Spectrum Brands

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

Fiscal 2013 Third Quarter Earnings Call

August 6, 2013

Agenda

▪ **Introduction**	Dave Prichard Vice President, Investor Relations
▪ **FY13 Q3 Review and Full Year Outlook**	Dave Lumley Chief Executive Officer
▪ **Financial Highlights**	Tony Genito Chief Financial Officer
▪ **Q & A**	Dave Lumley Tony Genito Terry Polistina, President, Global Appliances Greg Gluchowski, President, HHI Randy Lewis, Senior Vice President & General Manager, Home and Garden

Spectrum Brands

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

FY13 Q3 Review and Q4 and Full Year Outlook

Important News Announced Separately This Morning

- Plan to refinance $950 million, 9.5% senior secured notes due 2018 with process expected to be completed in early September
  - Expected to result in a lower cost of capital and reduced cash interest expense

- Board of Directors has approved a new $200 million common stock repurchase program, effective for 24 months
  - Board action reflects its confidence in Spectrum Brands' future earnings power and strong free cash flow generation
  - Plan will be used in conjunction with debt reduction goals
  - With outlook for significant projected free cash flow growth in the coming year and beyond, this repurchase authorization now is an excellent use of future excess free cash flow and another way to return capital to shareholders

- Announced $100 million of term debt reduction to date, reiterated plans to pay down a total of at least $200 million of term debt in fiscal 2013 ending September 30

Spectrum Brands FY13 Q3 Review

- Q3 net sales increased 32% and adjusted EBITDA improved 42% on a reported basis
- Including HHI on a pro forma basis, Q3 net sales grew 1% and adjusted EBITDA was up 2%, and 3% on constant currency basis with solid margin of 17.3%
- 11th consecutive quarter of year-over-year adjusted EBITDA growth for legacy business, up 2.3% and 3.9% on a constant currency basis; Q3 adjusted EBITDA margin of 16.8% was record quarterly level
  - Focused spending, strong control of variable costs, higher global cost savings, and growth in Europe helped offset negative foreign exchange impacts and challenging macro-economic conditions
- HHI posted impressive Q3 results, with adjusted EBITDA margin nearly 19%, even with higher investment spending, and sales up 13%
- Record quarterly adjusted EBITDA performance with higher margins achieved even with major investments in Remington consumables, battery performance/production, e-commerce, and new product development /increased marketing for key HHI products to drive future growth

Spectrum Brands

FY13 Q3 Review

- Q3 results negatively impacted by macro factors
  - Unfavorable FX translation – not only the Euro but other currencies
  - Overall slower store traffic and cautious consumer spending in part due to cold, wet weather in April and early May in the U.S. and Europe
  - Heightened and aggressive competitor discounting in several businesses
  - Continued tightening of retailer reorder rates and inventory control
- Legacy business, despite these headwinds, had relatively flat sales save for:
  - Planned, continuing exit of $10 million of low/no-margin sales in North American small appliances, which is boosting gross margin percentages
  - Home and Garden $10 million sales shortfall merely from timing as cold, wet weather delayed spring season and shifted revenues into July
  - Home and Garden nonetheless improved its adjusted EBITDA margin
- Other product lines and geographies posted sales growth, especially in Europe and Latin America
  - Q3 highlight was strong overall sales and adjusted EBITDA performance in Europe, with and without negative FX, for all of our divisions
  - Company continues to perform well in Europe despite the region's economic challenges and recessionary pressures
- Q3 adjusted EBITDA and margin increased to record levels even as we continued to invest heavily in consumables, batteries, e-commerce and HHI new products/marketing for future growth
- Q3 adjusted EPS of $0.90 declined from $1.12 last year, including HHI in both periods, due primarily by higher non-cash stock compensation expense driven by our commitment to increasing employee stock-based award programs




