Spectrum Brands

REMINGTON | Russell Hobbs | united INDUSTRIES | VARTA | UNITED PET GROUP, INC | Hardware & Home Improvement | RAYOVAC

Fiscal 2014 Full Year and Fourth Quarter Earnings Call

November 20, 2014

Agenda

▪ **Introduction**	Dave Prichard Vice President, Investor Relations
▪ **FY14 Review and FY15 Outlook**	Dave Lumley Chief Executive Officer
▪ **FY15 Growth Initiatives**	Andreas Rouvé Chief Operating Officer and President, International
▪ **Financial Review**	Doug Martin Chief Financial Officer
▪ **Q & A**	Dave Lumley Andreas Rouvé Doug Martin

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 Review
and FY15 Outlook

FY14 and Q4 Review

- FY14 was our 5th straight year of record performance
  - Sales grew 3.5%, and 3.7% excluding negative FX impacts
  - Sales growth was consistent across the 4 quarters – 3.4% to 3.6%
  - EBITDA grew at twice the rate of sales – 7%
  - Gross margin and EBITDA margin both expanded
  - All businesses except Global Pet grew EBITDA, some to record levels
- We met or exceeded our targets for sales, EBITDA margin, free cash flow and debt reduction
  - EBITDA margin grew to 16.4% from 15.8%, our 7th consecutive year of improvement
  - Free cash flow increased to a record $359 million, or nearly $7 per share
  - Continuous improvement savings reached a record annual amount
- Growth was achieved in every quarter, including Q4 with its increases in sales, GAAP and adjusted EPS, and EBITDA
  - Q4 adjusted EPS grew a solid 11%
  - Q4 was the 16th consecutive quarter of year-over-year EBITDA growth
  - Q4 EBITDA growth rate was strong, absent unusual, ongoing Russian aquatics distribution challenges and the unfavorable FX impact between the Japanese Yen and the Euro
  - We expect to resolve the Russian aquatics distribution matter in the first half of FY15

FY14 Review and FY15 Outlook

- We are pleased with FY14 and continued to effectively deploy the powerful weapon we have in our arsenal – a Spectrum Value Model that connects strongly with retailers and consumers
  - Our “Same or Better Performance/Less Price”, value-branded and largely non-discretionary products are an ideal match for smart, value-focused shoppers
  - Our Spectrum Value Model enables us to manage the challenges of global economies, sluggish spending by still cautious, financially stretched consumers, tighter retailer inventory levels and product reorder rates, and stagnant store traffic
- Our products, especially the stream of innovative, new products we are launching, and our Spectrum Value Model help us continue to take market share in spite of the increased competitor discounting and promotions from premium products we are seeing, both on the price to the retailer and to the consumer
- We plan for a 6th consecutive year of record performance in FY15 despite some new and significant pressures in our business
- FY15 reported sales are expected to increase in the low to mid-single digit range compared to $4.43 billion last year
  - This includes the Tell acquisition closed on October 1 and anticipated negative FX impacts of 1.5%-2%
- FY15 growth will come from a dynamic mix of new products, new retailers, distribution and market share gains, geographic expansion, e-commerce, cross-selling, and select pricing actions, supplemented by the Tell acquisition
- Our IAMS and Eukanuba European pet food acquisition is expected to close by early in calendar 2015 and is not included in our current sales guidance




FY15 Outlook

- We face a more challenging operating landscape in FY15, including meaningful FX headwinds at this time, primarily the Euro but also across most of our exposure spectrum
- There are also commodity cost pressures in our battery and HHI businesses
- We continue to perform well in the marketplace and in an environment of disruptive pricing behavior by many competitors
- We will accelerate cost improvement initiatives across the business and modestly increase capital spending to help offset negative FX and cost pressures
- Overall, we are optimistic about measured growth in FY15
  - We have the right strategies, go-to-market focus with our Spectrum Value Model, continuous improvement and cost reduction platform, and global operating structure to continue to win in the marketplace
- Our focus remains on growing adjusted EBITDA and maximizing sustainable free cash flow, as we have said many times over the past 5 years

Home and Garden (United Industries)

- Home and Garden reported record FY14 results – and also in each quarter
- It was an outstanding year, with a record adjusted EBITDA margin of 23.6% – the 6th straight year of EBITDA and rate improvement
- On top of this record performance, our Liquid Fence consumer animal repellents acquisition in January 2014 contributed strongly to the year as well
- Home and Garden gained significant market share and outperformed underlying category growth by again effectively leveraging our Spectrum Value Model
- We continue to leverage and maximize our model so every year can be better
- Home and Garden is excited to be in a position to aim for another record year in FY15
  - Many exciting new products
  - Cost improvements that should more than offset inflation and commodity cost increases
  - Expanded distribution points
  - Refined promotional plans

