

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): October 8, 2012

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

Delaware
(State or other jurisdiction
of incorporation)

001-13615
(Commission File No.)

22-2423556
(IRS Employer
Identification No.)

601 Rayovac Drive
Madison, Wisconsin 53711
(Address of principal executive offices)

(608) 275-3340
(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 October 9, 2012, Spectrum Brands Holdings, Inc. (“SB Holdings”), announced that its subsidiary, Spectrum Brands, Inc. (“Spectrum Brands”) has entered into an Acquisition Agreement, dated as of October 8, 2012 (the “Acquisition Agreement”), with Stanley Black & Decker, Inc., a Connecticut corporation (“Seller”). Pursuant to the terms of the Acquisition Agreement, Spectrum Brands will acquire from Seller, the residential hardware and home improvement business currently operated by Seller and certain of its subsidiaries, consisting of the design, manufacture, distribution and sale of certain hardware, home improvement and plumbing products (the “Acquisition”).

A copy of the press release is attached hereto as Exhibit 99.1 and incorporated by reference herein.

On October 9, 2012, Spectrum Brands also issued an investor presentation relating to the Acquisition. A copy of the investor presentation is attached hereto as Exhibit 99.2 and incorporated by reference herein.

Spectrum Brands is furnishing the information in this Current Report on Form 8-K to comply with Regulation FD. Such information shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, and shall not be deemed to be incorporated by reference into any of Spectrum Brands’ filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and regardless of any general incorporation language in such filings, except to the extent expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Exhibits.

The following exhibits are being filed with this Current Report on Form 8-K.

| Exhibit No. | Description |
|--------------------|--|
| 99.1 | Press Release, dated October 9, 2012 |
| 99.2 | Investor Presentation, dated October 9, 2012 |

Spectrum Brands, Inc.
 601 Rayovac Drive
 Madison WI 53711-2497
 P.O. Box 44960
 Madison WI 53744-4960
 (608) 275-3340



FOR IMMEDIATE RELEASE

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212.687.8080

**Spectrum Brands Holdings to Acquire Stanley Black & Decker's
 Hardware & Home Improvement Group for \$1.4 Billion in Cash**

- Adds leading maker of residential locksets, residential builders' hardware and faucets with #1 positions in key North American markets and portfolio of renowned brands
- Increases Spectrum Brands' top-line growth and margins and is expected to be significantly and immediately accretive to EPS, EBITDA and free cash flow
- Increases Spectrum Brands' scale and product diversity, further strengthens relationships with core retail partners, provides attractive cross-selling opportunities, and creates platform for significant future global growth
- Brings best-in-class Hardware & Home Improvement team with proven track record of product innovation, operational excellence and cost-efficiency
- Strong free cash flow will enable Spectrum Brands to deleverage balance sheet to return to total leverage ratio of 2.5-3.5x in approximately two years
- Company reaffirms plan to make regular quarterly dividend payments of \$0.25 per share and will evaluate increasing dividend in future years based on free cash flow growth

Madison, WI, October 9, 2012 – Spectrum Brands Holdings, Inc. (NYSE: SPB), a global consumer products company with market-leading brands, announced today that it has signed a definitive agreement to acquire the Hardware & Home Improvement Group ("HHI") of Stanley Black & Decker, Inc. (NYSE: SWK) for \$1.4 billion in cash.

HHI is a manufacturer of residential locksets, residential builders' hardware and faucets for residential applications with such renowned brands as Kwikset, Weiser, Baldwin, National Hardware, Stanley, FANAL, Pfister and EZSET. HHI is a leader in its key markets with #1 positions in U.S. residential locksets (Kwikset), Canada residential locksets (Weiser), U.S. luxury locksets (Baldwin), and U.S. builders' hardware (Stanley/National Hardware), and a top 5 position in U.S. faucets (Pfister).



HHI generated net sales of approximately \$985 million and adjusted EBITDA of \$188 million for the 12 months ended June 30, 2012.¹ Approximately 85 percent of HHI's annual revenues are generated in North America, with more than 40 percent coming through U.S. home improvement centers.

The acquisition is expected to increase Spectrum Brands' top-line growth and margins, and to be immediately accretive to EPS, EBITDA and free cash flow before synergies. EPS accretion pro forma for a full year of results is expected to be between \$0.75 to \$0.80 per share in fiscal 2013 and EPS accretion in fiscal 2014 is expected to exceed \$1.00 per share, excluding one-time transaction and integration costs and including synergies. The acquisition also is expected to add more than an incremental \$90 million of free cash flow in the first two years after closing.

"This is a good acquisition for Spectrum Brands that will increase total revenues to over \$4 billion and add renowned brands with top market share positions in the growing and profitable hardware and home products business," said Dave Lumley, Chief Executive Officer of Spectrum Brands. "The scale and expanded product offering we gain will further balance our sales profile and provide exciting cross-selling opportunities from expanding sales of Spectrum Brands' products to major U.S. home improvement centers and increasing HHI sales to leading global mass merchants and other Spectrum Brands' retailers. Spectrum's and HHI's product lines are completely complementary, significantly expanding our portfolio of products. HHI will also give us an additional platform for global growth using our existing international infrastructure, as well as entry into the growing market of integrated residential security, fire and lighting solutions."

