

Spectrum Brands Holdings, Inc.  
Form S-4  
March 29, 2010  
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As filed with the Securities and Exchange Commission on March 29, 2010

Registration No. 333-

**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM S-4**

**REGISTRATION STATEMENT**

*UNDER*

*THE SECURITIES ACT OF 1933*

**SPECTRUM BRANDS HOLDINGS, INC.**

(Exact name of Registrant as specified in its charter)

**Delaware**  
(State of other jurisdiction of  
incorporation or organization)

**3692**  
(Primary Standard Industrial Classification  
Code Number)

**27-2166630**  
(I.R.S. Employer  
Identification No.)

c/o Russell Hobbs, Inc.  
3633 S. Flamingo Road

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Miramar, FL 33027

(954) 883-1000

(Address, Including Zip Code, and Telephone Number including Area Code, of Registrant's Principal Executive Offices)

**Terry L. Polistina**

**President**

**Spectrum Brands Holdings, Inc.**

**c/o Russell Hobbs, Inc.**

**3633 S. Flamingo Road**

**Miramar, FL 33027**

**(954) 883-1000**

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

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**New York, New York 10019-6064**

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**Telephone: 212-373-3000**

**Approximate Date of commencement of proposed sale to the public:** As soon as practicable after the effective date of this registration statement and all conditions of the proposed transaction have been satisfied or waived as described in the Agreement and Plan of Merger, dated as of February 9, 2010 (as amended).

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If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer "
  Accelerated filer "
  Non-accelerated filer  (Do not check if a smaller reporting company)
  Smaller reporting company "

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) "
  Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) "

### CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered <sup>(1)</sup>	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price <sup>(2)</sup>	Amount of Registration Fee <sup>(3)</sup>
Common Stock, par value \$0.01 per share	30,629,213	N/A	\$763,279,988	\$54,421.86

- (1) Represents the maximum number of shares of the common stock of the Registrant that may be issued to holders of shares of common stock, par value \$0.01 per share, of Spectrum Brands, Inc. (the "Spectrum Shares") upon the completion of the Spectrum merger as described herein.
- (2) Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act and calculated pursuant to Rules 457(f)(1) and 457(c) under the Securities Act. The proposed maximum aggregate offering price of the registrant's common stock was calculated based upon the market value of the Spectrum Shares (the securities to be canceled in the Spectrum merger) in accordance with Rule 457(c) and is equal to the product of (i) \$24.92, the average of the high and low prices per Spectrum Share on the New York Stock Exchange on March 23, 2010, multiplied by (ii) 30,629,213, the maximum number of Spectrum Shares that may be canceled and exchanged in the Spectrum merger as of March 23, 2010.
- (3) Estimated pursuant to Rule 457(f)(1) solely for the purpose of computing the amount of the registration fee, based on the average of the high and low prices of the Spectrum Shares on March 23, 2010.

**The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**



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**Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This document shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.**

**PRELIMINARY SUBJECT TO COMPLETION DATED MARCH 29, 2010**

**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

Dear Stockholder,

On February 9, 2010, upon the unanimous recommendation to the board of directors of a committee consisting solely of independent directors, the board of directors of Spectrum Brands, Inc., a Delaware corporation ( "Spectrum " ), approved and Spectrum signed a definitive Agreement and Plan of Merger (as amended, the "merger agreement ") with Russell Hobbs, Inc., a Delaware corporation ( "Russell Hobbs " ), a marketer and distributor of a broad range of branded small household appliances. The combination of Spectrum and Russell Hobbs will create:

a premier consumer products company with \$3 billion in annual revenues with products carried in more than one million retail outlets globally;

a diverse portfolio of market leading brands, including *Rayovac, VARTA, Remington, Hot Shot, Cutter, Repel, Spectracide, Tetra, 8 in 1 Dingo, Black & Decker, George Foreman, Russell Hobbs, LitterMaid and Toastmaster*;

a combined company that will be able to leverage the sales, distribution and administrative infrastructure of Spectrum and Russell Hobbs to realize cost synergies and to pursue revenue growth opportunities; and

a stronger capital structure with reduced financial risk (transaction is expected to lower leverage ratio, reduce debt cost, extend debt maturity profile and enhance liquidity compared to Spectrum's existing capital structure).

