Spectrum Brands

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

Fiscal 2014 Third Quarter Earnings Call

July 30, 2014

Agenda

▪ **Introduction**	Dave Prichard Vice President, Investor Relations
▪ **FY14 Q3 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.

Spectrum Brands

Dave Lumley
Chief Executive Officer

FY14 Q3 Review and Full Year Outlook

Spectrum Brands FY14 Q3 Review

- Reported record Q3, which follows record results in the first 2 quarters and maintains our momentum to deliver a 5th consecutive year of growth and record financial performance
  - Home and garden, HHI and global batteries had especially good Q3 results
- Consistent sales growth has been achieved each quarter this year – about 3.5%
- Our growth has occurred in spite of the continuation of a challenging retail environment
  - Consumer takeaway is very sluggish, and in some areas flat to declining, especially in North America, with slow store traffic and very tight retailer inventory levels and especially reorder rates
- Our Spectrum Value Model continues to work effectively and resonate with retailers and consumers in a difficult global economy
  - "Same or Better Performance/Less Price", value-branded, largely non-discretionary Spectrum Brands products are winning in the market with today's smart shoppers who focus more on value
  - We are in the right place in an environment with unusual discounting, both in terms of the price to the retailer and the price to the consumer

FY14 Q3 Review and Full Year Outlook

- Q3 net sales growth of 3.6% included contributions from North America, Europe and Latin America and follows a 3.4% sales increase in Q2
- Q3 adjusted EPS grew 44% to $1.30
- Q3 adjusted EBITDA increased 7.3%, about twice the rate of our sales growth and similar to the leverage in the first 2 quarters
  - Represents the 15th consecutive quarter of year-over-year adjusted EBITDA growth
- Adjusted EBITDA margin grew 60 basis points to 17.9% vs. 17.3% last year
  - We are on track for a 7th consecutive year of adjusted EBITDA margin growth since FY07
- Achieved all-time high Q3 level of continuous improvement savings, building on similar Q1 and Q2 records
- With a solid nine months of results behind us, we also expect our September quarter to grow year-over-year
  - Drivers include an exciting mix of new product launches; secured retail distribution gains; new retail customers; continued geographic expansion in Europe, Latin America and Asia; and select pricing actions.
- We are tracking to another record annual level of cost reductions as our divisions focus on achieving savings of 3%-5% of their annual cost of goods sold
- Strict spending and expense controls will continue to be maintained

FY14 Full Year Outlook

- Spectrum Brands is focused on growing adjusted EBITDA and maximizing sustainable free cash flow
- Free cash flow is 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 our balance sheet is a top priority
  - Term debt has been reduced by $125 million through July as part of our plan for a total term debt reduction of approximately $250 million in 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 reported record results in Q3, its seasonally largest quarter of the year, following record Q1 and Q2 results
- Net sales and adjusted EBITDA both grew 12% to record Q3 levels
  - Increase driven primarily from higher personal and area repellent sales from market share gains and favorable weather, coupled with improved household controls sales due to distribution gains at key retailers
  - Contributing to a lesser degree was the positive impact of the Liquid Fence consumer animal repellent acquisition completed in January
- Q3 adjusted EBITDA margin reached 29.6%
- Excluding Liquid Fence, the base business also achieved record Q3 net sales and adjusted EBITDA
- Home and Garden is driving for another record year in FY14
  - Despite a slow start due to weather in April/early May, our assumption for a “somewhat more normal” season and quarterly weather pattern this year is generally playing out versus the reverse in FY13 when Q3 was much lower and Q4 was much stronger than normal
  - As a reminder, then, Home and Garden this year is comparing to a very strong, record September quarter last year
- Integration is ahead of schedule for Liquid Fence, with volumes and EBITDA tracking our expectations

Remington (Personal Care)

- Q3 sales grew nearly 2% with all geographic regions contributing
- Adjusted EBITDA increased at a much higher rate, similar to the first half of FY14
- Remington expects to be close to achieving record sales and adjusted EBITDA in FY14
- Remington is growing its grooming and women's hair care businesses, even while category softness remains in men's shaving
- In North America, new products are launching in Q4 and into the important Q1 Christmas holiday season
  - Introducing an updated version of our silk hair appliances line on the women's side
  - For men, we are expanding our Hyper Series of higher-end shavers by launching the new Smart Edge foil program, which is our best foil shaver ever
- In Europe we are launching our virtually indestructible hair clipper, the line of smart edge foil shavers, and a unique women's hair care "Your Style Collection"
- Strong sales growth occurring in Remington's e-commerce business, which we expect to continue given increasing on-line shopping

Small Appliances (Russell Hobbs)

- Lower Q3 sales essentially due to elimination of low-margin, promotional North American and Latin American business with several retailers
- Q3 gross profit margin improved 200 basis points and adjusted EBITDA grew at a double-digit rate for global small appliances
  - Higher European revenues and EBITDA from new product launches and distribution gains
  - Latin American EBITDA grew significantly despite slightly lower sales
- In this climate of heightened promotions and discounting, we carefully select our opportunities and seed future sales growth with the most new products launching now and into FY15 since the 2010 Russell Hobbs acquisition
  - North American launches include a Black + Decker Mill ‘n Brew coffeemaker, RapidToast toaster, and ExtraWide countertop oven, along with a George Foreman digital searing grill, and a George Foreman 5-minute burger grill which was just recognized by Housewares Executive newsletter for leadership and innovation in the grill category
  - European introductions include our Illumina breakfast collection and our first automatic soup maker in a small, but fast-growing U.K./European category
- We are excited about our small appliances e-commerce growth with our key partners and will continue to invest in this area
- We are building on progress made the past two years on the cost side to improve margins
- Small appliances and personal care businesses (together, global appliances) are working effectively with our Asian supply base
  - Cost improvements to date are tracking higher and should exceed the record level in FY13

Global Batteries

- Global batteries reported its 2nd consecutive quarter of sales growth with a 3% increase in Q3
- Adjusted EBITDA increased at a double-digit rate again to a record Q3 level, with all regions up, and the margin expanded 200 basis points
  - Q3 performance follows record Q1 and Q2 adjusted EBITDA levels
- Solid performance driven by new retail customers, new products, distribution gains, geographic expansion and effective promotions
- Batteries should be able to deliver record adjusted EBITDA in FY14
- Batteries is also tracking to a record level of continuous improvement savings in FY14
- Still, selective price discounting, promotions and concessions continue at elevated levels in North America
  - Data suggests lower store traffic and tight retailer inventory management usually results from slower-moving, premium-priced products
- Our battery business remains a strong EBITDA-producing, cash flow generator with steady performance
- Cost improvements are reinvested for enhanced product performance, retailer POS and market share growth, and higher retailer gross margins

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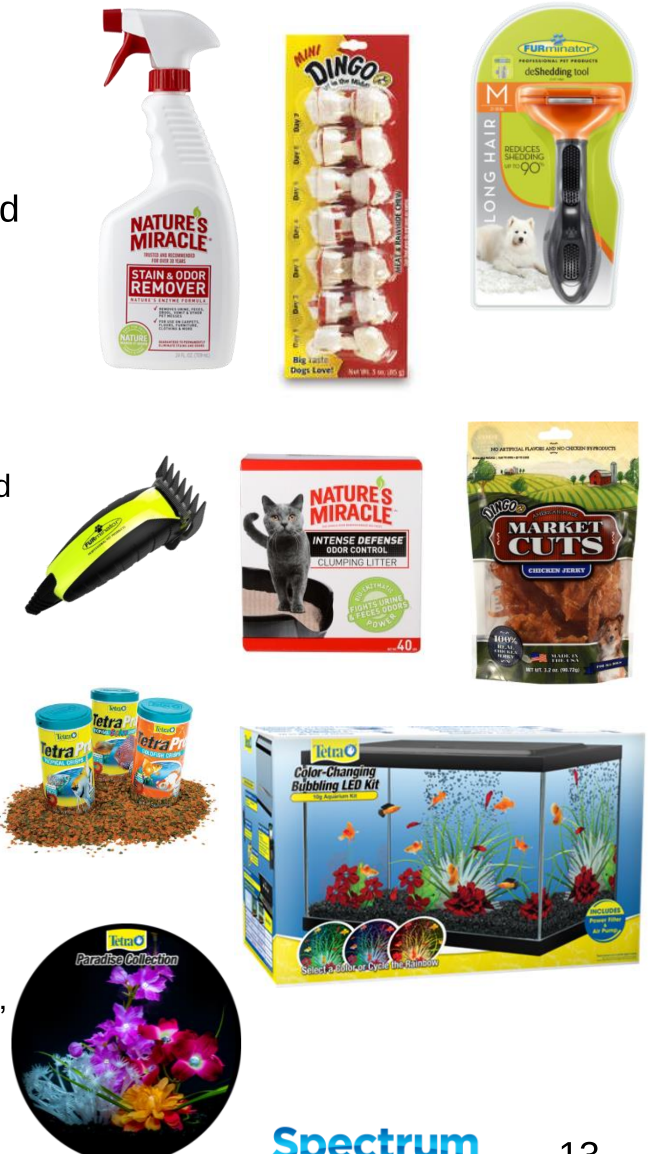
Global Pet Supplies (United Pet Group)

- Pet’s challenging Q3 and year to date is exclusively due to continued, major aquatics category softness in North America and, to a lesser degree, in Europe
- Pet still delivered a 20.2% adjusted EBITDA margin in Q3
- In North America, macro-economic factors, including a challenged consumer, have impacted pet store and big-box pet area traffic
  - Severe winter weather hurt the category earlier this year as February and March are typically larger aquatics demand months
- Our aquatics sales decline, however, is less than the category and competition, and the good news is we are growing share
  - Category pacesetter in product innovation with our leading Tetra brand
  - This positions us well as the category recovers, as it eventually did from 3 similar drops over the past 15 years
- The focus is on our three pillars: increasing start-ups, increasing trade-ups and decreasing drop-outs
- Outstanding pipeline of innovative aquatics and companion animal products launching in coming quarters
  - Cool, new Color Fusion line of aquatics products now on the shelves
  - Innovations in fish tank LED multi-color lighting technology
- Companion animal sales grew in Q3
  - New products launching in this category, including a FURminator electric clipper and a Nature’s Miracle foaming stain and odor product, along with geographic expansion in Europe and Latin America
- Pet expected to achieve another record level of cost savings in FY14 coupled with significant expense reduction programs



Spectrum Brands

Hardware & Home Improvement (HHI)

- HHI delivered a very strong Q3 as sales grew nearly 8%, adjusted EBITDA increased 13% and the EBITDA margin expanded almost 100 basis points
- This strong sales-to-EBITDA leverage has characterized HHI this year
- Q3 growth was driven by improvements in U.S. residential security, and also in U.S. plumbing and builders' hardware, along with continued international expansion
- Growth areas include residential security (including our unique SmartKey and Kevo Bluetooth products); increased penetration in multi-family, showroom and hospitality channels such as in non-retail plumbing; builders' hardware through product adjacencies; a modest new housing uptick, and overseas expansion in Latin America and Asia
- Additional focus is now being placed on the large and attractive light commercial lock category as a growth vehicle
- HHI has been more conservative in its estimate of new housing starts this year than most others originally were
- HHI's mix continues to be about 75% in repair, remodel and rebuild, and about 25% tied to new housing starts
- HHI is making good progress to increase its rate of cost reductions as it moves toward our division annual cost reduction goal of 3%-5% of costs of goods sold, along with more shared services
- The original $10 million of synergies from this acquisition have been achieved, but we have identified further synergies and integration savings over the next few years in areas such as IT, sourcing and D&T

SMARTKEY
RE-KEY TECHNOLOGY

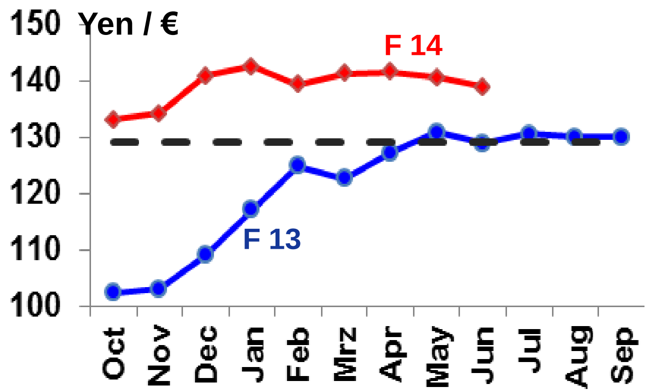
Andreas Rouvé

Chief Operating Officer and President, International

International Overview

International Overview

- Slow economic recovery globally with increasingly price-sensitive consumers
  - This trend is supported by the growth of e-commerce and also by the growth of the discount channel, especially in Europe
- Q3 FX for total Spectrum Brands was a very minor impact, but there were regional differences
  - Pet division‘s aquatics business in Japan, for example, hit by Yen/€
  - This impact will improve as spot rates are now close to last year
- Q3 international adjusted EBITDA increased strongly despite the challenging economic environment while sales growth continued to be a major driver as in previous quarters
- HHI and batteries continue healthy growth rates internationally
- Appliances continues to gain new customers and more product listings, but its Q3 growth rate was lower than normal due to our exit from a major unprofitable business in Latin America
- Pet division also hit by a one-time negative impact in Q3 from product registration issues in Russia which we are confident we can overcome soon
- International outlook remains positive
- Implemented core sales growth strategies in Q3
  - Entering **more** countries: e.g., Pet into Brazil, Mexico and Australia
  - Expanding into **more** channels: e.g., DRTV for higher-value items
  - Gaining **more** listings for new categories: e.g., LED light bulbs
- Systematically managing risk: e.g., commodity and FX hedges



Spectrum Brands

Tony Genito
Chief Financial Officer

Financial Highlights

Financial Highlights

- Q3 gross margin of 37% compared very favorably to 35.1% a year ago
- Q3 operating expenses were essentially flat as lower acquisition, integration and restructuring related charges offset higher SG&A driven by increased sales and timing
- Interest expense of $47 million in Q3 decreased $15 million from $62 million last year primarily as a result of savings from the refinancing of our 9.5% notes last September
- FY14 interest expense now expected in the range of $199-$203 million, which includes $152 million in the nine months, of which $11 million was one-time items related to our Q1 term loan refinancing
- FY14 depreciation and amortization is expected to approximate $198-$202 million, which includes $145 million in the nine months
- Q3 effective tax rate was 21% compared to 29% last year
- FY14 effective tax rate now expected to be 20%-25% which is lower than last year due to the positive impact of recent entity simplifications and rate changes
  - A 35% tax rate continues to be used to calculate our adjusted EPS
- Cash payments for restructuring, acquisition and integration charges in Q3 were $10 million vs. $21 million last year
  - This $11 million decrease was primarily due to the winding down of acquisition-related expenses and legacy business restructuring initiatives
- Q3 cash interest was $58 million compared to $94 million last year
  - This $36 million decrease was primarily due to the timing of interest payments on our term debt compared to our 9.5% notes that were refinanced last September
- Cash interest payments for FY14 are expected to approximate $170-$175 million

Financial Highlights

- Q3 cash taxes of $37 million increased $28 million compared to $9 million last year due to the timing of payments, primarily in Germany
- Level of NOLs expected to be utilized means no U.S. federal tax payments for the next 5 to 10 years
- FY14 cash taxes are still 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 the end of Q3 with $194 million available on our $400 million ABL working capital facility, a cash balance of approximately $85 million and total debt at par of $3,344 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 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 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 nine month periods ended June 29, 2014 and June 30, 2013
(Unaudited)
($ in millions, except per share amounts)

	THREE MONTHS ENDED			NINE MONTHS ENDED		
	2014	2013	INC %	2014	2013	INC %
Net sales	$ 1,128.5	$ 1,089.8	3.6 %	$ 3,250.8	$ 2,947.8	10.3 %
Cost of goods sold	710.9	706.1		2,089.6	1,949.3	
Restructuring and related charges	0.6	1.0		3.3	4.7	
Gross profit	417.0	382.7	9.0 %	1,157.9	993.8	16.5 %
Selling	171.8	165.2		501.8	465.0	
General and administrative	78.5	70.4		227.4	197.6	
Research and development	12.2	11.5		35.2	31.5	
Acquisition and integration related charges	2.7	7.7		14.5	40.5	
Restructuring and related charges	3.1	12.2		12.7	23.0	
Total operating expenses	268.3	267.0		791.6	757.6	
Operating income	148.7	115.7		366.3	236.2	
Interest expense	47.3	61.5		151.7	191.8	
Other expense, net	2.8	2.6		4.4	7.9	
Income from continuing operations before income taxes	98.6	51.6		210.2	36.5	
Income tax expense	20.6	15.2		43.8	54.9	
Net income (loss)	78.0	36.4		166.4	(18.4)	
Less: Net income attributable to non-controlling interest	—	0.3		0.2	0.1	
Net income (loss) attributable to controlling interest	$ 78.0	$ 36.1		$ 166.2	$ (18.5)	
Average shares outstanding (a)	52.7	52.1		52.6	0 52.0	
Basic income (loss) per share attributable to controlling interest	$ 1.48	$ 0.69		$ 3.16	$ (0.36)	
Average shares and common stock equivalents outstanding (a) (b)	53.0	52.7		52.9	52.0	
Diluted income (loss) per share attributable to controlling interest	$ 1.47	$ 0.69		$ 3.14	$ (0.36)	
Cash dividends declared per common share	$ 0.30	$ 0.25		$ 0.85	$ 0.50	

(a) Per share figures calculated prior to rounding.
(b) For the nine months ended June 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 nine month periods ended June 29, 2014 and June 30, 2013
(Unaudited)
($ in millions)

Supplemental Financial Data	F2014	F2013
Cash and cash equivalents	$ 85.1	$ 99.0
Trade receivables, net	$ 523.6	$ 479.3
Days Sales Outstanding (a)	42.0	39.0
Inventory	$ 734.8	$ 707.3
Inventory Turnover (b)	4.0	4.0
Total debt	$ 3,336.6	$ 3,226.1

	THREE MONTHS		NINE MONTHS	
Supplemental Cash Flow Data	F2014	F2013	F2014	F2013
Depreciation and amortization, excluding amortization of debt issuance costs	$ 50.0	$ 54.5	$ 145.1	$ 132.7
Capital expenditures	$ 14.1	$ 24.5	$ 50.9	$ 45.2

	THREE MONTHS		NINE MONTHS	
Supplemental Segment Sales & Profitability	F2014	F2013	F2014	F2013
Net Sales				
Global Batteries & Appliances	$ 494.8	$ 491.6	$ 1,635.0	$ 1,626.2
Global Pet Supplies	152.2	156.4	440.7	456.6
Home and Garden	174.6	156.6	322.9	289.1
Hardware & Home Improvement	306.9	285.2	852.2	575.9
Total net sales	$ 1,128.5	$ 1,089.8	$ 3,250.8	$ 2,947.8
Segment Profit				
Global Batteries & Appliances	$ 49.1	$ 44.9	$ 190.6	$ 181.7
Global Pet Supplies	22.9	26.5	56.5	62.8
Home and Garden	48.4	43.1	70.2	59.6
Hardware & Home Improvement	50.7	43.0	125.5	46.5
Total segment profit	171.1	157.5	442.8	350.6
Corporate	16.0	20.9	46.0	46.2
Acquisition and integration related charges	2.7	7.7	14.5	40.5
Restructuring and related charges	3.7	13.2	16.0	27.7
Interest expense	47.3	61.5	151.7	191.8
Other expense, net	2.8	2.6	4.4	7.9
Income from continuing operations before income taxes	$ 98.6	$ 51.6	$ 210.2	$ 36.5

(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 nine month periods ended June 29, 2014 and June 30, 2013
(Unaudited)

	THREE MONTHS		NINE MONTHS	
	F2014	F2013	F2014	F2013
Diluted income (loss) per share, as reported	$ 1.47	$ 0.69	$ 3.14	$ (0.36)
Adjustments, net of tax:				
Pre-acquisition earnings of HHI	—	—	—	0.06 (a)
Acquisition and integration related charges	0.03 (b)	0.10 (d)	0.18 (c)	0.50 (e)
Restructuring and related charges	0.05 (f)	0.16 (g)	0.20 (f)	0.34 (g)
Debt refinancing costs	—	—	0.14 (h)	0.36 (i)
Purchase accounting inventory adjustment	—	—	—	0.39 (j)
Income taxes	(0.26) (k)	(0.05) (l)	(0.56) (k)	0.80 (l)
Other	0.01 (m)	—	0.01 (m)	0.03 (n)
	(0.17)	0.21	(0.03)	2.48
Diluted income per share, as adjusted	$ 1.30	$ 0.90	$ 3.11	$ 2.12

(a) For the nine months ended June 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 June 29, 2014, reflects $1.7 million, net of tax, of Acquisition and integration related charges, as follows: (i) $2.2 million related to the acquisition of the HHI Business, consisting primarily of integration costs; (ii) $0.4 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) $(1.0) million related other adjustments.

(c) For the nine months ended June 29, 2014, reflects $9.4 million, net of tax, of Acquisition and integration related charges, as follows: (i) $7.3 million related to the acquisition of the HHI Business, consisting primarily of integration costs, legal and professional fees; (ii) $1.6 million related to the acquisition of Liquid Fence, consisting primarily of legal and professional fees; and (iii) $0.5 million related to the acquisition of Shaser.

(d) For the three months ended June 30, 2013, reflects $5.0 million, net of tax, of Acquisition and integration related charges as follows: (i) $4.1 million related to the acquisition of the HHI Business which consisted primarily of legal and professional fees; (ii) $0.2 million related to the acquisition of FURminator, consisting primarily of legal and professional fees; (iii) $0.4 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 primarily of legal and professional fees.

(e) For the nine months ended June 30, 2013, reflects $26.4 million, net of tax, of Acquisition and integration related charges, as follows: (i) $20.2 million related to the acquisition of the HHI Business which consisted primarily of legal and professional fees; (ii) $2.9 million related to the acquisition of Shaser consisting of integration and legal and professional services; (iii) $1.8 million related to the Merger with Russell Hobbs, consisting of integration costs; and (iv) $1.5 million related to the acquisition of FURminator and other acquisition activity, consisting primarily of legal and professional fees.

(f) For the three and nine months ended June 29, 2014, reflects $2.4 million $10.4 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 nine months ended June 30, 2013, reflects $8.6 million and $18.0 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 nine months ended June 29, 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 nine months ended June 30, 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 nine months ended June 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.

(k) For the three and nine months ended June 29, 2014, reflects adjustments to income tax expense of $(14.0) million and $(29.7) 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.

(l) For the three and nine months ended June 30, 2013, reflects adjustments to income tax expense of $(2.9) million and $42.2 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 nine months ended June 29, 2014, reflects adjustments for the accelerated amortization of stock compensation related to a retention agreement entered into with a key executive.

(n) For the nine months ended June 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 month period ended June 29, 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)	$ 44.5	$ 22.3	$ 47.8	$ 48.2	$ (84.8)	$ 78.0
Net (income) loss attributable to non-controlling interest	(0.1)	—	—	0.1	—	—
Net income (loss), as adjusted (a)	44.4	22.3	47.8	48.3	(84.8)	78.0
Income tax expense	—	—	—	—	20.6	20.6
Interest expense	—	—	—	—	47.3	47.3
Acquisition and integration related charges	1.3	—	0.6	0.4	0.4	2.7
Restructuring and related charges	2.6	0.5	—	0.6	—	3.7
Adjusted EBIT	48.3	22.8	48.4	49.3	(16.5)	152.3
Depreciation and amortization (b)	18.7	7.9	3.2	10.5	9.7	50.0
Adjusted EBITDA	$ 67.0	$ 30.7	$ 51.6	$ 59.8	$ (6.8)	$ 202.3

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.

SPECTRUM BRANDS HOLDINGS, INC.
Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA
For the nine month period ended June 29, 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)	$ 173.6	$ 54.2	$ 69.3	$ 115.3	$ (246.2)	$ 166.2
Net (income) loss attributable to non-controlling interest	(0.4)	—	—	0.6	—	0.2
Net income (loss), as adjusted (a)	173.2	54.2	69.3	115.9	(246.2)	166.4
Income tax expense	—	—	—	—	43.8	43.8
Interest expense	—	—	—	—	151.7	151.7
Acquisition and integration related charges	5.9	—	0.9	4.0	3.7	14.5
Restructuring and related charges	9.8	1.8	—	3.7	0.7	16.0
Adjusted EBIT	188.9	56.0	70.2	123.6	(46.3)	392.4
Depreciation and amortization (b)	53.4	23.6	9.4	31.2	27.5	145.1
Adjusted EBITDA	$ 242.3	$ 79.6	$ 79.6	$ 154.8	$ (18.8)	$ 537.5

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 three month period ended June 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)	$ 32.4	$ 24.5	$ 42.8	$ 39.6	$ (103.2)	$ 36.1
Net loss attributable to non-controlling interest	(0.2)	—	—	0.5	—	0.3
Net income (loss), as adjusted (a)	32.2	24.5	42.8	40.1	(103.2)	36.4
Income tax expense	—	—	—	—	15.2	15.2
Interest expense	—	—	—	—	61.5	61.5
Acquisition and integration related charges	1.2	0.4	0.1	1.2	4.8	7.7
Restructuring and related charges	8.3	1.4	0.2	2.3	1.0	13.2
Adjusted EBIT	41.7	26.3	43.1	43.6	(20.7)	134.0
Depreciation and amortization (b)	17.0	7.4	2.9	9.4	17.8	54.5
Adjusted EBITDA	$ 58.7	$ 33.7	$ 46.0	$ 53.0	$ (2.9)	$ 188.5

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 nine month period ended June 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 (loss) income attributable to controlling interest, as adjusted (a)	$ 159.1	$ 51.1	$ 59.0	$ 36.7	$ (324.4)	$ (18.5)
Net loss attributable to non-controlling interest	(0.4)	—	—	0.5	—	0.1
Net income (loss), as adjusted (a)	158.7	51.1	59.0	37.2	(324.4)	(18.4)
Pre-acquisition earnings of HHI (b)	—	—	—	30.3	—	30.3
Income tax expense	—	—	—	—	54.9	54.9
Interest expense	—	—	—	—	191.7	191.7
Acquisition and integration related charges	4.4	1.6	0.1	4.1	30.3	40.5
Restructuring and related charges	11.5	9.5	0.5	5.0	1.2	27.7
HHI Business inventory fair value adjustment	—	—	—	31.0	—	31.0
Venezuela devaluation	2.0	—	—	—	—	2.0
Adjusted EBIT	176.6	62.2	59.6	107.6	(46.3)	359.7
Depreciation and amortization (c)	49.7	22.0	8.7	19.7	32.6	132.7
Adjusted EBITDA	$ 226.3	$ 84.2	$ 68.3	$ 127.3	$ (13.7)	$ 492.4

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) 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 nine month periods ended June 29, 2014 and June 30, 2013
(Unaudited)
(In millions)

	THREE MONTHS			NINE MONTHS		
	F2014	F2013	INC %	F2014	F2013	INC %
Spectrum Brands Holdings, Inc.						
Net sales - as reported	$ 1,128.5	$ 1,089.8	3.6 %	$ 3,250.8	$ 2,947.8	10.3 %
HHI pre-acquisition Net sales (a)	—	—		—	191.8	
Pro Forma Net Sales	$ 1,128.5	$ 1,089.8	3.6 %	$ 3,250.8	$ 3,139.6	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