Mr. Lumley continued, "We remain committed to a strong balance sheet, including our long-term objective of achieving a total leverage ratio between 2.5 and 3.5 times. HHI's strong operating margins and relatively low capital intensity are expected to generate significant free cash flow, helping us to repay debt and return to our current leverage ratio in approximately two years. We are also reaffirming plans to initiate a regular quarterly dividend of \$0.25 per share in fiscal 2013, and will evaluate increasing the dividend in future years based on free cash flow growth."

On a combined basis for the 12 months ended July 1, 2012, HHI would have accounted for 23 percent of Spectrum Brands' total revenues and 28 percent of adjusted EBITDA.¹ On the same basis for Spectrum Brands' three current segments, Global Batteries & Appliances would have accounted for 53 percent of revenues and 46 percent of adjusted EBITDA; Home & Garden would have accounted for 9 percent of revenues and 13 percent of adjusted EBITDA; and Pet Supplies would have



accounted for 14 percent of revenues and 16 percent of adjusted EBITDA, in each case, excluding corporate/unallocated items from segment EBITDA.

Following the closing of the transaction, HHI will operate as a separate unit within Spectrum Brands and be managed by Greg Gluchowski, current President of the HHI Group at Stanley Black & Decker. He will report to Spectrum Brands CEO David Lumley and will continue to oversee a highly experienced HHI management team with a proven track record of innovation, operational excellence and profitable growth.

Mr. Lumley said, “We welcome Greg and his outstanding team from HHI. He is a proven leader, with a strong record of driving profitable growth and product innovation and development. We look forward to Greg and his team playing strong roles in the continued growth and success of Spectrum Brands.”

“Spectrum Brands and HHI share the common goals of building and growing strong consumer brands with a dedication to innovative product design and technology,” said Mr. Gluchowski. “We are excited to join the Spectrum Brands team, and look forward to being a strong and significant contributor to the overall business as we continue to grow HHI globally.”

David Maura, Chairman of Spectrum Brands and Managing Director and Executive Vice President of Harbinger Group, Inc. (NYSE: HRG), Spectrum Brands’ majority shareholder, said, “We continue to be strong supporters of Spectrum Brands and believe there is significantly more value to be realized in the years ahead. Through both organic growth and acquisitions, Spectrum Brands has built a profitable \$3 billion global consumer products company with a diverse stable of well-known and largely non-discretionary replacement brands. The addition of HHI is consistent with our strategy and we are confident that we are acquiring the business at an attractive entry point and that the benefits of our increased scale, diversity, margins and free cash flow generation will accrue to our shareholders over time.”

Transaction Details

The acquisition of HHI also includes certain assets of Tong Lung Metal Industry Co. Ltd. (“Tong Lung”), a Taiwanese manufacturer of residential and commercial locksets with facilities in Taiwan and the Philippines. Spectrum Brands will pay \$1.4 billion in cash at closing for HHI and the Tong Lung assets, adjusted for net debt and working capital. The purchase price and associated transaction fees and expenses are expected to be funded through a new term loan, which will replace the Company’s existing term loan credit facility, and new senior unsecured notes through the Company’s wholly



owned subsidiary Spectrum Brands, Inc. As part of this transaction, Spectrum Brands has received financing commitments from Deutsche Bank and Barclays.

The transaction is expected to close in two stages. The financing and the acquisition of HHI are expected to close during the Company's first quarter of fiscal 2013 ending December 31, 2012. The acquisition of the Tong Lung assets is expected to occur during the Company's second quarter of fiscal 2013. \$100 million of the purchase price will be held in escrow from the financing until the subsequent closing of the Tong Lung portion of the acquisition. The closing of the transaction, which has been approved by the Boards of Directors of both Spectrum Brands and Stanley Black & Decker, is subject to customary closing conditions, including receipt of applicable regulatory approvals.

Spectrum Brands' lead financial advisor for this transaction is Deutsche Bank and its legal advisor is Paul, Weiss, Rifkind, Wharton & Garrison LLP. Barclays also advised Spectrum Brands on the transaction.

Conference Call

Spectrum Brands will host a conference call today, October 9, 2012 at 8:30 a.m. Eastern Time (7:30 a.m. Central Time), to discuss the announcement, which can be accessed as follows:

North America: 800.591.6944
International: 617.614.4910
Participant Pass Code: 32366958

A slide presentation and live audio webcast will be available through the investor relations section of Spectrum Brands' website at www.spectrumbrands.com. A replay of the conference call also will be available through the Company's website.

Supplemental information regarding the proposed acquisition of HHI will be available in the investor relations section of the Company's website at www.spectrumbrands.com.

About Spectrum Brands Holdings, Inc.