As part of the proposed transaction, Spectrum and Russell Hobbs will become subsidiaries of Spectrum Brands Holdings, Inc., a newly-created Delaware holding corporation ( "SB Holdings " ). It is anticipated that SB Holdings will trade on the New York Stock Exchange (the "NYSE ") under the symbol [      ]. Upon the consummation of the proposed transaction, (i) Spectrum stockholders will be entitled to receive one share of common stock of SB Holdings in exchange for each share they hold of common stock in Spectrum and (ii) Russell Hobbs stockholders will be entitled to receive shares of SB Holdings in exchange for their shares of Russell Hobbs common stock and preferred stock in accordance with the terms of the merger agreement.

At a special meeting of Spectrum stockholders, Spectrum stockholders will be asked to vote on the adoption of the merger agreement described in this proxy statement/prospectus. Adoption of the merger agreement requires the affirmative votes of the holders of (i) a majority of the outstanding shares of Spectrum common stock entitled to vote (including the shares of Harbinger Capital Partners Master Fund I, Ltd. ( "Harbinger Master Fund " ), a Cayman Islands exempted company, and two of its affiliates, Harbinger Capital Partners Special Situations Fund, L.P. ( "Harbinger Special Situations Fund " ) and Global Opportunities Breakaway Ltd. ( "Breakaway Fund " ) (collectively, the "Harbinger Parties " )) and (ii) a majority of the outstanding shares of Spectrum common stock entitled to vote (excluding the shares of the Harbinger Parties (except any shares of Spectrum common stock acquired by the Harbinger Parties after March 1, 2010)).

The Harbinger Parties currently own approximately 40% of the shares of outstanding Spectrum common stock and 100% of the shares of outstanding Russell Hobbs common and preferred stock. The Harbinger Parties have entered into agreements with Spectrum pursuant to which they have agreed to vote all of their shares of Spectrum common stock acquired prior to the date of the merger agreement in favor of the adoption of the merger agreement and against any Alternative Proposal (as defined in the merger agreement) that would impede the mergers, and all of their shares of Spectrum common stock acquired after March 1, 2010 in proportion to the votes of the other stockholders. Following the consummation of the proposed transaction, the Harbinger Parties are expected to own approximately 64% of SB Holdings (assuming that the Harbinger Parties do not acquire additional shares of Spectrum common stock prior to the consummation of the mergers).

On February 8, 2010, the last full trading day before the merger agreement was signed, the closing sales price of Spectrum common stock, which at the time traded on the OTC Bulletin Board and the Pink Sheet Electronic Quotation Service under the symbol SPEB, was \$29.00 per share. Spectrum common stock has been listed on the NYSE under the symbol SPB since March 18, 2010.

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Upon the unanimous recommendation to the board of directors of a committee consisting solely of independent directors, Spectrum's board of directors has determined that the merger agreement and the proposed transaction are advisable and in the best interests of Spectrum stockholders, other than the Harbinger Parties, and recommends that its stockholders vote **FOR** adoption of the merger agreement and **FOR** approval of the proposal to adjourn the Spectrum special meeting, if necessary, to solicit additional proxies if there are not sufficient votes at the time of the Spectrum special meeting to adopt the merger agreement. The proposed transaction is conditioned upon the adoption of the merger agreement by Spectrum stockholders, receipt of applicable regulatory approvals and other conditions described in the attached proxy statement/prospectus.

It is important that your shares are represented at the special meeting, whether or not you plan to attend the meeting. Abstentions and failures to vote will have the same effect as votes **Against** the proposal to adopt the merger agreement. **Accordingly, please submit a proxy by telephone or the Internet or complete, date, sign and return promptly your proxy card in the enclosed postage pre-paid envelope.** You may attend the special meeting and vote your shares in person if you wish, even though you have previously returned your proxy.

This document concisely describes the special meeting, the proposed transaction, the documents related to the proposed transaction and other related matters that a Spectrum stockholder ought to know before voting on the proposals described herein and should be retained for future reference. Please carefully read this entire document, including the **Risk Factors** section beginning on page 29, for a discussion of the risks relating to the proposed transaction. You also can obtain information about Spectrum from documents that it has filed with the Securities and Exchange Commission. See **Where You Can Find More Information** for instructions on how to obtain such information.

Sincerely,

Kent J. Hussey  
*Chief Executive Officer and Chairman of the Board*  
*Spectrum Brands, Inc.*

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the common stock of SB Holdings to be issued under this proxy statement/prospectus or determined if this proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The date of this document is [            ], 2010 and it is first being mailed or otherwise delivered to Spectrum stockholders on or about [            ], 2010.