FY13 Q4 Outlook

- Q4 should be record finish to FY13, with momentum carrying into higher FY14 results
- Higher sales and adjusted EBITDA expected in Q4 from legacy business and total company, including HHI, versus comparable prior year period
  - Legacy business sales should grow up to 2% with adjusted EBITDA improving as much as 3%, providing 12th consecutive quarter of year-over-year adjusted EBITDA growth
  - HHI sales growth could reach 10% along with adjusted EBITDA increase
  - Almost every division expected to have Q4 top-line growth versus last year
- Improved performance expected to be driven by:
  - Optimism about value-branded sales in back-to-school season time frame
  - Higher store traffic following lackluster June quarter, coupled with early retailer promotions and holiday sets
  - New product launches and expanded retailer distribution
  - Continued geographic growth – Western and Eastern Europe, Latin America
- Growth is coming even with heavy investments in new products
- Many new products are now launching, for example:
  - 2-Hour and 7-Hour Power for Rayovac and VARTA globally
  - U.S.-made chicken jerky for Pet
  - Kwikset Kevo Bluetooth door lock for HHI
  - George Foreman grills, Black and Decker toaster ovens, Remington shavers for appliances
- Retailer shelf space gains in all divisions, especially appliances and Pet, with strong bug season for Home and Garden as July monthly results showed
- Geographic growth in Europe and Latin America for Pet, appliances and batteries
- Commodity costs relatively flat
- Strong expense and variable cost controls and higher global operational savings should help offset any negative FX impacts

FY13 Full Year Outlook

- FY13 expected to be 4th consecutive record year for adjusted EBITDA and margin for legacy Spectrum Brands
- Total company FY13 adjusted EBITDA, including HHI and at current FX rates, expected to be between $640 million-$650 million
- Adjusted EBITDA growth would be higher except for our major growth investments in Remington consumables, e-commerce, batteries and HHI new products/marketing
- Total company FY13 net sales expected to be between $4,060 million-$4,100 million, or a more than 1% increase versus the comparable prior year period
- Spectrum Brands model is working – even more relevant now as retailers need more store traffic and POS with value-branded products
- FY13 free cash flow, including HHI, expected to reach at least $240 million
  - Reiterate plan to reduce total leverage and pay down at least $200 million of term debt in FY13
  - Higher level of debt reduction expected next year from increasing free cash flow
  - $100 million term debt paydown announced this morning – halfway toward $200 million FY13 debt reduction target
- Long-term objective is to maintain a total leverage ratio in the range of 2.5x-3.5x
- We will continue to manage Spectrum Brands to maximize sustainable free cash flow
  - FY12 free cash flow of $208 million was about $4 per share
  - FY13 free cash flow, including HHI, to be about $240 million, or nearly $5 per share
  - Opportunity to drive free cash flow per share on annualized, run-rate basis to at least $7 or perhaps more

Global Pet Supplies (United Pet Group)

- FY13 expected to be record year for sales, adjusted EBITDA and adjusted EBITDA margin
  - Adjusted EBITDA will have grown every quarter in FY13; 9% increase through 9 months
- Drivers of improved performance include:
  - Growth of high-margin FURminator product line globally
  - Geographic growth in companion animals in Europe and North America (for example, Dingo and Nature's Miracle)
  - Resumption of growth in North American aquatics
  - E-commerce increases
- Full slate of new products launching globally – North America, Europe and Japan
  - Entering large U.S. chicken jerky market approaching $200 million annually at retail level with U.S. manufactured product
- Shelf space increases at key retailers and new retail customers here and abroad
- Continuous improvement savings in FY13 on track to be more than twice the level achieved in FY12

Hardware & Home Improvement (HHI)