Spectrum Brands Holdings, Inc., a member of the Russell 2000 Index, is a global and diversified consumer products company and a leading supplier of batteries, shaving and grooming products,



personal care products, small household appliances, specialty pet supplies, lawn & garden and home pest control products, personal insect repellents and portable lighting. Helping to meet the needs of consumers worldwide, the Company offers a broad portfolio of market-leading, well-known and widely trusted brands including Rayovac®, Remington®, Varta®, George Foreman®, Black & Decker®, Toastmaster®, Farberware®, Tetra®, Marineland®, Nature's Miracle®, Dingo®, 8-in-1®, FURminator®, Littermaid®, Spectracide®, Cutter®, Repel®, Hot Shot® and Black Flag®. Spectrum Brands Holdings' products are sold by the world's top 25 retailers and are available in more than one million stores in more than 120 countries. Spectrum Brands Holdings generated net sales of approximately \$3.2 billion in fiscal 2011. For more information, visit www.spectrumbrands.com.

Forward-Looking Statements

Certain matters discussed in this news release and other oral and written statements by representatives of the Company regarding the HHI acquisition and matters such as expected sales, adjusted EBITDA, other measures of financial performance, and the financial impact of other acquisitions may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

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 release. Actual results may differ materially as a result of (1) Spectrum Brands Holdings' ability to manage and otherwise comply with its covenants with respect to its significant outstanding indebtedness, (2) the inability to integrate, and to realize synergies from, the combined businesses of Spectrum Brands and its acquired companies, including HHI, FURminator, Russell Hobbs and other acquisitions, (3) 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, (4) changes in consumer demand for the various types of products Spectrum Brands Holdings offers, (5) unfavorable developments in the global credit markets, (6) the impact of overall economic conditions on consumer spending, (7) fluctuations in commodities prices, the costs or availability of raw materials or terms and conditions available from suppliers, (8) changes in the general economic conditions in countries and regions where Spectrum Brands Holdings does business, such as stock market prices, interest rates, currency exchange rates, inflation and consumer spending, (9) Spectrum Brands Holdings' ability to successfully implement manufacturing, distribution and other cost efficiencies and to continue to benefit from its cost-cutting initiatives, (10) Spectrum Brands Holdings' ability to identify, develop and retain key employees, (11) unfavorable weather conditions and various other risks and uncertainties, including those discussed herein and those set forth in Spectrum Brands Holdings' and Spectrum Brands' securities filings, including the most recently filed Annual Report on Form 10-K for Spectrum Brands, Inc. or Quarterly Reports on Form 10-Q. Spectrum Brands Holdings also cautions the reader that its estimates of trends, market share, retail consumption of its products and reasons for changes in such consumption are based solely on limited data available to Spectrum Brands Holdings and management's reasonable assumptions about market conditions, and consequently may be inaccurate, or may not reflect significant segments of the retail market.

Spectrum Brands Holdings also cautions the reader that undue reliance should not be placed on any forward-looking statements, which speak only as of the date of this release. Spectrum Brands



Holdings undertakes no duty or responsibility to update any of these forward-looking statements to reflect events or circumstances after the date of this report or to reflect actual outcomes.

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Non-GAAP Measurements

Management believes that certain non-GAAP financial measures may be useful in certain instances to provide additional meaningful comparisons between current results for the Company, current results for HHI, and current results on a pro-forma basis of the combined operations of the Company and HHI. Within this release, including the tables attached hereto, reference is made to adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA). See attached Table A, "Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA," for a reconciliation of GAAP Net Income (Loss) to adjusted EBITDA. Adjusted EBITDA is a metric used by management and frequently used by the financial community which provides insight into an organization's operating trends and facilitates comparisons between peer companies, since interest, taxes, depreciation and amortization can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA also can 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. The Company 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 the Company's management believes that non-GAAP measurements are useful supplemental information, such adjusted results are not intended to replace the Company's GAAP financial results and should be read in conjunction with those GAAP results.

Table A: Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA

| | LTM July 1, 2012 | LTM July 1, 2012 | LTM July 1, 2012 | LTM July 1, 2012 | LTM July 1, 2012 | LTM June 30, 2012 | YE Dec. 31 2011 | LTM June 30, 2012 | LTM June 30, 2012 |
|--|---------------------|---------------------|---------------------|----------------------|---------------------|--------------------------|--------------------|-------------------------|----------------------|
| | GBA | PET | H&G | CORP/ Unallocated | SPB | HHI (excl. Tong Long) | Tong Long | HHI (inc. Tong Long) | Combined Co. |
| Net income (loss), as adjusted | \$ 191 | \$ 54 | \$ 72 | \$ (308) | \$ 9 | 41 | \$ 5 | \$ 45 | \$ 54 |
| Income tax expense | - | - | - | 62 | 62 | 14 | 1 | 15 | 77 |
| Interest expense | - | - | - | 192 | 192 | 37 | - | 37 | 229 |
| Restructuring and related charges | 11 | 14 | 1 | 1 | 27 | 24 | - | 24 | 51 |
| Acquisition and integration related charges | 18 | 3 | 1 | 4 | 26 | - | - | - | 26 |
| Intangible asset impairment | 23 | 8 | 1 | - | 32 | - | - | - | 32 |
| Other | - | - | - | - | - | 22 | (1) | 21 | 21 |
| Adjusted EBIT | \$ 243 | \$ 79 | \$ 75 | \$ (49) | \$ 348 | \$ 139 | \$ 5 | \$ 143 | \$ 491 |
| Depreciation and amortization | 63 | 26 | 12 | 24 | 125 | 42 | 2 | 44 | 169 |
| Adjusted EBITDA | \$ 306 | \$ 105 | \$ 87 | \$ (25) | \$ 473 | 181 | \$ 7 | \$ 188 | \$ 661 |
| Sales | \$ 2,263 | \$ 603 | \$ 381 | \$ - | \$ 3,247 | \$ 939 | \$ - | \$ 985 | \$ 4,232 |

¹ Includes results of Tong Lung Metal Industry Co. Ltd. for the 12-months ended 12/31/2011.