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**Spectrum Brands, Inc.**

Six Concourse Parkway, Suite 3300

Atlanta, GA 30328

(770-829-6200)

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON [                      ], 2010**

Dear Stockholder:

You are cordially invited to attend the special meeting of stockholders of Spectrum Brands, Inc., a Delaware corporation (Spectrum). The meeting will be held on [                      ], [                      ] at [                      ], at [                      ], for the following purposes:

1. To consider and vote upon the adoption of the Agreement and Plan of Merger, dated as of February 9, 2010, as amended (the merger agreement), by and among Spectrum, Russell Hobbs, Inc., Spectrum Brands Holdings, Inc. (SB Holdings), Battery Merger Corp., a direct wholly-owned subsidiary of SB Holdings, and Grill Merger Corp., a direct wholly-owned subsidiary of SB Holdings, all Delaware corporations.
2. To consider and vote upon an adjournment of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the special meeting to vote in favor of adoption of the merger agreement.
3. To transact such other business as may properly come before the special meeting and any adjournment or postponement thereof.

**Upon the unanimous recommendation to the board of directors of a committee consisting solely of independent directors, Spectrum's board of directors has determined that the merger agreement and the proposed transaction are advisable and in the best interests of Spectrum stockholders, other than the Harbinger Parties (defined below), and recommends that its stockholders vote FOR adoption of the merger agreement and FOR approval of the proposal to adjourn the Spectrum special meeting, if necessary, to solicit additional proxies if there are not sufficient votes at the time of the Spectrum special meeting to adopt the merger agreement.**

The board of directors of Spectrum has fixed [                      ], 2010 as the record date for the determination of stockholders entitled to notice of, and to vote at, the special meeting and any adjournment or postponement thereof. Only holders of record of shares of Spectrum common stock at the close of business on the record date are entitled to notice of, and to vote at, the special meeting. At the close of business on the record date, Spectrum had [                      ] shares of common stock outstanding and entitled to vote.

You have the option to revoke the proxy at any time prior to the meeting or to vote your shares personally on request if you attend the meeting.

**Your vote is important. The affirmative votes of the holders of (i) a majority of the outstanding shares of Spectrum common stock entitled to vote (including the shares of Harbinger Capital Partners Master Fund I, Ltd., a Cayman Islands exempted company, and two of its affiliates, Harbinger Capital Partners Special Situations Fund, L.P. and Global Opportunities Breakaway Ltd. (collectively, the Harbinger Parties)) and (ii) a majority of the outstanding shares of Spectrum common stock entitled to vote (excluding the shares of the Harbinger Parties (except any shares of Spectrum common stock acquired by the Harbinger Parties after March 1, 2010)) on the record date for the special meeting are required for adoption of the merger agreement. If a quorum is present, the affirmative vote of the holders of a majority of the votes represented at the meeting and entitled to vote on the matter is required to approve an adjournment of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the special meeting to vote in favor of adoption of the merger agreement.**

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**Whether or not you expect to attend the special meeting in person, please submit a proxy by telephone or over the Internet as instructed in these materials, or complete, date, sign and return the enclosed proxy card, as promptly as possible in order to ensure we receive your proxy with respect to your shares.** Instructions are shown on the proxy card. A return envelope (which is postage pre-paid if mailed in the United States) is enclosed for your convenience.

If you sign, date and mail your proxy card without indicating how you wish to have your shares voted, the shares represented by the proxy will be voted in favor of adoption of the merger agreement (Proposal No. 1) and an adjournment of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the special meeting to vote in favor of adoption of the merger agreement (Proposal No. 2). If you fail to submit a proxy by telephone or over the Internet or return your proxy card, or if your shares are held in street name and you do not instruct your broker how to vote your shares, the effect will be as though you cast a vote Against the adoption of the merger agreement. If you attend the special meeting and wish to vote in person, you may withdraw your proxy and vote in person prior to the close of voting at the special meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the special meeting, you must obtain a proxy issued in your name from that record holder.

Please do not send any documents representing your ownership of Spectrum common stock at this time.

BY ORDER OF THE BOARD OF DIRECTORS,

John T. Wilson, Esq.  
Senior Vice President, Secretary and General Counsel  
Atlanta, Georgia

[ ], 2010



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**REFERENCES TO ADDITIONAL INFORMATION**

This proxy statement/prospectus incorporates important business and financial information about Spectrum from documents that are not included in or delivered with this document. You may have already been sent some of the documents incorporated by reference, but you can obtain any of them through the Securities and Exchange Commission website at <http://www.sec.gov> or from Spectrum, excluding all exhibits (unless an exhibit has been specifically incorporated herein by reference), by requesting them in writing or by telephone from Spectrum at the following address:

**Spectrum Brands, Inc.**

Six Concourse Parkway, Suite 3300

Atlanta, GA 30328

(770) 829-6200

You can also get more information by visiting Spectrum's website at [www.spectrumbrands.com](http://www.spectrumbrands.com). Website materials are not part of this proxy statement/prospectus.

