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

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported):
June 15, 2009 (June 15, 2009)

SPECTRUM BRANDS, INC.
(Exact name of registrant as specified in its charter)

Wisconsin
(State or Other Jurisdiction of Incorporation)

001-13615
(Commission File Number)

22-2423556
(IRS Employer Identification Number)

Six Concourse Parkway, Suite 3300
Atlanta, Georgia
(Address of Principal Executive Offices)

30328
(Zip Code)

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

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01. Regulation FD Disclosure.

On February 3, 2009, Spectrum Brands, Inc. (the "Company") announced that it and its United States subsidiaries (together with the Company, collectively, the "Debtors") had filed voluntary petitions in the United States Bankruptcy Court for the Western District of Texas (the "Bankruptcy Court") seeking reorganization relief under the provisions of Chapter 11 of Title 11 of the United States Code. The Chapter 11 cases are being jointly administered by the court as Case No. 09-50456 (the "Bankruptcy Cases").

In connection with the Bankruptcy Cases, the Debtors, as previously announced, filed an amended plan of reorganization ("Plan of Reorganization") and related disclosure statement with the Bankruptcy Court. In connection with the Bankruptcy Cases, the Debtors have disclosed certain financial projections. In connection with hearings beginning June 15, 2009, at which the Bankruptcy Court will consider confirmation of the Plan of Reorganization, the Debtors may disclose amended financial projections. The amended financial projections are furnished hereto as Exhibit 99.1.

The amended financial projections were not prepared with a view toward compliance with published guidelines of the Securities and Exchange Commission or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information, including, without limitation, the American Institute of Certified Public Accountants' Statement of Position 90-7, Financial Reporting by Entities in Reorganization Under the Bankruptcy Code. Unless otherwise noted, the amended financial projections were not prepared in accordance with generally accepted accounting principles.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

| Exhibit Number | Description |
|---------------------------|--------------------|
|---------------------------|--------------------|

| | |
|------|---|
| 99.1 | Spectrum Brands, Inc. Financial Projections |
|------|---|

SIGNATURES

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

Date: June 15, 2009

SPECTRUM BRANDS, INC.

By: /s/ Anthony L. Genito

Name: Anthony L. Genito

Title: Executive Vice President,
Chief Financial Officer and
Chief Accounting Officer

EXHIBIT INDEX

Exhibit Description

99.1 Spectrum Brands, Inc. Financial Projections

PRO FORMA FINANCIAL PROJECTIONS

These financial projections and forecasts (the "Financial Projections") present, to the best of the Debtors' knowledge and belief, the Debtors' expected financial position, results of operations, and cash flows for the projection period. The Financial Projections include a projected income statement, balance sheet and statement of cash flow for the years ending September 30, 2009 through 2013; projected monthly cash flows for fiscal year 2009, a forecast of borrowing base availability and projected capital structure at exit. The Debtors have also included a reconciliation to GAAP for Adjusted EBITDA (as defined below), a non-GAAP measure. The assumptions disclosed herein are those that the Debtors believe are significant to the Financial Projections. Because events and circumstances frequently do not occur as expected, there will be differences between the projected and actual results. These differences may be material to the Financial Projections herein.

THE DEBTORS DO NOT, AS A MATTER OF COURSE, PUBLISH THEIR BUSINESS PLANS, BUDGETS OR STRATEGIES OR MAKE EXTERNAL PROJECTIONS OR FORECASTS OF THEIR ANTICIPATED FINANCIAL POSITIONS, RESULTS OF OPERATION, LIQUIDITY, BORROWING BASE, CASH FLOW, ANNUAL REVENUE AND GROWTH RATES OR ANNUAL ADJUSTED EBITDA DETAIL. ACCORDINGLY, THE DEBTORS DO NOT ANTICIPATE THAT THEY WILL, AND DISCLAIM ANY OBLIGATION TO, FURNISH UPDATED BUSINESS PLANS, BUDGETS, FINANCIAL CONSEQUENCES OR PROJECTIONS PRIOR TO THE EFFECTIVE DATE OF ANY PLAN OR TO INCLUDE SUCH INFORMATION IN DOCUMENTS REQUIRED TO BE FILED WITH THE SEC OR OTHERWISE MAKE SUCH INFORMATION PUBLICLY AVAILABLE.