Acquisition of

StanleyBlack&Decker

Hardware &
Home Improvement
Group

October 9, 2012

Forward-Looking Statements

Certain matters discussed in this presentation and other oral and written statements by representatives of the Company regarding the HHI acquisition and matters such as expected sales, adjusted EBITDA, other measures of financial performance, and the financial impact of the HHI acquisition and other acquisitions may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

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 release. Actual results may differ materially as a result of (1) Spectrum Brands Holdings' ability to manage and otherwise comply with its covenants with respect to its significant outstanding indebtedness, including the additional indebtedness that it will incur in connection with the HHI acquisition (2) the inability to integrate, and to realize synergies from, the combined businesses of Spectrum Brands and its acquired companies, HHI, FURminator, Russel Hobbs and other acquisitions, (3) risks that 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, (4) changes in consumer demand for the various types of products Spectrum Brands Holdings offers, (5) unfavorable developments in the global credit markets, (6) the impact of overall economic conditions on consumer spending, (7) fluctuations in commodities prices, the costs or availability of raw materials or terms and conditions available from suppliers, (8) changes in the general economic conditions in countries and regions where Spectrum Brands Holdings does business, such as stock market prices, interest rates, currency exchange rates, inflation and consumer spending, (9) Spectrum Brands Holdings' ability to successfully implement manufacturing, distribution and other cost efficiencies and to continue to benefit from its cost-cutting initiatives, (10) Spectrum Brands Holdings' ability to identify, develop and retain key employees, (11) unfavorable weather conditions and various other risks and uncertainties, including those discussed herein and those set forth in Spectrum Brands Holdings' and Spectrum Brands' securities filings, including the most recently filed Annual Report on Form 10-K for Spectrum Brands, Inc. or Quarterly Reports on Form 10-Q. Spectrum Brands Holdings also cautions the reader that its estimates of trends, market share, retail consumption of its products and reasons for changes in such consumption are based solely on limited data available to Spectrum Brands Holdings and management's reasonable assumptions about market conditions, and consequently may be inaccurate, or may not reflect significant segments of the retail market.

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Non-GAAP Measurements

Non-GAAP Measurements

Management believes that certain non-GAAP financial measures may be useful in certain instances to provide additional meaningful comparisons between current results for the Company, current results for HHI, and current results on a pro-forma basis of the combined operations of the Company and HHI. Within this release, including the tables attached hereto, reference is made to adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA). See attached Table A, "Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA," for a reconciliation of GAAP Net Income (Loss) to adjusted EBITDA. Adjusted EBITDA is a metric used by management and frequently used by the financial community which provides insight into an organization's operating trends and facilitates comparisons between peer companies, since interest, taxes, depreciation and amortization can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA also can 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. The Company 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 the Company's management believes that non-GAAP measurements are useful supplemental information, such adjusted results are not intended to replace the Company's GAAP financial results and should be read in conjunction with those GAAP results.

Speakers

- Spectrum Brands
 - David Lumley – Chief Executive Officer
- Hardware & Home Improvement Group
 - Greg Gluchowski – President





Transaction Overview

StanleyBlack&Decker

Hardware &
Home Improvement
Group

David Lumley

Transaction Overview

- Spectrum Brands, Inc. to acquire Hardware & Home Improvement Group ("HHI") of Stanley Black & Decker for \$1.4 billion in cash
- HHI is leading maker of residential locksets, residential builders' hardware, and faucets
 - Transaction also includes assets from Tong Lung, leading Taiwanese manufacturer of commercial and residential door locks
- Transaction brings a strong portfolio of renowned brands, with top market positions, adding scale and diversification
 - The combined business would have had \$4.2 billion in sales for LTM 7/1/12 and \$661 million in adjusted EBITDA^{(a)(b)}
- Closing in two stages
 - Financing and acquisition of HHI expected to close during Q1 FY2013
 - Acquisition of Tong Lung assets expected to close during Q2 FY2013
 - Fully committed financing from Deutsche Bank and Barclays

(a) See table on slide 25 for reconciliation of non-GAAP metrics. Includes results of Tong Lung Metal Industry Co. Ltd. for the 12-months ended 12/31/2011.