- HHI delivered strong Q3 results, following solid Q2
  - Sales grew 13% primarily from strength in U.S. residential security and faucets
  - Adjusted EBITDA margin approached 19%
- HHI on track to deliver an even stronger second half of calendar 2013 for sales and adjusted EBITDA, especially the December-end quarter
- HHI is winning in the marketplace, driving solid organic growth, gaining market share especially in residential locksets, benefiting from U.S. housing recovery, and launching innovative products like the Kwikset Kevo Bluetooth door lock
- New product investments, higher marketing spending on hero products like SmartKey and Kevo modestly tempering short-term adjusted EBITDA results even as sales grow
- Investments will accelerate growth into FY 14 and beyond
- Increasing U.S. housing starts are helping HHI
  - New construction channel sales correlate to U.S. new housing starts with 3-month lag
  - HHI retail sales correlate to existing home sales with 6-12 month lag
- Integration continues to progress smoothly – and ahead of schedule
  - Confident of achieving projected $10 million of synergies in first two calendar years – and maybe more
- HHI is the right acquisition at the right time

SMARTKEY
RE-KEY TECHNOLOGY

Remington (Personal Care)

- Q3 net sales essentially unchanged
  - Significantly higher sales in Europe nearly offset declines in Latin America and in North America where major retailer's one-time shaving/grooming shelf space reduction begun in Q1 impacted category results
  - Sales would have increased without this retailer's move
  - Personal care gains achieved at another major retailer
- Remington is gaining market share in 4 of 6 categories in which it competes in North America
- New shipments from women's and men's shelf space gains at several key North American retailers expected to drive higher volumes
- Remington global net sales may still increase for FY13 despite shelf space reduction in shaving/grooming
- Unique, patented i-LIGHT™ hair removal system saw strong Q3 launch in Brazil which may become our largest market for this product category
  - Mexico approval just received with Colombia clearance expected soon
- Remington is foundation for planned and increased spending in FY13 in global e-commerce and consumables, which are new growth categories globally
- This spending has impacted our adjusted EBITDA performance this year
  - Yielded valuable insights for product development and marketplace strategy
  - Strong confirmation that the Remington brand is a well-known, innovative global brand that consumers trust
- Remington name works well in wet shave at retail
  - Strategy has now been strengthened for entering this large, growing market through a global licensing agreement

Small Appliances (Russell Hobbs)

- Sales growth continued in Q3 in Europe and Latin America, overcoming major unfavorable FX impact from several currencies
- Half of legacy Spectrum Brands' sales shortfall in Q3 due simply to planned, continuing exit of another $10 million of low/no-margin North American promotions
  - $30 million of sales exits in first half of FY13
  - Program begun in FY12 is working well and boosting gross margin percentages
  - Q3 North America small appliances gross margin percentage up nearly 350 basis points, following 300 and 450 basis point increases in first two quarters of FY13
  - Impact especially significant as North America is the largest geographic segment of the business
  - Expect this sales exit process to continue in Q4

- New product launches, select pricing and shelf space gains helping Q4 sales
- Most new products launching this year since business was acquired in 2010
  - New George Foreman grills, Black and Decker toaster ovens, irons
  - Major new product introductions set for FY14

- Global cost improvement is a major success story this year
  - FY13 cost savings are tracking twice the rate of FY12
  - Moderating, but continuing, Asian supplier cost increases are being more than offset from higher cost savings, new products, select pricing, distribution gains and strong expense control

Home and Garden (United Industries)

- U.S. weather in April/early May very challenging for our product categories, delaying start of spring season and pushing sales into July
  - Coldest spring in U.S. weather history after 2nd warmest on record last year
- Q3 sales decline of 6% compared to record third quarter level last year
  - Net share gains against competition achieved
  - "New" Black Flag line saw growth
- Better-than-expected profitability driven by aggressive expense management and strong cost improvements despite the weather
- Q3 adjusted EBITDA declined only slightly versus record $47.5 million in FY12
- Q3 adjusted EBITDA margin, however, increased to 29.4% versus 28.5% last year, which was a record quarter
- Home and Garden tracking to finish strong in Q4
  - July sales, largely higher-margin repellents, increased double-digit versus last year
  - Strong bug/mosquito season favorable for repellent sales
  - Retailers are responding to the Spectrum Value Model, continuing to support the season and pushing repellent products
- Excellent continuous improvement programs and operating expense management in FY13
- Home and Garden intent on delivering another year of record adjusted EBITDA in FY13 despite Mother Nature
- Early optimism about distribution gains and increased promotional support in FY14