*You will not be charged for any of these documents that you request. If you would like to request documents from Spectrum, please do so by [ ], 2010 to receive them before the special stockholders' meeting. If you request any incorporated documents, Spectrum will strive to mail them to you by first-class mail, or other equally prompt means, within one business day of receipt of your request.*

See Where You Can Find More Information.

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Annex A-2	<u>Amendment to Agreement and Plan of Merger, dated as of March 1, 2010, by and among Spectrum Brands, Inc., Russell Hobbs, Inc., Spectrum Brands Holdings, Inc., Battery Merger Corp. and Grill Merger Corp.</u>
Annex A-3	<u>Second Amendment to Agreement and Plan of Merger, dated as of March 26, 2010, by and among Spectrum Brands, Inc., Russell Hobbs, Inc., Spectrum Brands Holdings, Inc., Battery Merger Corp. and Grill Merger Corp.</u>
Annex B	<u>Opinion of Barclays Capital Inc.</u>

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**QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND  
THE PROPOSED TRANSACTION**

*The questions and answers below highlight only selected procedural information from this proxy statement/prospectus. They do not contain all of the information that may be important to you. You should read carefully this entire proxy statement/prospectus to fully understand the Agreement and Plan of Merger and the transactions contemplated thereby and the voting procedures for the special meeting. Unless otherwise indicated in this proxy statement/prospectus or the context otherwise requires, throughout this proxy statement/prospectus we generally refer to Spectrum Brands, Inc. and, where applicable, its consolidated subsidiaries as Spectrum, Russell Hobbs, Inc. and, where applicable, its consolidated subsidiaries as Russell Hobbs, Spectrum Brands Holdings, Inc., a newly formed holding company, as SB Holdings, Battery Merger Corp., a direct wholly-owned subsidiary of SB Holdings, as Battery Sub, Grill Merger Corp., a direct wholly-owned subsidiary of SB Holdings, as Grill Sub, Harbinger Capital Partners Master Fund I, Ltd. and two of its affiliates as the Harbinger Parties and the Agreement and Plan of Merger, dated as of February 9, 2010, by and among Spectrum, Russell Hobbs, SB Holdings, Battery Sub and Grill Sub, as amended, as the merger agreement .*

**Q: What are the mergers?**

A: On February 9, 2010, Spectrum entered into the merger agreement with Russell Hobbs, SB Holdings, Battery Sub and Grill Sub. Under the merger agreement, (i) Battery Sub will merge with and into Spectrum, with Spectrum as the surviving corporation (the Spectrum merger ), and (ii) Grill Sub will merge with and into Russell Hobbs, with Russell Hobbs as the surviving corporation (the Russell Hobbs merger, which, together with the Spectrum merger, are referred to herein as the mergers ). Battery Sub and Grill Sub are both direct wholly-owned subsidiaries of SB Holdings. Upon the consummation of the mergers, (i) stockholders of Spectrum will be entitled to receive in the Spectrum merger one share of the common stock of SB Holdings ( SB Holdings common stock ) in exchange for each share they hold of Spectrum common stock (the Spectrum common stock ) and (ii) Russell Hobbs stockholders will be entitled to receive shares of SB Holdings in exchange for their shares of Russell Hobbs common stock and preferred stock (the Russell Hobbs Stock ) in accordance with the terms of the merger agreement and based on a \$675 million enterprise value of Russell Hobbs, subject to various adjustments set forth in the merger agreement, and a \$31.50 per share valuation of Spectrum common stock. Furthermore, as part of the transaction, the Harbinger Parties have agreed to convert their existing approximately \$158 million principal amount of Russell Hobbs term debt into SB Holdings common stock at a price of \$31.50 per share, which is included in the \$675 million enterprise value of Russell Hobbs. As a result of the mergers, the stockholders of Spectrum (other than the Harbinger Parties) are expected to own approximately 36% of SB Holdings, and the Harbinger Parties are expected to own approximately 64% of SB Holdings (assuming that the Harbinger Parties do not acquire additional shares of Spectrum common stock prior to the consummation of the mergers). For more details regarding the mergers, see The Proposed Transaction and The Merger Agreement (Proposal No. 1). Copies of the merger agreement and the two amendments to the merger agreement are attached as Annex A-1, Annex A-2 and Annex A-3, respectively.