(b) Adjusted EBITDA excludes expected synergies

Transaction Rationale

- ✓ Adds leading maker of residential locksets, residential builders' hardware and faucets with #1 positions in key North American markets and portfolio of renowned brands
- ✓ Increases Spectrum Brands' top-line growth and margins and is expected to be significantly and immediately accretive to EPS, EBITDA and free cash flow
- ✓ Builds Spectrum Brands' scale and product diversity, further strengthens relationships with core retail partners, provides attractive cross-selling opportunities, and creates platform for significant future global growth
- ✓ Brings best-in-class HHI management team with proven track record of product innovation, operational excellence and cost-efficiency
- ✓ Strong free cash flow will enable Spectrum Brands to deleverage balance sheet to return to total leverage ratio of 2.5-3.5x in approximately two years
- ✓ Company reaffirms plans to initiate regular quarterly dividend of \$0.25 per share and will evaluate increasing dividend in future years based on free cash flow





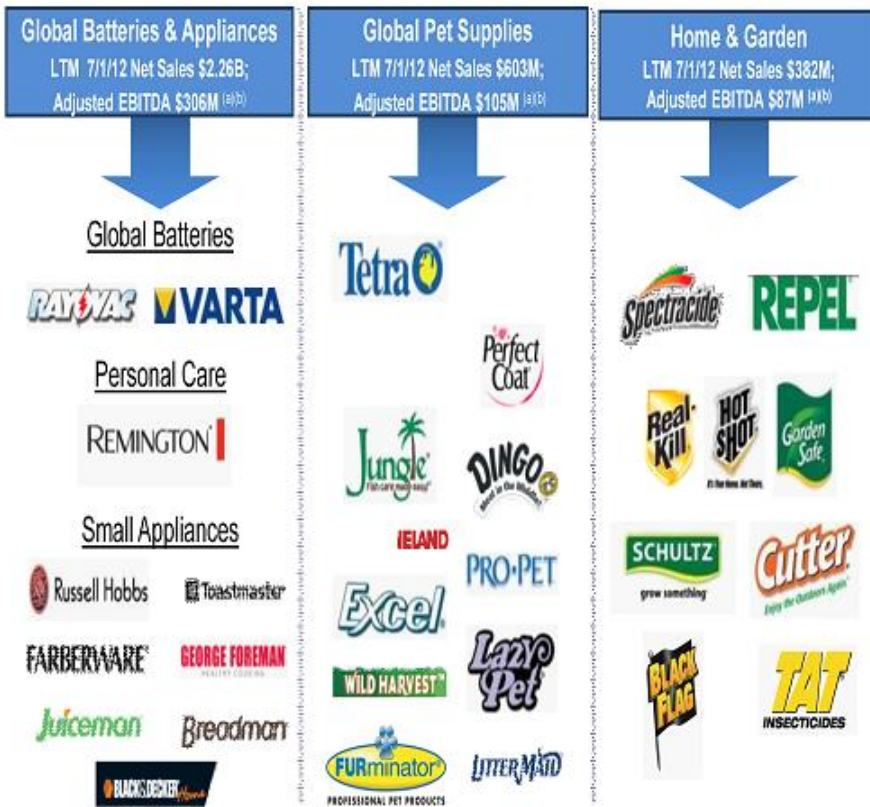
Spectrum Brands Overview

StanleyBlack&Decker

Hardware &
Home Improvement
Group

David Lumley

Spectrum's Diverse, Unrivalled Brand Portfolio



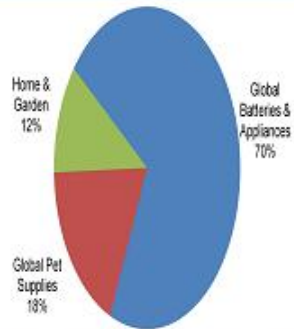
Spectrum's portfolio includes widely used, non-discretionary, replacement consumer brands

(a) See table on slide 25 for reconciliation of non-GAAP metrics.
 (b) Segment adjusted EBITDA excludes corporate / unallocated expenses

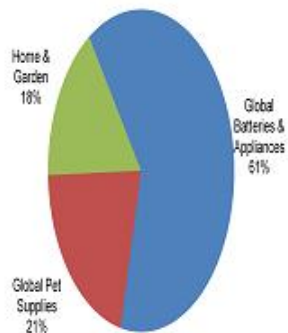
Providing Quality & Value to Retailers and Consumers Worldwide

- Net sales and adjusted EBITDA of \$3.25 billion and \$473 million for LTM 7/1/12^(a)
- Value Model drives success of strong, well-recognized and extendable brand names
- Top 3 global market positions in all product categories
- Global footprint with presence on 6 continents and products sold in more than 130 countries
- Strong relationships with major retailers globally
- Experienced and proven management team

Diverse Portfolio Across Attractive Categories



Net Sales for LTM 7/1/12 - \$3.25B^(a)



Adjusted EBITDA for LTM 7/1/12 - \$473M^(a)

(a) Adjusted EBITDA includes \$25 million of corporate / unallocated expenses. See table on slide 25 for reconciliation of non-GAAP metrics.

Successful track record of deleveraging

- Track record of using strong free cash flow generation to reduce debt
- Proven Integrator: management team successfully integrated Russell Hobbs, exceeding synergy goals as well as more recent add-ons Furminator and Black Flag
- Significant NOLs and limited CapEx requirements enhance free cash flow profile
- \$320 million of Term Loan debt prepayment since beginning of FY2011, helping to reduce interest expense
- Opportunistic approach to debt refinancing to ensure lowest possible rates on all debt tranches
- Strong free cash flow will enable SPB to deleverage balance sheet to return to long term target total leverage ratio of 2.5x - 3.5x in approximately two years

Total leverage ^(a)



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

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



HHI Business Review

StanleyBlack&Decker

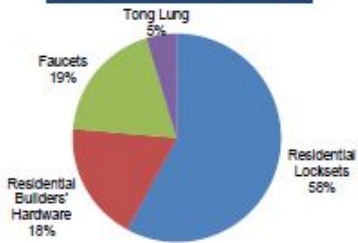
Hardware &
Home Improvement
Group

Greg Gluchowski

HHI Group Overview

| | | | | | | |
|----------------|---------------|-----------|----------------------------|-----------------------------|--------------|----------------|
| Kwikset | WEISER | BALDWIN | STANLEY Hardware | National Hardware | FANAL | Pfister |
| Est. 1946 | Est. 1904 | Est. 1946 | Est. 1843 | Est. 1901 | Est. 1947 | Est. 1910 |

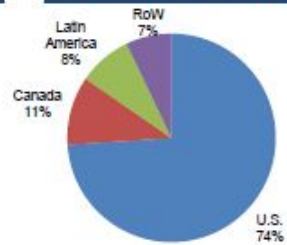
Revenue by Segment (6/30/12 LTM)



6/30/12 LTM Financial Highlights

Net Sales: \$985mm
 EBITDA: \$188mm
 EBITDA Margin: 19.1%

Revenue by Geography (6/30/12 LTM)

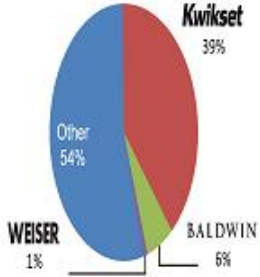


Note: Includes results of Tong Lung Metal Industry Co. Ltd. for the 12-months ended 12/31/2011.

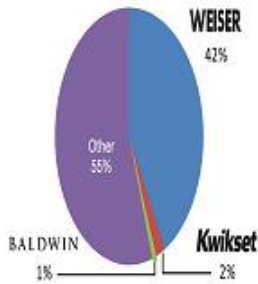
Leading Market Positions

HHI Market Shares

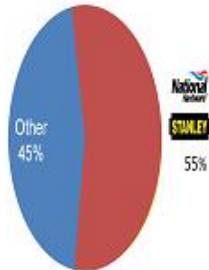
U.S. Residential Lockset Market



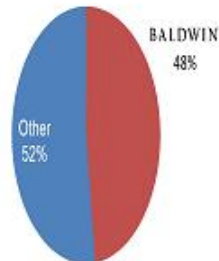
Canada Residential Lockset Market



U.S. Residential Builders' Hardware Market



U.S. Luxury Lockset Market

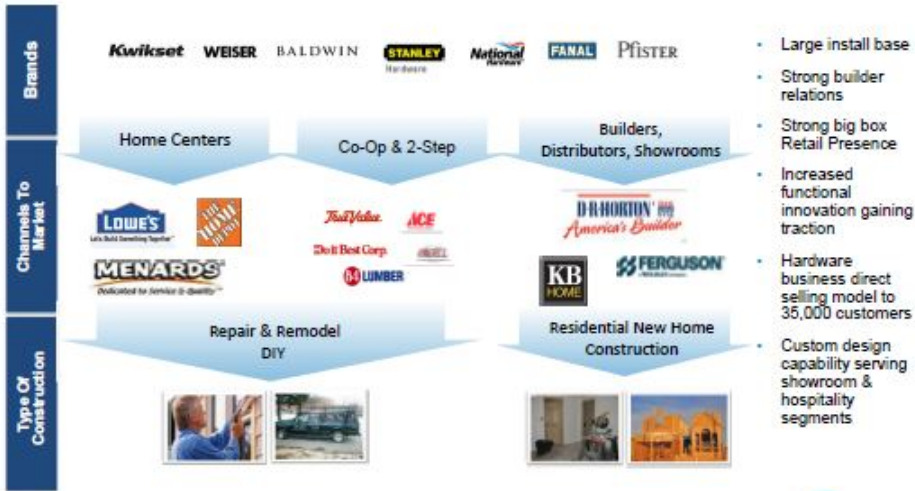


- Largest tubular lock manufacturer globally
- #1 U.S. lockset
- #1 Canadian lockset
- #1 U.S. luxury hardware
- #1 U.S. residential builders' hardware
- #4 U.S. faucets
- Large scale and excellent channel management leading to #1 position with major retailers and top home builders

Note: Market sizes based on invoice sales.

Strong Distribution & Channel Penetration

Installed base, strong product and brand presence drives pull through demand in all channels



Spectrum HHI's Growth Opportunities

Recovery in Residential Construction Market

- U.S. housing starts still substantially below long term average of one million per year



Innovation & Technology Adoption

- HHI is recognized as an innovation leader, having pioneered residential keypad electronic deadbolts and SmartKey re-keyable technology
- Well positioned to benefit from trends in home automation with open platform approach to electronics



International and Channel Growth

- Penetrate international markets with differentiated products, such as SmartKey, and Home Connect tailored to local market needs
- Expanded sales platform capabilities available through Tong Lung acquisition, allowing for accelerated expansion in international markets
- Expansion through direct sales model and in hospitality and showroom channels
- Expanded presence in retail channel leveraging Spectrum merchandising team and capability
- NA Cross selling opportunities in all channels

Source: U.S. Census and NAHB



+

StanleyBlack&Decker


























Hardware &
Home Improvement
Group

The Combined
Company


David Lumley



Powerful Roster of Renowned Consumer Brands

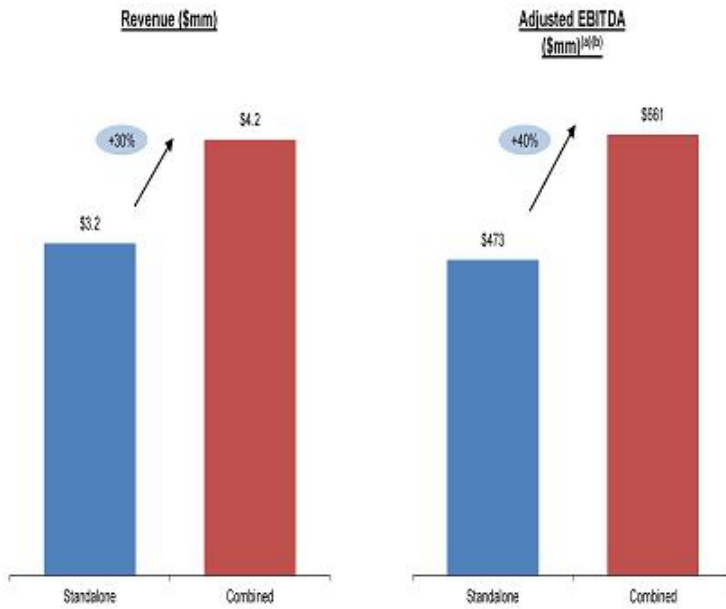
| Category | Select Key Brands | Market Position |
|-----------------------------------|---|--|
| Consumer batteries |   | #3 (North America / fast growing) #2 (Europe) #1 (Latin America) |
| Electric shaving and grooming |  | #2 (North America, UK, Australia) #2 / #3 (Continental Europe) |
| Electrical personal care products |  | #1 (Australia) #2 (Europe) #3 (North America) |
| Portable lighting |   | #2 (North America, Europe, Latin America) |
| Kitchen & home products |     | #2 (US kitchen products) #1 (US hand-held irons) #1 (UK kitchen/home products) |
| Pet supplies |     | #2 (Global pet supplies) #1 (Global aquatics) |
| Home & garden control products |      | #2 (US) |
| Residential locksets |    | #1 in U.S. Locksets #1 in Canada Locksets #1 in U.S. Luxury Locksets |
| Residential builders' hardware |   | #1 in U.S. Res. Builders' Hardware #2 in Mexico Hardware |
| Faucets |  | #3 in U.S. Retail Channel |

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

Legend:  HHI category and brands

Transaction Significantly Increases Scale and Cash Flow...

Financial Scale – LTM 7/1/12



(a) See table on slide 25 for reconciliation of non-GAAP metrics. Includes results of Tong Lung Metal Industry Co. Ltd. for the 12-months ended 12/31/2011.

(b) Adjusted EBITDA excludes expected synergies

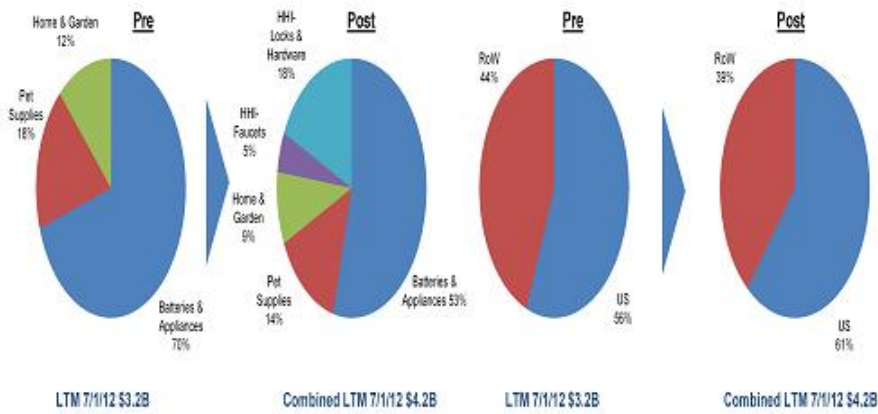
...Product Breadth and Product Diversification...