Remington (Personal Care)

- Remington delivered record sales in FY14, up 2% for the year, with EBITDA increasing at a much faster rate to a near record amount
  - Europe and North America were the drivers for the improved performance
- Remington ended FY14 on a solid note with Q4 sales also up 2%, including growth in North America, Europe and Asia-Pacific
- New product development spending in FY13 and FY14 is paying off
- New product launches in FY14 were significant, especially in the second half of the year
- Remington is launching a host of new products in FY15
  - SmartEdge Shaver (the world's first active hybrid cutting technology)
  - Virtually indestructible hair clipper and mustache and beard trimmer
- Remington is pushing for a record EBITDA level and improved margin in FY15 led by increased cost savings and geographically by North America, which has solid new product placements, especially in our core men's shaving and grooming category
  - E-commerce sales are also expected to continue to grow strongly

Spectrum Brands

Small Appliances (Russell Hobbs)

- The headline for FY14 is solid EBITDA growth -- and also in Q4, despite essentially flat sales
- Lower FY14 sales were not only from eliminating low-margin, promotional North American and Latin American business with several retailers, but also by only selling in products that work for retailers
  - The result was a 60 basis point improvement in annual gross margin percent
- Small appliances, like Remington, also achieved record annual cost savings in FY14
- Europe was the star performer in sales and EBITDA in FY14 and this region, along with Latin America, should be solid contributors in FY15
- Most optimistic about a stronger performance in FY15 in our large home market of North America where there are some significant, confirmed new listings
- The most new products are launching now and throughout FY15 since the 2010 Russell Hobbs acquisition
  - Black + Decker Performance Series Blender and Food Processor
  - A pizza oven -- from freezer to table in 5 minutes
  - A Café Select side-by-side K-Cup and 12-cup coffeemaker
  - George Foreman broiler grill
  - There are more examples for Europe and Latin America
- We are excited about continued, strong e-commerce growth in FY15, like with Remington
- We also expect another record year of cost savings in FY15

Global Batteries

- Global batteries delivered an outstanding FY14, and a 3rd consecutive quarter of sales growth in Q4 – up 6%
- FY14 EBITDA grew 6%, to a record level, on a 3% sales increase, along with solid margin improvement
- Distribution gains continued and continuous improvement savings were a record
- New revenue streams were created in FY14 beyond our core alkaline business – portable, on-the-go power, LED flashlights and other complementary products
- The business faces traditional challenges such as FX headwinds in FY15, just like global appliances, and select price discounting, promotions and concessions from premium products continue
- Global batteries still looks for steady performance in FY15 from its exciting new product breakthroughs, distribution gains, geographic expansion, new retailers, significant cost savings and tight spending controls
- Cost improvements are reinvested for enhanced product performance, retailer POS and market share growth, and higher retailer gross margins
- The changing consumer battery competitive landscape makes it an interesting time
- We believe these changes will provide more opportunities for our Rayovac and VARTA brands

Global Pet Supplies (United Pet Group)

- FY14 was a challenging year for Pet as the business faced an industry decline that affected our overall Company EBITDA growth
- Pet's EBITDA margin for FY14 was still a solid 18.9%, only slightly below 19.3% in FY13
- Pet achieved another record level of cost savings in FY14
- The Pet decline was due to aquatics category softness in North America and, lesser so, in Europe
    - Much of the European decline was due to several quarters of product distribution challenges in Russia, which prevented our fish food deliveries into that country, along with the negative translation impact of a weaker Japanese Yen against the Euro which impacted our shipments from Germany into that nation
- But our aquatics sales decline has been far less than the overall category and our competition, and the good news is we have grown share and recently seen better sequential POS trends in North America
- Several encouraging points about Q4 were Pet's 21% EBITDA margin and the North American business matching its record Q4 level of sales despite the aquatics softness and sluggish pet store and big-box pet area traffic
- Pet is expected to rebound in FY15, including resolution of the Russian aquatics distribution challenges in the first half of the year
    - Strong pipeline of aquatics and companion animal products launching in FY15 in North America and Europe
    - Geographic growth of companion animal products will continue in Europe and Latin America
    - Expect cost savings to more than offset product cost increases
- Pet is preparing for the closing of our acquisition of the IAMS and Eukanuba European pet food brands by early in calendar 2015
    - The transaction will result in greater geographic and product segment balance for our global pet platform

Hardware & Home Improvement (HHI)