The Debtors' auditor has neither examined nor compiled the accompanying Financial Projections and, accordingly, does not express an opinion or any other form of assurance with respect thereto. These Financial Projections were not prepared with a view toward compliance with published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information, including, without limitation, the American Institute of Certified Public Accountants' Statement of Position 90-7 ("SOP 90-7"), Financial Reporting by Entities in Reorganization Under the Bankruptcy Code. These Financial Projections, unless otherwise noted, are not in compliance with Generally Accepted Accounting Principles ("GAAP").

EBITDA ("EBITDA") is measured as earnings (defined as operating income (loss) plus other income less other expenses) before interest, taxes, depreciation and amortization and excluding restructuring and other one-time charges. Adjusted EBITDA ("Adjusted EBITDA") is measured as earnings (defined as operating income (loss) plus other income less other expenses) before interest, taxes, depreciation and amortization and excluding restructuring, other one-time charges and excludes the operations of Growing Products, which was part of the Debtors' Home & Garden segment. Adjusted EBITDA is a metric used by the Debtors' management, and Adjusted EBITDA and EBITDA are frequently used by the financial community to provide insight into an organization's operating trends and facilitate 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 the Debtors' debt covenant compliance. The Adjusted EBITDA detail should be read in conjunction with the reconciling GAAP detail provided below.

A. ACCOUNTING POLICIES

The Financial Projections have been prepared in good faith based upon assumptions believed to be reasonable. The Financial Projections include assumptions to various financial accounts of the Debtors, which are based upon the Debtors' estimates and market conditions.

B. PROJECTION ASSUMPTIONS

The Debtors, with the assistance of various professionals, prepared the Financial Projections for the five years ending September 30, 2009, 2010, 2011, 2012 and 2013 respectively. The Financial Projections are

based on a number of assumptions, and while the Debtors have prepared the Financial Projections in good faith and believe the assumptions to be reasonable, it is important to note that the Debtors can provide no assurance that such assumptions will ultimately be realized. The Financial Projections should be read in conjunction with the assumptions, qualifications and notes contained herein, the risk factors described in Section VII of the Disclosure Statement, and the historical financial statements filed by the Debtors. The following summarizes the underlying key assumptions upon which the Financial Projections were based.

The Financial Projections take into account the current macroeconomic environment, including the recent declines in key commodity inputs, slowdown in consumer spending, and changes in foreign exchange rates, among other factors. The Debtors assume the current consumer spending slowdown will last through the end of calendar year 2009, with gradual growth in consumer spending resuming in 2010.

The Financial Projections are based on the assumption that the Plan will be confirmed as stated in the Disclosure Statement and Plan of Reorganization and will become effective July 15, 2009.

C. PROJECTED CONSOLIDATED STATEMENT OF OPERATIONS

Sales Forecast: A detailed 5-year forecast was prepared in U.S. dollars. Sales were projected by business segment and by product category within each segment. FY 2009 projections were based on a detailed bottoms-up analysis and the projected periods were based off the 2009 estimates. The Debtors' Growing Products business segment was shut-down effective January 31, 2009.

Cost of Sales Assumptions: Cost of sales were projected at a rate relative to Sales. The Debtors estimate slight decreases in the rate relative to Sales due to declines in key commodity input prices (the full effect of which will only be felt in projected periods due to already in-place hedges) and the exiting of lower-/negative-margin product lines, partly offset by a consumer trend to lower-margin products in certain regions due to the current economic conditions.

Operating Expense Assumptions: Selling, marketing, distribution, advertising, research and development and general and administrative expenses were projected at rates relative to net sales and individually inflated based on the Debtors' estimates.

Interest Expense: Interest for the revolving credit facility (the "Exit Facility") is projected based on the LIBOR forward curve (including a 3.0% LIBOR floor) plus 4.5%. The Exit Facility is projected to include a Subordinated Participation Facility which is projected based on the LIBOR forward curve (including a 3.0% LIBOR floor) plus 14.5%. The Exit Facility interest and the Subordinated Participation Facility interest is expensed and disbursed monthly. The First Lien Term loan (U.S. dollar denominated) interest is projected at LIBOR plus 4.0% per annum. The First Lien Term loan (U.S. dollar denominated) interest is expensed monthly and disbursed on a quarterly basis. The First Lien Term loan (Euro dollar denominated) interest is projected at LIBOR plus 4.5% per annum. The First Lien Term loan (Euro dollar denominated) interest is expensed monthly and disbursed on a quarterly basis. The New Notes issued are projected at an interest rate of 12%. During the first two years, interest on the New Notes would be payable in kind and in cash thereafter.

Income Tax Expense: The Debtors' tax advisors have estimated post-emergence U.S. federal, state and local tax expense (in accordance with FASB Statement No. 109) to be incurred at an effective rate of 38%. The Debtors' tax advisors have also estimated post-emergence foreign tax expense to be incurred at effective rates of from 28% to 35% depending on the income mix of various foreign jurisdictions.

Projected Consolidated Balance Sheets

Cash: Cash is projected to be \$60 million at the end of 2009 and \$50 million at the end of each year thereafter, and is substantially held by the Debtors' foreign entities. Excess cash generated by the business is utilized to pay-down the Exit Facility and the term loan.

Accounts Receivable: The FY 2009 projected Accounts Receivable balances were based on a detailed bottoms-up analysis, which is based on the Debtors' historical experience. The resultant days' sales

outstanding average is approximately 54 days. For the projected periods, there is no assumption to an improvement in the days' sales outstanding.

Inventory: The FY 2009 projected Inventory balances were based on a detailed bottoms-up analysis, which is based on the Debtors' historical experience. The resultant days' carried average is approximately 88 days. For the projected periods, there is no assumption to an improvement in the days carried outstanding.

Accounts Payable: The FY 2009 projected Accounts Payable balances were based on a detailed bottoms-up analysis, which is based on the Debtors' historical experience. The resultant days payable average is approximately 52 days. For the projected periods, there is no assumption to an improvement in the days payable outstanding.

Projected Income Statement

| (US\$ millions) | FYE September 30, | | | | |
|---------------------------------------|-------------------|--------------|---------------|---------------|---------------|
| | 2009E | 2010E | 2011E | 2012E | 2013E |
| Revenue | \$ 2,263 | \$ 2,263 | \$ 2,354 | \$ 2,448 | \$ 2,545 |
| % Growth | | (0.0%) | 4.0% | 4.0% | 4.0% |
| Less: Cost of Sales | \$ (1,427) | \$ (1,375) | \$ (1,425) | \$ (1,476) | \$ (1,530) |
| Gross Profit | \$ 837 | \$ 889 | \$ 929 | \$ 972 | \$ 1,015 |
| % Margin | 37% | 39% | 39% | 40% | 40% |
| Less: Operating Expenses (Excl. D&A) | \$ (543) | \$ (557) | \$ (587) | \$ (614) | \$ (641) |
| EBITDA ⁽¹⁾ | \$ 293 | \$ 332 | \$ 342 | \$ 358 | \$ 374 |
| % Margin | 13% | 15% | 15% | 15% | 15% |
| Less: Depreciation | \$ (36) | \$ (40) | \$ (40) | \$ (40) | \$ (40) |
| Less: Amortization | (24) | (19) | (19) | (19) | (19) |
| Less: Inventory Impairment and Hedges | (34) | 0 | 0 | 0 | 0 |
| EBIT | \$ 200 | \$ 273 | \$ 283 | \$ 299 | \$ 315 |
| Less: Interest Expense | \$ (153) | \$ (136) | \$ (123) | \$ (136) | \$ (127) |
| EBT | \$ 47 | \$ 137 | \$ 160 | \$ 163 | \$ 188 |
| Less: Taxes | (16) | (48) | (56) | (57) | (66) |
| Net Income⁽²⁾ | \$ 30 | \$ 89 | \$ 104 | \$ 106 | \$ 122 |