Product Diversification

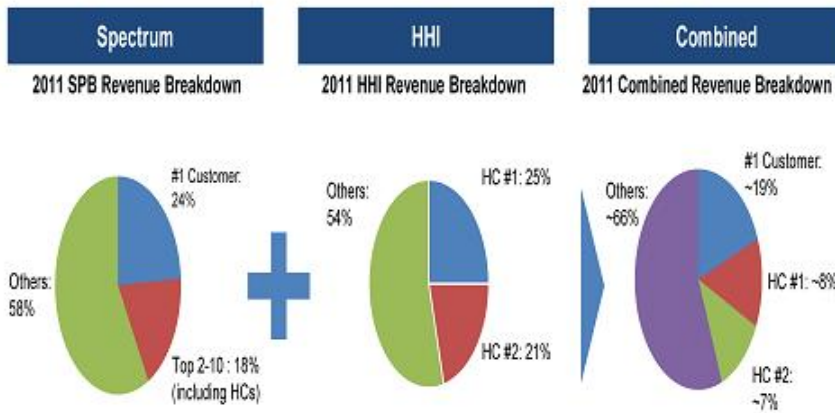
Geographic Balance

Revenues by product line

Revenues by geography



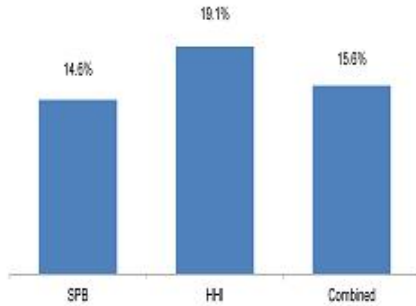
...Improves Channel Mix and Provides Deeper Penetration in Key Accounts...



- Combined revenue is more balanced across big-box US retailers
 - #1 customer reduces from ~24% of SPB revenue to ~19% of combined revenue
 - #1 Home Center increases to ~8% and #2 Home Center to ~7% of combined revenue

...And Enhances Margins with Robust FCF Profile

7/1/12 LTM Adjusted EBITDA margins



7/1/12 LTM Adjusted EBITDA – Capital Expenditures^(b)

(\$mm)



(a) Includes results of Tong Lung Metal Industry Co. Ltd. for the 12-months ended 12/31/2011 and excludes synergies. See table on slide 25 for reconciliation of non-GAAP metrics.

(b) 7/1/12 LTM capex of \$42 million for SPB and \$18 million for HHI.



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- ✓ Adds leading maker of residential locksets, residential builders' hardware and faucets with #1 positions in key North American markets and portfolio of renowned brands
- ✓ Increases Spectrum Brands' top-line growth and margins and is expected to be significantly and immediately accretive to EPS, EBITDA and free cash flow
- ✓ Builds Spectrum Brands' scale and product diversity, further strengthens relationships with core retail partners, provides attractive cross-selling opportunities, and creates platform for significant future global growth
- ✓ Brings best-in-class HHI management team with proven track record of product innovation, operational excellence and cost-efficiency
- ✓ Strong free cash flow will enable Spectrum Brands to deleverage balance sheet to return to total leverage ratio of 2.5-3.5x in approximately two years
- ✓ Company reaffirms plans to initiate regular quarterly dividend of \$0.25 per share and will evaluate increasing dividend in future years based on free cash flow



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Appendix

TABLE A: Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA

| | LTM July 1, 2002 | LTM July 1, 2002 | LTM July 1, 2002 | LTM July 1, 2002 | LTM July 1, 2012 | LTM June 30, 2012 | YE Dec. 31, 2011 | LTM June 30, 2012 | LTM June 30, 2012 |
|---|------------------|------------------|------------------|----------------------|------------------|----------------------|------------------|---------------------|-------------------|
| | GBA | PET | H&G | CDPP/ Unallocated | SPB | HH (excl. Tong Long) | Tong Long | HH (inc. Tong Long) | Combined Co. |
| Net income (loss) | \$ 291 | \$ 54 | \$ 72 | \$ (308) | \$ 9 | \$ 41 | \$ 5 | \$ 45 | \$ 54 |
| Income tax expense | - | - | - | 62 | 62 | 14 | 1 | 15 | 77 |
| Interest expense | - | - | - | 192 | 192 | 37 | - | 37 | 239 |
| Restructuring and related charges | 11 | 14 | 1 | 1 | 27 | 24 | - | 24 | 51 |
| Acquisition and integration related charges | 18 | 3 | 1 | 4 | 26 | - | - | - | 26 |
| Intangible asset impairment | 23 | 8 | 1 | - | 32 | - | - | - | 32 |
| Other | - | - | - | - | - | 22 | (1) | 21 | 21 |
| Adjusted EBIT | \$ 243 | \$ 79 | \$ 75 | \$ 143 | \$ 348 | \$ 138 | \$ 5 | \$ 143 | \$ 491 |
| Depreciation and amortization | 63 | 26 | 12 | 24 | 125 | 42 | 2 | 44 | 169 |
| Adjusted EBITDA | \$ 306 | \$ 105 | \$ 87 | \$ 125 | \$ 473 | \$ 181 | \$ 7 | \$ 188 | \$ 661 |
| Sales | \$ 2,263 | \$ 603 | \$ 381 | \$ - | \$ 3,247 | \$ 939 | | \$ 985 | \$ 4,232 |