- HHI delivered a strong FY14, with sales and EBITDA improving 9.9% and 15.8%, respectively, producing an EBITDA margin of 18.0% versus 17.1% in FY13
  - The U.S. business drove the growth, especially in the core residential security channel and also in both the retail and non-retail plumbing sectors
- This was also true in Q4 where sales grew 6.8%
- Q4 EBITDA growth slowed due to the negative FX impact from the Canadian dollar, and continuing and increased investments in HHI's international locations and electronic lock innovation
- HHI expects further top-line and bottom-line improvements in the business in FY15 through more growth from its unique and patented SmartKey technology, home automation and electronics such as Kevo and other smart locks, increased penetration in multi-family, showroom and hospitality channels such as non-retail plumbing, new construction, and international
- Our plans to enter the large and attractive U.S. light commercial and commercial security channels were reinforced with the October 1 acquisition of Tell Manufacturing
  - Tell provides an immediate presence in the $3.5 billion U.S. commercial security market
- HHI continues to monitor the rate of new housing starts into FY15
  - Only 25% of HHI's business is related to new housing construction
- HHI is making good progress to increase its cost savings level to our division annual cost reduction goal of 3%-5% of costs of goods sold
- Conversion of HHI on to Spectrum Brands' global SAP platform has begun and is expected to be completed by early 2016, leading to additional cost savings

React

SMARTKEY
RE-KEY TECHNOLOGY

SMARTCODE 916
TOUCHSCREEN ELECTRONIC DEADBOLT

kēvo

Spectrum Brands

Andreas Rouvé

Chief Operating Officer and President, International

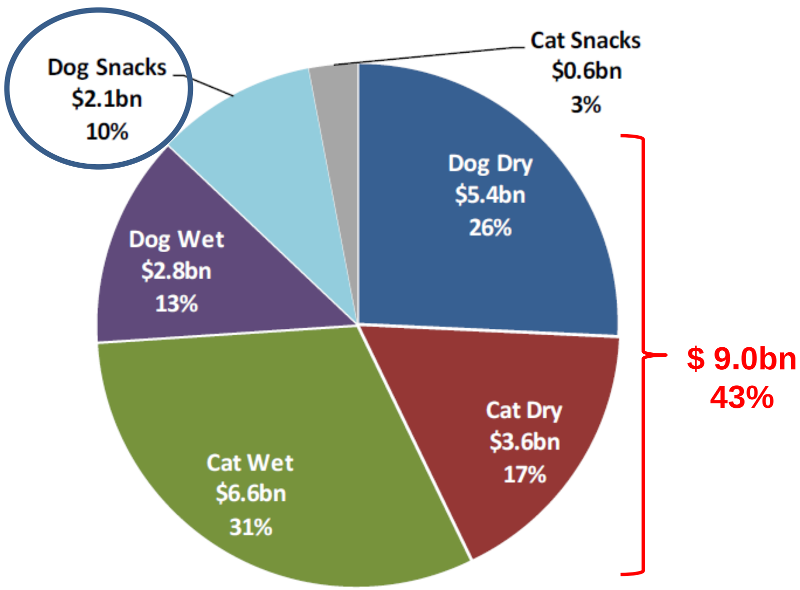
FY15 Growth Initiatives

Outlook: Continue Organic EBITDA Growth
More Products – More Channels – More Efficiency

- Strong pipeline of innovation and expansion into new categories
  - Pet is expanding into the promising allergen blocker market
  - Home and Garden is launching innovative delivery devices with AccuShot
  - Batteries is improving performance to reach new price points
  - Appliances is expanding into the beauty segment and oral hygiene
  - HHI is launching touch-free, response-activated kitchen faucets
- Expansion is continuing into more channels
  - Systematic, multi-channel strategy including e-commerce and DRTV
  - Leveraging the sales strengths of acquired companies
    - Liquid Fence’s strength in the independent channel vs. Home and Garden in the mass channel
    - Tell´s strength in commercial vs. HHI in retail and builders
    - IAMS Europe in the UK vs. Tetra in Continental Europe
- Accelerate the Spectrum Value Approach
  - Integrate HHI Mexico into the Global Batteries and Appliances (GBA) infrastructure in Q1 of FY15
  - Merge HHI and GBA offices and warehouses in Canada in Q2 of FY15
  - Implement SAP in HHI globally throughout FY15