GAAP Reconciliation to Net Income

| (US\$ millions) | FYE September 30, | | | | |
|--|-------------------|---------------|---------------|---------------|---------------|
| | 2009E | 2010E | 2011E | 2012E | 2013E |
| EBITDA | \$ 293 | \$ 332 | \$ 342 | \$ 358 | \$ 374 |
| Growing Products Operations | 20 | 0 | 0 | 0 | 0 |
| Adjusted EBITDA | \$ 313 | \$ 332 | \$ 342 | \$ 358 | \$ 374 |
| Depreciation & Amortization | (60) | (59) | (59) | (59) | (59) |
| Interest expense | (153) | (136) | (123) | (136) | (127) |
| Growing Products Shutdown ⁽³⁾ | (34) | 0 | 0 | 0 | 0 |
| Growing Products Operations ⁽⁴⁾ | (20) | 0 | 0 | 0 | 0 |
| Tax expense | (16) | (48) | (56) | (57) | (66) |
| Net Income | \$ 30 | \$ 89 | \$ 104 | \$ 106 | \$ 122 |
| IPI Selic | 8 | 0 | 0 | 0 | 0 |
| Restructuring & related charges | (36) | (7) | (3) | (3) | (3) |
| Reorganization Items, net ⁽⁵⁾ | 417 | 0 | 0 | 0 | 0 |
| Growing Products Shutdown ⁽⁶⁾ | (29) | 0 | 0 | 0 | 0 |
| Interest Expense ⁽⁷⁾ | (12) | (8) | (8) | (8) | (8) |
| Tax expense ⁽⁸⁾ | 10 | 3 | 1 | 1 | 1 |
| GAAP Net Income (Loss) | \$ 388 | \$ 77 | \$ 94 | \$ 96 | \$ 112 |

- Notes:**
- (1) Includes growing products segment in 2009. Please see GAAP Reconciliation to Net Income for Adjusted EBITDA.
 - (2) Excludes certain restructuring, certain shut-down costs and other one-time charges. Please see GAAP Reconciliation to Net Income for GAAP Net Income.
 - (3) Includes Inventory Impairment and Hedges of \$34 in 2009E.
 - (4) Represents loss from operations related to the Growing Products business from October 1, 2008 through March 29, 2009.
 - (5) Represents gain on cancellation of debt of \$515, professional fees of \$73.4, write off of deferred financing fees of \$10.7 and provision for rejection of leases of \$13.5.
 - (6) Represents remaining shutdown costs, such as PP&E and intangible asset impairments, related to Growing Products.
 - (7) Represents remaining accrued interest associated with debt amortization.
 - (8) Assumes normalized effective tax rate of 35% for IPI Selic and Restructuring and related charges during May through September.

Projected Balance Sheet

| (US\$ millions) | FYE September 30, | | | | |
|---|-------------------|-----------------|-----------------|-----------------|-----------------|
| | 2009E | 2010E | 2011E | 2012E | 2013E |
| ASSETS | | | | | |
| Cash & Equivalents | \$ 60 | \$ 50 | \$ 50 | \$ 50 | \$ 50 |
| Accounts Receivable | 321 | 338 | 352 | 366 | 380 |
| Inventory | 329 | 333 | 345 | 357 | 370 |
| Other Current Assets | 64 | 64 | 64 | 64 | 64 |
| Total Current Assets | \$ 774 | \$ 785 | \$ 810 | \$ 836 | \$ 863 |
| Property, Plant & Equipment | \$ 193 | \$ 179 | \$ 164 | \$ 150 | \$ 136 |
| Other Long-Term Assets | 1,109 | 1,088 | 1,062 | 1,036 | 1,015 |
| Total Assets | \$ 2,076 | \$ 2,052 | \$ 2,036 | \$ 2,022 | \$ 2,014 |
| LIABILITIES & SHAREHOLDER'S EQUITY | | | | | |
| Accounts Payable | \$ 190 | \$ 195 | \$ 202 | \$ 209 | \$ 216 |
| Other Current Liabilities | 265 | 255 | 249 | 247 | 247 |
| Total Current Liabilities | \$ 455 | \$ 450 | \$ 451 | \$ 456 | \$ 463 |
| Total Debt (Including Current) | \$ 1,723 | \$ 1,628 | \$ 1,510 | \$ 1,387 | \$ 1,251 |
| Other Long-Term Liabilities | 323 | 318 | 313 | 308 | 303 |
| Total Liabilities | \$ 2,501 | \$ 2,396 | \$ 2,274 | \$ 2,151 | \$ 2,017 |
| Shareholder's Equity | \$ (426) | \$ (344) | \$ (237) | \$ (128) | \$ (3) |
| Total Liabilities & Shareholder's Equity | \$ 2,076 | \$ 2,052 | \$ 2,036 | \$ 2,022 | \$ 2,014 |

Projected Cash Flow Statement

| (US\$ millions) | FYE September 30, | | | | |
|--|-------------------|-----------------|-----------------|-----------------|-----------------|
| | 2009E | 2010E | 2011E | 2012E | 2013E |
| Net Income ⁽¹⁾ | \$ 30 | \$ 89 | \$ 104 | \$ 106 | \$ 122 |
| Plus: Depreciation | 36 | 40 | 40 | 40 | 40 |
| Plus: Amortization | 24 | 19 | 19 | 19 | 19 |
| (Increase)/Decrease in Accounts Receivable | 73 | (17) | (14) | (14) | (14) |
| (Increase)/Decrease in Inventory | 55 | (4) | (12) | (12) | (13) |
| Increase/(Decrease) in Accounts Payable | (81) | 6 | 7 | 7 | 7 |
| Other | (209) | 6 | 25 | 3 | (0) |
| Cash Flow from Operations | \$ (72) | \$ 138 | \$ 169 | \$ 149 | \$ 161 |
| Less: Capital Expenditures | \$ (14) | \$ (25) | \$ (25) | \$ (25) | \$ (25) |
| Cash Flow from Investing Activities | \$ (14) | \$ (25) | \$ (25) | \$ (25) | \$ (25) |
| Borrowing / (Repayment) of Revolver | \$ (80) | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Borrowing / (Repayment) of Exit Facility | 167 | (109) | (59) | 0 | 960 |
| Repayment of Secured Debt | (46) | (14) | (85) | (123) | (1,096) |
| Cash Flow from Financing Activities | \$ 41 | \$ (123) | \$ (143) | \$ (123) | \$ (136) |
| Net Cash Flow | \$ (45) | \$ (10) | \$ 0 | \$ 0 | \$ 0 |
| Beginning Cash | \$ 105 | \$ 60 | \$ 50 | \$ 50 | \$ 50 |
| Plus: Net Cash Flow | (45) | (10) | 0 | 0 | 0 |
| Ending Cash | \$ 60 | \$ 50 | \$ 50 | \$ 50 | \$ 50 |

Notes: (1) Excludes certain restructuring, certain shut-down costs and other one-time charges. Please see GAAP Reconciliation to Net Income for GAAP Net Income.

Projected Monthly Cash Flows for FY 2009

| (US\$ millions) | Fiscal Year 2009 | | | | | | | | |
|---|------------------|----------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|
| | Act Jan | Act Feb | Act Mar | Act Apr | Act May | Est Jun | Est Jul | Est Aug | Est Sept |
| Adjusted EBITDA | \$ 14 | \$ 3 | \$ 33 | \$ 23 | \$ 37 | \$ 41 | \$ 26 | \$ 25 | \$ 45 |
| Less: Capital Expenditures | (1) | (0) | (1) | (1) | (1) | (2) | (3) | (2) | (2) |
| (Increase)/Decrease in Working Capital | (14) | (8) | (19) | (38) | (6) | 56 | 3 | 25 | 44 |
| Less: Cash Taxes | (3) | (0) | (1) | (2) | (1) | (1) | (4) | (4) | (4) |
| Less: Cash Interest Expense | (12) | (1) | (4) | (1) | (4) | (18) | (2) | (8) | (8) |
| Interest Rate Swap Adjustment | (1) | 0 | 0 | (1) | 0 | (1) | (1) | (1) | (1) |
| Less: Other | (38) | 7 | (5) | 22 | (2) | (34) | 17 | 1 | (19) |
| Intercompany (Foreign Subs) | 66 | (13) | (4) | 1 | (6) | 2 | 15 | 0 | (20) |
| Change in Other Indebtedness | (6) | (1) | 2 | (0) | (4) | (4) | (3) | (0) | (8) |
| Borrowing / (Repayment) of Revolver | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash Flow (pre-Restructuring Related Fees) | \$ 6 | \$ (13) | \$ 2 | \$ 2 | \$ 14 | \$ 37 | \$ 48 | \$ 35 | \$ 27 |
| Less: Bankruptcy Related Fees | 0 | (9) | (1) | (1) | (5) | (5) | (44) | 0 | (17) |
| Cash Flow (post-Restructuring Related Fees, pre-Exit Needs) | \$ 6 | \$ (22) | \$ 1 | \$ 1 | \$ 9 | \$ 32 | \$ 4 | \$ 35 | \$ 10 |
| Less: Cash Interest Expense - Term Loan ("catch-up") | 0 | 0 | 0 | 0 | 0 | 0 | (30) | 0 | 0 |
| Less: Mandatory Repayment of Term Loan ("catch-up") | 0 | 0 | 0 | 0 | 0 | 0 | (7) | 0 | 0 |
| Less: Repayment of Synthetic L/C | 0 | 0 | 0 | 0 | 0 | 0 | (20) | 0 | 0 |
| Less: Interest Rate Swap Termination at Exit | 0 | 0 | 0 | 0 | 0 | 0 | (7) | 0 | 0 |
| Less: Lease Payments at Exit | 0 | 0 | 0 | 0 | 0 | 0 | (11) | 0 | 0 |
| Less: D&O run-off at Exit | 0 | 0 | 0 | 0 | 0 | 0 | (3) | 0 | 0 |
| Cash Flow (post-Restructuring Related Fees and Exit Needs) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ (78) | \$ 0 | \$ 0 |
| Additional Borrowings | \$ 6 | \$ (22) | \$ 1 | \$ 1 | \$ 9 | \$ 32 | \$ (73) | \$ 35 | \$ 10 |
| Beginning DIP Balance | \$ 167 | \$ 161 | \$ 183 | \$ 182 | \$ 181 | \$ 172 | \$ 140 | \$ 213 | \$ 178 |
| Plus: Total Cash Needs | (6) | 22 | (1) | (1) | (9) | (32) | 73 | (35) | (10) |
| Ending DIP Balance | \$ 161 | \$ 183 | \$ 182 | \$ 181 | \$ 172 | \$ 140 | \$ 213 | \$ 178 | \$ 167 |

GAAP Reconciliation to Net Income (Monthly)

| (US\$ millions) | FYE 2009 | | | | | | | | |
|--|----------------|----------------|----------------|-------------|-------------|---------------|--------------|-------------|--------------|
| | Act Jan | Act Feb | Act Mar | Act Apr | Act May | Est Jun | Est Jul | Est Aug | Est Sept |
| EBITDA | \$ 14 | \$ 3 | \$ 33 | \$ 23 | \$ 37 | \$ 41 | \$ 26 | \$ 25 | \$ 45 |
| Growing Products Operations | 5 | 3 | 5 | - | - | - | - | - | - |
| Adjusted EBITDA | \$ 19 | \$ 6 | \$ 38 | \$ 23 | \$ 37 | \$ 41 | \$ 26 | \$ 25 | \$ 45 |
| Depreciation & Amortization | (5) | (5) | (5) | (5) | (5) | (5) | (5) | (5) | (5) |
| Interest expense | (12) | (1) | (4) | (2) | (4) | (20) | (32) | (11) | (11) |
| Growing Products Shutdown ⁽¹⁾ | 1 | (0) | 5 | - | - | - | - | - | - |
| Growing Products Operations ⁽²⁾ | (5) | (3) | (5) | - | - | - | - | - | - |
| Tax expense | 1 | 1 | (10) | (6) | (10) | (6) | 4 | (3) | (10) |
| Net Income | \$ (2) | \$ (2) | \$ 19 | \$ 11 | \$ 18 | \$ 11 | \$ (7) | \$ 6 | \$ 19 |
| IPI Selic | 0 | 1 | (0) | 1 | 0 | 1 | 0 | 0 | 0 |
| Restructuring & related charges | (2) | (9) | (5) | 5 | (1) | (1) | (1) | (1) | (1) |
| Reorganization items, net ⁽³⁾ | - | - | (21) | (11) | (13) | 462 | - | - | - |
| Growing Products Shutdown ⁽⁴⁾ | (9) | (1) | 2 | - | - | - | - | - | - |
| Interest expense ⁽⁵⁾ | (8) | (14) | (9) | (7) | (8) | 8 | 23 | (1) | (1) |
| Tax expense ⁽⁶⁾ | 1 | 3 | (3) | 3 | 5 | 0 | 0 | 0 | 0 |
| GAAP Net Income (Loss) | \$ (20) | \$ (22) | \$ (18) | \$ 2 | \$ 2 | \$ 480 | \$ 16 | \$ 5 | \$ 17 |

Notes:

(1) Includes Inventory Impairment and Hedges of \$34 in 2009E.

(2) Represents loss from operations related to the Growing Products business from October 1, 2008 through March 29, 2009.

(3) Represents gain on cancellation of debt of \$515, professional fees of \$73.4, write off of deferred financing fees of \$10.7 and provision for rejection of leases of \$13.5.

(4) Represent remaining shutdown costs, PP&E and Intangible asset impairments, related to Growing Products.

(5) Represents remaining accrued interest associated with debt amortization.

(6) Assumes normalized effective tax rate of 35% on IPI Selic and Restructuring and related charges.

Borrowing Base Availability

| <i>(US\$ millions)</i> | Fiscal Year 2009 | | | | | | | | | |
|-------------------------------|------------------|------------|------------|------------|------------|------------|------------|------------|-------------|--|
| | Act Jan | Act Feb | Act Mar | Act Apr | Act May | Est Jun | Est Jul | Est Aug | Est Sept | |
| Gross Availability | \$ 208 | \$ 225 | \$ 239 | \$ 252 | \$ 262 | \$ 252 | \$ 235 | \$ 231 | \$ 185 | |
| Less: Suppressed Availability | 0 | 0 | (15) | (28) | (38) | (28) | (12) | (8) | 0 | |
| Borrowing Base Availability | \$ 208 | \$ 225 | \$ 224 | \$ 224 | \$ 224 | \$ 224 | \$ 223 | \$ 223 | \$ 185 | |
| Less: Availability Block | (25) | (25) | (25) | (25) | (25) | (25) | (20) | (20) | (20) | |
| Less: Reserves | (7) | (10) | (9) | (9) | (9) | (9) | (6) | (6) | (6) | |
| Less: Letters of Credit | (3) | (5) | (6) | (8) | (9) | (13) | 0 | 0 | 0 | |
| Maximum Revolver Draw Allowed | \$ 173 | \$ 185 | \$ 184 | \$ 182 | \$ 181 | \$ 177 | \$ 197 | \$ 197 | \$ 159 | |

Project Capital Structure at Exit (July 2009)

| <i>(US\$ millions)</i> | Projected July 2009 | Adjustments | Pro Forma July 2009 |
|-----------------------------|------------------------|-----------------|------------------------|
| ABL Facility | \$ 213.0 | \$ 0.0 | \$ 213.0 |
| First Lien Term Loan | 1,321.4 | 0.0 | 1,321.4 |
| Capital Leases | 19.8 | 0.0 | 19.8 |
| Total Secured Debt | \$ 1,554.1 | | \$ 1,554.1 |
| Subordinated Debt | 1,049.9 | \$ (831.8) | 218.1 |
| Total Debt | \$ 2,604.0 | | \$ 1,772.2 |
| Shareholder's Equity | \$ (1,259.4) | \$ 831.8 | \$ (427.6) |