Spectrum Brands

Fiscal 2014 Second Quarter Earnings Call

May 7, 2014

Agenda

▪ **Introduction**	Dave Prichard Vice President, Investor Relations
▪ **FY14 Q2 Review and Full Year Outlook**	Dave Lumley Chief Executive Officer
▪ **International Overview**	Andreas Rouvé Chief Operating Officer and President, International
▪ **Financial Highlights**	Tony Genito Chief Financial Officer
▪ **Q & A**	Dave Lumley Andreas Rouvé Tony Genito

Forward-Looking Statements

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

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

Reconciliation of Non-GAAP Financial Measurements

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

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

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

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

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

Dave Lumley
Chief Executive Officer

FY14 Q2 Review and Full Year Outlook

Spectrum Brands FY14 Q2 Review

- Reported record Q2, our seasonally smallest and most challenging quarter of the year
- Combined with our record Q1, we have good first half momentum toward delivering a 5th consecutive year of record performance
- Q2 had many highlights with all divisions contributing
  - Virtually all divisions had higher net sales and adjusted EBITDA vs. last year
  - Battery, HHI, personal care, and home and garden businesses had especially good results
  - International – particularly Europe again – was a bright spot
  - All-time high Q2 level of continuous improvement savings, building on similar Q1 record
- Spectrum Value Model continues to work effectively around the world and resonate with retailers and consumers in a global economy that remains challenging
  - ”Same or Better Performance/Less Price”, value-branded Spectrum Brands products are winning in today’s marketplace with today’s smart shoppers

FY14 Q2 Review and Second Half Outlook

- Q2 net sales grew 3.4%, and 4% excluding negative FX impacts, primarily in Latin America
  - Revenue growth followed a similar 3.6% sales increase in Q1
  - Overcame unusually harsh, prolonged winter weather in January and part of February in the U.S. and Canada that hurt retail store traffic and POS, most significantly in our HHI and Pet businesses
- Adjusted EPS grew 64% to $0.72
- Adjusted EBITDA increased 9%, nearly 3 times the rate of sales, and10% excluding negative FX impacts, representing the 14th consecutive quarter of year-over-year adjusted EBITDA growth
- Adjusted EBITDA margin grew almost 100 basis points to 15.3% vs. 14.5% last year
- With a solid first half behind us, we are optimistic about our second half which should be larger than our record first six months with the June and September quarters expected to grow year-over-year
- Second half improvement coming from new product launches in all divisions globally; retail distribution gains secured; new retail customers in place; continued geographic expansion in Europe, Latin America and Asia; and select pricing actions.
- Strict spending controls will be maintained, and we are tracking another record annual level of cost reductions

FY14 Full Year Outlook

- Spectrum Brands is focused on growing adjusted EBITDA and maximizing sustainable free cash flow
- Free cash flow expected to be at least $350 million, or nearly $7 per share, in FY14 vs. $254 million, or nearly $5 per share, in FY13 and $208 million, or $4 per share, in FY12
- Deleveraging and strengthening the balance sheet remains a top priority
  - Expect to pay down term debt by approximately $250 million in second half of FY14, thereby reducing total leverage by about ½ turn to end the year at about 4.2 times or less
  - Long term objective is to maintain a total leverage ratio of 2.5 times to 3.5 times

Home and Garden (United Industries)

- Home and Garden has reported record results to date in FY14
- Net sales and adjusted EBITDA grew 12% and 11%, respectively, to record Q2 levels
  - Increase driven primarily from higher sales in the lawn and garden controls category from strong, early season retail customer demand, along with the positive impact of the accretive Liquid Fence acquisition
  - Cost improvements and operating expense management also contributed to the growth
- Retailers have been and remain optimistic about the season and promotional programs are in place, which is encouraging for a solid June quarter from our highest-margin business
- Home and Garden is driving for another record year in FY14
  - Assumption is “somewhat more normal” quarterly weather pattern than the reverse in FY13 when Q3 was much lower and Q4 was much stronger than normal
- Integration activity is ahead of schedule for Liquid Fence, the U.S. leader in the consumer animal repellents market
  - Liquid Fence volumes and EBITDA are tracking our expectations

Remington (Personal Care)

- Momentum from a good Q2 and first half puts Remington on a path to come very close to, if not achieve, record sales and adjusted EBITDA for FY14

- Q2 net sales increased 2.4%, and 3% excluding negative FX impacts, on strong revenue growth in Europe and Latin America, much like in Q1

- Adjusted EBITDA increased 3 times the rate of sales in Q2 and at a double-digit rate in the first half

- North American revenues, while flat in Q2, are expected to grow in the second half largely from increases in the shaving and grooming and hair care categories from new product launches and distribution gains
  - Remington has recently gained unit share in 4 of the 6 categories in which it competes in North America
  - Launching several i-LIGHT facial hair removal products soon
  - Rolling out new Hyperflex men's shave and groom models
  - Increased investments to grow women's hair care position even faster in Europe

Small Appliances (Russell Hobbs)

- Q2 net sales essentially flat on a constant currency basis
  - Higher European revenues were offset by lower North American sales primarily from a non-recurrence of low-margin promotions
  - Latin American sales grew strongly on a constant currency basis from new product launches
- North American adjusted EBITDA in Q2 improved despite the slightly lower sales
- Optimistic about second half outlook, especially in North America, the largest geographic component
- Most new products launching in second half of FY14 and into FY15 since the 2010 Russell Hobbs acquisition
  - New George Foreman grills
  - Black and Decker coffee makers
  - Toaster ovens
  - Irons
- Small appliances and personal care businesses (together, global appliances) are working effectively with the supply base
  - Cost improvements to date are tracking higher vs. record level in FY13
  - Working with partners/suppliers to minimize cost increases while continuing to evaluate non-China sourcing options
- Global cost improvement in FY14 expected to again more than offset continuing, but more moderate, Asian supply chain cost increases

Global Batteries

- Global batteries turned in a very strong second quarter
- Q2 net sales grew 6%, and 7% without negative FX impacts
- Adjusted EBITDA increased at a double-digit rate to a record Q2 level, with all regions growing, and the margin expanded a strong 120 basis points
  - Q2 result follows a record Q1 adjusted EBITDA level
- Strong performance driven by a combination of new retail customers, new products, distribution gains, geographic expansion and effective promotions
  - Growth in the do-it-yourself (DIY) North American channel was most impressive
- Optimistic about second half global battery growth, especially in North America, and the potential for a record FY14
- Relatively flat to slightly higher commodity prices persist and batteries is on track to deliver a record level of global cost savings in FY14
- Price competition will likely persist, along with some erratic competitor discounting and tight retail inventory management, usually resulting from slower-moving, premium-priced products
- POS data shows “branded value” Rayovac batteries – “same or better performance/less price” – are a winner in the global marketplace

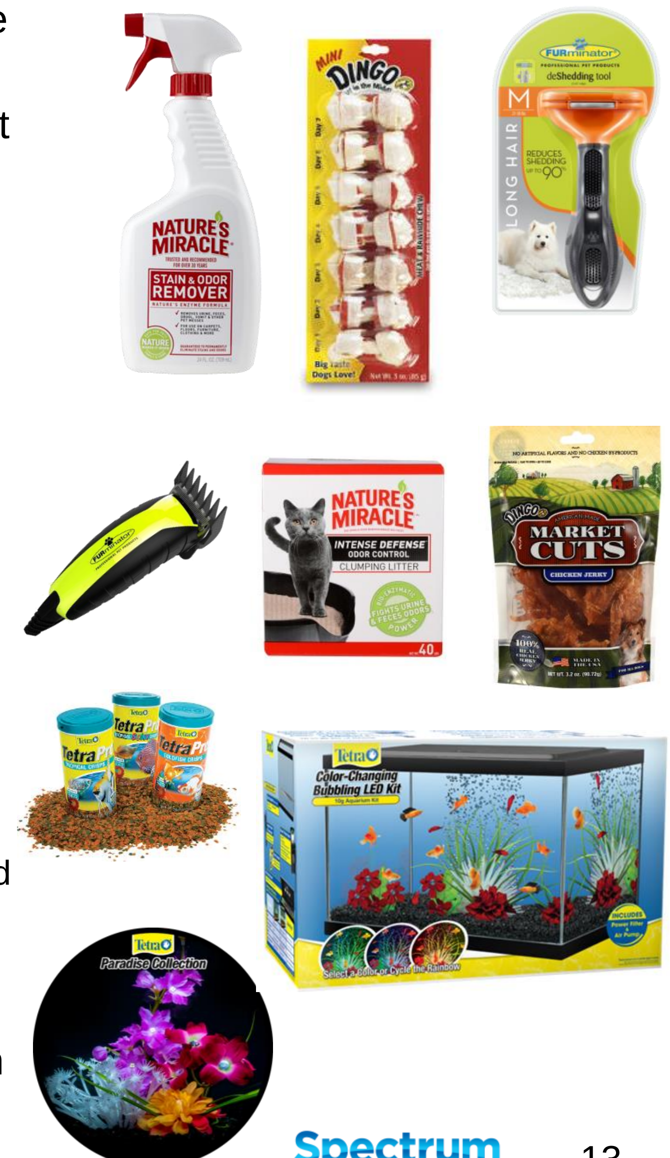
reddot design award winner

PHONE BOOST800

EMERGENCY CHARGE FOR YOUR PHONE

Global Pet Supplies (United Pet Group)

- Pet is still expected to deliver a record year in FY14 despite a challenging first half
- Q2 net sales recovered from a Q1 decline to be close to flat
  - Slightly higher sales in Europe in aquatics and companion animals were offset by total category declines in North America, in large part due to a continuation of overall aquatics category softness
  - Adverse winter weather also hurt store traffic at the top three pet retailers
- Pet still grew Q2 adjusted EBITDA 4% with an 80 basis point margin expansion
- Second half of FY14 will be stronger
  - Both new and expanding business shipping in the 3rd and 4th quarters in North America and Europe in both aquatics and companion animals
  - Launch of U.S.-made Dingo Market Cuts in the large U.S. chicken jerky market has been encouraging
  - Expanding footprint in large U.S. retail market for rawhide with additional product placements in mass, specialty channels, and food and drug stores
  - Expect faster companion animal growth in Latin America by leveraging Spectrum Brands' legal entities in the region
- Pet is expected to achieve a record level of cost savings in FY14 coupled with expense reduction programs



Hardware & Home Improvement (HHI)

- HHI delivered another quarter of solid results in Q2
  - Net sales grew 4%, and 5% on a constant currency basis
  - Adjusted EBITDA increased 11% – almost 3 times the rate of sales growth – and the margin expanded by more than 100 basis points
- Solid sales-to-EBITDA leverage is the kind of leverage performance pattern for HHI in FY14 that has been communicated to the Street
- Growth in residential security and continued international expansion, along with cost reductions, drove the Q2 improvement
- HHI's results were particularly noteworthy for several reasons
  - The business was comparing against an 11% sales increase in Q2 last year
  - Severe and prolonged winter weather in North America in the first two months of the quarter negatively affected store traffic and POS and contributed to an up-and-down new housing market
  - HHI sales picked up sequentially in March
- HHI looks to a stronger second half vs. the first half and last year with its seasonally somewhat larger June and September quarters
- Growth areas include a modest new housing construction uptick (HHI has a conservative estimate vs. higher market forecasts), SmartKey locksets, the new Kevo bluetooth lock, increased penetration in multi-family, showroom and hospitality channels, and international expansion
- HHI expects to increase its rate of cost reductions as this newer business moves to reach the divisional annual cost reduction goal of 3%-5% of costs of goods sold, along with more shared services

SMARTKEY
RE-KEY TECHNOLOGY

Andreas Rouvé

Chief Operating Officer and President, International

International Overview

International Overview

- International performance was solid in Q2 and the first half
- Q2 international revenues, net of FX, grew 5.4%
  - Only modest FX impact as a stronger EURO and British Pound offset weaknesses in other currencies
  - Europe continues to grow, as it did in FY13
  - Latin American constant currency sales growth was nearly 5%
  - Growth in both regions was broad-based and across all product categories
- Similarly, in the first half, international sales grew nearly 4%, net of FX, driven by virtually all categories and regions
- International expansion is driven by the Spectrum Value Model which truly is a globally effective go-to-market strategy
  - Focus on continuous launch of new or improved products
  - Compelling offers help gain additional listings
- Spectrum Brands currently present in many countries outside North America but previously often only with 1-2 product categories
  - Broadening our footprint, expanding into more countries and pushing for more cross-listings by launching more of our global products along with the addition of HHI's categories
  - Supported by focus on shared back-office services
  - Strengthens existing retailer relationships as we become a more important supplier
  - Increases competitiveness as expenses are controlled and spread over more categories