Global Batteries

- Global batteries delivering adjusted EBITDA growth in very aggressive market
  - Strong EBITDA producing, cash flow generator with steady performance
- Good momentum with new smart phone power products and distribution expansion, with opportunities for new retailer business and shelf space gains
- Our brands, Rayovac and VARTA, are winning in hyper-competitive categories
- European VARTA ® growth continued in Q3, following first half gains, from new customer listings and expansion into new channels
- Latin American business impacted by lower exports into Venezuela but saw growth in alkaline and lights in Q3
- Rayovac® North American market share increased versus prior year
  - Double-digit unit growth in large, important non-Nielsen measured channel
  - Sales results were impacted almost totally by only one large private label retailer
  - Key retailers further tightened inventory levels and trimmed reorders
  - Aggressive competitor discounting intensified recently
- Global battery long-term strategy is working
  - “Same or better performance/less price” value proposition is winning
  - Presence with prominent retailers globally has grown considerably
  - New products driving global excitement – 2-Hour and 7-Hour power, emergency lighting, rechargeable lights, longest-lasting hearing aid battery
- Capital focused on battery performance enhancements, cost improvement, new distribution/shelf space gains, and expense reduction
- Goal remains to help the retailer grow the category, increase market share and provide the best value to consumers

Spectrum Brands

Tony Genito
Chief Financial Officer

Financial Highlights

Financial Highlights

- Q3 gross margin of 35.1%, including HHI, versus 35.4% for legacy business in FY12
  - Margin decrease driven by unfavorable product mix and increased product costs
  - Q3 gross margin for legacy business was 35.0%
- Q3 SG&A expenses, excluding HHI, of $178 million were down slightly versus $181 million last year and also decreased in the nine month period
- Q3 interest expense of $62 million increased $22 million from prior year due primarily to higher interest expense of about $21 million related to debt financing for the HHI acquisition
- Q3 effective tax rate was 29% versus a $5 million tax benefit last year
- FY13 effective tax rate now expected to be 25% to 35%
- Restructuring, acquisition and integration charges increased to $21 million in Q3 versus $9 million last year, primarily driven by implementation of a series of initiatives across the Company to reduce operating costs
- Q3 cash interest was $94 million vs. $58 million last year driven by the financing for the HHI acquisition
- FY13 cash interest, excluding one-time HHI financing items of $23 million, expected to be approximately $185-$190 million

Financial Highlights

- Q3 cash taxes were $9 million versus $6 million primarily due to the HHI acquisition
- Level of NOLs to be utilized means no U.S. federal tax payments for 5 to 10 years
- Normal annual run rate of cash taxes, including HHI for a full year, is expected to be $60-$70 million
- FY13 cash taxes, including HHI for only approximately 3 quarters, estimated in similar range of $60-$70 million, primarily due to timing of payments between FY12 and FY13 in Germany
- Solid liquidity position at end of Q3 with $70 million drawn on $400 million ABL facility, a cash balance of $99 million and total debt at par of $3,230 million
- FY13 free cash flow estimated at approximately $240 million, or nearly $5 per share, net of HHI acquisition costs
- Normal annual Cap-x level is approximately $65-$70 million, including HHI for a full year
- FY13 Cap-x estimated at slightly higher level of $70-$80 million, including HHI
  - Over 2/3 is investments in new production capacity, lockset production infrastructure for Tong Lung integration, technology infrastructure, new product development, and cost reduction
  - FY13 investments will accelerate R&D, new product enhancements and new product introductions in FY14 and beyond