**Q: Why am I receiving these materials?**

A: We sent you this proxy statement/prospectus and the enclosed proxy card because you have been identified as a stockholder of record of Spectrum and the board of directors of Spectrum is soliciting your proxy to vote at a special meeting of stockholders. You may submit a proxy by telephone or over the Internet as further described in these materials or you may complete, date, sign and return the enclosed proxy card. We strongly encourage stockholders to submit a proxy by telephone or over the Internet. You are also invited to attend the special meeting in person, although you do not need to attend the special meeting to have your shares voted at the special meeting. We intend to mail this proxy statement/prospectus and accompanying proxy card on or about [ ], 2010 to all stockholders of record entitled to vote at the special meeting.

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**Q: What is the prior relationship among the Harbinger Parties, Spectrum and Russell Hobbs?**

A: The Harbinger Parties currently own approximately 40% of the outstanding Spectrum common stock and 100% of the outstanding Russell Hobbs Stock. For additional information, see the sections entitled [The Proposed Transaction](#), [Background of the Proposed Transaction](#), [The Proposed Transaction](#), [Interests of Certain Persons in the Spectrum Merger](#) and [Principal Stockholders](#).

**Q: How will the combined company be managed following the mergers?**

A: Immediately following the mergers, the board of directors of SB Holdings will be divided into three classes and will be comprised of ten individuals. Initially, six directors will be designated by Russell Hobbs, three will be designated by Spectrum and one will be the Chief Executive Officer of SB Holdings. The Chief Executive Officer of Spectrum will be the initial Chief Executive Officer of SB Holdings. In addition to the Chief Executive Officer, Spectrum's current management team will be the initial management team of SB Holdings. The Chief Executive Officer of Russell Hobbs will be added to Spectrum's management team to lead a fourth reporting segment made up of the existing Russell Hobbs' portfolio of home appliance brands.

**Q: What are the conditions to closing the mergers?**

A: Consummation of the mergers is subject to certain conditions, including, among others, closing of a new financing, adoption of the merger agreement by Spectrum's stockholders, customary regulatory approvals, no material adverse change in Spectrum or Russell Hobbs and other customary closing conditions. For more information, see the section entitled [The Merger Agreement \(Proposal No. 1\) Conditions to the Mergers](#).

**Q: What are the material federal income tax consequences of the mergers?**

A: The obligation of Spectrum to consummate the Spectrum merger is conditioned on the receipt by Spectrum of an opinion of Sutherland Asbill & Brennan LLP, counsel to Spectrum, dated the date of the effective time of the Spectrum merger, to the effect that for U.S. federal income purposes the Spectrum merger will constitute a reorganization within the meaning of Section 368(a) of the Internal Revenue Code and/or the mergers, taken together, will constitute exchanges described in Section 351 of the Internal Revenue Code. Tax matters are very complicated. Accordingly, we encourage you to consult your own tax advisor for a full understanding of the tax consequences of the mergers to you, including the applicability and effect of federal, state, local and foreign income and other tax laws. For more information, see the section entitled [Material U.S. Federal Income Tax Consequences](#).

**Q: When do you expect the transaction to be consummated?**

A: We anticipate that the consummation of the mergers will occur by the end of the third or fourth quarter of Spectrum's fiscal year 2010 if the requisite stockholder votes are obtained, assuming the other conditions to consummation of the mergers are satisfied or waived. However, it is possible that the transaction will not be consummated during that timeframe. For more information, see [The Merger Agreement \(Proposal No. 1\) Conditions to the Mergers](#).

**Q: Am I entitled to appraisal rights?**

A:



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Spectrum stockholders are not entitled to appraisal rights under the General Corporation Law of the State of Delaware in connection with the mergers.

**Q: Who may vote at the special meeting?**

A: Only Spectrum stockholders of record at the close of business on [ ], 2010 will be entitled to vote at the special meeting. On the record date, there were [ ] shares of Spectrum common stock outstanding and entitled to vote.

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**Q: How many votes do Spectrum stockholders have?**

A: Each holder of Spectrum common stock will be entitled to one vote for each share held on all matters to be voted upon at the special meeting. The holders of record of Spectrum common stock will vote on all matters to be voted upon at the special meeting. As of the record date, directors and executive officers of Spectrum as a group beneficially owned and were entitled to vote approximately [ ] shares of Spectrum common stock, representing approximately [ ] of the votes entitled to be cast at the special meeting. All of the directors and executive officers of Spectrum who are entitled to vote at the special meeting have indicated that they intend to vote their shares of Spectrum common stock in favor of all of the proposals to be presented at the special meeting.