Spectrum Brands

Tony Genito
Chief Financial Officer

Financial Highlights

Financial Highlights

- Q2 gross margin of 35.2% vs. 32.7% a year ago
  - Last year's margin impacted by a $26 million increase in cost of goods sold from the sale of inventory that was revalued in connection with the HHI acquisition
  - Excluding the revaluation, gross profit margins were unchanged quarter-over-quarter
- Q2 SG&A expenses were flat and operating expenses declined 10% vs. last year primarily due to lower acquisition and integration related charges
- Interest expense of $47 million in Q2 decreased $13 million from $60 million last year primarily as a result of savings from the refinancing of our 9.5% notes last September
- FY14 interest expense is expected to be in the range of $195-$200 million, which includes $104 million in the first half of which $11 million was one-time items related to our term loan refinancing in the first quarter
- FY14 depreciation and amortization is expected to approximate $190-$200 million, which includes $95 million in the first six months
- Q2 effective tax rate was 24% compared to an unusual negative tax expense of 246% last year primarily due to positive earnings in this year's Q2 vs. a small loss in 2013
- FY14 effective tax rate is still expected to be 25-30%
- Cash payments for restructuring, acquisition and integration charges in Q2 were $19 million vs. $20 million last year
- Q2 cash interest was $27 million compared to $18 million last year
  - $9 million increase was primarily due to the timing of our term debt payments compared to payments for our 9.5% notes that were refinanced last September
- Cash interest payments for FY14 are expected to approximate $170-$175 million

Financial Highlights

- Q2 cash taxes of $19 million increased $13 million compared to $6 million last year due to the timing of payments, primarily in Germany, and the impact of several audits
- Level of NOLs expected to be utilized means no U.S. federal tax payments for 5 to 10 years
- FY14 cash taxes are now estimated at $75-$85 million due in part to overall higher international profits
  - FY14 cash taxes are higher than in FY13 mainly due to the timing of payments, primarily in Germany, and the anticipated conclusion of several income tax audits in certain jurisdictions from the 2007-2010 period
- Going forward, our normal annual run-rate for cash taxes is expected to be $55-$60 million
- Solid liquidity position at end of Q2 with $124 million available on our $400 million ABL working capital facility, a cash balance of approximately $93 million and total debt at par of $3,438 million
- FY14 free cash flow estimated to be at least $350 million, or nearly $7 per share
- Pathway seen to approximately $400 million of free cash flow, or nearly $8 per share, in FY15 even before factoring in any growth in the business
- FY14 Cap-x estimated at $70-$75 million, including expenditures for the Tong Lung integration, compared to $82 million in FY13
- Normal annual Cap-x level is expected to be $65-$70 million to fund new product introductions, product enhancements, cost improvement programs, and maintenance of equipment

Spectrum Brands

Remington | Russell Hobbs | United Pet Group, Inc

United Industries | Hardware & Home Improvement | Varta | Rayovac

Cutter | Hot Shot | Spectracide | Ultra Pro | Repel | Tetra | Kwikset | Garden Safe | Dingo

Weiser Security & Innovation since 1904 | iLight Pro professional hair removal results at home | Marineland | Instant Ocean | Stanley | FURminator Professional Pet Products | Pro-Sense

Nature's Miracle | Baldwin | 8in1 | Wet2Straight | Pfister | EZSET | Wild Harvest | LitterMaid

smooth & silky | Black Flag | Sportsman | Real-Kill | Birdola Products Wildlife feeding specialists | Jungle | Perfect Coat Every Dog Has Its Perfect Style | TAT Insecticides | Pro Line Advanced

Balanced-By-Nature Ecotrition | National Hardware | Petnation | GEO by Black & Decker | Breadman | UltraStop | Liquid Fence | Fortis Puro Design Italiano

Toastmaster | Black+Decker | Farberware | Fanal | Juiceman | Excel | George Foreman

Appendix

Table 1

SPECTRUM BRANDS HOLDINGS, INC.

Condensed Consolidated Statements of Operations

For the three and six month periods ended March 30, 2014 and March 31, 2013

(Unaudited)

($ in millions, except per share amounts)

	THREE MONTHS			SIX MONTHS		
	F2014	F2013	INC %	F2014	F2013	INC %
Net sales	$ 1,021.7	$ 987.8	3.4 %	$ 2,122.3	$ 1,858.0	14.2 %
Cost of goods sold	661.0	662.3		1,378.7	1,243.3	
Restructuring and related charges	1.1	2.6		2.8	3.7	
Gross profit	359.6	322.9	11.4 %	740.8	611.0	21.2 %
Selling	165.7	171.0		329.9	299.8	
General and administrative	75.9	70.4		148.9	127.2	
Research and development	12.3	11.9		23.1	20.0	
Acquisition and integration related charges	6.3	12.0		11.8	32.8	
Restructuring and related charges	6.8	5.3		9.5	10.8	
Total operating expenses	267.0	270.6		523.2	490.6	
Operating income	92.6	52.3		217.6	120.4	
Interest expense	47.4	60.4		104.4	130.2	
Other expense, net	0.8	3.7		1.6	5.3	
Income (loss) from continuing operations before income taxes	44.4	(11.8)		111.6	(15.1)	
Income tax expense	10.5	29.1		23.3	39.8	
Net income (loss)	33.9	(40.9)		88.3	(54.9)	
Less: Net income (loss) attributable to non-controlling interest	0.1	0.3		0.2	(0.2)	
Net income (loss) attributable to controlling interest	$ 33.8	$ (41.2)		$ 88.1	$ (54.7)	
Average shares outstanding (a)	**52.7**	**52.1**		**52.6**	**51.9**	
Basic income (loss) per share attributable to controlling interest	**$ 0.64**	**$ (0.79)**		**$ 1.68**	**$ (1.05)**	
Average shares and common stock equivalents outstanding (a) (b)	**53.0**	**52.1**		**52.8**	**51.9**	
Diluted income (loss) per share attributable to controlling interest	**$ 0.64**	**$ (0.79)**		**$ 1.67**	**$ (1.05)**	
Cash dividends declared per common share	**$ 0.30**	**$ 0.25**		**$ 0.55**	**$ 0.25**	

(a) Per share figures calculated prior to rounding.

(b) For the three and six months ended March 31, 2013, we have not assumed the exercise of common stock equivalents as the impact would be antidilutive.

Table 2

SPECTRUM BRANDS HOLDINGS, INC.

Supplemental Financial Data

As of and for the three and six month periods ended March 30, 2014 and March 31, 2013

(Unaudited)

($ in millions)

Supplemental Financial Data	F2014	F2013
Cash and cash equivalents	$ 93.4	$ 77.5
Trade receivables, net	$ 525.2	$ 480.0
Days Sales Outstanding (a)	43	40
Inventory	$ 725.9	$ 705.4
Inventory Turnover (b)	4.0	4.0
Total debt	$ 3,429.5	$ 3,258.9

	THREE MONTHS		SIX MONTHS	
Supplemental Cash Flow Data	F2014	F2013	F2014	F2013
Depreciation and amortization, excluding amortization of debt issuance costs	$ 50.5	$ 47.2	$ 95.1	$ 78.2
Capital expenditures	$ 20.9	$ 11.4	$ 36.8	$ 20.7

	THREE MONTHS		SIX MONTHS	
Supplemental Segment Sales & Profitability	F2014	F2013	F2014	F2013
Net Sales				
Global Batteries & Appliances	$ 480.9	$ 468.6	$ 1,140.2	$ 1,134.6
Global Pet Supplies	159.4	160.5	288.5	300.2
Home and Garden	114.5	102.0	148.2	132.5
Hardware & Home Improvement	266.9	256.7	545.3	290.7
Total net sales	$ 1,021.7	$ 987.8	$ 2,122.2	$ 1,858.0
Segment Profit				
Global Batteries & Appliances	$ 44.2	$ 41.4	$ 141.4	$ 136.8
Global Pet Supplies	20.6	20.4	33.6	36.3
Home and Garden	23.1	20.8	21.9	16.5
Hardware & Home Improvement	34.8	6.7	74.8	3.5
Total segment profit	122.7	89.3	271.7	193.1
Corporate	15.9	17.1	30.0	25.4
Acquisition and integration related charges	6.3	12.0	11.8	32.8
Restructuring and related charges	7.9	7.9	12.3	14.5
Interest expense	47.4	60.4	104.4	130.2
Other expense, net	0.8	3.7	1.6	5.3
Income (loss) from continuing operations before income taxes	$ 44.4	$ (11.8)	$ 111.6	$ (15.1)

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

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

Table 3

SPECTRUM BRANDS HOLDINGS, INC.

Reconciliation of GAAP Diluted Income (Loss) Per Share to Adjusted Diluted Earnings Per Share

For the three and six month periods ended March 30, 2014 and March 31, 2013

(Unaudited)

	THREE MONTHS		SIX MONTHS	
	F2014	F2013	F2014	F2013
Diluted income (loss) per share, as reported	$ 0.64	$ (0.79)	$ 1.67	$ (1.05)
Adjustments, net of tax:				
Pre-acquisition earnings of HHI	—	—	—	0.06 (a)
Acquisition and integration related charges	0.08 (b)	0.15 (d)	0.15 (c)	0.41 (e)
Restructuring and related charges	0.09 (f)	0.10 (g)	0.15 (f)	0.18 (g)
Debt refinancing costs	—	—	0.14 (h)	0.36 (i)
Purchase accounting inventory adjustment	—	0.32 (j)	—	0.38 (j)
Venezuela devaluation	—	0.03 (k)	—	0.02 (k)
Income taxes	(0.09) (l)	0.63 (m)	(0.30) (l)	0.86 (m)
	0.08	1.23	0.14	2.27
Diluted income per share, as adjusted	$ 0.72	$ 0.44	$ 1.81	$ 1.22

(a) For the six months ended March 31, 2013, reflects $3.2 million, net of tax, of pre-acquisition earnings related to the acquired HHI business. The Pre-acquisition earnings of HHI do not include the TLM Business as stand alone financial data is not available for the periods presented. The TLM Business is not deemed material to the Company's operating results.

(b) For the three months ended March 30, 2014, reflects $4.1 million, net of tax, of Acquisition and integration related charges, as follows: (i) $2.4 million related to the acquisition of the HHI Business, consisting primarily of integration costs; (ii) $0.8 million related to the acquisition of Liquid Fence, consisting primarily of legal and professional fees; and (iii) $0.9 million related to the acquisition of Shaser and other acquisition activity, consisting of legal and professional fees.

(c) For the six months ended March 30, 2014, reflects $7.7 million, net of tax, of Acquisition and integration related charges, as follows: (i) $5.1 million related to the acquisition of the HHI Business, consisting primarily of integration costs; (ii) $1.1 million related to the acquisition of Liquid Fence, consisting primarily of legal and professional fees; and (iii) $1.5 million related to the acquisition of Shaser and other acquisition activity, consisting of integration costs and legal and professional fees.

(d) For the three months ended March 31, 2013, reflects $7.8 million, net of tax, of Acquisition and integration related charges as follows: (i) $6.6 million related to the acquisition of the HHI Business which consisted primarily of legal and professional fees; (ii) $0.7 million related to the merger with Russell Hobbs which consisted primarily of integration costs; (iii) $0.4 million related to the acquisition of FURminator, consisting primarily of legal and professional fees; and (iv) $0.1 million related to the acquisition of Shaser and other acquisition activity, consisting primarily of legal and professional fees.

(e) For the six months ended March 31, 2013, reflects $21.3 million, net of tax, of Acquisition and integration related charges as follows: (i) $16.1 million related to the acquisition of the HHI Business which consisted primarily of legal and professional fees; (ii) $1.6 million related to the merger with Russell Hobbs which consisted primarily of integration costs; (iii) $0.8 million related to the acquisition of FURminator, consisting primarily of legal and professional fees; and (iv) $2.8 million related to the acquisition of Shaser and other acquisition activity, consisting primarily of legal and professional fees.

(f) For the three and six months ended March 30, 2014, reflects $5.1 million and $8.0 million, net of tax, respectively, of Restructuring and related charges primarily related to the Global Expense Rationalization Initiatives announced in Fiscal 2013.

(g) For the three and six months ended March 31, 2013, reflects $5.1 million and $9.4 million, net of tax, respectively, of Restructuring and related charges primarily related to the Global Cost Reduction Initiatives announced in Fiscal 2009.

(h) For the six months ended March 30, 2014, reflects $7.3 million, net of tax, related to financing fees and the write off of unamortized debt issuance costs in connection with the replacement of the Company's Term Loan.

(i) For the six months ended March 31, 2013, reflects $18.7 million, net of tax, related to financing fees and the write off of unamortized debt issuance costs in connection with the replacement of the Company's Term Loan and the issuance of the 6.375% Notes and 6.625% Notes in connection with the acquisition of the HHI Business.

(j) For the three and six months ended March 31, 2013, reflects a non-cash increase to cost of goods sold $16.7 million, net of tax, and $20.2 million, net of tax, respectively, related to the sales of inventory that was subject to fair value adjustments in conjunction with the acquisition of the HHI Business.

(k) For the three and six months ended March 31, 2013, reflects an adjustment of $1.3 million, net of tax, related to the devaluation of the Venezuelan Bolivar Fuerte.

(l) For the three and six months ended March 30, 2014, reflects adjustments to income tax expense of $(5.0) million and $(15.8) million, respectively, to exclude the impact of the valuation allowance against deferred taxes and other tax related items in order to reflect a normalized ongoing effective tax rate.

(m) For the three and six months ended March 31, 2013, reflects adjustments to income tax expense of $33.3 million and $45.0 million, respectively, to exclude the impact of the valuation allowance against deferred taxes and other tax related items in order to reflect a normalized ongoing effective tax rate.

Table 4

SPECTRUM BRANDS HOLDINGS, INC.

Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA

For the three month period ended March 30, 2014

(Unaudited)

($ in millions)

	Global Batteries & Appliances	Global Pet Supplies	Home & Garden	Hardware & Home Improvement	Corporate / Unallocated Items (a)	Consolidated Spectrum Brands Holdings, Inc.
Net income (loss) attributable to controlling interest, as adjusted (a)	$ 35.8	$ 19.4	$ 22.8	$ 31.7	$ (75.9)	$ 33.8
Net (income) loss attributable to non-controlling interest	(0.1)	—	—	0.2	—	0.1
Net income (loss), as adjusted (a)	35.7	19.4	22.8	31.9	(75.9)	33.9
Income tax expense	—	—	—	—	10.5	10.5
Interest expense	—	—	—	—	47.4	47.4
Acquisition and integration related charges	2.8	—	0.3	1.4	1.8	6.3
Restructuring and related charges	4.9	1.0	—	2.0	—	7.9
Adjusted EBIT	43.4	20.4	23.1	35.3	(16.2)	106.0
Depreciation and amortization (b)	17.8	8.1	3.3	10.0	11.3	50.5
Adjusted EBITDA	$ 61.2	$ 28.5	$ 26.4	$ 45.3	$ (4.9)	$ 156.5

Note: Amounts calculated prior to rounding.

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

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

Table 4

SPECTRUM BRANDS HOLDINGS, INC.

Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA

For the six month period ended March 30, 2014

(Unaudited)

($ in millions)

	Global Batteries & Appliances	Global Pet Supplies	Home & Garden	Hardware & Home Improvement	Corporate / Unallocated Items (a)	Consolidated Spectrum Brands Holdings, Inc.
Net income (loss) attributable to controlling interest, as adjusted (a)	$ 129.1	$ 31.9	$ 21.5	$ 67.1	$ (161.5)	$ 88.1
Net (income) loss attributable to non-controlling interest	(0.3)	—	—	0.5	—	0.2
Net income (loss), as adjusted (a)	128.8	31.9	21.5	67.6	(161.5)	88.3
Income tax expense	—	—	—	—	23.3	23.3
Interest expense	—	—	—	—	104.4	104.4
Acquisition and integration related charges	4.7	—	0.3	3.6	3.2	11.8
Restructuring and related charges	7.2	1.3	—	3.1	0.7	12.3
Adjusted EBIT	140.7	33.2	21.8	74.3	(29.9)	240.1
Depreciation and amortization (b)	34.7	15.7	6.1	20.7	17.9	95.1
Adjusted EBITDA	$ 175.4	$ 48.9	$ 27.9	$ 95.0	$ (12.0)	$ 335.2

Note: Amounts calculated prior to rounding.

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

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

Table 4

SPECTRUM BRANDS HOLDINGS, INC.

Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA

For the three month period ended March 31, 2013

(Unaudited)

($ in millions)

	Global Batteries & Appliances	Global Pet Supplies	Home & Garden	Hardware & Home Improvement	Corporate / Unallocated Items (a)	Consolidated Spectrum Brands Holdings, Inc.
Net income (loss) attributable to controlling interest, as adjusted (a)	$ 34.3	$ 16.4	$ 20.6	$ 0.6	$ (113.2)	$ (41.2)
Net loss attributable to non-controlling interest	0.3	—	—	—	—	0.3
Net income (loss), as adjusted (a)	34.6	16.4	20.6	0.6	(113.2)	(40.9)
Income tax expense	—	—	—	—	29.1	29.1
Interest expense	—	—	—	—	60.4	60.4
Acquisition and integration related charges	1.9	0.6	—	2.8	6.7	12.0
Restructuring and related charges	1.8	3.1	0.2	2.7	0.1	7.9
HHI Business inventory fair value adjustment	—	—	—	25.8	—	25.8
Venezuela devaluation	2.0	—	—	—	—	2.0
Adjusted EBIT	40.3	20.1	20.8	31.9	(17.0)	96.1
Depreciation and amortization (b)	16.6	7.4	2.9	8.8	11.5	47.2
Adjusted EBITDA	$ 56.9	$ 27.5	$ 23.7	$ 40.7	$ (5.5)	$ 143.3

Note: Amounts calculated prior to rounding.

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

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

Table 4

SPECTRUM BRANDS HOLDINGS, INC.

Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA

For the six month period ended March 31, 2013

(Unaudited)

($ in millions)

	Global Batteries & Appliances	Global Pet Supplies	Home & Garden	Hardware & Home Improvement	Corporate / Unallocated Items (a)	Consolidated Spectrum Brands Holdings, Inc.
Net (loss) income attributable to controlling interest, as adjusted (a)	$ 126.8	$ 26.6	$ 16.1	$ (2.9)	$ (221.3)	$ (54.7)
Net loss attributable to non-controlling interest	(0.2)	—	—	—	—	(0.2)
Net income (loss), as adjusted (a)	126.6	26.6	16.1	(2.9)	(221.3)	(54.9)
Pre-acquisition earnings of HHI (b)	—	—	—	30.3	—	30.3
Income tax expense	—	—	—	—	39.8	39.8
Interest expense	—	—	—	—	130.2	130.2
Acquisition and integration related charges	3.2	1.2	—	2.9	25.5	32.8
Restructuring and related charges	3.1	8.1	0.4	2.7	0.2	14.5
HHI Business inventory fair value adjustment	—	—	—	31.0	—	31.0
Venezuela devaluation	2.0	—	—	—	—	2.0
Adjusted EBIT	134.9	35.9	16.5	64.0	(25.6)	225.7
Depreciation and amortization (c)	32.7	14.7	5.8	10.3	14.7	78.2
Adjusted EBITDA	$ 167.6	$ 50.6	$ 22.3	$ 74.3	$ (10.9)	$ 303.9

Note: Amounts calculated prior to rounding.

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

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

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

Table 5

SPECTRUM BRANDS HOLDINGS, INC.

Pro Forma Net Sales Comparison

For the three and six month periods ended March 30, 2014 and March 31, 2013

(Unaudited)

(In millions)

	THREE MONTHS			SIX MONTHS		
	F2014	F2013	INC %	F2014	F2013	INC %
Spectrum Brands Holdings, Inc. Net sales - as reported	$ 1,021.7	$ 987.8	3.4 %	$ 2,122.3	$ 1,858.0	14.2 %
HHI pre-acquisition Net sales (a)	—	—		—	191.8	
Pro Forma Net Sales	$ 1,021.7	$ 987.8	3.4 %	$ 2,122.3	$ 2,049.8	3.5 %

(a) Net sales have been adjusted to reflect the acquisition of HHI as if it occurred at the beginning of each period presented. HHI pre-acquisition Net sales do not include the TLM Business as stand alone financial data is not available for the periods presented. The TLM Business is not deemed material to the Company's operating results.

Table 6

SPECTRUM BRANDS HOLDINGS, INC.

Reconciliation of Forecasted Cash Flow from Operating Activities to Forecasted Free Cash Flow

For the twelve month period ending September 30, 2014

(Unaudited)

($ in millions)

Forecasted:	
Net Cash provided from Operating Activities	$ 420 - 425
Purchases of property, plant and equipment	(70) - (75)
Free Cash Flow	$ 350