Spectrum Brands

Remington | Russell Hobbs (At the heart of your home) | United Pet Group, Inc

United Industries | Hardware & Home Improvement | Varta | Rayovac

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

Weiser | iLight Pro | Marineland | Instant Ocean | Stanley | FURminator | Pro·Sense

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

smooth & silky | Black Flag | Sportsman | Real-Kill | Birdola | Jungle | Perfect Coat | TAT | Pro Line Advanced

Ecotrition | National Hardware | Petnation | GEO | Wild Harvest | Breadman | UltraStop | Fortis

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 months ended June 30, 2013 and July 1, 2012

(Unaudited)

($ in millions, except per share amounts)

	THREE MONTHS			NINE MONTHS		
	F2013	F2012	INC %	F2013	F2012	INC %
Net sales	$ 1,089.8	$ 824.8	32.1 %	$ 2,947.8	$ 2,419.9	21.8 %
Cost of goods sold	706.1	531.1		1,949.3	1,575.8	
Restructuring and related charges	1.0	2.0		4.7	8.3	
Gross profit	382.7	291.7	31.2 %	993.8	835.8	18.9 %
Selling	165.2	129.9		465.0	391.5	
General and administrative	70.4	50.9		197.6	158.1	
Research and development	11.5	8.5		31.5	23.8	
Acquisition and integration related charges	7.7	5.3		40.5	20.6	
Restructuring and related charges	12.2	1.9		23.0	7.6	
Total operating expenses	267.0	196.5		757.6	601.6	
Operating income	115.7	95.2		236.2	234.2	
Interest expense	61.5	39.7		191.8	150.1	
Other expense, net	2.6	2.2		7.9	2.2	
Income from continuing operations before income taxes	51.6	53.3		36.5	81.9	
Income tax expense (benefit)	15.2	(5.4)		54.9	38.8	
Net income (loss)	36.4	58.7		(18.4)	43.1	
Less: Net income attributable to non-controlling interest	0.3	—		0.1	—	
Net income (loss) attributable to controlling interest	$ 36.1	$ 58.7		$ (18.5)	$ 43.1	
Average shares outstanding (a)	**52.1**	**51.3**		**52.0**	**51.7**	
Basic income (loss) per share attributable to controlling interest	**$ 0.69**	**$ 1.14**		**$ (0.36)**	**$ 0.83**	
Average shares and common stock equivalents outstanding (a) (b)	**52.7**	**51.8**		**52.0**	**52.1**	
Diluted income (loss) per share attributable to controlling interest	**$ 0.69**	**$ 1.13**		**$ (0.36)**	**$ 0.83**	
Cash dividends declared per common share	**$ 0.25**	**$ —**		**$ 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 months ended June 30, 2013 and July 1, 2012

(Unaudited)

($ in millions)

Supplemental Financial Data	F2013	F2012
Cash and cash equivalents	$ 99.0	$ 62.4
Trade receivables, net	$ 479.3	$ 342.4
Days Sales Outstanding (a)	39	39
Inventory	$ 707.3	$ 552.5
Inventory Turnover (b)	4.0	4.0
Total debt	$ 3,226.1	$ 1,827.1

	THREE MONTHS		NINE MONTHS	
Supplemental Cash Flow Data	F2013	F2012	F2013	F2012
Depreciation and amortization, excluding amortization of debt issuance costs	$ 54.5	$ 30.4	$ 132.7	$ 91.0
Capital expenditures	$ 24.5	$ 14.5	$ 45.2	$ 33.1

	THREE MONTHS		NINE MONTHS	
Supplemental Segment Sales & Profitability	F2013	F2012	F2013	F2012
Net Sales				
Global Batteries & Appliances	$ 491.6	$ 500.7	$ 1,626.2	$ 1,670.0
Global Pet Supplies	156.4	157.5	456.6	449.0
Home and Garden	156.6	166.6	289.1	300.9
Hardware & Home Improvement	285.2	—	575.9	—
Total net sales	$ 1,089.8	$ 824.8	$ 2,947.8	$ 2,419.9
Segment Profit				
Global Batteries & Appliances	$ 44.9	$ 47.1	$ 181.7	$ 185.7
Global Pet Supplies	26.5	22.5	62.8	57.8
Home and Garden	43.1	44.2	59.6	60.5
Hardware & Home Improvement	43.0	—	46.5	—
Total segment profit	157.5	113.8	350.6	304.0
Corporate	20.9	9.4	46.2	33.3
Acquisition and integration related charges	7.7	5.3	40.5	20.6
Restructuring and related charges	13.2	3.9	27.7	15.9
Interest expense	61.5	39.7	191.8	150.1
Other expense, net	2.6	2.2	7.9	2.2
Income from continuing operations before income taxes	$ 51.6	$ 53.3	$ 36.5	$ 81.9

(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 nine months ended June 30, 2013 and July 1, 2012

(Unaudited)

	THREE MONTHS				NINE MONTHS			
	F2013		F2012		F2013		F2012	
Diluted loss per share, as reported	$ 0.69		$ 1.13		$ (0.36)		$ 0.83	
Adjustments, net of tax:								
Pre-acquisition earnings of HHI	—		0.33	(a)	0.06	(a)	0.62	(a)
Acquisition and integration related charges	0.10	(b)	0.07	(d)	0.50	(c)	0.26	(e)
Restructuring and related charges	0.16	(f)	0.05	(g)	0.34	(f)	0.20	(g)
Debt refinancing costs	—		—		0.36	(h)	0.34	(i)
Purchase accounting inventory adjustment	—		—		0.39	(j)	—	
Venezuela devaluation	—		—		0.02	(k)	—	
Income taxes	(0.05)	(l)	(0.46)	(m)	0.81	(l)	0.19	(m)
	0.21		(0.01)		2.48		1.61	
Diluted income per share, as adjusted	$ 0.90		$ 1.12		$ 2.12		$ 2.44	

(a) For the nine months ended June 30, 2013 and the three and nine months ended July 1, 2012, reflects $3.2 million, $17.3 million and $32.2 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 Taiwan business as stand alone financial data is not available for the periods presented. The TLM Taiwan business is not deemed material to the Company's operating results.

(b) 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, consisting primarily of legal and professional fees; (ii) $0.2 million related to the acquisition of FURminator, consisting of integration costs; (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 of legal and professional fees.

(c) 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, consisting primarily of legal and professional fees; (ii) $2.9 million related to the acquisition of Shaser, consisting of integration and legal and professional fees; (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 of integration costs.

(d) For the three months ended July 1, 2012, reflects $3.4 million, net of tax, of Acquisition and integration related charges as follows: (i) $1.9 million related to the merger with Russell Hobbs which consisted primarily of integration costs; (ii) $1.1 million related to the acquisition of FURminator, consisting primarily of legal and professional fees; and (iii) $0.4 million related to the acquisition of Black Flag, consisting primarily of legal and professional fees.

(e) For the nine months ended July 1, 2012, reflects $13.4 million, net of tax, of Acquisition and integration related charges as follows: (i) $7.6 million related to the merger with Russell Hobbs which consisted primarily of integration costs; (ii) $4.1 million related to the acquisition of FURminator, consisting primarily of legal and professional fees; and (iii) $1.7 million related to the acquisition of Black Flag and other acquisition activity, consisting primarily of legal and professional fees.

(f) 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.

(g) For the three and nine months ended July 1, 2012, reflects $2.5 million and $10.3 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 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.

(i) For the nine months ended July 1, 2012, reflects $17.9 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 12% Notes during the fiscal quarter ended April 1, 2012.

(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 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.

(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 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 July 1, 2012, reflects adjustments to income tax expense of $(24.0) million and $10.1 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.

Table 4
SPECTRUM BRANDS HOLDINGS, INC.
Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA
For the three months 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 income 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 months 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)	$ 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 Taiwan business as stand alone financial data is not available for the periods presented. The TLM Taiwan 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 4

SPECTRUM BRANDS HOLDINGS, INC.

Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA

For the three months ended July 1, 2012

(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), as adjusted (a)	$ 40.9	$ 18.8	$ 44.0	$ —	$ (44.9)	$ 58.7
Pre-acquisition earnings of HHI (b)	—	—	—	52.5	—	52.5
Income tax benefit	—	—	—	—	(5.4)	(5.4)
Interest expense	—	—	—	—	39.7	39.7
Acquisition and integration related charges	3.0	1.7	—	—	0.5	5.2
Restructuring and related charges	1.8	1.7	0.2	—	0.1	3.9
Adjusted EBIT	45.7	22.2	44.2	52.5	(10)	154.6
Depreciation and amortization (c)	15.5	7.1	3.3	—	4.5	30.4
Adjusted EBITDA	$ 61.2	$ 29.3	$ 47.5	$ 52.5	$ (5.5)	$ 185.0

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 Taiwan business as stand alone financial data is not available for the periods presented. The TLM Taiwan 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 4

SPECTRUM BRANDS HOLDINGS, INC.

Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA

For the nine months ended July 1, 2012

(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), as adjusted (a)	$ 166.4	$ 46.7	$ 58.7	$ —	$ (228.9)	$ 43.1
Pre-acquisition earnings of HHI (b)	—	—	—	130.1	—	130.1
Income tax expense	—	—	—	—	38.8	38.8
Interest expense	—	—	—	—	150.1	150.1
Acquisition and integration related charges	11.2	3.6	0.6	—	5.2	20.6
Restructuring and related charges	7.0	6.9	1.2	—	0.9	15.9
Adjusted EBIT	184.6	57.2	60.5	130.1	(33.9)	398.6
Depreciation and amortization (c)	46.0	20.2	9.1	—	15.8	91.0
Adjusted EBITDA	$ 230.6	$ 77.4	$ 69.6	$ 130.1	$ (18.1)	$ 489.6

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 Taiwan business as stand alone financial data is not available for the periods presented. The TLM Taiwan 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 months ended June 30, 2013 and July 1, 2012

(Unaudited)

(In millions)

	THREE MONTHS			NINE MONTHS		
	F2013	F2012	INC %	F2013	F2012	INC %
Spectrum Brands Holdings, Inc. Net sales - as reported	$ 1,089.8	$ 824.8	32.1 %	$ 2,947.8	$ 2,419.9	21.8 %
HHI pre-acquisition Net sales (a)	—	253.0		191.8	716.9	
Pro Forma Net Sales	$ 1,089.8	$ 1,077.8	1.1 %	$ 3,139.6	$ 3,136.8	0.1 %

(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 Taiwan business as stand alone financial data is not available for the periods presented. The TLM Taiwan 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 months ended September 30, 2013

(Unaudited)

($ in millions)

Forecasted:	
Net Cash provided from Operating Activities	$ 310 - 320
Purchases of property, plant and equipment	(70) - (80)
Free Cash Flow	$ 240

Table 7

SPECTRUM BRANDS HOLDINGS, INC.

Reconciliation of Forecasted Net Income to Forecasted Adjusted EBITDA

For the twelve months ended September 30, 2013

(Unaudited)

($ in millions)

Forecasted:

Net income	$ 125 - 140
Income tax expense	41
Interest expense	230
Acquisition and integration related charges	12
Restructuring and related charges	19
HHI Business inventory fair value adjustment	31
Venezuela devaluation	2
Adjusted EBIT	$ 460 - 470
Depreciation and amortization (a)	180
Adjusted EBITDA	$ 640 - 650

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