As of the record date, the Harbinger Parties beneficially owned and were entitled to vote approximately 40% of Spectrum common stock entitled to vote at the special meeting. In addition, on March 1, 2010, Spectrum and the Harbinger Parties entered into a Letter Agreement (described in this proxy statement/prospectus) to permit the Harbinger Parties to purchase up to 100,000 shares of Spectrum common stock per week, up to an aggregate maximum of two million shares, in order to provide additional liquidity to Spectrum's stockholders. Pursuant to the terms of a support agreement dated February 9, 2010 and the Letter Agreement, the Harbinger Parties have generally agreed to vote their shares of Spectrum common stock acquired before the date of the merger agreement in favor of the adoption of the merger agreement and against any Alternative Proposal (as defined in the merger agreement) that would impede the mergers and all of their shares of Spectrum common stock acquired after March 1, 2010 proportionately with the votes of the holders of Spectrum common stock (other than the Harbinger Parties), except under the circumstances described in this proxy statement/prospectus, with respect to the merger agreement and the proposed transaction.

**Q: What stockholder approvals are required for Spectrum?**

A: *Proposal No. 1:* The affirmative votes of the holders of (i) a majority of the outstanding shares of Spectrum common stock entitled to vote (including the shares of the Harbinger Parties) and (ii) a majority of the outstanding shares of Spectrum common stock entitled to vote (excluding the shares of the Harbinger Parties (except any shares of Spectrum common stock acquired by the Harbinger Parties after March 1, 2010)) are required to adopt the merger agreement.

*Proposal No. 2:* If a quorum is present, the affirmative vote of the holders of a majority of Spectrum common stock represented at the meeting and entitled to vote on the matter is required to approve an adjournment of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the special meeting to vote in favor of adopting the merger agreement.

All other actions considered at the meeting may be taken upon the favorable vote of the holders of a majority of the votes present in person or represented by proxy at the meeting and entitled to vote on the matter.

Unless otherwise indicated, the discussions relating to the procedures for voting stock are applicable to holders of Spectrum common stock, present in person (or by remote communication) or represented by proxy and entitled to vote at the special meeting.

**Q: What constitutes a quorum?**

A: A quorum of at least a majority of the voting power of all outstanding shares of common stock of Spectrum represented by proxy or in person entitled to vote at the special meeting is necessary to hold a valid special meeting. On the record date, there were an aggregate of [ ] shares of Spectrum common stock outstanding. Thus, [ ] shares of Spectrum common stock must be represented by proxy or present in person at the special meeting to have a quorum. The inspector of elections will determine whether or not a quorum is present.

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Your shares will be counted towards the quorum only if you are present in person at the special meeting or submit a valid proxy in accordance with the procedures set forth in *How do I vote?* below. Abstentions will also be counted towards the quorum requirement, but broker non-votes will not be counted towards the quorum requirement. If there is no quorum, a majority of the shares present in person or by proxy at the special meeting may vote to adjourn the special meeting to another date.

### **Q: What if I return a proxy card but do not make specific choices?**

A: If Spectrum receives a signed and dated proxy card and the proxy card does not specify how your shares are to be voted, your shares will be voted *For* the adoption of the merger agreement and *For* the approval of the proposal to adjourn the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes to adopt the merger agreement. If any other matter is properly presented at the special meeting, your proxy (i.e., one of the individuals named on your proxy card) will vote your shares using his or her best judgment.

### **Q: What effect do abstentions and broker non-votes have on the outcome of the proposals?**

A: An abstention has the same effect as a vote *Against* each of the proposals.

A *broker non-vote* occurs when a broker or bank cannot vote for a proposal because the broker or bank did not receive instructions from the beneficial owner on how to vote and does not have discretionary authority to vote on the beneficial owner's behalf in the absence of instructions. Broker non-votes are not counted as present for the purpose of determining the existence of a quorum, and also have the same effect as a vote *Against* the proposal to adopt the merger agreement. Broker non-votes will have no effect on the proposal to adjourn the meeting to permit further solicitation of proxies.

### **Q: How does Spectrum's board of directors recommend that I vote?**

A: Spectrum's board of directors (acting upon the unanimous recommendation of a committee of independent directors to Spectrum's board of directors) recommends that Spectrum stockholders vote: