, depending upon the evaluation of the customer s financial condition and history. We monitor our customers credit and financial condition in order to assess whether the economic conditions have changed and adjust our credit policies with respect to any individual customer as we determine appropriate. These adjustments may include, but are not limited to, restricting shipments to customers, reducing credit limits, shortening credit terms, requiring cash payments in advance of shipment or securing credit insurance.

See Note 2(b), Significant Accounting Policies and Practices Revenue Recognition, Note 2(c), Significant Accounting Policies and Practices Use of Estimates and Note 2(e), Significant Accounting Policies and Practices Concentrations of Credit Risk and Major Customers, to our audited Consolidated Financial Statements and Note 2, Significant Accounting Policies Use of Estimates and Note 2, Significant Accounting Policies Concentrations of Credit Risk to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus, for more information about our revenue recognition and credit policies.

Pensions

Our accounting for pension benefits is primarily based on a discount rate, expected and actual return on plan assets and other assumptions made by management, and is impacted by outside factors such as equity and fixed income market performance. Our pension liability is principally the estimated present value of future benefits, net of plan assets. In calculating the estimated present value of future benefits, net of plan assets, we used discount rates of 2.0% to 13.5% in Fiscal 2014 and of 1.8% to 13.0% in Fiscal 2013. In adjusting the discount rates from Fiscal 2013 to Fiscal 2014, we considered the change in the general market interest rates of debt and solicited the advice of our actuary. We believe the discount rates used are reflective of the rates at which the pension benefits could be effectively settled.

Pension expense is principally the sum of interest and service cost of the plan, less the expected return on plan assets and the amortization of the difference between our assumptions and actual experience. The expected return on plan assets is calculated by applying an assumed rate of return to the fair value of plan assets. We used expected returns on plan assets of 2.0% to 7.5% in Fiscal 2014 and 3.6% to 7.8% in Fiscal 2013. Based on the advice of our independent actuary, we believe the expected rates of return are reflective of the long-term average rate of earnings expected on the funds invested. If such expected returns were overstated, it would ultimately increase future pension expense and required funding contributions. Similarly, an understatement of the expected return would ultimately decrease future pension expense and required funding contributions. If plan assets decline due to poor performance by the markets and/or interest rates decline resulting in a lower discount rate, our pension liability will increase, ultimately increasing future pension expense and required funding contributions.

See Note 10, Employee Benefit Plans, to our audited Consolidated Financial Statements and Note 9, Employee Benefit Plans, to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus, for a more complete discussion of our employee benefit plans.

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Restructuring and Related Charges

Restructuring charges are recognized and measured in accordance with the provisions of ASC Topic 420: Exit or Disposal Cost Obligations, (ASC 420) and ASC Topic 712: Compensation Nonretirement Post-Employment Benefits, (ASC 712). Under ASC 420 and ASC 712, restructuring charges include, but are not limited to, termination and related costs consisting primarily of one-time termination benefits such as severance costs and retention bonuses, and contract termination costs consisting primarily of lease termination costs. Related charges, as defined by us, include, but are not limited to, other costs directly associated with exit and integration activities, including impairment of property and other assets, departmental costs of full-time incremental integration employees, and any other items related to the exit or integration activities. Costs for such activities are estimated by us after evaluating detailed analyses of the costs to be incurred. We present restructuring and related charges on a combined basis.

Liabilities from restructuring and related charges are recorded for estimated costs of facility closures, significant organizational adjustments and measures undertaken by us to exit certain activities. Costs for such activities are estimated by us after evaluating detailed analyses of the costs to be incurred. Such liabilities could include amounts for items such as severance costs and related benefits (including settlements of pension plans), impairment of property and equipment and other current or long term assets, lease termination payments and any other items directly related to the exit activities. While the actions are carried out as expeditiously as possible, restructuring and related charges are estimates. Changes in estimates resulting in an increase to or a reversal of a previously recorded liability may be required as we execute a restructuring plan.

We report restructuring and related charges associated with manufacturing and related initiatives in cost of goods sold. Restructuring and related charges reflected in cost of goods sold include, but are not limited to, termination and related costs associated with manufacturing employees, asset impairments relating to manufacturing initiatives and other costs directly related to the restructuring initiatives implemented.

We report restructuring and related charges associated with administrative functions in operating expenses, such as initiatives impacting sales, marketing, distribution or other non-manufacturing related functions. Restructuring and related charges reflected in operating expenses include, but are not limited to, termination and related costs, any asset impairments relating to the administrative functions and other costs directly related to the initiatives implemented.

See Note 14, Restructuring and Related Charges, to our audited Consolidated Financial Statements and Note 12, Restructuring and Related Charges, to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus, for a more complete discussion of our restructuring initiatives and related costs.

Accounting for Acquisitions

Accounting for acquisitions requires us to recognize and measure identifiable assets acquired, liabilities assumed and any non-controlling interest in the acquired entity. Our accounting for acquisitions involves significant judgments and estimates, including the fair value of certain forms of consideration; the fair value of acquired intangible assets, which involve projections of future revenues, cash flows and terminal value, that are then either discounted at an estimated discount rate or measured at an estimated royalty rate; the fair value of other acquired assets and assumed liabilities, including potential contingencies; and the useful lives of the assets. The projections are developed using internal forecasts, available industry and market data and estimates of long-term rates of growth for our business. The impact of prior or future acquisitions on our financial position or results of operations may be materially impacted by the change in or initial selection of assumptions and estimates.

See Note 15, Acquisitions, to our audited Consolidated Financial Statements and Note 13, Acquisitions, to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus, for further discussion of ASC 805 purchase accounting valuation assumptions.

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Deferred Income Tax Asset and Other Tax Reserves

We assess our deferred tax asset and record a valuation allowance, when necessary, to reduce our deferred tax asset to the amount that is more likely than not to be realized. We have considered future taxable income, taxable temporary differences and ongoing prudent and feasible tax planning strategies in assessing the need for the valuation allowance. Should we determine that we would not be able to realize all or part of our net deferred tax asset in the future, an adjustment to the deferred tax asset would be charged to income in the period we made that determination.

We establish reserves when, despite our belief that our tax returns are fully supportable, we believe that certain positions may be challenged and ultimately modified. We adjust the reserves in light of changing facts and circumstances. Our effective tax rate includes the impact of income tax related reserve positions and changes to income tax reserves that we consider appropriate. A number of years may elapse before a particular matter for which we have established a reserve is finally resolved. Unfavorable settlement of any particular issue may require the use of cash or a reduction in our net operating loss carryforwards. Favorable resolution would be recognized as a reduction to the effective rate in the year of resolution. Tax reserves are presented on the balance sheet in other liabilities.

See Note 9, Income Taxes, to our audited Consolidated Financial Statements and Note 10, Income Taxes, to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus.

Loss Contingencies

Loss contingencies are recorded as liabilities when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. The outcome of existing litigation, the impact of environmental matters and pending or potential examinations by various taxing authorities are examples of situations evaluated as loss contingencies. Estimating the probability and magnitude of losses is often dependent upon management s judgment of potential actions by third parties and regulators. It is possible that changes in estimates or an increased probability of an unfavorable outcome could materially affect our business, financial condition or results of operations.

See further discussion in Business Legal Proceedings and Note 12, Commitments and Contingencies, to our audited Consolidated Financial Statements included elsewhere in this prospectus.

Other Significant Accounting Policies

Other significant accounting policies, primarily those with lower levels of uncertainty than those discussed above, are also critical to understanding the audited Consolidated Financial Statements included elsewhere in this prospectus. The Notes to the audited Consolidated Financial Statements included elsewhere in this prospectus contain additional information related to our accounting policies and should be read in conjunction with this discussion.

New Accounting Pronouncements

Presentation of debt issuance costs

In April 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-03, *Interest Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*. This ASU requires debt issuance costs related to a recognized debt liability to be presented on the balance sheet as a direct deduction from the debt liability, similar to the presentation of debt discounts. This ASU will become effective for us beginning in the first quarter of our fiscal year ending September 30, 2017. We do not expect the adoption of this standard to have a significant impact on our operational results.

Revenue recognition

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes the revenue recognition requirements in ASC 605, *Revenue Recognition*. This ASU requires revenue recognition to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new revenue recognition model requires identifying the contract, identifying the performance obligations, determining the transaction price, allocating the transaction price to performance obligations and recognizing the revenue upon satisfaction of the performance obligations. This ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments, and assets recognized from costs incurred to obtain or fulfill a contract. This ASU can be applied either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying the update recognized at the date of the initial application along with additional disclosures. In July 2015, the FASB voted to issue a final ASU that will defer the effective date by one year to annual reporting periods beginning after December 15, 2017 and the interim periods within that year, with early adoption permitted for annual reporting periods beginning after December 15, 2016, and the interim periods within that year. This ASU will become effective for us beginning in the first quarter of our fiscal year ending September 30, 2019, if we do not early adopt. We have not selected a method for adoption nor determined the potential effects on our consolidated financial statements.

Inventory measurement

In July 2015, the FASB issued ASU 2015-11, Inventory (Topic 330), *Simplifying the Measurement of Inventory*, which changes the measurement principle for inventory from the lower of cost or market to lower of cost and net realizable value. Net realizable value is defined as the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. This ASU eliminates the guidance that entities consider replacement cost or net realizable value less an approximately normal profit margin in the subsequent measurement of inventory when cost is determined on a first-in, first-out or average cost basis. The provisions of this ASU are effective for public entities with fiscal years beginning after December 15, 2016, and interim periods within those fiscal years, with early adoption permitted. We are currently evaluating the impact of this new accounting guidance on our consolidated financial statements.

Presentation of Unrecognized Tax Benefit

In July 2013, the FASB issued new accounting guidance which requires entities to present unrecognized tax benefits as a reduction of a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, except to the extent the net operating loss carryforwards or tax credit carryforwards are not available to be used at the reporting date to settle additional income taxes, and the entity does not intend to use them for this purpose. The new accounting guidance is consistent with how we historically accounted for unrecognized tax benefits in our audited Consolidated Statements of Financial Position, and therefore, we do not expect the adoption of this guidance to have a significant impact on our consolidated financial statements.

Quantitative and Qualitative Disclosures About Market Risk

Market Risk Factors

We have market risk exposure from changes in interest rates, foreign currency exchange rates and commodity prices. We, when appropriate, use derivative financial instruments to mitigate the risk from such exposures.

A discussion of our accounting policies for derivative financial instruments is included in Note 7, Derivative Financial Instruments, to our audited Consolidated Financial Statements and in Note 7, Derivative Financial Instruments, to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus.

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Interest Rate Risk

A substantial portion of our debt bears interest at variable rates. If market interest rates increase, the interest rate on our variable rate debt will increase and will create higher debt service requirements, which would adversely affect our cash flow and could adversely impact our results of operations. We also have bank lines of credit at variable interest rates. The general level of U.S. and Canadian interest rates, LIBOR, CDOR and Euro LIBOR affect interest expense. We periodically use interest rate swaps to manage such risk. The net amounts to be paid or received under interest rate swap agreements are accrued as interest rates change, and are recognized over the life of the swap agreements as an adjustment to interest expense from the underlying debt to which the swap is designated. The related amounts payable to, or receivable from, the contract counter-parties are included in accrued liabilities or accounts receivable.

Foreign Exchange Risk

We are subject to risk from sales and loans to and from our subsidiaries as well as sales to, purchases from and bank lines of credit with third-party customers, suppliers and creditors denominated in foreign currencies. Foreign currency sales and purchases are made primarily in Euro, Pounds Sterling, Mexican Pesos, Canadian Dollars, Australian Dollars and Brazilian Reals. We manage our foreign exchange exposure from anticipated sales, accounts receivable, intercompany loans, firm purchase commitments, accounts payable and credit obligations through the use of naturally occurring offsetting positions (borrowing in local currency), forward foreign exchange contracts, foreign exchange rate swaps and foreign exchange options. The related amounts payable to, or receivable from, the contract counter-parties are included in accounts payable or accounts receivable.

Commodity Price Risk

We are exposed to fluctuations in market prices primarily for purchases of zinc and brass used in our manufacturing processes. We use commodity swaps and calls to manage such risk. The maturity of, and the quantities covered by, the contracts are closely correlated to our anticipated purchases of the commodity. The cost of calls is amortized over the life of the contracts and recorded in cost of goods sold, along with the effects of the swap and call contracts. The related amounts payable to, or receivable from, the counter-parties are included in accounts payable or accounts receivable.

Sensitivity Analysis

The analysis below is hypothetical and should not be considered a projection of future risks. Earnings projections are before tax.

At June 28, 2015, the potential change in fair value of our outstanding interest rate derivative instruments assuming a 1 percent unfavorable shift in interest rates would be a loss of $1.5 million. The net impact on reported earnings, after also including the effect of the change on one year s underlying interest rate exposure on our variable rate Term Loan, would be a net loss of $1.5 million.

At June 28, 2015, the potential change in fair value of outstanding foreign exchange derivative instruments, assuming a 10% unfavorable change in the underlying exchange rates, would be a loss of $39.1 million. The net impact on reported earnings, after also including the effect of the change on one year s underlying foreign currency-denominated exposures, would be a net gain of $14.5 million.

At June 28, 2015, the potential change in fair value of outstanding commodity price derivative instruments, assuming a 10% unfavorable change in the underlying commodity prices, would be a loss of $2.4 million. The net impact on reported earnings, after also including the effect of the reduction in cost of one year s purchases of the related commodities due to the same change in commodity prices, would be a net gain of $1.7 million.

BUSINESS

General

We are a diversified global branded consumer products company. SB Holdings common stock trades on the New York Stock Exchange (the NYSE) under the symbol SPB.

We manufacture and market alkaline, zinc carbon and hearing aid batteries, herbicides, insecticides and repellants and specialty pet supplies. We design and market rechargeable batteries, battery-powered lighting products, electric shavers and accessories, grooming products and hair care appliances. Our operations also include the manufacturing and marketing of specialty pet supplies, and of herbicides, insecticides and insect repellents in North America. We also design, market and distribute a broad range of branded small appliances and personal care products. We also design, manufacture, market, distribute and sell certain hardware, home improvement and plumbing products, and are a leading United States (U.S.) provider of residential locksets and builders hardware and a leading provider of faucets. Our manufacturing and product development facilities are located in the U.S., Europe, Latin America and Asia. Substantially all of our rechargeable batteries, chargers and portable lighting products, shaving and grooming products, small household appliances and personal care products are manufactured by third-party suppliers, primarily located in Asia.

On May 21, 2015, we acquired Armored AutoGroup Parent, Inc. (AAG). AAG is a consumer products company consisting primarily of Armor All and STP products, two of the most recognizable brands in the automotive aftermarket appearance products and performance chemicals categories, respectively, and the AC/PRO brand of do-it-yourself automotive air conditioner recharge products. The AAG Acquisition is part of our proven growth strategy of building and acquiring market leading brands in the consumer products category. The Armor All, STP and A/C PRO brands will expand our category reach into automotive care products, while giving our consumers the products they want for everyday use with the performance and value they expect from us (the Spectrum Value Model). For information pertaining to the AAG Acquisition, see Note 13, Acquisitions to our Condensed Consolidated Financial Statements (Unaudited), included elsewhere in this prospectus.

We sell our products in approximately 160 countries through a variety of trade channels, including retailers, wholesalers and distributors, hearing aid professionals, industrial distributors and original equipment manufacturers (OEMs) and enjoy strong name recognition in our markets under the Rayovac, VARTA and Remington brands, each of which has been in existence for more than 80 years, and under the Tetra, 8-in-1, Dingo, Nature s Miracle, IAMS, Eukanuba, Healthy-Hide, Digest-eeze, Spectracide, Cutter, Hot Shot, Black & Decker, George Foreman, Russell Hobbs, Farberware, Black Flag, FURminator, Kwikset, Weiser, Baldwin, National Hardware, Stanley, Pfister and the previously mentioned AAG brands. We also have patented technologies such as Smartkey, a rekeyable lockset technology, and Smart Code Home Connect.

Our diversified global branded consumer products have positions in seven major product categories: consumer batteries, small appliances, personal care, hardware and home improvement, pet supplies, auto care and home and garden controls.

Our chief operating decision-maker manages the businesses in five vertically integrated, product-focused reporting segments: (i) Global Batteries & Appliances, which consists of the Company s worldwide battery, personal care and small appliances primarily in the kitchen and home product categories (Global Batteries & Appliances); (ii) Hardware & Home Improvement, which consists of the Company s worldwide hardware, home improvement and plumbing business (Hardware & Home Improvement); (iii) Global Pet Supplies, which consists of the Company s worldwide pet supplies business (Global Pet Supplies); (iv) Home and Garden, which consists of the Company s home and garden and insect control business (Home and Garden); and (v) Global Auto Care, which consists of the Company s automotive aftermarket appearance products, performance chemicals/additives and do-it-yourself automotive air conditioner recharge (Global Auto Care). Management reviews our performance based on these segments. For information pertaining to our business

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segments, see Note 11, Segment Information, to our audited Consolidated Financial Statements and Note 11, Segment Results, to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus.

Global and geographic strategic initiatives and financial objectives are determined at the corporate level. Each business segment is responsible for implementing defined strategic initiatives and achieving certain financial objectives and has a general manager responsible for sales and marketing initiatives and the financial results for all product lines within that business segment.

Our operating performance is influenced by a number of factors including: general economic conditions; foreign exchange fluctuations; trends in consumer markets; consumer confidence and preferences; our overall product line mix, including pricing and gross margin, which vary by product line and geographic market; pricing of certain raw materials and commodities; energy and fuel prices; and our general competitive position, especially as impacted by our competitors advertising and promotional activities and pricing strategies.

Our Products

We compete in seven major product categories: consumer batteries, small appliances, personal care, hardware and home improvement, pet supplies, auto care and home and garden controls. Our broad line of products includes:

- consumer batteries, including alkaline and zinc carbon batteries, rechargeable batteries and chargers, hearing aid batteries, other specialty batteries and portable lighting products;
- small appliances, including small kitchen appliances and home product appliances;
- personal care products, including electric shaving and grooming devices, electric personal care and styling devices;
- hardware and home improvement products, including residential locksets, builders hardware and plumbing products;
- pet supplies, including aquatic equipment and supplies, dog and cat treats, small animal foods, clean up and training aids, health and grooming products and bedding;
- auto care, including automotive aftermarket appearance products, performance chemicals/additives and do-it-yourself automotive air conditioner recharge; and
- home and garden control products, including household insect controls, insect repellents and herbicides.

Net sales of each product category sold, as a percentage of net sales of our consolidated operations, is set forth below.

	Percentage of Total Company Net Sales				
	Year Ended September 30,			Nine Months Ended	
	2012	2013	2014	June 29, 2014	June 28, 2015
Consumer batteries	29%	23%	22%	21%	17%
Small appliances	24%	18%	16%	16%	16%
Personal care	16%	13%	12%	13%	12%
Hardware and home improvement products		21%	26%	26%	26%
Pet supplies	19%	15%	14%	14%	16%
Auto care					2%
Home and garden control products	12%	10%	10%	10%	11%
	100%	**100%**	**100%**	**100%**	**100%**

Hardware and Home Improvement Products

In the hardware and home improvement product category we market and sell a broad range of residential locksets and door hardware, including knobs, levers, deadbolts, handlesets and electronics. We offer our security hardware under three main brands, Kwikset, Weiser and Baldwin. On a global basis we are one of the largest producers of tubular residential locksets. Kwikset includes opening to mid-price point residential door hardware sold primarily in the U.S. retail and wholesale channels. Products are offered under the three brands: Safe Lock, Kwikset and Kwikset Signature Series. Weiser offers opening to mid-price point residential door hardware sold primarily in the Canadian retail and wholesale channels. Baldwin offers high price point luxury hardware sold globally through the builders showroom and lumber yard channels.

As a demonstration of our design and engineering team s ability to innovate, our patented SmartKey technology enables consumers to easily rekey their locks without hiring a locksmith. SmartKey continues to win market share across all channels of distribution and provides opportunities for further growth. Market share gains stemming from our SmartKey products further augment our overall market share in the residential lockset space. Also in security, we are capitalizing on the emerging trend in home automation and have developed further innovation in electronics where we utilize open-platform electronics to build scalable partnerships with technology and access control industry leaders.

We also offer other hardware products that include hinges, security hardware, screen and storm door products, garage door hardware, window hardware and floor protection under the Stanley and National Hardware brand names throughout the U.S. and Canada. Although the product line is largely harmonized between the brands, the dual branding approach has been utilized to protect legacy business with key customers and avoid channel conflict.

Furthermore, we provide kitchen, bath and shower faucets as well as other plumbing products through our Pfister brand. Pfister is recognized for bringing showroom styles to the mass market at affordable prices and offers a lifetime warranty on all of its products. We have combined robust customer collaboration with consumer driven research to drive innovative products that are well-received by the market. With its affordable, quick-to-market and custom designed solutions, Pfister has an established capability to effectively service hospitality and international markets. Pfister seeks to differentiate itself from competition through its breadth of styles and finishes designed to meet consumer, plumber and builder needs.

Consumer Batteries

We market and sell a full line of alkaline batteries (AA, AAA, C, D and 9-volt sizes) to both retail and industrial customers. Our alkaline batteries are marketed and sold primarily under the Rayovac and VARTA brands. We also manufacture alkaline batteries for third parties who sell the batteries under their own private labels. Our zinc carbon batteries are also marketed and sold primarily under the Rayovac and VARTA brands and are designed for low and medium drain battery powered devices.

We believe that we are currently the largest worldwide marketer and distributor of hearing aid batteries. We sell our hearing aid batteries through retail trade channels and directly to professional audiologists under several brand names and private labels, including Beltone, Miracle Ear and Starkey.

We also sell Nickel Metal Hydride (NiMH) rechargeable batteries and a variety of battery chargers under the Rayovac and VARTA brands.

Our other specialty battery products include camera batteries, lithium batteries, silver oxide batteries, keyless entry batteries and coin cells for use in watches, cameras, calculators, communications equipment, medical instruments and on the go charges.

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We also offer a broad line of battery-powered, portable lighting products, including flashlights and lanterns for both retail and industrial markets. We sell our portable lighting products under the Rayovac and VARTA brand names, under other proprietary brand names and pursuant to licensing arrangements with third parties.

Small Appliances

We market and sell a broad range of products in the branded small household appliances category under the George Foreman, Black & Decker, Russell Hobbs, Juiceman, Breadman and Toastmaster brands, including grills, bread makers, sandwich makers, kettles, toaster ovens, toasters, blenders, juicers, can openers, coffee grinders, coffeemakers, electric knives, deep fryers, food choppers, food processors, hand mixers, rice cookers and steamers. We also market small home product appliances, including hand-held irons, vacuum cleaners, air purifiers, clothes shavers and heaters, primarily under the Black & Decker and Russell Hobbs brands.

Pet Supplies

In the pet supplies product category we market and sell a variety of leading branded pet supplies for fish, dogs, cats, birds and other small domestic animals. We have a broad line of consumer and commercial aquatics products, including integrated aquarium kits, stand-alone tanks and stands, filtration systems, heaters, pumps, and other equipment, fish food and water treatment products. Our largest aquatics brands are Tetra, Marineland, Whisper, Jungle and Instant Ocean. We also sell a variety of specialty pet products, including dog and cat treats, small animal food and treats, clean up and training aid products, health and grooming aids, bedding products, and consumable accessories including privacy tents, litter carpets, crystal litter cartridges, charcoal filters, corn-based litter and replaceable waste receptacles. Our largest specialty pet brands include FURminator, 8-in-1, Dingo, Nature s Miracle, Wild Harvest and Littermaid.

Home and Garden Control Products

In the home, lawn and garden products category, we currently sell and market a variety of leading insect and weed control products, including household insecticides, insect repellents and lawn insect and weed control solutions. We offer a broad array of household pest control solutions such as spider and scorpion killers; roach and ant killers; flying insect killers; insect foggers; wasp and hornet killers; bedbug, flea and tick control products; and roach and ant baits. We also offer powerful rodent traps and rodenticides with discreet designs that are easy to refill and reuse. Our largest brands in the household insect control and rodenticide category are Hot Shot and Black Flag.

This business segment also manufactures and markets a complete line of insect repellent products that provide protection from various outdoor nuisance pests, especially mosquitoes. These products include both personal repellents available in a variety of formulas (such as aerosols, lotions, pump sprays and wipes) to match consumers dynamic needs, as well as area repellents (such as yard sprays, citronella candles and patio lanterns) that let consumers enjoy the outdoors without bothersome pests. Our brands in the insect repellents category are Cutter and Repel.

In addition to providing pest solutions, our line of outdoor insect and weed control solutions allows consumers to conquer bugs and weeds, and tackle their biggest lawn and landscaping projects themselves. From selective and non-selective herbicides to pest-specific solutions, our outdoor products are available in easy-to-use formulations (such as aerosols, granules, ready-to-use or hose-end ready-to-sprays) designed to fulfill a variety of consumer needs. Our outdoor insecticide and herbicide brands include Spectracide, Garden Safe and Liquid Fence.

We have positioned ourselves as the value alternative for consumers who want products that deliver powerful performance at an exceptional value.

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Personal Care

We market and sell a broad line of electric shaving and grooming products under the Remington brand name, including men s rotary and foil shavers, beard and mustache trimmers, body, nose and ear trimmers, women s shavers, haircut kits and intense pulsed light hair removal systems.

Our electric personal care products, marketed and sold under the Remington, Russell Hobbs, Carmen and Andrew Collinge brand names, include hand-held dryers, curling irons, straightening irons, brush irons, hair setters, facial brushes, skin appliances, electric toothbrushes and hair accessories.

Auto Care

Our auto care category consists of the recently-acquired AAG business, consisting primarily of the Armor All and STP products, two of the most recognizable brands in the automotive aftermarket appearance products and performance chemicals categories, respectively, and the AC/PRO brand of do-it-yourself automotive air conditioner recharge products.

Sales and Distribution

We sell our products through a variety of trade channels, including retailers, wholesalers and distributors, hearing aid professionals, industrial distributors and OEMs. Our sales generally are made through the use of individual purchase orders, consistent with industry practice. Retail sales of the consumer products we market have been increasingly consolidated into a small number of regional and national mass merchandisers. This trend towards consolidation is occurring on a worldwide basis. As a result of this consolidation, a significant percentage of our sales are attributable to a very limited group of retailer customers, including Wal-Mart, The Home Depot, Lowe s, Carrefour, Target, PetSmart, Canadian Tire, PetCo and Gigante. Our sales to Wal-Mart represented approximately 16% of our consolidated net sales for the fiscal year ended September 30, 2014. No other customer accounted for more than 10% of our consolidated net sales in the fiscal year ended September 30, 2014.

Segment information as to revenues, profit and total assets as well as information concerning our revenues and long-lived assets by geographic location for the last three fiscal years is set forth in Management s Discussion and Analysis of Financial Condition and Results of Operations, Note 11, Segment Information, to our audited Consolidated Financial Statements included elsewhere in this prospectus and Note 11, Segment Results, to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus.

Sales and distribution practices in each of our reportable segments are as set forth below.

Global Batteries & Appliances

We manage our Global Batteries & Appliances sales force by geographic region and product group. Our sales team is divided into four major geographic territories: North America, Latin America, Europe and Asia/Pacific. Within each major geographic territory, we have additional subdivisions designed to meet our customers needs.

We manage our sales force in North America by distribution channel. We maintain separate sales groups to service (i) our retail sales and distribution channel, (ii) our hearing aid professionals channel and (iii) our industrial distributors and OEM sales and distribution channel. In addition, we utilize a network of independent brokers to service participants in selected distribution channels.

We manage our sales force in Latin America by distribution channel and geographic territory. We sell primarily to large retailers, wholesalers, distributors, food and drug chains and retail outlets. In countries where we do not maintain a sales force, we sell to distributors who market our products through all channels in the market.

The sales force serving our customers in Europe and Asia/Pacific is supplemented by an international network of distributors to promote the sale of our products. Our sales operations throughout Europe and Asia/Pacific are organized by geographic territory and the following sales channels: (i) food/retail, which includes mass merchandisers, discounters and drug and food stores; (ii) specialty trade, which includes clubs, consumer electronics stores, department stores, photography stores and wholesalers/distributors; and (iii) industrial, government, hearing aid professionals and OEMs.

Global Pet Supplies

Our Global Pet Supplies sales force is aligned by customer, geographic region and product group. We sell pet supply products to mass merchandisers, grocery and drug chains, pet superstores, independent pet stores and other retailers.

Home and Garden Business

The Home and Garden Business sales force is geographically aligned with our key customers. We sell primarily to home improvement centers, mass merchandisers, dollar stores, hardware stores, home and garden distributors, and food and drug retailers in the U.S.

Hardware & Home Improvement

The sales force of the Hardware & Home Improvement is aligned by customer and geographic region. We sell primarily to large retailers, non-retail distributors, home improvement centers, hardware stores, home builders and other retailers.

Global Auto Care

The Global Auto Care sales force is geographically aligned with our key customers. We sell primarily to automotive supply retailers, mass merchandisers, convenience stores, discount and dollar stores, home improvement centers, hardware stores and distributors.

Manufacturing, Raw Materials and Suppliers

The principal raw materials used in manufacturing our products zinc, electrolytic manganese dioxide, brass and steel are sourced either on a global or regional basis. The prices of these raw materials are susceptible to price fluctuations due to supply and demand trends, energy costs, transportation costs, government regulations and tariffs, changes in currency exchange rates, price controls, general economic conditions and other unforeseen circumstances. We have regularly engaged in forward purchase and hedging derivative transactions in an attempt to effectively manage the raw material costs we expect to incur over the next 12 to 24 months.

Substantially all of our rechargeable batteries and chargers, portable lighting products, hair care and other personal care products and our electric shaving and grooming products and small appliances are manufactured by third party suppliers that are primarily located in the Asia/Pacific region. We maintain ownership of most of the tooling and molds used by our suppliers.

We continually evaluate our manufacturing facilities capacity and related utilization. As a result of such analyses, we have closed a number of manufacturing facilities during the past five years. In general, we believe our existing facilities are adequate for our present and foreseeable needs.

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Research and Development

Our research and development strategy is focused on new product development and performance enhancements of our existing products. We plan to continue to use our strong brand names, established customer relationships and significant research and development efforts to introduce innovative products that offer enhanced value to consumers through new designs and improved functionality.

In our fiscal years ended September 30, 2014, 2013 and 2012, we invested $47.9 million, $43.3 million and $33.1 million, respectively, in product research and development.

Patents and Trademarks

We own or license from third parties a significant number of patents and patent applications throughout the world relating to products we sell and manufacturing equipment we use. We hold a license that expires in March 2022 for certain alkaline battery designs, technology and manufacturing equipment from Matsushita Electrical Industrial Co., Ltd. (Matsushita), to whom we pay a royalty.

We also use and maintain a number of trademarks in our business, including Rayovac, Remington, VARTA, Tetra, 8-in-1, Dingo, Nature s Miracle, IAMS, Eukanuba, Digest-eeze, Liquid Fence, Black Flag, Wild Harvest, Marineland, FURminator, Spectracide, Cutter, Hot Shot, Garden Safe, Repel, George Foreman, Russell Hobbs, Farberware, Toastmaster, Black & Decker, Kwikset, Weiser, Baldwin, National Hardware, Pfister, Armor All, STP, A/C PRO, Arctic Freeze, Sub Zero, and Super Seal Stop Leak. We seek trademark protection in the U.S. and in foreign countries.

As a result of the October 2002 sale by VARTA AG of substantially all of its consumer battery business to us and VARTA AG s subsequent sale of its automotive battery business to Johnson Controls, Inc. (Johnson Controls), we acquired rights to the VARTA trademark in the consumer battery category and Johnson Controls acquired rights to the trademark in the automotive battery category. VARTA AG continues to have rights to use the trademark with travel guides and industrial batteries and VARTA Microbattery GmbH has the right to use the trade mark with micro batteries. We are party to a Trademark and Domain Names Protection and Delimitation Agreement that governs ownership and usage rights and obligations of the parties relative to the VARTA trademark.

As a result of the common origins of the Remington Products, L.L.C. (Remington Products) business we acquired in September 2003 and the Remington Arms Company, Inc. (Remington Arms), the REMINGTON trademark is owned by us and by Remington Arms each with respect to its principal products as well as associated products. Accordingly, we own the rights to use the REMINGTON trademark for electric shavers, shaver accessories, grooming products and personal care products, while Remington Arms owns the rights to use the trademark for firearms, sporting goods and products for industrial use, including industrial hand tools. In addition, the terms of a 1986 agreement between Remington Products and Remington Arms provides for the shared rights to use the REMINGTON trademark on products which are not considered principal products of interest for either company. We retain the REMINGTON trademark for nearly all products which we believe can benefit from the use of the brand name in our distribution channels.

We license the Black & Decker brand in North America, Latin America (excluding Brazil) and the Caribbean for four core categories of household appliances: beverage products, food preparation products, garment care products and cooking products. Russell Hobbs has licensed the Black & Decker brand since 1998 for use in marketing various household small appliances. In July 2014, Spectrum Brands and The Black & Decker Corporation (BDC) extended the trademark license agreement through December 2018. Under the agreement as extended, Spectrum Brands agreed to pay BDC royalties based on a percentage of sales, with minimum annual royalty payments of $15.0 million through calendar year 2018. The agreement also requires us to comply with maximum annual return rates for products.

If BDC does not agree to renew the license agreement, we have 18 months to transition out of the brand name. No minimum royalty payments will be due during such transition period. BDC has agreed not to compete in the four core product categories for a period of five years after the end of the transition period following termination of the license agreement. Upon request, BDC may elect to extend the license to use the Black & Decker brand to certain additional product categories. BDC has approved several extensions of the license to additional categories and geographies.

Through the acquisition of the residential hardware and home improvement business (the HHI Business), we own the patented SmartKey technology, which enables customers to easily rekey their locks without hiring a locksmith.

On November 8, 2012, we acquired a 56% interest in Shaser Biosciences, Inc. Through this acquisition we acquired patented technology that is used in our i-Light product line.

Competition

In our retail markets, we compete for limited shelf space and consumer acceptance. Factors influencing product sales include brand name recognition, perceived quality, price, performance, product packaging, design innovation, and consumer confidence and preferences as well as creative marketing, promotion and distribution strategies.

The battery product category is highly competitive. Most consumer batteries manufactured throughout the world are sold by one of four global companies: Spectrum Brands (manufacturer/seller of Rayovac and VARTA brands); Energizer Holdings, Inc. (Energizer) (manufacturer/seller of the Energizer brand); The Procter & Gamble Company (Procter & Gamble) (manufacturer/seller of the Duracell brand); and Matsushita (manufacturer/seller of the Panasonic brand). We also face competition from the private label brands of major retailers, particularly in Europe. The offering of private-label batteries by retailers may create pricing pressure in the consumer battery market. Typically, private-label brands are not supported by advertising or promotion, and retailers sell these private label offerings at prices below competing name-brands. The main barriers to entry for new competitors are investment in technology research, cost of building manufacturing capacity and the expense of building retail distribution channels and consumer brands.

In the U.S. alkaline battery category, the Rayovac brand is positioned as a value brand, which is typically defined as a product that offers comparable performance at a lower price. In Europe, the VARTA brand is competitively priced with other premium brands. In Latin America, where zinc carbon batteries outsell alkaline batteries, the Rayovac brand is competitively priced. Our primary competitors in the portable lighting product category are Energizer and Mag Instrument, Inc.

Competition within the hardware and home improvement industry varies based on location and product segment. The main source of competition for residential locksets includes other third party manufacturers such as Schlage, a division of Ingersoll-Rand, and private label import brands such as Defiant and Gatehouse. Major competitors for hardware include The Hillman Group, Hampton Hardware, Crown Bolt and private label competitors. In plumbing, Pfister s major U.S. competitors are Masco, Fortune Brands, Kohler, and American Standard, as well as Glacier Bay and AquaSource, and the private label brands of The Home Depot and Lowe s.

The pet supplies product category is highly fragmented with over 500 manufacturers in the U.S. alone, consisting primarily of small companies with limited product lines. Our largest competitors in this product category are Mars Corporation (Mars), The Hartz Mountain Corporation (Hartz) and Central Garden & Pet Company (Central Garden & Pet). Both Hartz and Central Garden & Pet sell a comprehensive line of pet supplies and compete with a majority of the products we offer. Mars sells primarily aquatics products.

Products we sell in the home and garden product category face competition from The Scotts Miracle-Gro Company (Scotts Company), which markets lawn and garden products under the Scotts, Ortho, Roundup, Miracle-Gro, and Tomcat brand names; Central Garden & Pet, which markets garden products under the AMDRO and Sevin brand names; and Bayer A.G., which markets home and garden products under the Bayer Advanced brand name.

Products we sell in the household insect control product category face competition from S.C. Johnson & Son, Inc. (S.C. Johnson), which markets insecticide and repellent products under the Raid and OFF! brands; Scotts Company, which markets household insect control products under the Ortho brand; and Henkel KGaA, which markets insect control products under the Combat brand.

Our primary competitors in the electric shaving and grooming product category are Norelco, a division of Koninklijke Philips Electronics NV (Philips), which sells and markets rotary shavers, and Braun, a division of Procter & Gamble, which sells and markets foil shavers. Through our Remington brand, we sell both foil and rotary shavers.

Primary competitive brands in the small appliance category include Hamilton Beach, Proctor Silex, Sunbeam, Mr. Coffee, Oster, General Electric, Rowenta, DeLonghi, Kitchen Aid, Cuisinart, Krups, Braun, Rival, Europro, Kenwood, Philips, Morphy Richards, Breville and Tefal. The key competitors of Russell Hobbs in this market in the U.S. and Canada include Jarden Corporation, DeLonghi America, Euro-Pro Operating LLC, Metro Thebe, Inc., d/b/a HWI Breville, NACCO Industries, Inc. (Hamilton Beach) and SEB S.A. In addition, Russell Hobbs competes with retailers who use their own private label brands for household appliances (for example, Wal-Mart).

Our major competitors in the electric personal care product category are Conair Corporation, Wahl Clipper Corporation and Helen of Troy Limited (Helen of Troy).

Some of our major competitors have greater resources and greater overall market share than we do. They have committed significant resources to protect their market shares or to capture market share from us and may continue to do so in the future. In some key product lines, our competitors may have lower production costs and higher profit margins than we do, which may enable them to compete more aggressively in advertising and in offering retail discounts and other promotional incentives to retailers, distributors, wholesalers and, ultimately, consumers.

Seasonality

On a consolidated basis our financial results are approximately equally weighted between quarters, however, sales of certain product categories tend to be seasonal. Sales in the consumer battery, electric shaving and grooming and electric personal care product categories, particularly in North America, tend to be concentrated in the December holiday season (Spectrum s first fiscal quarter). Demand for hardware and home improvement products increases during the spring and summer construction period (Spectrum s third and fourth fiscal quarters). Demand for pet supplies products remains fairly constant throughout the year. Demand for home and garden control products typically peaks during the first six months of the calendar year (Spectrum s second and third fiscal quarters). Small Appliances peaks from July through December primarily due to the increased demand by customers in the late summer for back-to-school sales and in the fall for the holiday season. For a more detailed discussion of the seasonality of our product sales, see Management s Discussion and Analysis of Financial Condition and Results of Operations Seasonal Product Sales.

Governmental Regulations and Environmental Matters

Due to the nature of our operations, our facilities are subject to a broad range of federal, state, local and foreign legal and regulatory provisions relating to the environment, including those regulating the discharge of materials into the environment, the handling and disposal of solid and hazardous substances and wastes and the remediation of contamination associated with the releases of hazardous substances at our facilities. We believe that compliance with the federal, state, local and foreign laws and regulations to which we are subject will not have a material effect upon our capital expenditures, financial condition, earnings or competitive position.

From time to time, we have been required to address the effect of historic activities on the environmental condition of our properties. We have not conducted invasive testing at all facilities to identify all potential environmental liability risks. Given the age of our facilities and the nature of our operations, it is possible that material liabilities may arise in the future in connection with our current or former facilities. If previously unknown contamination of property underlying or in the vicinity of our manufacturing facilities is discovered, we could incur material unforeseen expenses, which could have a material adverse effect on our financial condition, capital expenditures, earnings and competitive position. Although we are currently engaged in investigative or remedial projects at some of our facilities, we do not expect that such projects, taking into account established accruals, will cause us to incur expenditures that are material to our business, financial condition or results of operations; however, it is possible that our future liability could be material.

We have been, and in the future may be, subject to proceedings related to our disposal of industrial and hazardous material at off-site disposal locations or similar disposals made by other parties for which we are held responsible as a result of our relationships with such other parties. In the U.S., these proceedings are under the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) or similar state laws that hold persons who arranged for the disposal or treatment of such substances strictly liable for costs incurred in responding to the release or threatened release of hazardous substances from such sites, regardless of fault or the lawfulness of the original disposal. Liability under CERCLA is typically joint and several, meaning that a liable party may be responsible for all costs incurred in investigating and remediating contamination at a site. As a practical matter, liability at CERCLA sites is shared by all of the viable responsible parties. We occasionally are identified by federal or state governmental agencies as being a potentially responsible party for response actions contemplated at an off-site facility. At the existing sites where we have been notified of our status as a potentially responsible party, it is either premature to determine whether our potential liability, if any, will be material or we do not believe that our liability, if any, will be material. We may be named as a potentially responsible party under CERCLA or similar state laws for other sites not currently known to us, and the costs and liabilities associated with these sites may be material.

It is difficult to quantify with certainty the potential financial impact of actions regarding expenditures for environmental matters, particularly remediation, and future capital expenditures for environmental control equipment. Nevertheless, based upon the information currently available, we believe that our ultimate liability arising from such environmental matters, taking into account established accruals of $4.6 million for estimated liabilities at September 30, 2014 should not be material to our business or financial condition.

Electronic and electrical products that we sell in Europe, particularly products sold under the Remington brand name, VARTA battery chargers, certain portable lighting and all of our batteries, are subject to regulation in European Union (EU) markets under three key EU directives. The first directive is the Restriction of the Use of Hazardous Substances in Electrical and Electronic Equipment (RoHS) which took effect in EU member states beginning July 1, 2006. RoHS prohibits companies from selling products which contain certain specified hazardous materials in EU member states. We believe that compliance with RoHS will not have a material effect on our capital expenditures, financial condition, earnings or competitive position. The second directive is entitled the Waste of Electrical and Electronic Equipment (WEEE). WEEE makes producers or importers of particular classes of electrical goods financially responsible for specified collection, recycling, treatment and disposal of past and future covered products. WEEE assigns levels of responsibility to companies doing business in EU markets based on their relative market share. WEEE calls on each EU member state to enact enabling legislation to implement the directive. To comply with WEEE requirements, we have partnered with other companies to create a comprehensive collection, treatment, disposal and recycling program. As EU member states pass enabling legislation we currently expect our compliance system to be sufficient to meet such requirements. Our current estimated costs associated with compliance with WEEE are not significant based on our current market share. However, we continue to evaluate the impact of the WEEE legislation as EU member states implement guidance and as our market share changes and, as a result, actual costs to our company could differ from our current estimates and may be material to our business, financial condition or results of operations. The third directive is the Directive on Batteries and Accumulators and Waste Batteries, which was adopted in September 2006 and went into effect in September 2008 (the Battery Directive). The Battery Directive bans heavy metals in batteries by establishing maximum quantities of those heavy metals in batteries and mandates waste management of batteries, including collection, recycling and disposal systems. The Battery Directive places the costs of such waste management systems on producers and importers of batteries. The Battery Directive calls on each EU member state to enact enabling legislation to implement the directive. We currently believe that compliance with the Battery Directive will not have a material effect on our capital expenditures, financial condition, earnings or competitive position. However, until such time as the EU member states adopt enabling legislation, a full evaluation of these costs cannot be completed. We will continue to evaluate the impact of the Battery Directive and its enabling legislation as EU member states implement guidance.

Certain of our products and facilities in each of our business segments are regulated by the United States Environmental Protection Agency (the EPA) and the United States Food and Drug Administration (the FDA) or other federal consumer protection and product safety agencies and are subject to the regulations such agencies enforce, as well as by similar state, foreign and multinational agencies and regulations. For example, in the U.S., all products containing pesticides must be registered with the EPA and, in many cases, similar state and foreign agencies before they can be manufactured or sold. Our inability to obtain or the cancellation of any registration could have an adverse effect on our business, financial condition and results of operations. The severity of the effect would depend on which products were involved, whether another product could be substituted and whether our competitors were similarly affected. We attempt to anticipate regulatory developments and maintain registrations of, and access to, substitute chemicals and other ingredients. We may not always be able to avoid or minimize these risks.

The Food Quality Protection Act (FQPA) established a standard for food-use pesticides, which is that a reasonable certainty of no harm will result from the cumulative effect of pesticide exposures. Under the FQPA, the EPA is evaluating the cumulative effects from dietary and non-dietary exposures to pesticides. The pesticides in certain of our products continue to be evaluated by the EPA as part of this program. It is possible that the EPA or a third party active ingredient registrant may decide that a pesticide we use in our products will be limited or made unavailable to us. We cannot predict the outcome or the severity of the effect of the EPA s continuing evaluations of active ingredients used in our products.

Certain of our products and packaging materials are subject to regulations administered by the FDA. Among other things, the FDA enforces statutory prohibitions against misbranded and adulterated products, establishes ingredients and manufacturing procedures for certain products, establishes standards of identity for certain products, determines the safety of products and establishes labeling standards and requirements. In addition, various states regulate these products by enforcing federal and state standards of identity for selected products, grading products, inspecting production facilities and imposing their own labeling requirements.

Employees

We had approximately 15,400 full-time employees worldwide as of June 28, 2015. Approximately 15% of our total labor force is covered by collective bargaining agreements. There are three collective bargaining agreements that will expire through the end of our fiscal year ending September 30, 2016, which cover approximately 50% of the labor force under collective bargaining agreements, or approximately 6% of our total labor force. We believe that our overall relationship with our employees is good.

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Properties

The following table lists our principal owned or leased manufacturing, packaging and distribution facilities at June 28, 2015:

Facility	Function
Global Batteries & Appliances	
Fennimore, Wisconsin(1)	Battery Manufacturing
Portage, Wisconsin(1)	Battery Manufacturing
Dischingen, Germany(2)	Battery Manufacturing
Washington, UK(2)	Battery Manufacturing & Distribution
Guatemala City, Guatemala(1)	Battery Manufacturing
Jaboatao, Brazil(1)	Battery Manufacturing
Dixon, Illinois(2)	Distribution
Ellwangen-Neunheim, Germany(2)	Distribution
Redlands, California(2)	Distribution
Manchester, England(1)	Distribution
Wolverhampton, England(1)(2)	Distribution
Hardware & Home Improvement	
Denison, Texas(1)(2)	Manufacturing & Distribution
Fort Mill, South Carolina(2)	Manufacturing
Houston, Texas(2)	Manufacturing
Mexicali, Mexico(2)	Manufacturing
Nogales, Mexico(1)	Manufacturing
Chia-Yi, Taiwan(2)	Manufacturing
Subic Bay, Philippines(1)	Manufacturing
Xiamen, China(2)	Manufacturing
Xiaolan, China(2)	Manufacturing
Lilitz, Pennsylvania(2)	Distribution
Brockville, Canada(2)	Distribution
Charlotte, North Carolina(2)	Distribution
Cobourg, Canada(1)	Distribution
Mira Loma, California(2)	Distribution
Shenzen, China(2)	Distribution
Global Pet Supplies	
Noblesville, Indiana(1)	Manufacturing
Bridgeton, Missouri(2)	Manufacturing
Blacksburg, Virginia(1)	Manufacturing
Coevorden, Netherlands(1)	Manufacturing
Melle, Germany(1)	Manufacturing
Melle, Germany(2)	Distribution
Ciudad, Mexico(2)	Manufacturing
Bogota, Colombia(2)	Manufacturing
Tungurahua, Ecuador(2)	Manufacturing
Phnom Penh, Cambodia(2)	Manufacturing

Edwardsville, Illinois(2)	Distribution
Daleville, Virginia(2)	Distribution
Home and Garden Business	
St. Louis, Missouri(2)	Manufacturing
Edwardsville, Illinois(3)	Distribution

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Facility	Function
Global Auto Care	
Painesville, Ohio(1)	Manufacturing
Garland, Texas(2)	Manufacturing
Garland, Texas(2)	Distribution
Gwent, UK(2)	Manufacturing
Mentor, Ohio(2)	Distribution
Padstow, Australia(2)	Distribution
Concord, Canada(2)	Distribution

(1) Facility is owned.
(2) Facility is leased
(3) Facility is leased and managed by a third-party logistics firm.

Legal Proceedings

Litigation

We are a defendant in various matters of litigation generally arising out of the ordinary course of business.

We do not believe that any matters or proceedings presently pending will have a material adverse effect on our results of operations, financial condition, liquidity or cash flows.

Environmental

We have provided for the estimated costs associated with environmental remediation activities at some of our current and former manufacturing sites. We believe that any additional liability that may result from the resolution of these matters in excess of the amounts provided of approximately $4.5 million as of June 28, 2015, will not have a material adverse effect on our financial condition, results of operations or cash flows.

We are subject to various federal, state and local environmental laws and regulations. We believe we are in substantial compliance with all such environmental laws that are applicable to our operations. See also the discussion captioned Governmental Regulations and Environmental Matters.

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MANAGEMENT

Executive Officers and Directors

The Board of Directors of Spectrum Brands consists of Nathan Fagre and John Beattie. Mr. Fagre has served as one of Spectrum Brands directors since April 2012. Mr. Fagre has also served as Spectrum Brands Senior Vice President, General Counsel and Secretary since May 2012, and Spectrum Brands Vice President, General Counsel and Secretary since January 2011. Mr. Beattie, age 61, has served as one of Spectrum Brands directors since April 2012. Mr. Beattie has also served as Spectrum Brands Vice President and Treasurer since 2004 and as Division Vice President and Treasurer since 2000. Neither Mr. Fagre nor Mr. Beattie is independent.

In addition to the directors named above, Spectrum Brands named executive officers as of September 1, 2015 consisted of the following persons:

Name	Age	Position
Andreas Rouvé	54	Chief Executive Officer and President
Nathan E. Fagre	60	Senior Vice President, General Counsel and Secretary
Douglas L. Martin	52	Executive Vice President and Chief Financial Officer

Andreas Rouvé was elected Chief Executive Officer of Spectrum Brands, effective April 1, 2015. Mr. Rouvé previously served as Chief Operating Office since February 2014 and, prior to that, as President, International since January 2013. He served as Senior Vice President and Managing Director of Spectrum Brands European Battery and Personal Care business since 2007 and subsequently led the integration of the Home Appliances and Pet Supplies European businesses in 2010-2011. Mr. Rouvé joined Spectrum Brands in 2002 as Chief Financial Officer of the European Battery division. Previously, he worked 13 years with VARTA AG in a variety of management positions, including Chief Financial Officer of VARTA Portable Batteries from 1999-2002, Managing Director Asia from 1997-1999 and Director of Finance of 3C Alliance L.L.P., a U.S. joint venture of VARTA, Duracell and Toshiba, from 1995-1997. Mr. Rouvé holds a Master s of Business Administration (Diplom-Kaufmann) from the University of Mannheim in Germany and a Doctor of Economics and Social Science (Dr. rer. soc. oec.) from the University of Linz in Austria.

John Beattie has served as Spectrum Brands Vice President and Treasurer since 2004 and as Division Vice President and Treasurer since 2000. Mr. Beattie joined us in 1980 and has held numerous other positions with us. Mr. Beattie started his career at the Coca-Cola Bottling Company of Mid-America. Mr. Beattie holds a Bachelor of Arts degree in political science, a Bachelor of Business Administration degree in accounting and a Master of Business Administration degree in finance from the University of Wisconsin. Mr. Beattie s experience with the operations of Spectrum Brands has led us to conclude that he should be a member of the board of directors of Spectrum Brands.

Nathan Fagre was appointed Spectrum Brands Vice President, General Counsel and Secretary in January 2011, and was promoted to Senior Vice President, General Counsel and Secretary in May 2012. He previously had served as Senior Vice President, General Counsel and Secretary for ValueVision Media, Inc. from May 2000 until January 2011. Prior to that time, he had served as Senior Vice President, General Counsel and Secretary for the exploration and production division of Occidental Petroleum Corporation, from May 1995 until April 2000. Before joining Occidental Petroleum Corporation, Mr. Fagre had been in private law practice with Sullivan & Cromwell, LLP and Gibson, Dunn & Crutcher, LLP. Mr. Fagre graduated with a bachelor s degree from Harvard College in 1977, received a master of philosophy (M.Phil.) degree in international relations from Oxford University in 1979, and received a J.D. from Harvard Law School in 1982. Mr. Fagre served as chairman of the Electronic Retailing

Association from 2008-2009 after becoming a director of the association in 2004. Mr. Fagre currently serves as a member of the board of directors of the Greater Madison Chamber of Commerce since 2012, and as a director of Shaser, Inc., a medical device company, since 2013. Mr. Fagre s experience with the operations of Spectrum Brands has led us to conclude that he should be a member of the board of directors of Spectrum Brands.

Douglas Martin was appointed Spectrum Brands Executive Vice President and Chief Financial Officer in September 2014. Prior to joining us, Mr. Martin served from September 2012 to August 2014 as Executive Vice President and Chief Financial Officer of Newell Rubbermaid Inc., a global marketer of consumer and commercial products, including writing, home solutions, tools, commercial products, and baby & parenting brands. Mr. Martin was employed by Newell Rubbermaid Inc. since 1987, serving in a variety of senior financial roles, including Deputy Chief Financial Officer from February 2012 to September 2012, Vice President of Finance Newell Consumer from November 2011 to February 2012, Vice President of Finance Office Products from December 2007 to November 2011, and Vice President and Treasurer from June 2002 to December 2007. Mr. Martin began his career with KPMG LLP, holds a bachelor s degree in accounting from Rockford College, Illinois, and is a Certified Public Accountant.

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EXECUTIVE COMPENSATION

General

Our compensation programs are administered by the compensation committee of SB Holdings. Solely for the purposes of this section, unless otherwise indicated, references to the Compensation Committee refer to such committee and references to the Company refer to SB Holdings and we and us and our refer to SB Holdings and its consolidated subsidiaries.

Our compensation programs are designed to attract and retain highly qualified executives, to align the compensation paid to executives with the business strategies of our Company, and to align the interests of our executives with the interests of our stockholders. These programs are based on our pay-for-performance philosophy in which variable compensation represents a majority of an executive s potential compensation.

In terms of our Fiscal 2014 performance, we reported results that met or exceeded our financial targets, including adjusted EBITDA and consolidated free cash flow. Management continued to execute the Spectrum Value Model in a challenging economic environment, and maintained a disciplined focus on cost controls.

Compensation decisions for the named executive officers (NEOs) in Fiscal 2014 were consistent with our pay-for-performance philosophy and our corporate goals of increased growth and free cash flow generation. These decisions included the following:

- Our fiscal results produced annual cash incentive compensation that exceeded target by approximately 10 percent;

- We maintained our performance-based equity incentive grants at approximately the same dollar value levels as the prior year, but decreased the number of shares in some cases to reflect the appreciation of our stock as compared to the prior year;

- The Spectrum 750 Plan, an equity incentive program, which had a two-year performance period ending September 30, 2014, provided incentives to the NEOs and other key members of management to achieve increased adjusted EBITDA growth, earnings per share growth, and accelerated free cash flow generation, in each case above our forecasted plans for Fiscal 2013 and 2014; and

- The Compensation Committee has approved a new multi-year superior achievement program entitled Spectrum $2B, as the successor program to the Spectrum 750 Plan, which would promote the attainment of stretch goals for key financial performance metrics in a two-year performance period consisting of Fiscal 2015 and Fiscal 2016.

In establishing our compensation programs, our Compensation Committee obtains the advice of an independent outside compensation consultant and evaluates the Company s programs with reference to a peer group of 15 companies, as specified in the section titled Role of Committee-Retained Consultants. In Fiscal 2014, the Compensation Committee engaged Towers Watson as its compensation consultant. In October 2014, the Compensation Committee engaged a new compensation consultant, Lyons, Benenson & Company Inc. (LB & Co.), replacing Towers Watson, to assist in evaluating and advising on the Company s executive compensation programs.

At our 2014 Annual Meeting of Stockholders (the 2014 Annual Meeting), our stockholders approved, on an advisory basis, the compensation of the Company s named executive officers as disclosed in the Compensation Discussion and Analysis, compensation tables, and related narrative disclosure in the proxy statement for the 2014 Annual Meeting. Our compensation practices as discussed herein are materially consistent with those discussed in the proxy statement for the 2014 Annual Meeting. Additionally, at our 2011 Annual Meeting of Stockholders, our stockholders held a separate vote, on an advisory basis, relating to the frequency of the advisory vote on the compensation of the Company s named executive officers, pursuant to which our

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stockholders indicated their preference that such vote be held every three years, which was the frequency recommended by the Board of Directors. The next stockholder advisory vote on executive compensation, as well as the next advisory vote relating to the frequency of the advisory vote on executive compensation, will be held at the Company s 2017 Annual Meeting of Stockholders.

Our Named Executive Officers

The Company s named executive officers for Fiscal 2014 consisted of the following persons:

Named Executive Officer	Position
David R. Lumley	Chief Executive Officer and President
Douglas L. Martin	Executive Vice President and Chief Financial Officer
Anthony L. Genito	Executive Vice President and Chief Accounting Officer; former Chief Financial Officer
Andreas Rouve	Chief Operating Officer
Nathan E. Fagre	Senior Vice President, General Counsel and Secretary

Our Compensation Committee

The Compensation Committee of our Board of Directors (the Compensation Committee) is responsible for developing, adopting, reviewing, and maintaining the Company s executive compensation programs in order to ensure that they continue to benefit the Company.

Background on Compensation Considerations

The Company pursues several objectives in determining its executive compensation programs. It seeks to attract and retain highly qualified executives and ensure continuity of senior management for the Company as a whole and for each of the Company s business segments, to the extent consistent with the overall objectives and circumstances of the Company. It seeks to align the compensation paid to our executives with the overall business strategies of the Company while leaving the flexibility necessary to respond to changing business priorities and circumstances. It also seeks to align the interests of our executives with those of our stockholders and seeks to reward our executives when they perform in a manner that creates value for our stockholders. In order to carry out this function, the Compensation Committee:

Considers the advice of independent compensation consultants engaged to advise on executive compensation issues and program design, including advising on the Company s compensation program as it compares to similar companies;

Reviews compensation summaries for each named executive officer at least once a year, including the compensation and benefit values offered to each executive, accumulated value of equity and other past compensation awards, and other contributors to compensation;

Consults with our Chief Executive Officer and other management personnel and Company consultants, including our Senior Vice President of Global Human Resources, in regards to compensation matters and periodically meets in executive session without management to evaluate management s input; and

Solicits comments and concurrence from other board members regarding its recommendations and actions at the Company s regularly scheduled board meetings.

Philosophy on Performance Based Compensation

The Compensation Committee has designed the Company s executive compensation programs so that, at target levels of performance, a significant portion of the value of each executive s annual compensation (consisting of salary and incentive awards) is based on the Company s achievement of performance objectives set by the Compensation Committee. We believe that a combination of annual fixed base pay and incentive performance-based pay provides our named executive officers with an appropriate mix of current cash compensation and performance compensation. However, in applying these compensation programs to both individual and Company circumstances, the percentage of annual compensation based on the Company s achievement of performance objectives set by the Compensation Committee varies by individual, and the Compensation Committee is free to design compensation programs that provide for target-level performance-based compensation to be an amount greater than, equal to, or less than 50% of total annual compensation. For example, for Fiscal 2015, the percentage of annual compensation based on the Company s achievement of performance objectives (set by the Compensation Committee) for the named executive officers is expected to range from 78% to 90%. In addition, to highlight the alignment of the incentive plans with stockholder interests, all of the Company s equity-based incentive programs are performance-based plans.

The remainder of each executive s compensation is made up of amounts that do not vary based on performance. For all named executive officers, these non-performance based amounts are set forth in such executive s employment agreement or written terms of employment, as described below, subject to annual review and potential increase by the Compensation Committee. These amounts are determined by the Compensation Committee taking into account current market conditions, the Company s financial condition at the time such compensation levels are determined, compensation levels for similarly situated executives with other companies, experience level, and the duties and responsibilities of such executive s position.

A component of compensation (whether performance-based or time-based) also consists of multi-year incentive programs. We believe that awards that have multi-year performance periods and that vest over time enhance the stability of our senior management team and provide greater incentives for our named executive officers to remain at the Company.

Role of Committee-Retained Consultants

In Fiscal 2014, our Compensation Committee retained an outside consultant, Towers Watson, to assist us in formulating and evaluating executive and director compensation programs.

During Fiscal 2014, the Compensation Committee, directly or through our Senior Vice President of Global Human Resources, periodically requested Towers Watson to:

- Provide comparative market data for our peer group, and other groups on request, with respect to compensation matters;
- Analyze our compensation and benefit programs relative to our peer group;
- Advise the Compensation Committee on compensation matters and management proposals with respect to compensation matters;
- Assist in the preparation of this report and the compensation tables provided herewith; and

On request, participate in meetings of the Compensation Committee.

In order to encourage an independent view point, the Compensation Committee and its members had access to Towers Watson at any time without management present and have consulted from time to time with Towers Watson without management present.

Towers Watson, with input from management and the Compensation Committee, developed a peer group of companies based on a variety of criteria, including type of business, revenue, assets and market capitalization. The composition of this peer group is reviewed annually by the Compensation Committee and the compensation consultant and, if appropriate, revised, based on changes in business orientation of peer group companies, changes in financial size or performance of the Company and the peer group companies, and merger, acquisition, or bankruptcy of companies in the peer group. At the end of Fiscal 2014, the peer group utilized consisted of 14 companies, comprised of Central Garden & Pet Company, Church & Dwight Co., Inc., The Clorox Company, Energizer Holdings, Inc., Fortune Brands Home & Security, Inc., Hanesbrands Inc., Hasbro, Inc., Jarden Corporation, Mattel, Inc., Newell Rubbermaid Inc., Nu Skin Enterprises, Inc., The Scotts Miracle-Gro Company, Stanley Black & Decker, Inc., and Tupperware Brands Corporation. The peer group for Fiscal 2014 was updated from that of Fiscal 2013 to delete Exide Technologies, which filed for bankruptcy during the fiscal year. While the Compensation Committee does not target a particular range for total compensation as compared to our peer group, it does take this information into account when establishing compensation programs.

No fees were paid to Towers Watson for services other than executive and director compensation consulting during Fiscal 2014. In accordance with SEC rules, our Compensation Committee considered the independence of Towers Watson, including an assessment of the following factors: (i) other services provided to the Company by the consultant; (ii) fees paid as a percentage of the consulting firm s total revenue; (iii) policies or procedures maintained by the consulting firm that are designed to prevent a conflict of interest; (iv) any business or personal relationships between the individual consultants involved in the engagement and any member of our Compensation Committee; (v) any Company stock owned by individual consultants involved in the engagement; and (vi) any business or personal relationships between our executive officers and the consulting firm or the individual consultants involved in the engagement. Our Compensation Committee has concluded that no conflict of interest exists that prevented Towers Watson from independently representing our Compensation Committee during Fiscal 2014.

In October 2014, the Compensation Committee engaged LB & Co. as its new compensation consultant to replace Towers Watson. LB & Co. was retained to review and help guide the Company s compensation philosophy, strategy, and program. LB & Co. is also expected to guide the Compensation Committee on best practices in compensation and governance, as well as apprise the Compensation Committee of trends, developments, legislation, and regulations affecting executive and director compensation.

Use of Employment Agreements

Current Employment and Severance Agreements

The Compensation Committee periodically evaluates the appropriateness of entering into employment agreements or other written agreements with members of the Company s senior management to govern compensation and other aspects of the employment relationship. The Company limits the use of employment agreements and instead uses severance agreements for most executives. With respect to the named executive officers, at the direction of the Compensation Committee (or its predecessor), the Company has entered into the following written employment agreements with the following executive officers: (i) an Amended and Restated Employment Agreement with Mr. Lumley dated as of August 11, 2010, as amended by the First Amendment to the Employment Agreement dated as of November 16, 2010, (collectively, the Lumley Employment Agreement); (ii) an Employment Agreement with Mr. Genito dated as of June 9, 2008, as amended by the Amendment to Employment Agreement dated as of February 24, 2009, the description of the Second Amendment to the Employment Agreement dated as of August 28, 2009 and the Third Amendment to the Employment Agreement dated November 16, 2010 (collectively, the Genito Employment Agreement); and (iii) an Employment Agreement with Mr. Martin dated as of September 1, 2014 (the Martin Employment Agreement). The Lumley Employment Agreement and Martin Employment Agreement are with both Spectrum Brands and the Company, and the Genito Employment Agreement is only with Spectrum Brands. In addition, Spectrum Brands has entered into a Retention Agreement with Mr. Genito dated as of April 29, 2014, in connection with Mr. Genito s termination of employment with the Company (the Genito Retention Agreement). Mr. Rouve is subject to the Registered Director s Agreement with Rayovac Europe GmbH (Rayovac Europe), an indirect subsidiary of the Company, entered into under German law on August 27, 2007, as amended October 1, 2007, which governs duties, compensation, confidentiality, non-competition, holiday entitlement, non-solicitation, severance and certain other post-employment matters in connection with a potential termination of Mr. Rouve s employment (the

Rouve Employment Agreement). For more information about the Rouve Employment Agreement, see Company Significant Events after Fiscal 2014 . Finally, Spectrum Brands

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and Mr. Fagre are parties to a Severance Agreement dated as of November 19, 2012, which governs severance, confidentially, non-competition, and certain other post-employment matters in connection with a potential termination of Mr. Fagre s employment (the Fagre Severance Agreement).

Term and Renewal

The current term of the Lumley Employment Agreement expires on April 14, 2015, and the term of the Martin Employment Agreement expires on March 1, 2016. The Lumley Employment Agreement provides that upon each anniversary of the commencement date, the term will automatically be extended for an additional one year, unless either party provides the other with notice of non-renewal at least 90 days prior to the next occurring anniversary of the commencement date. The Martin Employment Agreement provides that upon expiration of the current term (and any subsequent renewal term), unless earlier terminated in accordance with such agreement, the agreement will automatically renew for an additional one-year period on September 1st of each year. The Rouve Employment Agreement continues until either party provides six months written notice indicating termination. Under the Genito Retention Agreement, Mr. Genito and Spectrum Brands have mutually agreed that his employment will terminate effective December 31, 2014 (or on such other date that is mutually agreed to) and Mr. Genito ceased serving as Chief Financial Officer on September 1, 2014. Mr. Genito departed from the Company on January 2, 2015.

Early Termination of Agreements

The Lumley, Martin, Rouve, and Genito Employment Agreements each permit the Company to terminate the executive s employment upon written notice in the event of cause (as defined below under the heading Termination and Change in Control Provisions). In the case of Mr. Lumley, if the behavior giving rise to cause is his willful failure or refusal to perform his duties, or follow the direction of the Board of Directors, then Mr. Lumley will have 15 days to cure such behavior; however, if the behavior giving rise to cause is a breach of the Lumley Employment Agreement or other material agreement with the Company, he will have 30 days to remedy such behavior. For Mr. Martin, if the behavior giving rise to cause is his willful failure or refusal to perform his duties or follow the direction of the Chief Executive Officer or the Board of Directors, or his material breach of his employment agreement or any other agreement with the Company, then Mr. Martin will have 30 days to cure such behavior following notice. For Mr. Genito, if the behavior giving rise to cause is his willful failure or refusal to perform his duties or follow the direction of the Chief Executive Officer, or his material breach of his employment agreement or any other agreement with the Company, then he will have 30 days to cure such behavior following notice. For Mr. Rouve, cause will be as defined under German law at the time of the occurrence.

The Lumley Employment Agreement permits the Company to terminate Mr. Lumley s employment without cause for any reason upon 60 days prior written notice or payment in lieu thereof. The Martin Employment Agreement permits the Company to terminate Mr. Martin s employment without cause for any reason upon 90 days prior written notice or payment in lieu thereof. The Genito Employment Agreement permits the Company to terminate Mr. Genito s employment without cause for any reason upon 30 days prior written notice. The Rouve Employment Agreement permits termination by the employer for any reason upon six months notice or payment in lieu thereof.

The Lumley, Martin, Rouve, and Genito Employment Agreements each permit the Company to terminate the executive s employment upon 30 days written notice, in the cases of Messrs. Lumley, Martin, and Genito, and three months written notice in the case of Mr. Rouve, in the event that the executive is unable to perform his duties for a period of at least six months by reason of any mental, physical, or other disability. Each agreement also terminates immediately upon the death of the executive.

The Lumley Employment Agreement allows Mr. Lumley to voluntarily terminate his employment for any reason upon 60 days prior written notice. The Martin Employment Agreement allows Mr. Martin to voluntarily terminate his employment for any reason upon 90 days prior written notice. The Genito Employment Agreement allows Mr. Genito to voluntarily terminate his employment for any reason upon 30 days prior written notice. The Rouve Employment Agreement allows Mr. Rouve to terminate for any reason upon six months notice.

The Lumley, Martin, Genito, and Rouve Employment Agreements also provide that if the executive resigns upon the occurrence of specified circumstances that would constitute good reason (as defined below under the heading Termination and Change in Control Provisions), the executive s resignation will be treated as a termination by the Company without cause and entitle the executive to the payments and benefits due with respect to a termination without cause under his respective employment agreement. In order to constitute good reason under the respective employment agreements, certain specific notice requirements and cure periods must be satisfied. In the case of Mr. Lumley, he would have to provide the Company with 30 days advance written notice of his intent to resign for good reason within 60 days following the occurrence of the facts or circumstances giving rise to good reason, and the Company will have 30 days thereafter to cure such facts or circumstances. If not cured, Mr. Lumley must terminate his employment within six months of the initial occurrence of the facts or circumstances giving rise to good reason in order to constitute good reason. In the case of Messrs. Genito and Martin, he would have 90 days following the occurrence of the facts or circumstances giving rise to good reason to give written notice to the Company of his intent to terminate for good reason, and the Company will have 30 days thereafter to cure such facts or circumstances. In the case of Mr. Rouve, he would have three months following the occurrence of the facts or circumstances giving rise to good reason to give written notice of his intent to terminate for good reason. For more information regarding employment agreements, see Company Significant Events after Fiscal 2014.

The Fagre Severance Agreement permits the Company to terminate Mr. Fagre s employment at any time upon written notice for any reason. However, in order for such termination by the Company to be treated as a termination for cause (as defined below under the heading Termination and Change in Control Provisions) as a result of Mr. Fagre s (i) willful failure or refusal to perform his duties and responsibilities to the Company or any of its affiliates, or (ii) breach of any of the terms of his severance agreement or any other agreement between Mr. Fagre and the Company, Mr. Fagre must not have remedied or cured such failure, refusal, or breach within a 30-day cure period. Mr. Fagre may also terminate his employment with the Company at any time upon written notice.

The amounts and benefits payable to each such executive upon the termination of such executive s employment in accordance with their employment agreements are further described under the heading Termination and Change in Control Provisions.

Grant of Restricted Stock to Douglas L. Martin

In connection with his appointment as the Executive Vice President and Chief Financial Officer of the Company, on September 1, 2014, the Company made a one-time grant to Mr. Martin of 28,868 shares of time-based restricted stock. This grant was made under the Spectrum Brands Holdings, Inc. 2011 Omnibus Equity Award Plan (the 2011 Plan). This award vested in full on October 1, 2014, and is reflected in the Stock Awards column in the Summary Compensation Table below.

Grant of Restricted Stock Units to Andreas Rouve

In connection with his appointment as Chief Operating Officer of the Company, on January 27, 2014, the Company made a one-time grant to Mr. Rouve of 5,155 performance-based restricted stock units under the 2014 EIP. This award is reflected in the Stock Awards column in the Summary Compensation Table below.

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Compensation Components

For Fiscal 2014, the basic elements of our executive compensation program, as designed by the Compensation Committee, were:

- Base salary;

- A performance-based annual cash incentive program tied to achievement of performance goals in Fiscal 2014, referred to as our Management Incentive Plan (MIP);

- A two-year performance and time-based equity incentive program tied to achievement of superior results by the end of Fiscal 2014 and, with respect to 50% of any award earned, continued employment through the end of Fiscal 2015, referred to as the Spectrum 750 Plan; and

- A performance and time-based equity incentive program tied to achievement of performance goals in Fiscal 2014 and, with respect to 50% of any award earned, continued employment through Fiscal 2015, referred to as the Equity Incentive Plan (EIP).

In addition, based on individual circumstances, title, position, and responsibilities, each named executive officer received certain other compensation components and perquisites as described herein.

For Fiscal 2015, the basic elements of our executive compensation program, as designed by our Compensation Committee, remain consistent with those outlined above for Fiscal 2014. The Compensation Committee has established an annual MIP and EIP for Fiscal 2015, with the performance targets and potential award amounts for the named executive officers as described below. The Spectrum 750 Plan was a two-year superior achievement plan which covered Fiscal 2013 and 2014 and has now concluded. The Compensation Committee has established a successor, two-year superior achievement program, Spectrum $2B, as the successor program to the Spectrum 750 Plan.

Base Salary

The annual base salary for each of Messrs. Lumley, Martin, Genito, and Rouve was initially set forth in each executive s employment agreement, subject to subsequent increases by the Compensation Committee. Mr. Fagre s base salary was initially set by the Chief Executive Officer at the time he joined the Company in January 2011. In determining the annual base salary reflected in each named executive officer s employment agreement or in making any subsequent increases, the Compensation Committee considered current market conditions, the Company s financial condition at the time such compensation levels were determined, compensation levels for similarly situated executives at other companies, experience level, the duties and responsibilities of such executive s position, and the relative sizes of the business segments they manage. Base salary level is subject to evaluation from time to time by the Compensation Committee to determine whether any increase is appropriate. As of the end of Fiscal 2014, the annual base salaries for the named executive officers were as follows:

Named Executive	**Annual Base Salary at FYE $**
David R. Lumley	945,000
Douglas L. Martin	550,000
Anthony L. Genito	480,000
Andreas Rouve	459,965*
Nathan E. Fagre	375,000

* The amount in the table above for Mr. Rouve was denominated in Euros and converted to U.S. dollars at the rate of $1.26852 per Euro, which was the published rate from the OANDA Corporation currency database as of September 30, 2014.

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In October 2013, the Compensation Committee, with the assistance of Towers Watson, conducted a review of the compensation of the named executive officers and determined to increase Mr. Fagre s annual base salary to $375,000 from $350,000 effective November 1, 2013, and to increase Mr. Lumley s base salary to $945,000 from $900,000, effective December 1, 2013. In February 2014, upon Mr. Rouve s promotion to Chief Operating Officer, the Compensation Committee increased his base salary from 325,000 to 362,600 (or from $412,269 to $459,965 when converted to U.S. dollars based on the September 30, 2014 exchange rate disclosed above).

Management Incentive Plan

General Description

Our management personnel, including our named executive officers, participate in the Company s annual performance-based cash bonus program referred to as the Management Incentive Plan (or the MIP), which is designed to compensate executives and other managers based on achievement of annual corporate, business segment, and/or divisional goals. Under the MIP, each participant has the opportunity to earn a threshold, target, or maximum bonus amount that is contingent upon achieving the performance goals set by the Compensation Committee and reviewed by the Board of Directors. Particular performance objectives (such as increasing EBITDA) are established prior to or during the first quarter of the relevant fiscal year and reflect the Compensation Committee s views at that time of the critical indicators of Company success in light of the Company s primary business priorities.

The specific financial targets with respect to performance goals are then set by the Compensation Committee based on the Company s annual operating plan, as approved by our Board of Directors. The annual operating plan includes performance targets for the Company as a whole as well as for each business segment. In the case of divisional managers within those business segments, divisional level performance targets have also been established.

Fiscal 2014 MIP Program

The Fiscal 2014 MIP program supported the corporate goals of increased EBITDA growth and free cash flow generation described above under the heading Philosophy on Performance Based Compensation. The performance goals for Fiscal 2014 were adjusted EBITDA and Free Cash Flow (as defined below), each weighted at 50%.

For Fiscal 2014, adjusted EBITDA was defined as earnings (defined as operating income (loss) of the Company plus other income less other expenses) before interest, taxes, depreciation, and amortization and excluding restructuring, acquisition, and integration charges, and other one-time charges. The result of the formula in the preceding sentence was then adjusted so as to negate the effects of acquisitions or dispositions; however, the Compensation Committee had the discretion to determine to include EBITDA from Board-approved acquisitions during the performance period on a case-by-case basis. Free Cash Flow meant adjusted EBITDA plus or minus changes in current and long term assets and liabilities, less cash payments for taxes, restructuring and interest, but excluding proceeds from acquisitions or dispositions. Any reductions in Free Cash Flow resulting from transaction costs or financing fees incurred in connection with any acquisition or refinancing approved by the Board of Directors (in each case during the performance period) was added back to Free Cash Flow.

For Messrs. Lumley, Genito, and Fagre, the Fiscal 2014 performance targets were the same as for the Company as a whole. For Mr. Rouve, with respect to adjusted EBITDA, 80% of that target was based on performance of the International operations, and 20% was based on the Company as a whole.

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The target Fiscal 2014 MIP award levels achievable for each participating named executive officer (as set forth in their respective employment agreements) were as follows (Mr. Martin joined the Company on September 1, 2014, and therefore did not participate in the Fiscal 2014 MIP):

Named Executive	MIP Target as % of Annual Base
David R. Lumley	115%
Anthony L. Genito	100%
Andreas Rouve	75%
Nathan E. Fagre	60%

The 2014 MIP plan design had a minimum financial threshold for each of adjusted EBITDA and Free Cash Flow, below which there was no payout with respect to that objective. The achievement of the goals of adjusted EBITDA and Free Cash Flow were determined and earned independently of one another. The table below reflects for each named executive officer the percentage of his target award achievable pursuant to the performance goals applicable to his award, the performance required to achieve the threshold, target, and maximum payouts based on those performance goals, and the actual 2014 payout factors achieved.

			Performance Required to Achieve Bonus % Indicated(in millions)			
NEO	Performance Metric	Weight (% of Target Bonus)	Threshold (50%)	Target (100%)	Maximum (200%, 250% for Mr. Lumley)	Calculated 2014 Payout Factor (% of Target Bonus)
David R. Lumley						
Anthony L. Genito	Consolidated Adjusted EBITDA	50%	$ 690.0	$ 710.0	$ 773.9	122.06
Nathan E. Fagre	Consolidated Free Cash Flow	50%	$ 254.0	$ 340.0	$ 370.6	100.00
Andreas Rouve	Consolidated Adjusted EBITDA	10%	$ 690.0	$ 710.0	$ 773.9	122.06
	Consolidated International EBITDA	40%	$ 228.0	$ 246.0	$ 268.1	119.57
	Consolidated Free Cash Flow	50%	$ 254.0	$ 340.0	$ 370.6	100.00

Fiscal 2015 MIP Program

The Fiscal 2015 MIP program continues to follow the plan design from previous years, with the same corporate goals of increasing EBITDA growth and Free Cash Flow generation (each as defined above). For the Fiscal 2015 MIP the performance goals and weights, as well as the definitions of adjusted EBITDA and Free Cash Flow, are the same as described above for the Fiscal 2014 MIP, provided that the performance targets for each of Messrs. Lumley, Martin, Rouve, and Fagre are equal to those established for the Company as a whole and are not subdivided with regard to the performance of specific business segments or units.

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The Fiscal 2015 MIP award levels achievable at target for the continuing named executive officers are as follows (Mr. Genito is not participating in the Fiscal 2015 MIP due to his departure from the Company):

Named Executive	MIP Target as % of Annual Base
David R. Lumley	115%
Douglas L. Martin	90%
Andreas Rouve[(1)]	75%
Nathan E. Fagre	60%

(1) Mr. Rouve s Fiscal 2015 MIP target was increased in connection with his promotion to Chief Executive Officer. See Company Significant Events after Fiscal 2014.

The Fiscal 2015 MIP plan design has a minimum financial threshold for each of adjusted EBITDA and Free Cash Flow, below which there will be no payout with respect to that objective. The achievement of the goals of adjusted EBITDA and Free Cash Flow are determined and earned independently of one another. The named executive officer must be an active employee of the Company on the payout date in order to receive any earned awards. In addition, in the discretion of the Chief Executive Officer, the Company may issue up to a total of $10 million in equity awards to designated participants in lieu of any cash bonuses earned under the Fiscal 2015 MIP. The table below reflects for each named executive officer the percentage of his target award achievable pursuant to the performance goals applicable to his award, and the performance required to achieve the threshold, target, and maximum payouts based on those performance goals.

			Performance Required to Achieve Bonus % Indicated ($ in millions)		
NEO	Performance Metric	Weight (% of Target Bonus)	Threshold (50%)	Target (100%)	Maximum (200%; 250% for Mr. Lumley)
David R. Lumley	Consolidated Adjusted EBITDA	50%	$ 724.2	$ 760.0	$ 798.0
Douglas L. Martin	Consolidated Free Cash Flow	50%	$ 360.0	$ 400.0	$ 436.0
Nathan E. Fagre					
Andreas Rouve					

Spectrum 750 Plan

During Fiscal 2012, the Compensation Committee, in consultation with members of management, its independent compensation consultant, and outside counsel for the Compensation Committee, adopted a multi-year superior achievement program to promote the attainment of stretch goals for key financial performance metrics for a two-year performance period consisting of Fiscal 2013 and Fiscal 2014 (the 750 Performance Period). Because the program included a goal of achieving adjusted EBITDA of $750 million in Fiscal 2014, the program is referred to as the Spectrum 750 Plan or Spectrum 750.

The Spectrum 750 Plan was a two-year superior achievement program, with three key performance targets: (1) achieving adjusted EBITDA of at least $750 million in Fiscal 2014; (2) achieving cumulative Free Cash Flow over Fiscal 2013 and Fiscal 2014 of at least $550 million; and (3) achieving an earnings per share (EPS) metric in Fiscal 2014 of at least $5.00 per share. In terms of potential award payouts, 40% of the award was based on adjusted EBITDA, 40% on cumulative Free Cash Flow, and 20% on the EPS metric. Earning awards for these metrics were independent of one another. In addition, there would be no payout with respect to a metric if the target financial goal for that metric was not achieved as of September 30, 2014.

Participants in the Spectrum 750 Plan had the opportunity to earn additional award amounts based on achievement in excess of the performance targets. The overachievement performance targets and weighting were

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as follows: (1) 40% of the overachievement award was based on adjusted EBITDA of $800 million as of September 30, 2014; (2) 40% of the overachievement award was based on cumulative Free Cash Flow of $600 million for Fiscal 2013 and 2014 combined; and (3) 20% of the overachievement award was based on EPS of $6.00 per share for Fiscal 2014. Awards were subject to adjustment based on linear interpolation for performance in excess of target.

For purposes of determining achievement of the targets under the Spectrum 750 Plan, the Compensation Committee established the following definitions:

Adjusted Diluted EPS means GAAP diluted income per share adjusted for the following items as they relate to the calculation of net income: acquisition and integration related charges, restructuring and related charges, one-time debt refinancing costs, inventory fair-value adjustments related to acquisitions, discontinued operations, stock-based compensation amortization related to the Spectrum 750 Plan, the 2013 EIP, and the 2014 EIP, and normalizing the consolidated tax rate at 35 percent. Adjusted EBITDA means earnings (defined as operating income (loss) of the Company plus other income less other expenses) before interest, taxes, depreciation, and amortization and excluding restructuring, acquisition, and integration charges, discontinued operations, and other one-time charges. The result of the formula in the preceding sentence was then adjusted so as to negate the effects of acquisitions or dispositions; provided, however that Adjusted EBITDA resulting from businesses or products lines acquired (in Board-approved transactions) during the 750 Performance Period were subject to inclusion in the calculation from the date of acquisition subject to Compensation Committee approval. EBITDA as a result of the Company s acquisition of HHI (including TLM), and a majority interest in Shaser, Inc. were included in the calculation of Adjusted EBITDA.
Cumulative Free Cash Flow means the cumulative amount during the 750 Performance Period of Adjusted EBITDA plus or minus changes in current and long term assets and liabilities, less cash payments for taxes, restructuring, and interest, but excluding proceeds from acquisitions or dispositions. Any reductions in Cumulative Free Cash Flow resulting from transaction costs or financing fees incurred in connection with any Board-approved acquisition, disposition, or refinancing (in each case during the 750 Performance Period) could be added back to Cumulative Free Cash Flow. Cumulative Free Cash Flow as a result of the acquisition of a majority of Shaser, Inc. and as a result of the acquisitions of HHI and TLM, following the dates of their respective acquisitions, were included in the calculation of Cumulative Free Cash Flow.

Payment and Vesting; Eligibility

Under the Spectrum 750 Plan, awards were denominated in dollars but paid out in RSUs or shares of restricted stock based upon fair market value as of September 30, 2014. Each participant was granted a target dollar value. The RSUs or restricted stock earned will be issued under the 2011 Plan. If the applicable performance criteria were met as of September 30, 2014, 50% of the award was required to be paid in fully vested RSUs or restricted stock within 74 days of the close of Fiscal 2014, and 50% was required to be paid in RSUs or restricted stock which vest one year from the prior vesting date, subject to continued employment and any other applicable terms in the underlying award agreement. There were approximately 150 participants in the Spectrum 750 Plan.

The Spectrum 750 Plan also required that the named executive officers, presidents of major business units, and seven other senior executives who receive RSUs or restricted stock pursuant to the plan adhere to certain share retention requirements. In this regard, these participants are required to hold at least 25% of the shares they receive (net of shares sold or withheld by the Company for tax purposes) for a one-year period after the date the shares vest.

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Awards Under the Spectrum 750 Plan

In early Fiscal 2013, the Company s Board of Directors, upon the recommendation of the Compensation Committee, approved the following award opportunities under the Spectrum 750 Plan for the Company s named executive officers (Mr. Martin is not included in this table because he was not a participant in the 750 Plan):

	Value of RSUs or Restricted Stock Granted (in $)		
Name	**Award at Target**	**Award at Maximum Overachievement**	**Total**
David R. Lumley	$ 10,000,000	$ 5,000,000	$ 15,000,000
Anthony L. Genito	$ 3,500,000	$ 1,500,000	$ 5,000,000
Andreas Rouve	$ 775,000	$ 271,250	$ 1,046,250
Nathan E. Fagre	$ 350,000	$ 122,500	$ 472,500

Based on performance results for the Spectrum 750 Performance Period, Mr. Lumley earned $6,000,000, which was converted into 66,276 RSUs; Mr. Genito earned $1,988,000, which was converted into 21,959 RSUs; Mr. Rouve earned $418,500, which was converted into 4,622 RSUs; and Mr. Fagre earned $189,000, which was converted into 2,087 RSUs, in each case, 50% of which were vested on December 1, 2014 and 50% of which shall vest on December 1, 2015.

Spectrum $2B Plan

During Fiscal 2014 and 2015, the Compensation Committee, in consultation with members of management, its independent compensation consultant, and outside counsel for the Compensation Committee, reviewed and evaluated the success of the Spectrum 750 Plan in light of its original objectives of incentivizing senior management to drive the Company s performance in excess of forecasted levels during Fiscal 2013 and 2014. The Compensation Committee determined Spectrum 750 had succeeded in driving accelerated growth of stockholder value during the 2-year performance period, even though of the three metrics, one was achieved. In designing a successor multi-year plan, the Compensation Committee selected financial performance metrics and targets that similarly would promote significant stockholder value creation. The metrics and targets provide strong incentives to management throughout the 2-year performance cycle as they are challenging, but attainable. Because the successor program includes a goal of achieving $2 billion of value creation by the end of Fiscal 2016, the program is referred to as the Spectrum $2B Plan or Spectrum $2B.

The Compensation Committee is retaining the same performance metrics for the Spectrum $2B Plan that were used for Spectrum 750 (i.e., Adjusted EBITDA, Cumulative Free Cash flow, and Adjusted Diluted EPS). Similarly, Spectrum $2B is a two-year superior achievement program with the following key performance targets: (1) achieving Adjusted EBITDA of at least $800 million in Fiscal 2016; (2) achieving Cumulative Free Cash Flow over Fiscal 2015 and 2016 of at least $800 million; and (3) achieving Adjusted Diluted EPS in Fiscal 2016 of at least $5.00 per share. In terms of potential award payouts, 40% of the award is based on Adjusted EBITDA, 40% on Cumulative Free Cash Flow, and 20% on Adjusted Diluted EPS. In addition, there would be no payout with respect to a metric if the performance target is not fully achieved as of September 30, 2016.

Participants in Spectrum $2B have the opportunity to earn additional award amounts based on achievement in excess of the performance targets. The overachievement performance targets and weighting are as follows: (1) 40% of the overachievement award is based on Adjusted EBITDA of $835 million as of September 30, 2016, with linear interpolation of the award if Adjusted EBITDA is between $800 million and $835 million for Fiscal 2016; (2) 40% is based on Cumulative Free Cash flow of $875 million for Fiscal 2015 and 2016 combined, with linear interpolation of the award if such metric is between $800 million and $875 million for Fiscal 2015 and 2016 combined; and (3) 20% is based on Adjusted Diluted EPS of $5.25 per share for Fiscal 2016, with linear interpolation of the award if such metric is between $5.00 and $5.25 per share for Fiscal 2016. Under the Spectrum $2B Plan, maximum payout under each of the performance measures will be reduced by half if the performance on the remaining measures is less than 90 percent of target on each.

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Under the plan design, awards are denominated in dollars and will be payable in RSUs based on the fair market of the Company s shares as of September 30, 2016. Accordingly, there is a target dollar value for the awards to be earned by the named executive officers and other plan participants. If the above performance measures are satisfied as of September 30, 2016, then 50% of the award will be paid in fully vested RSUs within 74 days after the end of Fiscal 2016, and 50% will be paid in RSUs which vest on the first anniversary of the initial vesting date. The named executive officers are required to retain at least 50% of the shares they receive upon vesting (net of any shares withheld by the Company upon vesting for tax purposes) for two years after vesting. There are approximately between 150 and 200 participants in the plan.

In early Fiscal 2015, the Company s Board of Directors, upon the recommendation of the Compensation Committee, approved the following award opportunities under the Spectrum $2B Plan for the Company s continuing named executive officers (Mr. Lumley is not a participant in the $2B Plan):

	Value of RSUs or Restricted Stock Granted (in $)		
Name	**Award at Target**	**Award at Maximum Overachievement**	**Total**
Douglas L. Martin	$ 2,000,000	$ 500,000	$ 2,500,000
Andreas Rouve	$ 2,000,000	$ 500,000	$ 2,500,000
Nathan E. Fagre	$ 750,000	$ 187,500	$ 937,500

Equity Incentive Plans Background

2014 EIP

The 2014 EIP program is consistent with our prior years EIP programs. In this regard, awards under the 2014 EIP for all participants were made in the form of performance-based RSUs, and the award agreements provide that the RSUs will vest based on the achievement of the performance goals set for the Company for Fiscal 2014 and on the continued employment of the participant through the fiscal year performance cycle. The Company performance goals are adjusted EBITDA and Free Cash Flow, and the targets are as set forth in the Company s Annual Operating Plan approved by the Board of Directors. The weighting of these goals is 50% for adjusted EBITDA and 50% for Free Cash Flow.

The two performance goals are earned independently of one another. For the Free Cash Flow goal, achievement is measured on a consolidated Company-wide basis for all the named executive officers (for 50% of their target awards). For the adjusted EBITDA goal, with respect to Messrs. Lumley, Genito, and Fagre, achievement is also measured on a Company-wide basis (for the remaining 50% of their target awards). For Mr. Rouve, achievement of the adjusted EBITDA goal is measured both on a Company-wide basis (for 10% of his total target award) and on adjusted EBITDA for the consolidated international operations (for 40% of his total target award).

The potential 2014 RSUs that could be earned by each participating named executive officer in respect of the 50% of the award based on adjusted EBITDA (expressed as a percentage of that portion of the award amount), ranged from 50% for achievement of the threshold adjusted EBITDA performance level established by the Compensation Committee, 100% for achieving the goal in full at the target performance level, and up to a maximum of 150% of the target award if actual performance reached or exceeded the specified upper achievement threshold. For the 50% of the award based on Free Cash Flow, the named executive officers could earn 50% of this portion of the award for achievement of the threshold Free Cash Flow performance level, 100% for achieving the goal in full at the target performance level, and up to a maximum of 135% of the target award if actual performance reached or exceeded the specified upper achievement threshold. The award agreements for the 2014 EIP provided that if an award is earned for Fiscal 2014, then 50% of the RSUs awarded would vest as soon as practicable after certification of the results by the Compensation Committee, but no later than 74 days following the end of Fiscal 2014, and 50% would vest on the first anniversary of the initial vesting date, subject to continued employment on such anniversary. Performance between threshold and target levels, and between target and maximum levels, would be earned based on a linear curve between the various levels. If both applicable threshold performances were not achieved, then no RSUs would be earned under the 2014 EIP.

The plan design for the 2014 EIP was such that the minimum thresholds for earning any award under either goal were set at the level of the prior year s actual performance. The Compensation Committee also provided in the award agreements for the named executive officers in the 2014 EIP program that such officers were required to hold at least 25% of the net shares they receive (after any shares withheld by the Company for tax purposes) for at least one year. In addition, the named executive officers, and all other officers at the Vice President level or higher, were subject to the share ownership guidelines discussed below.

The table below reflects for each participating named executive officer the RSU award amount, the performance metrics established by the Compensation Committee, the weighting of each performance metric, the percentage of his target award achievable pursuant to the performance goals applicable to his award, the performance required to achieve the threshold, target, and maximum vesting eligibility based on those performance goals, and the percentage payout factor actually achieved (Mr. Martin is not included in this table because he was not a participant in the 2014 EIP):

			Performance Required to Be Eligible To Vest Indicated % of RSUs ($ in millions)			
NEO (# of RSUs Awarded)	**Performance Metric**	**Weight (% of Target Award)**	**Threshold (50%)**	**Target (100%)**	**Maximum (150% for Adjusted EBITDA; 135% for Free Cash Flow)**	**Calculated 2014 Payout Factor (% of Target Bonus)**
David R. Lumley (84,398)	Consolidated Adjusted EBITDA	50%	$ 690.0	$ 710.0	$ 773.9	116.61%
	Consolidated Free Cash Flow	50%	$ 254.0	$ 340.0	$ 370.6	100.00%
Anthony L. Genito (38,363)	Consolidated Adjusted EBITDA	50%	$ 690.0	$ 710.0	$ 773.9	116.61%
	Consolidated Free Cash Flow	50%	$ 254.0	$ 340.0	$ 370.6	100.00%
Andreas Rouve (25,523)	Consolidated Adjusted EBITDA	50%	$ 690.0	$ 710.0	$ 773.9	116.61%
	Consolidated Free Cash Flow	50%	$ 254.0	$ 340.0	$ 370.6	100.00%
Nathan E. Fagre (19,949)	Consolidated Adjusted EBITDA	50%	$ 690.0	$ 710.0	$ 773.9	116.61%
	Consolidated Free Cash Flow	50%	$ 254.0	$ 340.0	$ 370.6	100.00%

Of the RSUs granted as listed above, a portion of the granted amount constitutes an award for overachievement of the financial targets. For Mr. Lumley, this portion is 6,472 RSUs; for Mr. Genito, 2,942 RSUs; for Mr. Rouve, 1,958 RSUs; and for Mr. Fagre, 1,530 RSUs. These RSUs will vest on the first anniversary of the initial vesting date, on December 1, 2015, so long as the recipient remains employed with the Company on such date and the Fiscal 2015 levels of adjusted EBITDA and consolidated free cash flow are at least as great as the Fiscal 2014 results.

2015 EIP

The 2015 EIP program continues to be consistent with the design of our prior years EIP programs. As with prior years, awards under the 2015 EIP for all participants are made in the form of performance-based RSUs, and the award agreements will provide that RSUs will vest based on the achievement of the performance goals set for the Company for Fiscal 2015 and on the continued employment of the participant through the fiscal year performance cycle. As with prior years, for the 2015 EIP the Company performance goals are adjusted EBITDA and Free Cash Flow, and the targets are as set forth in the Company s Annual Operating Plan approved by the Board of Directors. The weighting of these two goals is 50% for adjusted EBITDA and 50% for Free Cash Flow.

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As with prior years, under the 2015 EIP the two performance goals are earned independently of one another. For the 2015 EIP, the achievement of the performance goals for each of Messrs. Lumley, Martin, Rouve, and Fagre are measured on a consolidated Company-wide basis and are not subdivided with regard to the performance of specific business segments or units.

The potential 2015 RSUs that may be earned for each of our participating named executive officers, for the 50% of the award based on adjusted EBITDA, expressed as a percentage of that portion of the award amount, range from 50% for achievement of the threshold adjusted EBITDA performance level established by the Compensation Committee of $724.2 million, 100% for achieving the performance goal in full at the target performance level of $760.0 million, and up to a maximum of 135% of the target award if actual performance reaches or exceeds the upper achievement threshold of $798.0 million. For the 50% of the award based on Free Cash Flow, the named executive officers could achieve 50% of this portion of the award for achievement of the threshold Free Cash Flow performance level of $360.0 million, 100% for achieving the performance goal in full at the target performance level of $400.0 million, and up to a maximum of 135% of the target award if actual performance reaches or exceeds the upper achievement threshold of $424.0 million.

The 2015 EIP design has a minimum financial threshold for each of adjusted EBITDA and Free Cash Flow, set at the level of better than the prior year s actual performance, below which there will be no payout with respect to that objective. The award agreements for the 2015 EIP provide that if an award is earned for Fiscal 2015, then 50% of the RSUs awarded would vest as soon as practicable after certification of the results by the Compensation Committee, but no later than 74 days following the end of Fiscal 2015, and 50% would vest on the first anniversary of the initial vesting date, subject to continued employment on such anniversary. Performance between threshold and target levels, and between target and maximum levels, would be earned based on a linear curve between the various levels. If both applicable threshold performances are not achieved, then no RSUs will be earned. The Compensation Committee also will provide in the award agreements for the named executive officers in the 2015 EIP program that such officers are required to hold at least 25% of the net shares they receive (after any shares withheld by the Company for tax purposes) for at least one year. In addition, the named executive officers, and all other officers at the Vice President level or higher, are subject to the share ownership guidelines discussed below.

Other Compensation Matters

Stock Ownership Guidelines

The Board of Directors believes that certain of the Company s officers should own and hold Company common stock to further align their interests with the interests of stockholders and to further promote the Company s commitment to sound corporate governance. Therefore, effective January 29, 2013, the Board of Directors, upon the recommendation of the Compensation Committee, established stock ownership guidelines applicable to the Company s named executive officers and all other officers of the Company and its subsidiaries with a level of Vice President or above.

Under the stock ownership guidelines, the applicable officers are expected to achieve the levels of stock ownership indicated below (which equal a dollar value of stock based on a multiple of the officer s base salary) in the applicable time periods:

Position	$ Value of Stock to be Retained (Multiple of	Years to Achieve

	Base Salary)	
Chief Executive Officer	5x Base Salary	2 years
Chief Financial Officer, Chief Operating Officer, and Presidents of business units	3x Base Salary	2 years
General Counsel and Senior Vice Presidents	2x Base Salary	3 years
Vice Presidents	1x Base Salary	3 years

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The stock ownership levels attained by an officer are based on shares directly owned by the officer, whether through earned and vested RSU or restricted stock grants or open market purchases. Unvested restricted shares, unvested RSUs, and stock options are not counted toward the ownership goals. The Compensation Committee reviews, on an annual basis, the progress of the officers in meeting the guidelines, and in some circumstances failure to meet the guidelines by an officer could result in additional retention requirements or other actions by the Compensation Committee.

In addition, the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, business unit Presidents, the General Counsel, and six other officers also are subject to an additional stock retention requirement that they must retain at least 25% of their net shares of Company stock (after tax withholding) received under awards granted under the Fiscal 2014 EIP, Fiscal 2015 EIP, and Spectrum 750 Plan for one year after the vesting date of such awards. Under the terms of the Spectrum $2B Plan, all participants at the level of Vice President or higher will be subject to the 50% stock retention requirement (net of tax withholding) for two years after the date of vesting of awards under that plan.

Deferral and Post-Termination Rights

Retirement Benefits

The Company maintains a 401(k) plan for its employees, including the named executive officers.

Supplemental Executive Life Insurance Program

Each of Messrs. Lumley, Martin, and Genito participates in a program pursuant to which the Company on behalf of each participant makes an annual contribution on October 1 each year equal to 15% of such participant s base salary as of that date into a company-owned executive life insurance policy for such participant. The investment options for each such policy are selected by the participant from among a limited number of alternatives provided by the insurance provider.

Post-Termination Benefits

As described above, the Company has entered into agreements with Messrs. Lumley, Martin, Rouve, and Fagre which govern, among other things, post-termination benefits payable to each such named executive officer should his employment with the Company terminate. In addition, Spectrum Brands has entered into the Genito Retention Agreement which provides for certain benefits and compensation to Mr. Genito in connection with his termination of employment with the Company. A detailed description of the post-termination rights and benefits pursuant to each of the agreements described in this paragraph is set forth under the heading Termination and Change in Control Provisions below.

Perquisites and Benefits

The Company provides certain limited perquisites and other special benefits to certain executives, including the named executive officers. Among these benefits are financial planning services, tax planning services, car allowances or leased car programs, executive medical exams, and executive life and disability insurance.

Timing and Pricing of Stock-Based Grants

The Company currently does not issue stock options to any officers or employees. Traditionally, annual grants of restricted stock or RSUs to our named executive officers are made on the date or as soon as practicable following the date on which such grants are approved by the Compensation Committee or the Board, or, if the award dictates the achievement of a particular event prior to grant, as soon as practicable after the achievement of such event. For purposes of valuing awards made under the 2011 Plan, the grant price is the closing sales price of the Company s common stock on the exchange on which the Company s shares are listed on the grant date.

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Tax Treatment of Certain Compensation

Pursuant to Section 162(m) of the Internal Revenue Code, the Company may not be able to deduct certain forms of compensation paid to its Chief Executive Officer and the three other most highly compensated named executive officers (other than the Chief Financial Officer) who remain employed at the end of a fiscal year to the extent such compensation exceeds $1,000,000. This section also includes an exception for certain performance-based compensation awards. While the Compensation Committee believes that it is generally in the Company s best interests to satisfy these deductibility requirements, it retains the right to authorize payments in excess of the deductibility limits if it believes it to be in the interests of the Company and its stockholders. The Company has had in the past, and specifically reserves the right to have in the future, instances where it pays compensation to its executives that exceeds the deductibility limits.

Tax Payments

The Company provides increases in payments to the named executive officers and other management personnel to cover personal income tax due as a result of imputed income in connection with the provision of the following perquisites: car allowance or company leased car, financial planning and tax planning and executive life and disability insurance, and Company-required relocation. Beyond these tax payments, the Company does not make any other payments to the named executive officers to cover personal income taxes.

Governing Plans

On October 21, 2010, our Board of Directors approved the 2011 Plan, subject to the approval of the stockholders at the 2011 Annual Meeting. The 2011 Plan was subsequently approved at the 2011 Annual Meeting. At the 2014 Annual Meeting, our stockholders approved an amendment to the 2011 Plan to increase by 1,000,000 the number of shares of Common Stock available for issuance under the 2011 Plan, for an aggregate total of 5,625,676 shares. As of December 8, 2014, we have issued a total of 4,657,088 restricted shares and RSUs under the 2011 Plan, and have remaining authorization under the 2011 Plan to issue up to a total of 968,588 shares of our common stock, or options or restricted stock units exercisable for shares of common stock.

Clawback/Forfeiture and Recoupment Policy

Under the 2011 Plan, any equity award agreement granted may be cancelled by the Compensation Committee in its sole discretion, except as prohibited by applicable law, if the participant, without the consent of the Company, while employed by or providing services to the Company or any affiliate or after termination of such employment or service, violates a non-competition, non-solicitation, or non-disclosure covenant or agreement or otherwise engages in activity that is in conflict with or adverse to the interests of the Company or any affiliate, including fraud or conduct contributing to any financial restatements or irregularities engaged in activity, as determined by the Compensation Committee in its sole discretion. The Compensation Committee may also provide in any award agreement that the participant will forfeit any gain realized on the vesting or exercise of such award, and must repay the gain to the Company, in each case except as prohibited by applicable law, if (a) the participant engages in any activity referred to in the preceding sentence, or (b) the amount of any such gain is in excess of what the participant should have received under the terms of the award for any reason (including without limitation by reason of a financial restatement, mistake in calculations, or other administrative error). Additionally, awards are subject to claw-back, forfeiture, or similar requirements to the extent required by applicable law (including without limitation Section 302 of the Sarbanes-Oxley Act and Section 954 of the Dodd Frank Act). All equity awards that have been granted under the 2011 Plan to date include such provisions.

Executive Compensation Tables

The following tables and footnotes show the compensation earned for service in all capacities during Fiscal 2014, Fiscal 2013, and Fiscal 2012 by the Company s named executive officers. The Stock Awards itemized below for the named executive officers for Fiscal 2012 reflect the 2012 EIP awards and, with respect to

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Mr. Fagre only, a restricted stock award. For 2013, the Stock Awards for the named executive officers include the 2013 EIP awards, the HHI Integration Bonus awards (with respect to Mr. Lumley and Mr. Genito), and the Spectrum 750 Plan awards. For 2014, the Stock Awards for the named executive officers include the 2014 EIP awards, and, with respect to Mr. Martin, a one-time restricted stock grant made in connection with joining the Company and his forfeiture of equity awards at his former employer.

Summary Compensation Table

Name and Principal Position[(1)]	**Year**	**Salary $**	**Bonus $**	**Stock Awards**[(2)] **$**	**Non-Equity Incentive Plan Compensation**[(3)] **$**	**All Other Compensation**[(4)] **$**	**Total $**
David R. Lumley	2014	939,375		5,500,017	1,206,619	123,918	7,769,929
Chief Executive Officer and	2013	882,692		16,837,640	1,035,000	108,710	18,864,041
	2012	882,692		4,665,500	1,417,950	92,742	7,058,866
President							
Douglas L. Martin	2014	45,833	845,000[(5)]	2,500,000			3,390,833
Executive Vice President and							
Chief Financial Officer							
Anthony L. Genito[(6)]	2014	480,000		2,500,014	532,944	101,294	3,614,252
Executive Vice President and	2013	470,769		7,157,948	480,000	122,058	8,230,775
	2012	439,744		2,388,865	657,600	130,691	3,616,900
Chief Accounting Officer; former							
Chief Financial Officer							
Andreas Rouve[(7)]	2014	452,659		1,650,038	372,519	16,063	2,491,279
Chief Operating Officer	2013	439,397		1,661,400	354,897	14,062	2,469,757
Nathan E. Fagre	2014	372,917		1,300,013	249,818	31,139	1,953,887
Senior Vice President, General	2013	343,269		1,014,800	210,000	39,359	1,607,428
Counsel and Secretary	2012	315,064		444,225	287,700	117,713	1,164,702

(1) Titles included in this column are as of September 30, 2014.

(2) For Fiscal 2014, this column reflects grants of performance-based restricted stock units under the 2014 EIP, and, with respect to Mr. Martin only, under the 2011 Plan relating to a one-time grant of 28,868 shares of time-based restricted stock granted on September 1, 2014 in connection with his appointment as the Executive Vice President and Chief Financial Officer of the Company. For Fiscal 2013, this column reflects grants of performance-based restricted stock units under the 2013 EIP, a one-time special incentive integration bonus award in connection with the acquisition of the hardware and home improvement business from Stanley Black & Decker, Inc., and grants under the Spectrum 750 Plan. For Fiscal 2012, this column reflects grants of performance-based restricted stock units under the 2012 EIP, and, with respect to Mr. Fagre only, under the 2011 Plan relating to a one-time grant of

5,000 shares of restricted stock. This column reflects the aggregate grant date fair value of the awards computed in accordance with ASC Topic 718. For a discussion of the relevant valuation assumptions, see Note 2(s), Significant Accounting Policies and Practices Stock Compensation, to our audited Consolidated Financial Statements, included elsewhere in this prospectus. The performance-based restricted stock unit awards are subject to performance conditions and the values listed in this column with respect to such awards are based on the probable outcome of such conditions at target as of the grant date. If the conditions for the highest level of performance are achieved, the value of the awards would be as follows (with the exception of Mr. Martin, who did not receive any grants of performance-based RSUs in Fiscal 2014): Mr. Lumley (2014 $7,810,030; 2013 $23,561,200, which includes $15,000,000 under Spectrum 750; and 2012 $6,220,649); Mr. Genito (2014 $3,550,033; 2013 $9,519,706, which includes $5,000,000 under Spectrum 750; and 2012 $3,185,171); Mr. Rouve (2014 $2,343,048; and 2013 $2,242,890, which includes $1,046,250 under Spectrum 750); and Mr. Fagre (2014 $1,846,020; 2013 $1,369,980, which includes $472,500 under Spectrum 750; and 2012 $376,250). At the lowest level of performance, the performance-based restricted stock unit awards are forfeited.

(3) For Fiscal 2014, 2013, and 2012, this column represents amounts earned under the Company s 2014, 2013, and 2012 MIP, as applicable. For additional detail on the 2014 MIP and the determination of the cash awards thereunder, please refer to the discussion under the headings Management Incentive Plan and Long Term Incentive Plans Background, and the table entitled Grants of Plan-Based Awards Table for Fiscal Year 2014 and its accompanying footnotes. The cash incentive awards payable under the 2014 and 2013 MIP for Messrs. Lumley, Genito, Rouve, and Fagre were settled in shares of common stock in lieu of cash on December 2, 2013 and December 5, 2014, respectively, as follows: Mr. Lumley 16,049 shares for the 2013 MIP and 13,336 shares for the 2014 MIP; Mr. Genito 7,433 shares for the 2013 MIP and 5,890 shares for the 2014 MIP; Mr. Rouve 5,495 shares for the 2013 MIP and 4,117 shares for the 2014 MIP; and Mr. Fagre 3,256 shares for the 2013 MIP and 2,761 shares for the 2014 MIP. The values of these awards

under the 2013 MIP (while settled in common stock) are included in the Non-Equity Incentive Plan Compensation column above for 2013 and not in the Stock Awards column.

(4) Please see the following tables for the details of the amounts that comprise the All Other Compensation column.

(5) Represents a signing bonus of $345,000 and a relocation bonus of $500,000 earned by Mr. Martin in Fiscal 2014, and payable in cash, in connection with his appointment as Executive Vice President and Chief Financial Officer of the Company.

(6) On April 29, 2014, the Company and Mr. Genito agreed that, effective December 31, 2014 (or such other date that is agreed to), Mr. Genito would resign from all positions he held with the Company. Mr. Genito resigned from his position as Chief Financial Officer on August 31, 2014. He remained employed by the Company through his date of departure, which was January 2, 2015.

(7) All amounts in the table above for Mr. Rouve were denominated in Euros and converted to U.S. dollars at the rate of $1.26852 per Euro, which was the published rate from the OANDA Corporation currency database as of September 30, 2014.

All Other Compensation Table for Fiscal Year 2014

Name	Financial Planning Services Provided to Executive $	Life Insurance Premiums Paid on Executive s Behalf(1) $	Car Allowance/ Personal Use of Company Car(2) $	Tax Equalization Payments(3) $	Company Contributions to Executive s Qualified Retirement Plan(4) $	Health Care Insurance Bonus $	Total
David R. Lumley	30,000	17,577	17,929	50,675	7,737		123,918
Douglas L. Martin							
Anthony L. Genito	20,000	7,488	22,786	43,470	7,550		101,294
Andreas Rouve(5)		364	10,896			4,803	16,063
Nathan E. Fagre		3,396	18,000	1,837	7,906		31,139

(1) The amount represents the life insurance premium paid for the fiscal year. The Company provides life insurance coverage equal to three times base salary for each executive officer.

(2) The Company sponsors a leased car and car allowance program. Under the leased car program, costs associated with using the vehicle are also provided. These include maintenance, insurance, and license and registration. Under the car allowance program, the executive receives a fixed monthly allowance. Mr. Lumley and Mr. Genito participated in the leased car program. Mr. Fagre received up to $1,500 per month for a car allowance.

(3) Includes tax payments for the financial benefits received for the following executive benefits and perquisites: financial planning, executive life insurance, and executive leased car program, as described under the heading Tax Payments.

(4) Represents amounts contributed under the Company-sponsored 401(k) retirement plan.

(5) All amounts in the table above for Mr. Rouve were denominated in Euros and converted to U.S. dollars at the rate of $1.26852 per Euro, which was the published rate from the OANDA Corporation currency database as of September 30, 2014.

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Grants of Plan-Based Awards

The following table and footnotes provide information with respect to equity grants made to the named executive officers indicated in the table during Fiscal 2014 as well as the range of future payouts under non-equity incentive plans for the named executive officers.

Grants of Plan-Based Awards Table for Fiscal Year 2014

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units	Grant Date Fair Value of Stock and Option Awards(3)
Name	**Grant Date**	**Threshold $**	**Target $**	**Maximum $**	**Threshold #**	**Target #**	**Maximum #**	**#**	**$**
David R. Lumley	10/1/2013(1)	271,688	1,086,750	2,716,875					
	11/29/2013(2)				19,482	77,926	110,655		5,500,017
Douglas L. Martin	8/29/2014(4)							28,868	2,500,000
Anthony L. Genito	10/1/2013(1)	120,000	480,000	960,000					
	11/29/2013(2)				8,855	35,421	50,298		2,500,014
Andreas Rouve	10/1/2013(1)	86,243	344,974	689,948					
	11/29/2013(2)				4,605	18,419	26,155		1,300,013
	1/27/2014(5)				1,289	5,155	7,320		350,025
Nathan E. Fagre	10/1/2013(1)	56,250	225,000	450,000					
	11/29/2013(2)				4,605	18,419	26,155		1,300,013

(1) Represents the threshold, target, and maximum payouts under the Company s 2014 MIP. The actual amounts earned under the plan for Fiscal 2014 are disclosed in the Summary Compensation Table above as part of the column entitled Non-Equity Incentive Plan Compensation. For Mr. Lumley, the maximum payout is equal to 250% of target, while the maximum payout for Messrs. Martin, Genito, Rouve, and Fagre is equal to 200% of target. Amounts disclosed for Mr. Rouve were denominated in Euros and converted to U.S. dollars at the rate of $1.26852 per Euro, which was the published rate from the OANDA Corporation currency database as of

September 30, 2014.

(2) Represents the threshold, target, and maximum payouts, denominated in the number of shares of stock, in respect of performance-based restricted stock units granted under the Company s 2014 EIP. See Compensation Discussion and Analysis Equity Incentive Plans Background 2014 EIP for a discussion of the performance measures applicable to the grants.

(3) Reflects the value at the grant date based upon the probable outcome of the relevant performance conditions at target. This amount is consistent with the estimate of aggregate compensation costs to be recognized over the service period determined as of the grant date under FASB ASC Topic 718, excluding the effect of any estimated forfeitures.

(4) Represents a one-time time-based restricted stock award granted to Mr. Martin on September 1, 2014 in connection with his appointment as the Executive Vice President and Chief Financial Officer of the Company. The aggregate value of the award has been calculated to be equal to the closing price of the Company s common stock on the last trading date on the NYSE prior to the grant date, which was August 29, 2014, or $86.60 per share.

(5) Represents the threshold, target, and maximum payouts, denominated in the number of shares of stock, in respect of a one-time grant of performance-based restricted stock units granted to Mr. Rouve under the Company s 2014 EIP in connection with Mr. Rouve s appointment as Chief Operating Officer of the Company.

We refer you to the Compensation Discussion and Analysis and the Termination and Change in Control Provisions sections of this prospectus as well as the corresponding footnotes to the tables for material factors necessary for an understanding of the compensation detailed in the Summary Compensation Table, All Other Compensation Table for Fiscal Year 2014, and Grants of Plan-Based Awards Table for Fiscal Year 2014.

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Outstanding Equity Awards at Fiscal Year End

The following table and footnotes set forth information regarding outstanding restricted stock and restricted stock unit awards as of September 30, 2014 for the named executive officers. The market value of shares that have not vested was determined by multiplying $90.53, the closing market price of the Company s stock on September 30, 2014, the last trading day of Fiscal 2014, by the number of shares.

Outstanding Equity Awards at 2014 Fiscal Year-End

	Stock Awards			
	Number of Shares or Units of Stock That Have Not Vested #	Market Value of Shares or Units of Stock That Have Not Vested $	Equity Incentive Plan Awards: Number of Unearned Shares, Units, or Other Rights That Have Not Vested #	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units, or Other Rights That Have Not Vested $
David R. Lumley	55,556(1)	5,029,485	188,387(2)	27,054,641
Douglas L. Martin	28,868(3)	2,613,420		
Anthony L. Genito	27,778(4)	2,514,742	74,082(5)	6,745,324
Andreas Rouve	10,000(6)	905,300	32,135(7)	3,684,154
Nathan E. Fagre	7,500(8)	678,975	22,285(9)	2,367,472

(1) Represents 55,556 performance-based RSUs granted to Mr. Lumley pursuant to the Company s 2013 EIP. All of these shares or units have been earned but are not vested. The RSUs granted to Mr. Lumley under the 2013 EIP vest as follows: 50% vested on November 25, 2013, and the remaining 50% vested on November 25, 2014.

(2) Represents 110,461 performance-based RSUs granted to Mr. Lumley pursuant to the Spectrum 750 Plan, and 77,926 performance-based RSUs granted pursuant to the Company s 2014 EIP. All of these shares were unearned and unvested as of September 30, 2014. The RSUs granted to Mr. Lumley under the Spectrum 750 Plan vest as follows: 50% of the award vested on December 1, 2014, and the remaining 50% will vest on December 1, 2015, subject to continued employment and any other applicable terms in the underlying award agreement. The RSUs granted to Mr. Lumley under the 2014 EIP vest as follows: 50% of the award vested on December 1, 2014, and the remaining 50% (plus any over-achievement upside) will vest on December 1, 2015, subject to continued employment on that date.

(3) Represents a one-time time-based vesting restricted stock award granted to Mr. Martin on September 1, 2014 in connection with his appointment as the Executive Vice President and Chief Financial Officer of the Company. This award vested in full on October 1, 2014.

(4) Represents 27,778 performance-based RSUs granted to Mr. Genito pursuant to the Company s 2013 EIP. All of these shares or units have been earned but are not vested as of September 30, 2014. The RSUs granted to Mr. Genito under the 2013 EIP vest as follows: 50% vested on November 25, 2013, and the remaining 50% vested on November 25, 2014.

(5)

Represents 38,661 performance-based RSUs granted to Mr. Genito pursuant to the Spectrum 750 Plan, and 35,421 performance-based RSUs granted pursuant to the Company s 2014 EIP. All of these shares were unearned and unvested as of September 30, 2014. Pursuant to the Genito Retention Agreement, the RSUs granted to Mr. Genito under the Spectrum 750 Plan vest as follows: 50% of the award vested on December 1, 2014, and the remaining 50% vested 30 days after Mr. Genito s date of termination of employment, which was January 2, 2015. Pursuant to the Gentio Retention Agreement, the RSUs granted to Mr. Genito under the 2014 EIP vest as follows: 50% of the award vested on December 1, 2014, and the remaining 50% (plus any over-achievement upside) vested 30 days after Mr. Genito s date of termination of employment on January 2, 2015.

(6) Represents 10,000 performance-based RSUs granted to Mr. Rouve pursuant to the Company s 2013 EIP. All of these shares or units have been earned but are not vested. The RSUs granted to Mr. Rouve under the 2013 EIP vest as follows: 50% vested on November 25, 2013, and the remaining 50% vested on November 25, 2014.

(7) Represents 8,561 performance-based RSUs granted to Mr. Rouve pursuant to the Spectrum 750 Plan, and 23,574 performance-based RSUs granted pursuant to the Company s 2014 EIP. All of these shares were unearned and unvested as of September 30, 2014. The RSUs granted to Mr. Rouve under the Spectrum 750 Plan vest as follows: 50% of the award vested on December 1, 2014, and the remaining 50% will vest on December 1, 2015, subject to continued employment and any other applicable terms in the underlying award agreement. The RSUs granted to Mr. Rouve under the 2014 EIP vest as follows: 50% of the award vested on December 1, 2014, and the remaining 50% (plus any over-achievement upside) will vest on December 1, 2015, subject to continued employment on that date.