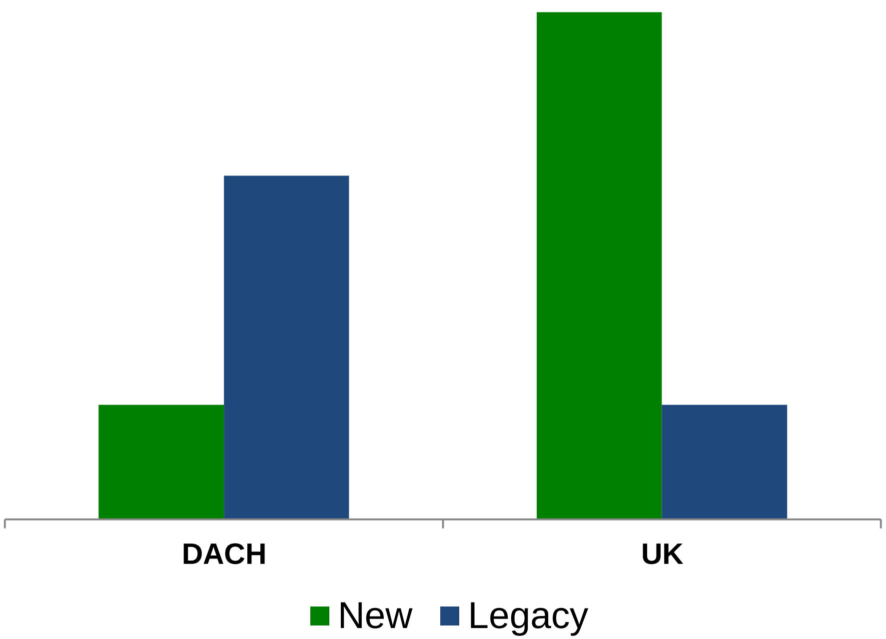
Pending Acquisition of IAMS/Eukanuba Pet Food Business in Europe
Good Strategic Fit and Major Organic Growth Opportunities

EU Dog/Cat Food Market



Source: Euromonitor

Current Sales



- Expansion into dog and cat dry food market with good, complementary fit with existing snacks range
- Strong brand leverage with Eukanuba, with its strength in pet specialty and veterinarian channels, and IAMS, an established brand in the UK mass channel
- Major cross-selling opportunities by leveraging the IAMS and Spectrum Brands sales strengths
- Pending acquisition includes a highly automated factory and integrated European warehouse in the Netherlands and the carve-out of sales and support teams in several European countries

Doug Martin
Chief Financial Officer

Financial Highlights

Financial Highlights

- Growing adjusted EBITDA and maximizing sustainable free cash flow are the main focus areas
- Our large and growing free cash flow gives Spectrum Brands significant, uncommitted optionality for value creation activities, including paying down debt, acquisitions, dividend increases and share repurchases
- Free cash flow in FY14 reached $359 million, or nearly $7 per share, versus nearly $5 per share last year and $4 per share the year before
- Term debt was reduced in FY14 by approximately $250 million, thereby decreasing total leverage by more than ½ turn to end the year at about 4.1 times
- We have significant strength, liquidity and flexibility to continue to execute against the Spectrum Value Model
- FY14 gross profit was $1.57 billion, a 140 basis point expansion to 35.4% from 34.0% in the prior year
  - The increase was driven primarily by improved mix, continuing cost improvements and the non-recurrence of a $31 million first turn inventory charge in FY13 related to the acquisition of HHI
- FY14 operating expenses increased $48 million to $1.09 billion due to a $71 million increase in SG&A from investments in selling and the impact of HHI for the full year, partially offset by a $28 million decrease in acquisition and integration related charges for HHI

Financial Highlights

- FY14 interest expense of $202 million compared to $376 million in the prior year
  - The $174 million decrease was primarily due to the non-recurrence of FY13 one-time costs related to the refinancing of the Company's 9.5% senior notes and HHI acquisition financing, partially offset by a full year's interest related to the acquisition
- FY15 interest expense is expected to be in the range of $185-$190 million, including non-cash items of approximately $15 million
- Depreciation and amortization for FY14 was $204.5 million, including $59.3 million in Q4, and FY15 D&A is expected to be between $210-$220 million, including the Tell acquisition
- The Q4 effective tax rate was 24.0% while the full year effective tax rate was 21.6%
  - A 35% tax rate continues to be used to calculate adjusted EPS
- Cash restructuring charges increased to $29 million in FY14 compared to $18 million in FY13
  - The $11 million increase was driven primarily by HHI manufacturing initiatives and continuation of expense reduction initiatives
- Cash payments for acquisition and integration charges decreased to $20 million in FY14 compared to $45 million in the prior year
  - FY14 payments were primarily related to the ongoing integration of HHI
- Cash restructuring charges in FY15 are expected to be $20-$30 million from a combination of new and legacy initiatives
- Cash acquisition and integration charges in FY15 are also expected to be between $10-$15 million

Financial Highlights

- FY14 cash interest payments were $179 million compared to $337 million in the prior year
  - Excluding one-time cash costs in both years, cash payments decreased by $15 million due to lower payments following the refinancing of the 9.5% notes and repayments of debt, partially offset by the timing of term interest payments and interest related to HHI for a full year
  - FY13 also included one-time cash costs related to the refinancing of the 9.5% notes of $131 million and cash financing costs associated with HHI
- Cash interest for FY15 is expected to be between $170-$175 million
- Cash taxes in FY14 were $81 million compared to $50 million in FY13
  - The increase was driven primarily by the timing of payments in Germany, the conclusion of several income tax audits and higher international profits
- The Company has approximately $800 million of useable net operating loss carryovers and does not anticipate being a U.S. federal cash taxpayer for at least the next several years
  - We will continue to incur foreign and small amounts of state cash taxes
- FY15 cash taxes are expected to be between $55-$60 million
- Solid liquidity position at the end of FY14 with no cash draws on the $400 million ABL working capital facility, a cash balance of about $195 million and debt outstanding of $2,991 million
- FY15 free cash flow is expected to be approximately $400 million
  - Impacting our free cash flow is the anticipated negative impact of foreign exchange, higher planned capital spending and cash costs related to our new restructuring initiatives
- FY15 Cap-x is expected to be between $75-$85 million compared to $73 million in FY14
  - The incremental investments are expected to increase both the Company’s margin structure and accelerate our organic sales growth rate in future years

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
ProLine 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 twelve months ended September 30, 2014 and September 30, 2013
(Unaudited)
($ in millions, except per share amounts)

	THREE MONTHS			TWELVE MONTHS		
	F2014	F2013	INC %	F2014	F2013	INC %
Net sales	$ 1,178.3	$ 1,137.7	3.6 %	$ 4,429.1	$ 4,085.6	8.4 %
Cost of goods sold	766.9	735.9		2,856.5	2,685.3	
Restructuring and related charges	0.4	5.3		3.7	10.0	
Gross profit	411.0	396.5	3.7 %	1,568.9	1,390.3	12.8 %
Selling	176.4	172.0		678.2	637.0	
General and administrative	94.3	88.8		321.6	286.4	
Research and development	12.6	11.8		47.9	43.3	
Acquisition and integration related charges	5.6	7.9		20.1	48.4	
Restructuring and related charges	6.5	1.0		19.2	24.0	
Total operating expenses	295.4	281.5		1,087.0	1,039.1	
Operating income	115.6	115.0		481.9	351.2	
Interest expense	50.4	183.9		202.1	375.6	
Other expense (income), net	1.9	(4.5)		6.3	3.5	
Income (loss) from continuing operations before income taxes	63.3	(64.4)		273.5	(27.9)	
Income tax expense (benefit)	15.2	(27.6)		59.0	27.4	
Net income (loss)	48.1	(36.8)		214.5	(55.3)	
Less: Net income (loss) attributable to non-controlling interest	0.2	(0.1)		0.4	(0.1)	
Net income (loss) attributable to controlling interest	$ 47.9	$ (36.7)		$ 214.1	$ (55.2)	
Average shares outstanding (a)	**52.7**	**52.2**		**52.6**	**52.0**	
Basic income (loss) per share attributable to controlling interest	**$ 0.91**	**$ (0.70)**		**$ 4.07**	**$ 1.06**	
Average shares and common stock equivalents outstanding (a) (b)	**53.4**	**52.2**		**53.3**	**52.0**	
Diluted income (loss) per share attributable to controlling interest	**$ 0.90**	**$ (0.70)**		**$ 4.02**	**$ (1.06)**	
Cash dividends declared per common share	**$ 0.30**	**$ 0.25**		**$ 1.15**	**$ 0.75**	

(a) Per share figures calculated prior to rounding.
(b) For the three and twelve months ended September 30, 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 twelve months ended September 30, 2014 and September 30, 2013
(Unaudited)
($ in millions)

Supplemental Financial Data	F2014	F2013
Cash and cash equivalents	$ 194.6	$ 207.3
Trade receivables, net	$ 439.0	$ 481.3
Days Sales Outstanding (a)	31.0	36.0
Inventory	$ 624.5	$ 632.9
Inventory Turnover (b)	4.0	4.0
Total debt	$ 2,997.1	$ 3,218.9

	THREE MONTHS		TWELVE MONTHS	
Supplemental Cash Flow Data	F2014	F2013	F2014	F2013
Depreciation and amortization, excluding amortization of debt issuance costs	$ 59.3	$ 51.0	$ 204.5	$ 183.7
Capital expenditures	$ 22.4	$ 36.8	$ 73.3	$ 82.0

	THREE MONTHS		TWELVE MONTHS	
Supplemental Segment Sales & Profitability	F2014	F2013	F2014	F2013
Net Sales				
Global Batteries & Appliances	$ 595.7	$ 577.3	$ 2,230.7	$ 2,203.6
Global Pet Supplies	159.8	165.2	600.5	621.8
Home and Garden	109.0	101.4	431.9	390.5
Hardware & Home Improvement	313.8	293.8	1,166.0	869.6
Total net sales	$ 1,178.3	$ 1,137.7	$ 4,429.1	$ 4,085.6
Segment Profit				
Global Batteries & Appliances	$ 66.0	$ 55.8	$ 256.6	$ 237.5
Global Pet Supplies	25.8	28.3	82.4	91.1
Home and Garden	19.0	18.8	89.2	78.5
Hardware & Home Improvement	46.8	42.2	172.2	88.7
Total segment profit	157.6	145.1	600.4	495.8
Corporate	29.5	15.9	75.5	62.2
Acquisition and integration related charges	5.6	7.9	20.1	48.4
Restructuring and related charges	6.9	6.3	22.9	34.0
Interest expense	50.4	183.9	202.1	375.6
Other expense (income), net	1.9	(4.5)	6.3	3.5
Income (loss) from continuing operations before income taxes	$ 63.3	$ (64.4)	$ 273.5	$ (27.9)

(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 twelve months ended September 30, 2014 and September 30, 2013
(Unaudited)

	THREE MONTHS		TWELVE MONTHS	
	F2014	F2013	F2014	F2013
Diluted income (loss) per share, as reported	$ 0.90	$ (0.70)	$ 4.02	$ (1.06)
Adjustments, net of tax:				
Pre-acquisition earnings of HHI	—	—	—	0.06 (a)
Acquisition and integration related charges	0.07 (b)	0.10 (c)	0.24 (d)	0.59 (e)
Restructuring and related charges	0.08 (f)	0.08 (g)	0.28 (f)	0.42 (g)
Debt refinancing costs	—	1.49 (h)	0.14 (i)	1.85 (j)
Purchase accounting inventory adjustment	—	—	—	0.38 (k)
Income taxes	(0.13) (l)	(0.09) (m)	(0.69) (l)	0.70 (m)
Share dilution assumption	—	— (n)	—	0.02 (n)
Other	0.06 (o)	—	0.07 (o)	0.02 (p)
	0.08	1.58	0.04	4.04
Diluted income per share, as adjusted	$ 0.98	$ 0.88	$ 4.06	$ 2.98

(a) For the twelve months ended September 30, 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 period presented. The TLM Business is not deemed material to the Company's operating results.

(b) For the three months ended September 30, 2014, reflects $3.7 million, net of tax, of acquisition and integration related charges, as follows: (i) $(0.1) million related to the acquisition of the HHI Business, consisting primarily of adjustments to previously accrued integration costs; (ii) $0.7 million related to the acquisition of Liquid Fence, consisting primarily of legal and professional fees; (iii) $0.1 million related to the acquisition of Shaser; and (iv) $3.0 million related to other adjustments.

(c) For the three months ended September 30, 2013, reflects $5.1 million, net of tax, of acquisition and integration related charges, as follows: (i) $3.8 million related to the acquisition of the HHI Business, consisting primarily of legal and professional fees; (ii) $0.5 million related to the acquisition of FURminator, consisting of integration costs; (iii) $0.5 million related to the merger with Russell Hobbs, consisting of integration costs; and (iv) $0.3 million related to the acquisition of Shaser and other acquisition activity, consisting of legal and professional fees.

(d) For the twelve months ended September 30, 2014, reflects $13.1 million, net of tax, of acquisition and integration related charges, as follows: (i) $7.2 million related to the acquisition of the HHI Business, consisting primarily of integration costs; (ii) $2.3 million related to the acquisition of Liquid Fence, consisting primarily of legal and professional fees; (iii) $0.6 million related to the acquisition of Shaser; and (iv) $3.0 million related to other adjustments.

(e) For the twelve months ended September 30, 2013, reflects $31.5 million, net of tax, of acquisition and integration related charges, as follows: (i) $24.0 million related to the acquisition of the HHI Business, consisting primarily of legal and professional fees; (ii) $3.1 million related to the acquisition of Shaser, consisting of integration and legal and professional fees; (iii) $2.4 million related to the merger with Russell Hobbs, consisting of integration costs; and (iv) $1.9 million related to the acquisition of FURminator and other acquisition activity, consisting of integration costs.

(f) For the three and twelve months ended September 30, 2014, reflects $4.3 million and $14.7 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 twelve months ended September 30, 2013, reflects $4.1 million and $22.1 million, net of tax, respectively, of restructuring and related charges primarily related to the Global Cost Rationalization Initiatives announced in Fiscal 2013 and the Global Cost Reduction Initiatives announced in Fiscal 2009.

(h) For the three months ended September 30, 2013, reflects $79.4 million, net of tax, related to financing fees and the write off of unamortized debt issuance costs in connection with the refinancing of the Company's 9.5% Notes.

(i) For the twelve months ended September 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.

(j) For the twelve months ended September 30, 2013, reflects $98.2 million, net of tax, related to financing fees and the write off of unamortized debt issuance costs in connection with the extinguishment of the Company's 9.5% Notes and the replacement of the Company's Term Loan and expenses related to the issuance of the 6.375% Notes and 6.625% Notes in connection with the acquisition of the HHI Business.

(k) For the twelve months ended September 30, 2013, reflects a $20.2 million, net of tax, non-cash increase to cost of goods sold related to the sales of inventory that was subject to fair value adjustments in conjunction with the acquisition of the HHI Business.

(l) For the three and twelve months ended September 30, 2014, reflects adjustments to income tax expense of $(7.0) million and $(36.7) million, respectively, to exclude the impact of adjusting 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 twelve months ended September 30,2013, reflects adjustments to income tax expense of $(5.0) million and $37.1 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.

(n) Adjustment to reflect the fully diluted net income per share, as adjusted. The US GAAP diluted net loss per share calculation does not take into account the dilutive impact of common stock equivalents as these would be antidilutive given the net loss reported. Therefore the diluted net loss per share is decreased when the dilutive impact of common stock equivalents are taken into consideration. Full dilution is used for this calculation as a result of the adjusted net income.

(o) For the three and twelve months ended September 30,2014, reflects adjustments of $3.1 million and $3.5 million, net of tax, respectively, for costs related to a key executive onboarding and the accelerated amortization of stock compensation related to a retention agreement entered into with another key executive.

(p) For the twelve months ended September 30, 2013, reflects an adjustment of $1.3 million, net of tax, related to the devaluation of the Venezuelan Bolivar Fuerte.

Table 4
SPECTRUM BRANDS HOLDINGS, INC.
Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA
For the three months ended September 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)	$ 61.5	$ 24.5	$ 18.8	$ 40.9	$ (97.8)	$ 47.9
Net (income) loss attributable to non-controlling interest	(0.1)	—	—	0.3	—	0.2
Net income (loss), as adjusted (a)	61.4	24.5	18.8	41.2	(97.8)	48.1
Income tax expense	—	—	—	—	15.2	15.2
Interest expense	—	—	—	—	50.4	50.4
Acquisition and integration related charges	1.9	—	0.2	0.4	3.1	5.6
Restructuring and related charges	1.2	1.2	—	4.6	(0.1)	6.9
Other (b)	—	—	—	—	1.3	1.3
Adjusted EBIT	64.5	25.7	19.0	46.2	(27.9)	127.5
Depreciation and amortization (c)	19.7	7.9	3.3	9.1	19.3	59.3
Adjusted EBITDA	$ 84.2	$ 33.6	$ 22.3	$ 55.3	$ (8.6)	$ 186.8

Note: Amounts calculated prior to rounding.

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

(b) Other relates to onboarding costs for a key executive.

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

Table 4
SPECTRUM BRANDS HOLDINGS, INC.
Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA
For the year ended September 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)	$ 235.1	$ 78.7	$ 88.1	$ 156.3	$ (344.1)	$ 214.1
Net (income) loss attributable to non-controlling interest	(0.5)	—	—	0.9	—	0.4
Net income (loss), as adjusted (a)	234.6	78.7	88.1	157.2	(344.1)	214.5
Income tax expense	—	—	—	—	59.0	59.0
Interest expense	—	—	—	—	202.1	202.1
Acquisition and integration related charges	7.8	—	1.1	4.4	6.8	20.1
Restructuring and related charges	11.1	3.0	—	8.3	0.5	22.9
Other (b)	—	—	—	—	1.3	1.3
Adjusted EBIT	253.5	81.7	89.2	169.9	(74.4)	519.9
Depreciation and amortization (c)	73.1	31.6	12.6	40.4	46.8	204.5
Adjusted EBITDA	$ 326.6	$ 113.3	$ 101.8	$ 210.3	$ (27.6)	$ 724.4

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) Other relates to onboarding costs for a key executive.

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

Table 4
SPECTRUM BRANDS HOLDINGS, INC.
Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA
For the three months ended September 30, 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)	$ 54.9	$ 25.9	$ 18.7	$ 38.3	$ (174.5)	$ (36.7)
Net loss attributable to non-controlling interest	(0.1)	—	—	—	—	(0.1)
Net income (loss), as adjusted (a)	54.8	25.9	18.7	38.3	(174.5)	(36.8)
Income tax benefit	—	—	—	—	(27.6)	(27.6)
Interest expense	—	—	—	—	183.9	183.9
Acquisition and integration related charges	1.7	0.6	—	3.3	2.3	7.9
Restructuring and related charges	3.3	1.7	0.1	1.2	—	6.3
Adjusted EBIT	59.8	28.2	18.8	42.8	(15.9)	133.7
Depreciation and amortization (b)	17.5	7.6	3.0	11.6	11.3	51.0
Adjusted EBITDA	$ 77.3	$ 35.8	$ 21.8	$ 54.4	$ (4.6)	$ 184.7

Note: Amounts calculated prior to rounding.

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

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

Table 4
SPECTRUM BRANDS HOLDINGS, INC.
Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA
For the year ended September 30, 2013
(Unaudited)
($ in millions)

	Global Batteries & Appliances	Global Pet Supplies	Home & Garden	Hardware & Home Improvement	Corporate / Unallocated Items (a)	Consolidated Spectrum Brands Holdings, Inc.
interest, as adjusted (a)	$ 214.1	$ 77.0	$ 77.7	$ 75.0	$ (499.0)	$ (55.2)
Net loss attributable to non-controlling interest	(0.5)	—	—	0.4	—	(0.1)
Net income (loss), as adjusted (a)	213.6	77.0	77.7	75.4	(499.0)	(55.3)
Pre-acquisition earnings of HHI (b)	—	—	—	30.3	—	30.3
Income tax expense	—	—	—	—	27.4	27.4
Interest expense	—	—	—	—	375.6	375.6
Acquisition and integration related charges	6.1	2.2	0.1	7.4	32.6	48.4
Restructuring and related charges	14.8	11.2	0.6	6.2	1.2	34.0
HHI Business inventory fair value adjustment	—	—	—	31.0	—	31.0
Venezuela devaluation	2.0	—	—	—	—	2.0
Adjusted EBIT	236.5	90.4	78.4	150.3	(62.2)	493.4
Depreciation and amortization (c)	67.2	29.6	11.7	31.3	43.9	183.7
Adjusted EBITDA	$ 303.7	$ 120.0	$ 90.1	$ 181.6	$ (18.3)	$ 677.1

Note: Amounts calculated prior to rounding.

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

Table 5
SPECTRUM BRANDS HOLDINGS, INC.
Pro Forma Net Sales Comparison
For the three and twelve months ended September 30, 2014 and September 30, 2013
(Unaudited)
(In millions)

	THREE MONTHS			TWELVE MONTHS		
	F2014	F2013	INC %	F2014	F2013	INC %
Spectrum Brands Holdings, Inc.						
Net sales - as reported	$ 1,178.3	$ 1,137.7	3.6 %	$ 4,429.1	$ 4,085.6	8.4 %
HHI pre-acquisition Net sales (a)	—	—		—	191.8	
Pro Forma Net Sales	$ 1,178.3	$ 1,137.7	3.6 %	$ 4,429.1	$ 4,277.4	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 Cash Flow from Operating Activities to Adjusted Free Cash Flow
For the years ended September 30, 2014, September 30, 2013 and September 30, 2012
(Unaudited)
($ in millions)

	2014	2013	2012
Net Cash provided from Operating Activities	$ 432	$ 256	$ 255
Cash interest charges related to refinancing	—	44	—
Cash acquisition transaction costs	—	36	—
Purchases of property, plant and equipment	(73)	(82)	(47)
Adjusted Free Cash Flow	$ 359	$ 254	$ 208

Table 7
SPECTRUM BRANDS HOLDINGS, INC.
Reconciliation of Forecasted Cash Flow from Operating Activities to Forecasted Free Cash Flow
For the year ending September 30, 2015
(Unaudited)
($ in millions)

Forecasted range:

Net Cash provided from Operating Activities	$ 475 - 485
Purchases of property, plant and equipment	(75) - (85)
Free Cash Flow	$ 400