(8) Represents 7,500 performance-based RSUs granted to Mr. Fagre pursuant to the Company s 2013 EIP. All of these shares or units have been earned but are not vested as of September 30, 2014. The RSUs granted to Mr. Fagre under the 2013 EIP vest as follows: 50% vested on November 25, 2013, and the remaining 50% vested on November 25, 2014.

(9) Represents 3,866 performance-based RSUs granted to Mr. Fagre pursuant to the Spectrum 750 Plan, and 18,419 performance-based RSUs granted pursuant to the Company s 2014 EIP. All of these shares were unearned and unvested as of September 30, 2014. The RSUs granted to Mr. Fagre under the Spectrum 750 Plan vest as follows: 50% of the award vested on December 1, 2014, and the remaining 50% will vest on December 1, 2015, subject to continued employment and any other applicable terms in the underlying award agreement. The RSUs granted to Mr. Fagre under the 2014 EIP vest as follows: 50% of the award vested on December 1, 2014, and the remaining 50% (plus any over-achievement upside) will vest on December 1, 2015, subject to continued employment on that date.

Option Exercises and Stock Vested

The following table and footnotes provide information regarding stock vesting during Fiscal 2014 for the named executive officers. No options were outstanding during Fiscal 2014.

Stock Vesting Information for Fiscal Year 2014

	Stock Awards	
Name	**Number of Shares Acquired on Vesting #**	**Value Realized On Vesting $**
David R. Lumley	247,455	16,574,914(1)
Douglas L. Martin		
Anthony L. Genito	130,555	8,753,044(2)
Andreas Rouve	24,250	1,626,528(3)
Nathan E. Fagre	22,000	1,476,060(4)

(1) The amount for Mr. Lumley in this column represents the value realized upon the vesting of 151,900 RSUs on November 16, 2013, and 95,555 RSUs on November 25, 2013. The value was computed by multiplying the number of shares vested by the closing price per share of the Company s common stock on each such vesting date (or, as applicable, the last trading date immediately prior to the vesting date if the vesting date fell on a date when the NYSE was closed), which was $65.63 on November 15, 2013, and $69.13 on November 25, 2013.

(2) The amount for Mr. Genito in this column represents the value realized upon the vesting of 77,778 RSUs on November 16, 2013, and 52,777 RSUs on November 25, 2013. The value was computed by multiplying the number of shares vested by the closing price per share of the Company s common stock on each such vesting date (or, as applicable, the last trading date immediately prior to the vesting date if the vesting date fell on a date when

the NYSE was closed), which was $65.63 on November 15, 2013, and $69.13 on November 25, 2013.

(3) The amount for Mr. Rouve in this column represents the value realized upon the vesting of 14,250 RSUs on November 16, 2013, and 10,000 RSUs on November 25, 2013. The value was computed by multiplying the number of shares vested by the closing price per share of the Company s common stock on each such

vesting date (or, as applicable, the last trading date immediately prior to the vesting date if the vesting date fell on a date when the NYSE was closed), which was $65.63 on November 15, 2013, and $69.13 on November 25, 2013.

(4) The amount for Mr. Fagre in this column represents the value realized upon the vesting of 5,000 RSUs on October 1, 2013, 9,500 RSUs on November 16, 2013, and 7,500 RSUs on November 25, 2013. The value was computed by multiplying the number of shares vested by the closing price per share of the Company s common stock on each such vesting date (or, as applicable, the last trading date immediately prior to the vesting date if the vesting date fell on a date when the NYSE was closed), which was $66.82 on October 1, 2013, $65.63 on November 15, 2013, and $69.13 on November 25, 2013.

Pension Benefits

None of our named executive officers participated in any Company pension plans during or as of the end of Fiscal 2014. Mr. Rouve is entitled to receive certain pension payments under a Pension Agreement between Mr. Rouve and VARTA Geratebatterie GmbH dated May 17, 1989 as supplemented on July 1, 1999. The Company s subsidiary, Rayovac Europe, has assumed the obligations of this agreement. For a description of this pension agreement and the payments to Mr. Rouve thereunder, See Executive Specific Provisions Andreas Rouve below, which description is incorporated by reference herein.

Non-Qualified Deferred Compensation

None of our named executive officers participated in any Company non-qualified deferred compensation programs during or as of the end of Fiscal 2014.

Termination and Change in Control Provisions

Awards under the Company s Incentive Plans

Awards under the 2011 Plan. During Fiscal 2012, 2013, and 2014 each current named executive officer received RSU awards under the 2011 Plan made pursuant to the Company s incentive programs. Each of these is governed by the 2011 Plan and, as such, contain provisions triggered by a change in control of the Company. For purposes of these incentive plans, change in control generally means the occurrence of any of the following events:

(i) the acquisition, by any individual, entity or group of beneficial ownership of more than 50% of the combined voting power of the Company s then outstanding securities;

(ii) individuals who constituted the Board of Directors at the effective time of the plan and directors who are nominated and elected as their successors from time to time cease for any reason to constitute at least a majority of the Board;

(iii) consummation of a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other entity, other than (A) a merger or consolidation which results in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no individual, entity or group is or becomes the beneficial owner, directly or indirectly, of voting securities of the Company (not including in the securities beneficially owned by such individual, entity or group any securities acquired directly from the Company or any of its direct or indirect subsidiaries) representing 50% or more of the combined voting power of the Company s then outstanding voting securities or (C) a merger or consolidation affecting the Company as a result of which a Designated Holder owns after such transaction more than 50% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation; or

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(iv) approval by the stockholders of the Company of either a complete liquidation or dissolution of the Company or the sale or other disposition of all or substantially all of the assets of the Company, other than a sale or disposition by the Company of all or substantially all of the assets of the Company to an entity, more than 50% of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Provided that, in each case, it shall not be a change in control if, immediately following the occurrence of the event described above (i) the record holders of the common stock of the Company immediately prior to the event continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following the event, or (ii) the Harbinger Master Fund, the Harbinger Special Situations Fund, HRG, and their respective affiliates and subsidiaries beneficially own, directly or indirectly, more than 50% of the combined voting power of the Company or any successor.

In general, in the event a change in control occurs, the Board of Directors may, in its sole discretion, provide that, with respect to any particular outstanding awards:

(i) all stock options and stock appreciation rights outstanding as of immediately prior to the change in control will become immediately exercisable;

(ii) the restricted period shall expire immediately prior to the change in control with respect to up to 100 percent of the then-outstanding shares of restricted stock or RSUs (including, without limitation, a waiver of any applicable performance goals);

(iii) all incomplete performance periods in effect on the date the change in control occurs shall end on that date, and the Compensation Committee may (i) determine the extent to which performance goals with respect to each such performance period have been met based on such audited or unaudited financial information or other information then available it deems relevant and (ii) cause the participant to receive partial or full payment of awards for each such performance period based upon the Compensation Committee s determination of the degree of attainment of such performance goals, or assuming that the applicable target levels of performance have been attained or on such other basis determined by the Compensation Committee; and

(iv) any awards previously deferred shall be settled as soon as practicable.

Executive-Specific Provisions

As discussed under the heading Current Employment and Severance Agreements, each of the continuing named executive officers are parties to continuing employment or other written agreements with the Company that govern various aspects of the employment relationship, including the rights and obligations of the parties upon termination of that employment relationship. Set forth below is a brief description of the provisions of those agreements with respect to a termination of employment and/or in the event of a change in control.

David R. Lumley

The Lumley Employment Agreement contains the following provisions applicable upon the termination of Mr. Lumley s employment with the Company or in the event of a change in control of the Company.

Termination for Cause or Voluntary Termination by the Executive (other than for Good Reason). In the event that the Mr. Lumley is terminated for cause or terminates his employment voluntarily, other than for good reason, Mr. Lumley s salary and other benefits provided under his employment agreement cease at the time of such termination and Mr. Lumley is entitled to no further compensation under his employment agreement. Notwithstanding this, Mr. Lumley would be entitled to continue to participate in the Company s medical benefit plans to the extent required by law. Further, upon such termination of employment, the Company would pay to the executive accrued pay and benefits.

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Termination without Cause or for Good Reason, Death or Disability. If the employment of Mr. Lumley with the Company is terminated by the Company without cause, by Mr. Lumley for good reason, or due to Mr. Lumley s death or disability, Mr. Lumley would be entitled to receive certain post-termination benefits, detailed below, contingent upon execution of a separation agreement with a release of claims agreeable to the Company within 60 days following his termination date. In such event the Company will:

pay Mr. Lumley an amount equal to two times the sum of (i) Mr. Lumley s base salary in effect immediately prior to his termination, and (ii) Mr. Lumley s target annual bonus in respect of the fiscal year ending immediately prior to the fiscal year in which the executive was terminated, such amount to be paid ratably over the 24-month period commencing on the 60th day following the executive s termination;

pay Mr. Lumley $25,000 on the first anniversary of his termination date;

pay Mr. Lumley the pro rata portion (based on number of weeks worked) of the annual bonus (if any) earned by him pursuant to any annual bonus or incentive plan maintained by the Company in respect of the fiscal year in which such termination occurs, to be paid at the time such bonuses are paid to continuing employees of the Company for such fiscal year; and

for the 24-month period immediately following such termination, arrange to provide Mr. Lumley and his dependents with insurance and other benefits generally made available from time to time by the Company to its senior executives, on a basis substantially similar to those provided to Mr. Lumley and his dependents by the Company immediately prior to the date of termination at no greater cost to the executive or the Company than the cost to Mr. Lumley and the Company immediately prior to such date.

For Mr. Lumley, good reason is defined, in general, subject to notification and Company cure rights, as the occurrence of any of the following events without such executive s consent:

any reduction in his annual base salary or target annual bonus opportunity then in effect;

the required relocation of Mr. Lumley s place of principal employment to an office more than 75 miles, from Mr. Lumley s current office, or the requirement by the Company that the executive be based at an office other than the such executive s current office on an extended basis;

a substantial diminution or other substantive adverse change in the nature or scope of Mr. Lumley s responsibilities, authorities, powers, functions, or duties; or

a breach by the Company of any of its other material obligations under the Lumley Employment Agreement.

For Mr. Lumley, cause is defined, in general, subject to notification and cure rights as described above in Use of Employment Agreements, as the occurrence of any of the following events: (i) the commission by Mr. Lumley of any deliberate and premeditated act taken in bad faith against the interests of the Company which causes, or is reasonably anticipated to cause, material harm to the Company or its reputation; (ii) Mr. Lumley has been convicted of, or pleads nolo contendere with respect to any felony, or of any lesser crime or offense having as its predicate element fraud, dishonesty or misappropriation of the property of the Company that causes, or is reasonably anticipated to cause, material harm to the Company; (iii) the habitual drug addiction of Mr. Lumley, or habitual intoxication of Mr. Lumley, which negatively impacts his job performance, or Mr. Lumley s failure of a company-required drug test; (iv) the willful failure or refusal of Mr. Lumley to perform his duties or follow the direction of the Board of Directors; or (v) Mr. Lumley materially breaches any of the terms of the Lumley Employment Agreement or any other material written agreement between Mr. Lumley and the Company.

All of the benefits detailed above would cease immediately upon the discovery by the Company of Mr. Lumley s breach of the employment agreement provisions titled agreement not to compete and secret processes and confidentiality. The Lumley Employment Agreement includes non-competition and non-solicitation provisions that extend for two years following Mr. Lumley s termination and confidentiality provisions that extend for seven years following Mr. Lumley s termination.

Douglas L. Martin

The Martin Employment Agreement contains the following provisions applicable upon the termination of Mr. Martin s employment with the Company or in the event of a change in control of the Company.

Termination with Cause or Voluntary Termination by the Executive (other than for Good Reason). In the event that Mr. Martin is terminated with cause or terminates his employment voluntarily, other than for good reason, Mr. Martin s salary and other benefits provided under his employment agreement cease at the time of such termination and Mr. Martin is entitled to no further compensation under his employment agreement. Notwithstanding this, Mr. Martin would be entitled to continue to participate in the Company s medical benefit plans to the extent required by law. Further, upon any such termination of employment, the Company would pay to Mr. Martin accrued pay and benefits.

Termination without Cause, for Good Reason, Death, or Disability, or Upon a Change in Control. If the employment of Mr. Martin with the Company is terminated by the Company without cause, by Mr. Martin for good reason, is terminated due to Mr. Martin s death or disability, or by Mr. Martin following a change in control (as defined in the 2011 Plan), Mr. Martin is entitled to receive certain post-termination benefits, detailed below, contingent upon execution of a separation agreement with a release of claims agreeable to the Company and Mr. Martin s compliance with the non-competition and confidentiality restrictions set forth in his employment agreement. In such event the Company will:

- pay Mr. Martin (i) 1.5 times his base salary in effect immediately prior to his termination, plus (ii) 1.0 times his target annual bonus award for the fiscal year in which such termination occurs, ratably over the 18-month period immediately following his termination;

- pay Mr. Martin the pro rata portion of the annual bonus (if any) he would have earned by him pursuant to any annual bonus or incentive plan maintained by the Company in respect of the fiscal year in which such termination occurs if his employment had not ceased, to be paid at the same time such bonus would have been paid to Mr. Martin for such fiscal year if his employment had not terminated; and

- for the 18-month period immediately following such termination, arrange to provide Mr. Martin and his dependents with insurance and other benefits on a basis substantially similar to those provided to Mr. Martin and his dependents by the Company immediately prior to the date of termination at no greater cost to Mr. Martin or the Company than the cost to Mr. Martin and the Company immediately prior to such date.

For Mr. Martin, good reason is defined, in general, subject to notification and cure rights as described above under the heading Use of Employment Agreements, as, the occurrence of any of the following events without Mr. Martin s consent:

- any material reduction in Mr. Martin s annual base salary;

- the required relocation of Mr. Martin s place of principal employment to a location more than 50 miles from Mr. Martin s current office, or the requirement by the Company that Mr. Martin be based at an office other than his current office on an extended basis;

- a substantial diminution or other substantive adverse change in the nature or scope of Mr. Martin s responsibilities, authorities, powers, functions, or duties;

- a breach by the Company of any of its other material obligations under the Martin Employment Agreement; or

- the failure of the Company to obtain the agreement of any successor to the Company to assume and agree to perform the Martin Employment Agreement.

For Mr. Martin, cause is defined, in general, subject to notification and cure rights as described above in Use of Employment Agreements, as the occurrence of any of the following events: (i) the commission by

Mr. Martin of any deliberate and premeditated act taken by Mr. Martin in bad faith against the interests of the Company; (ii) Mr. Martin has been convicted of, or pleads nolo contendere with respect to any felony, or of any lesser crime or offense having as its predicate element fraud, dishonesty or misappropriation of the property of the Company; (iii) the habitual drug addiction or intoxication of Mr. Martin which negatively impacts his job performance or Mr. Martin s failure of a company-required drug test; (iv) the willful failure or refusal of Mr. Martin to perform his duties as set forth in the employment agreement or the willful failure or refusal to follow the direction of the Chief Executive Officer or the Board of Directors; or (v) Mr. Martin materially breaches any of the terms of the Martin Employment Agreement.

The above benefits will cease immediately upon the discovery by the Company of Mr. Martin s breach of the non-compete and non-solicitation provisions or the secret processes and confidentiality provisions included in his employment agreement. The Martin Employment Agreement includes non-competition and non-solicitation provisions that extend for 18 months following Mr. Martin s termination, and confidentiality provisions that extend for seven years following Mr. Martin s termination.

Anthony L. Genito

As discussed above, Mr. Genito and Spectrum Brands have entered into the Genito Retention Agreement, pursuant to which Mr. Genito and Spectrum Brands have mutually agreed that his employment will terminate effective December 31, 2014 (or on such other date that is mutually agreed to). Mr. Genito ceased being the Chief Financial Officer on September 1, 2014. The Genito Retention Agreement also provides for certain benefits and compensation to Mr. Genito in connection with his termination of employment. Mr. Genito departed from the Company on January 2, 2015. In the event Mr. Genito is terminated for cause or resigns from his employment without good reason prior to December 31, 2014, the Genito Retention Agreement will be deemed null and void and he will not be entitled to receive the benefits or compensation provided for in such agreement. See Genito Retention Agreement below for a further description of the terms and conditions of this agreement.

The Genito Retention Agreement contains the following provisions applicable upon the termination of Mr. Genito s employment with the Company or in the event of a change in control of the Company.

Termination for Cause or Voluntary Termination by the Executive (other than for Good Reason). In the event that Mr. Genito is terminated for cause or terminates his employment voluntarily, other than for good reason, Mr. Genito s salary and other benefits provided under his employment agreement cease at the time of such termination and Mr. Genito is entitled to no further compensation under his employment agreement. Notwithstanding this, Mr. Genito would be entitled to continue to participate in the Company s medical benefit plans to the extent required by law. Further, upon any such termination of employment, the Company would pay to Mr. Genito accrued pay and benefits.

Termination without Cause or for Good Reason, Death or Disability. If the employment of Mr. Genito with the Company is terminated by the Company without cause, by Mr. Genito for good reason, or due to Mr. Genito s death or disability, or by virtue of a non-renewal of the employment agreement, Mr. Genito is entitled to receive certain post-termination benefits, detailed below, contingent upon execution of a separation agreement with a release of claims agreeable to the Company. In such event the Company will: