National Openings, LLC
Form S-4
September 22, 2015
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**As filed with the Securities and Exchange Commission on September 21, 2015**

**Registration No. 333-**

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM S-4**

**REGISTRATION STATEMENT**

***UNDER***

***THE SECURITIES ACT OF 1933***

**SPECTRUM BRANDS, INC.**

**(Exact name of registrant as specified in its charter)**

| | | |
|---|---|---|
| **DELAWARE** | **3690** | **22-2423556** |
| **(State or other jurisdiction of incorporation or organization)** | **(Primary Standard Industrial Classification Code Number)** | **(I.R.S. Employer Identification No.)** |

**3001 Deming Way**

**Middleton, Wisconsin 53562**

**(608) 275-3340**

**(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)**

***ADDITIONAL REGISTRANTS LISTED ON SCHEDULE A HERETO**

**Nathan E. Fagre, Esq. General Counsel and Secretary,**

**3001 Deming Way, Middleton, Wisconsin 53562, (608) 275-3340**

**(Name, address, including zip code, and telephone number, including area code, of agent for service)**

***With a copy to:***

**Raphael M. Russo, Esq.**

**Paul, Weiss, Rifkind, Wharton & Garrison LLP**

**1285 Avenue of the Americas New York, New York 10019-6064, (212) 373-3000**

**Approximate date of commencement of proposed sale to the public:** As soon as practicable after this Registration Statement becomes effective.

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 x (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** | **Proposed maximum offering price per unit** | **Proposed maximum aggregate offering price(1)** | **Amount of registration fee(2)** |
|---|---|---|---|---|
| 6.125% Senior Notes due 2024 | $250,000,000 | 100% | $250,000,000 | $29,050 |
| Guarantees of 6.125% Senior Notes due 2024 | N/A | N/A | N/A | N/A(3) |
| 5.750% Senior Notes due 2025 | $1,000,000,000 | 100% | $1,000,000,000 | $116,200 |
| Guarantees of 5.750% Senior Notes due 2025 | N/A | N/A | N/A | N/A(3) |

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(f) under the Securities Act of 1933, as amended.
(2) The registration fee has been calculated pursuant to Rule 457(f) under the Securities Act of 1933, as amended.
(3) No additional consideration is being received for the guarantees. Pursuant to Rule 457(n) under the Securities Act of 1933, as amended, no separate feel is required in respect of such guarantees.

**The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants 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, as amended, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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## SCHEDULE A

| Name* | State or Other Jurisdiction of Incorporation or Organization | Primary Standard Industrial Classification Code Number | I.R.S. Employer Identification Number |
|---|---|---|---|
| AA Group (U.S.) A LLC | Delaware | 3690 | 45-4070567 |
| AA Group (U.S.) B LLC | Delaware | 3690 | 45-4070646 |
| AAG IDQ Acquisition Corporation | Delaware | 3690 | 46-4980905 |
| Applica Mexico Holdings, Inc. | Delaware | 3690 | 74-3100872 |
| Armored AutoGroup Inc. | Delaware | 3690 | 27-3620112 |
| Armored AutoGroup Intermediate Inc. | Delaware | 3690 | 27-3620036 |
| Armored AutoGroup Parent Inc. | Delaware | 3690 | 27-3619935 |
| Armored AutoGroup Sales Inc. | Delaware | 3690 | 27-5136040 |
| IDQ Acquisition Corp. | Delaware | 3690 | 80-0595723 |
| IDQ Holdings, Inc. | Delaware | 3690 | 03-0386828 |
| IDQ Operating, Inc. | New York | 3690 | 11-2225300 |
| National Manufacturing Mexico A LLC | Delaware | 3690 | N/A** |
| National Manufacturing Mexico B LLC | Delaware | 3690 | N/A** |
| National Openings, LLC | Pennsylvania | 3690 | 46-2516338 |
| ROV Holding, Inc. | Delaware | 3690 | 22-2423555 |
| ROV International Holdings LLC | Delaware | 3690 | N/A** |
| Salix Animal Health, LLC | Florida | 3690 | 65-0965477 |
| SB/RH Holdings, LLC | Delaware | 3690 | 27-2812840 |
| Schultz Company | Missouri | 3690 | 43-0625762 |
| STP Products Manufacturing Company | Delaware | 3690 | 06-1408442 |
| The Armor All/STP Products Company | Delaware | 3690 | 36-2999270 |
| United Industries Corporation | Delaware | 3690 | 43-1025604 |

* The address of each additional registrant s principal executive office is c/o Spectrum Brands, Inc., 3001 Deming Way, Middleton, Wisconsin 53562, (608) 275-3340.

** Single member LLC disregarded for U.S. tax purposes.

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**The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**Subject to completion, dated September 21, 2015**

**PRELIMINARY PROSPECTUS**

**Spectrum Brands, Inc.**

**Exchange Offer for**

**$250,000,000 6.125% Senior Notes due 2024 and Related Guarantees**

**$1,000,000,000 5.750% Senior Notes due 2025 and Related Guarantees**

**The Notes and the Guarantees**

We are offering to exchange $250,000,000 of our outstanding 6.125% Senior Notes due 2024 and certain related guarantees, which were issued on December 4, 2014 in a private offering and which we collectively refer to as the 2024 initial notes, for a like aggregate amount of our registered 6.125% Senior Notes due 2024 and certain related guarantees, which we collectively refer to as the 2024 exchange notes. The 2024 exchange notes will be issued under the indenture dated as of December 4, 2014, as supplemented by the supplemental indenture dated as of February 24, 2015 and as further supplemented by the supplemental indenture dated as of June 23, 2015, which we refer to as the 2024 notes indenture. We refer to the 2024 initial notes and the 2024 exchange notes collectively as the 2024 notes.

We are offering to exchange $1,000,000,000 of our outstanding 5.750% Senior Notes due 2025 and certain related guarantees, which were issued on May 20, 2015 in a private offering and which we collectively refer to as the 2025 initial notes, for a like aggregate amount of our registered 5.750% Senior Notes due 2025 and certain related guarantees, which we collectively refer to as the 2025 exchange notes. The 2025 exchange notes will be issued under the indenture dated as of May 20, 2015, as supplemented by the supplemental indenture dated as of June 23, 2015, which we refer to as the 2025 notes indenture and, together with the

2024 notes indenture, the indentures. We refer to the 2025 initial notes and the 2025 exchange notes collectively as the 2025 notes.

We refer to the 2024 initial notes and the 2025 initial notes, collectively or individually, as the context requires, as the initial notes. We refer to the 2024 exchange notes and the 2025 exchange notes, collectively or individually, as the context requires, as the exchange notes. We refer to the initial notes and the exchange notes collectively as the notes.

The 2024 exchange notes will mature on December 15, 2024. We will pay interest on the 2024 exchange notes semi-annually on June 15 and December 15 of each year, commencing on December 15, 2015, at a rate of 6.125% per annum, to holders of record on the June 1 or December 1 immediately preceding the interest payment date.

The 2025 exchange notes will mature on July 15, 2025. We will pay interest on the 2025 exchange notes semi-annually on July 15 and January 15 of each year, commencing on January 15, 2016, at a rate of 5.750% per annum, to holders of record on the July 1 or January 1 immediately preceding the interest payment date.

The exchange notes will be guaranteed on a senior unsecured basis by our direct parent, SB/RH Holdings, LLC, and each of our existing and future domestic subsidiaries, which we refer to collectively as the guarantors.

The exchange notes and the related guarantees will be the general unsecured obligations of us and the guarantors and will rank equally in right of payment with all of our and the guarantors existing and future senior indebtedness, including the initial notes (but effectively subordinated to our secured debt, including the Secured Credit Facilities (as defined herein) to the extent of the value of the assets securing such secured debt), and senior in right of payment to all of our and the guarantors future indebtedness that expressly provide for its subordination to the exchange notes and the related guarantees. See Description of 2024 Notes and Description of 2025 Notes, as applicable.

**Terms of the Exchange Offer**

The exchange offer will expire at 5:00 p.m., New York City time, on , 2015, unless we extend it.

If all the conditions to this exchange offer are satisfied, we will exchange all of our initial notes that are validly tendered and not withdrawn for the applicable exchange notes.

You may withdraw your tender of initial notes at any time before the expiration of this exchange offer.

The exchange notes that we will issue you in exchange for your initial notes will be substantially identical to your initial notes except that, unlike your initial notes, the exchange notes will have no transfer restrictions or registration rights.

The exchange notes that we will issue you in exchange for your initial notes are new securities with no established market for trading.

**Before participating in this exchange offer, please refer to the section in this prospectus entitled Risk Factors commencing on page 18.**

**Neither the Securities and Exchange Commission (the SEC ) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

We have not applied, and do not intend to apply, for listing or quotation of the notes on any national securities exchange or automated quotation system.

Each broker-dealer that receives exchange notes for its own account pursuant to this exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act of 1933, as amended (the Securities Act ). This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for initial notes where such initial notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the expiration date (as defined herein), we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

**The date of this prospectus is , 2015.**

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We have not authorized anyone to give you any information or to make any representations about us or the transactions we discuss in this prospectus other than those contained in this prospectus. If you are given any information or representations about these matters that is not discussed in this prospectus, you must not rely on that information. This prospectus is not an offer to sell or a solicitation of an offer to buy securities anywhere or to anyone where or to whom we are not permitted to offer or sell securities under applicable law. The delivery of this prospectus does not, under any circumstances, mean that there has not been a change in our affairs since the date of this prospectus. Subject to our obligation to amend or supplement this prospectus as required by law and the rules and regulations of the SEC, the information contained in this prospectus is correct only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of these securities.

Until , (90 days after the date of this prospectus), all dealers effecting transactions in the exchange notes, whether or not participating in the exchange offer, may be required to deliver a prospectus. This is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Each prospective purchaser of the exchange notes must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the notes or possesses or distributes this prospectus and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the exchange notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and we shall not have any responsibility therefor.

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## TRADEMARKS

We have proprietary rights to or are exclusively licensed to use a number of registered and unregistered trademarks that we believe are important to our business, including, without limitation, Rayovac, Remington, VARTA, Tetra, 8-in-1, Dingo, Nature s Miracle, IAMS, Eukanuba, Digest-eeze, Liquid Fence, Black Flag, Wild Harvest, Marineland, FURminator, Spectracide, Cutter, Hot Shot, Garden Safe, Repel, George Foreman, Russell Hobbs, Farberware, Toastmaster, Black & Decker, Kwikset, Weiser, Baldwin, National Hardware, Pfister, Armor All, STP, A/C PRO, Arctic Freeze, Sub Zero and Super Seal Stop Leak. We attempt to obtain registration of our key trademarks whenever possible or practicable and pursue any infringement of those trademarks. Solely for convenience, the trademarks, service marks and tradenames referred to in this prospectus are without the ® and TM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks and tradenames.

## MARKET AND INDUSTRY DATA

We obtained the industry, market and competitive position data and information used throughout this prospectus from our own internal company surveys and management estimates as well as from industry and general publications and research, surveys or studies conducted by third parties. Industry and general publications and research, studies and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such data and information. While we believe that these publications and research, studies and surveys are reliable, neither we nor the initial purchasers have independently verified such data and information and neither we nor the initial purchasers make any representation or warranty as to the accuracy of such data and information.

There is only a limited amount of independent data available about our industry, market and competitive position, particularly outside of the United States. As a result, certain data and information are based on our good faith estimates, which are derived from our review of internal data and information, information that we obtain from customers, and other third-party sources. We believe these internal surveys and management estimates are reliable; however, no independent sources have verified such surveys and estimates.

The industry data that we present in this prospectus include estimates that involve risks and uncertainties and are subject to change based on various factors, including those discussed under Risk Factors and those discussed under Cautionary Statement Regarding Forward-Looking Statements.

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## PROSPECTUS SUMMARY

*The following summary highlights basic information about us, the exchange offer and the exchange notes. It may not contain all of the information that is important to you. For a more comprehensive understanding of our business and the offering, you should read this entire prospectus, including the section entitled Risk Factors. Certain statements in this summary are forward-looking statements. See Cautionary Statement Regarding Forward-Looking Statements.*

*Unless otherwise indicated in this prospectus or the context requires otherwise, Spectrum Brands refers only to Spectrum Brands, Inc. and not to any of its subsidiaries; Spectrum refers to Spectrum Brands, Inc. and, where applicable, its consolidated subsidiaries; SB/RH Holdings, the Company, we, or our refers to the Spectrum Brands parent SB/RH Holdings, LLC and, where applicable, its consolidated subsidiaries, including Spectrum Brands. SB Holdings refers to SB/RH Holdings parent Spectrum Brands Holdings, Inc.*

### Our Company

We are a diversified global branded consumer products company. Spectrum Brands is a wholly owned direct subsidiary of SB/RH Holdings, which is a direct subsidiary of SB Holdings. SB Holdings common stock trades on the New York Stock Exchange (the NYSE ) under the symbol SPB.

We manufacture and market alkaline, zinc carbon and hearing aid batteries, herbicides, insecticides and repellants and specialty pet supplies. We design and market rechargeable batteries, battery-powered lighting products, electric shavers and accessories, grooming products and hair care appliances. Our operations also include the manufacturing and marketing of specialty pet supplies, and of herbicides, insecticides and insect repellents in North America. We also design, market and distribute a broad range of branded small appliances and personal care products. We also design, manufacture, market, distribute and sell certain hardware, home improvement and plumbing products, and are a leading United States ( U.S. ) provider of residential locksets and builders hardware and a leading provider of faucets. Our manufacturing and product development facilities are located in the U.S., Europe, Latin America and Asia. Substantially all of our rechargeable batteries, chargers and portable lighting products, shaving and grooming products, small household appliances and personal care products are manufactured by third-party suppliers, primarily located in Asia.

On May 21, 2015, we acquired Armored AutoGroup Parent, Inc. ( AAG ). AAG is a consumer products company consisting primarily of Armor All and STP products, two of the most recognizable brands in the automotive aftermarket appearance products and performance chemicals categories, respectively, and the AC/PRO brand of do-it-yourself automotive air conditioner recharge products. For information pertaining to the AAG Acquisition, see Note 13, Acquisitions to our Condensed Consolidated Financial Statements (Unaudited), included elsewhere in this prospectus.

We sell our products in approximately 160 countries through a variety of trade channels, including retailers, wholesalers and distributors, hearing aid professionals, industrial distributors and original equipment manufacturers ( OEMs ) and enjoy strong name recognition in our markets under the Rayovac, VARTA and Remington brands, each of which has been in existence for more than 80 years, and under the Tetra, 8-in-1, Dingo, Nature s Miracle, IAMS, Eukanuba, Healthy-Hide, Digest-eeze, Spectracide, Cutter, Hot Shot, Black & Decker, George Foreman, Russell Hobbs, Farberware, Black Flag, FURminator, Kwikset, Weiser, Baldwin, National Hardware, Stanley, Pfister and the previously mentioned AAG brands. We also have patented technologies such as Smartkey, a rekeyable lockset technology, and Smart Code Home Connect.

Our diversified global branded consumer products have positions in seven major product categories: consumer batteries, small appliances, personal care, hardware and home improvement, pet supplies, auto care and home and garden controls.

Our chief operating decision-maker manages the businesses in five vertically integrated, product-focused reporting segments: (i) Global Batteries & Appliances, which consists of the Company s worldwide battery, personal care and small appliances primarily in the kitchen and home product categories ( Global Batteries & Appliances ); (ii) Hardware & Home Improvement, which consists of the Company s worldwide hardware, home improvement and plumbing business ( Hardware & Home Improvement ); (iii) Global Pet Supplies, which consists of the Company s worldwide pet supplies business ( Global Pet Supplies ); (iv) Home and Garden, which consists of the Company s home and garden and insect control business ( Home and Garden ); and (v) Global Auto Care, which consists of the Company s automotive aftermarket appearance products, performance chemicals/additives and do-it-yourself automotive air conditioner recharge ( Global Auto Care ). Management reviews our performance based on these segments. For information pertaining to our business segments, see Note 11, Segment Information, to our audited Consolidated Financial Statements and Note 11, Segment Results, to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus.

Global and geographic strategic initiatives and financial objectives are determined at the corporate level. Each business segment is responsible for implementing defined strategic initiatives and achieving certain financial objectives and has a general manager responsible for sales and marketing initiatives and the financial results for all product lines within that business segment.

Our operating performance is influenced by a number of factors including: general economic conditions; foreign exchange fluctuations; trends in consumer markets; consumer confidence and preferences; our overall product line mix, including pricing and gross margin, which vary by product line and geographic market; pricing of certain raw materials and commodities; energy and fuel prices; and our general competitive position, especially as impacted by our competitors advertising and promotional activities and pricing strategies.

## Recent Developments

### *AAG Acquisition*

On May 21, 2015, we completed our acquisition (the AAG Acquisition ) of AAG pursuant to the Agreement and Plan of Merger by and among AAG, SB Holdings, Ignite Merger Sub, Inc. and, solely in its capacity as representative, Avista Capital Partners II GP, LLC, dated as of April 28, 2015, for $1.4 billion in cash.

We funded the AAG Acquisition with the proceeds of our offering of the 2025 initial notes and gross proceeds from SB Holdings registered offering of its common stock. SB Holdings also contributed to us the additional proceeds received by it in connection with the underwriters exercise of their option to purchase additional shares in the registered offering. We expect to use such additional proceeds for general corporate purposes.

### *Refinancing Transactions*

On June 23, 2015, we entered into a Credit Agreement (the Credit Agreement ), by and among Spectrum Brands, SB/RH Holdings, Deutsche Bank AG New York Branch, as administrative agent, and the lenders party thereto from time to time. See Description of Other Indebtedness Credit Agreement.

Pursuant to the Credit Agreement, on June 23, 2015, we closed senior secured credit facilities consisting of (a) a $1,450 million U.S. Dollar-denominated term loan facility (the USD Term Loan Facility ), (b) a 300 million Euro-denominated term loan facility (the Euro Term Loan Facility ), (c) a CAD$75 million Canadian Dollar-denominated term loan facility (the CAD Term Loan Facility and, collectively with the USD

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Term Loan Facility and the Euro Term Loan Facility, the Term Credit Facilities ) and (d) a $500 million cash flow revolving credit facility (the Revolving Credit Facility and, together with the Term Credit Facilities, the Secured Credit Facilities ).

The net proceeds of the Term Credit Facilities were used, among other things, to (i) refinance our Credit Agreement dated as of December 17, 2012 (as amended, modified, supplemented or restated from time to time, the Prior Term Loan Credit Agreement ) and repay in full all obligations in respect of the Prior Term Loan Credit Agreement and related loan documents, (ii) repay in full all obligations in respect of our Loan and Security Agreement, dated as of June 16, 2010 (as amended, modified, supplemented or restated from time to time, the Prior ABL Facility Agreement ) and (iii) to pay fees and expenses in connection with the transactions referenced in clause (i) and for general corporate purposes. A portion of the net proceeds, together with borrowings under the Revolving Credit Facility, was also used to fund the satisfaction and discharge of the indenture governing Spectrum Brands 6.750% Senior Notes due 2020 (the 6.75% Notes ).

The Revolving Credit Facility includes a letter of credit subfacility. Letters of credit issued thereunder were used by Spectrum to replace then-existing letters of credit under the Prior ABL Facility Agreement on the closing date of the Credit Agreement. Letters of credit and proceeds of the loans under the Revolving Credit Facility may be used by Spectrum, the other borrowers and their respective subsidiaries for, among other things, working capital and other general corporate purposes, including the financing of permitted acquisitions and other permitted investments and dividends and other distributions on account of the capital stock of the borrowers, restricted payments and any other use not prohibited by the terms of the loan documents.

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## Corporate Structure

The chart below is a summary of the organization structure of the Issuer and its parents and subsidiaries.

[1] SB/RH Holdings (i) is a guarantor of our obligations under the Secured Credit Facilities and pledged only the capital stock issued to it by Spectrum as collateral, (ii) is a guarantor of Spectrum Brands 6.375% Senior Notes due 2020 and Spectrum Brands 6.625% Senior Notes due 2022 (together, the 2020/2022 Notes ), (iii) is a guarantor of our obligations under the initial notes and (iv) will be a guarantor of our obligations under the exchange notes offered hereby.

[2] None of our foreign subsidiaries are, or will be, guarantors of the 2020/2022 Notes, the initial notes or the exchange notes offered hereby. None of our foreign subsidiaries are guarantors under the Secured Credit Facilities as of the closing date of the Secured Credit Facilities.

[3] Our domestic subsidiaries, subject to certain exceptions, are guarantors of the 2020/2022 Notes and the initial notes and will be guarantors of the exchange notes offered hereby. Certain of our domestic subsidiaries are guarantors under the Secured Credit Facilities.

## Additional Information

Spectrum Brands is a Delaware corporation and the address of our principal executive office is 3001 Deming Way, Middleton, Wisconsin 53562. Our telephone number is (608) 275-3340. Our website address is www.spectrumbrands.com. Information contained on or accessible through our website is not part of, and is not incorporated by reference into, this prospectus.

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## Summary of the Exchange Offer

In connection with the closing of the offering of each of the 2024 initial notes and the 2025 initial notes, we entered into a registration rights agreement (as more fully described below) with the initial purchasers of the 2024 initial notes and the 2025 initial notes, as applicable. You are entitled to exchange in the exchange offer your initial notes for exchange notes.

| | |
|---|---|
| Exchange Offer | We are offering to exchange $250 million aggregate principal amount of our 2024 exchange notes and certain related guarantees and $1,000 million aggregate principal amount of our 2025 exchange notes and certain related guarantees for a like aggregate principal amount of our 2024 initial notes and 2025 initial notes, respectively, and certain related guarantees. |
| | In order to exchange your initial notes, you must properly tender them and we must accept your tender. We will exchange all outstanding initial notes that are validly tendered and not validly withdrawn. Initial notes may be exchanged only for a minimum principal denomination of $2,000 and in integral multiples of $1,000 in excess thereof. |
| Expiration Date | This exchange offer will expire at 5:00 p.m., New York City time, on , (the expiration date ), unless we decide to extend it. |
| Exchange Notes | The exchange notes will be identical in all material respects to the initial notes except that: |

- the exchange notes have been registered under the Securities Act and will be freely tradable by persons who are not affiliates of ours or subject to restrictions due to being broker-dealers;

- the 2024 exchange notes are not entitled to the registration rights applicable to the 2024 initial notes under the registration rights agreement dated December 4, 2014 (the 2024 Notes Registration Rights Agreement );

- the 2025 exchange notes are not entitled to the registration rights applicable to the 2025 initial notes under the registration rights agreement dated May 20, 2015 (the 2025 Notes Registration Rights Agreement and, together with the 2024 Notes Registration Rights Agreement, the Registration Rights Agreements ); and

- our obligation to pay additional interest on the initial notes due to the failure to consummate the exchange offer by a prior date does not apply to the exchange notes.

| | |
|---|---|
| Conditions to the Exchange Offer | We will complete this exchange offer with respect to the applicable series of notes only if: |

- there is no change in the laws and regulations which would impair our ability to proceed with this exchange offer for such series of notes,

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|---|---|
| | there is no change in the current interpretation of the staff of the SEC which permits resales of such series of exchange notes, |
| | there is no stop order issued by the SEC which would suspend the effectiveness of the registration statement which includes this prospectus or the qualification of the applicable indenture governing the exchange notes under the Trust Indenture Act of 1939, as amended (the Trust Indenture Act ), |
| | there is no litigation or threatened litigation which would impair our ability to proceed with this exchange offer for such series of notes, and |
| | we obtain all the governmental approvals we deem necessary to complete this exchange offer for such series of notes. |
| | Please refer to the section in this prospectus entitled The Exchange Offer Conditions to the Exchange Offer. |
| Procedures for Tendering Initial Notes | To participate in this exchange offer, you must complete, sign and date the letter of transmittal or its facsimile and transmit it, together with your initial notes to be exchanged and all other documents required by the letter of transmittal, to U.S. Bank National Association, as exchange agent, at its address indicated under The Exchange Offer Exchange Agent. In the alternative, you can tender your initial notes by book-entry delivery following the procedures described in this prospectus. For more information on tendering your initial notes, please refer to the section in this prospectus entitled The Exchange Offer Procedures for Tendering Initial Notes. |
| Special Procedures for Beneficial Owners | If you are a beneficial owner of initial notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your initial notes in the exchange offer, you should contact the registered holder promptly and instruct that person to tender on your behalf. |
| Guaranteed Delivery Procedures | If you wish to tender your initial notes and you cannot get the required documents to the exchange agent on time, you may tender your initial notes by using the guaranteed delivery procedures described under the |

| | |
|---|---|
| | section of this prospectus entitled The Exchange Offer Procedures for Tendering Initial Notes Guaranteed Delivery Procedure. |
| Withdrawal Rights | You may withdraw the tender of your initial notes at any time before 5:00 p.m., New York City time, on the expiration date of the exchange offer. To withdraw, you must send a written or facsimile transmission notice of withdrawal to the exchange agent at its address indicated under The Exchange Offer Exchange Agent before 5:00 p.m., New York City time, on the expiration date of the exchange offer. |

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|---|---|
| Acceptance of Initial Notes and Delivery of Exchange Notes | If all the conditions to the completion of this exchange offer are satisfied, we will accept any and all initial notes that are properly tendered in this exchange offer before 5:00 p.m., New York City time, on the expiration date. We will return any initial notes that we do not accept for exchange to you without expense promptly after the expiration date. We will deliver the exchange notes to you promptly after the expiration date and acceptance of your initial notes for exchange. Please refer to the section in this prospectus entitled The Exchange Offer Acceptance of Initial Notes for Exchange; Delivery of Exchange Notes. |
| Federal Income Tax Considerations Relating to the Exchange Offer | Exchanging your initial notes for exchange notes will not be a taxable event to you for United States federal income tax purposes. Please refer to the section of this prospectus entitled Certain U.S. Federal Income Tax Considerations. |
| Exchange Agent | U.S. Bank National Association is serving as exchange agent in the exchange offer. |
| Fees and Expenses | We will pay all expenses related to this exchange offer. Please refer to the section of this prospectus entitled The Exchange Offer Fees and Expenses. |
| Use of Proceeds | We will not receive any proceeds from the issuance of the exchange notes. We are making this exchange offer solely to satisfy our obligations under the Registration Rights Agreements. See Use of Proceeds. |
| Consequences to Holders Who Do Not Participate in the Exchange Offer | To the extent you do not participate in this exchange offer: |
| | except as set forth in the next paragraph, you will not necessarily be able to require us to register your initial notes under the Securities Act, |
| | you will not be able to resell, offer to resell or otherwise transfer your initial notes unless they are registered under the Securities Act or unless you resell, offer to resell or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act, and |

the trading market for your initial notes will become more limited to the extent other holders of initial notes participate in the exchange offer.

You will not be able to require us to register your initial notes under the Securities Act unless:

because of any change in law or in applicable interpretations thereof by the SEC staff, we are not permitted to effect the exchange offer for the applicable series of notes;

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(i) with respect to the 2024 notes, the exchange offer is not consummated within 440 days of December 4, 2014 and (ii) with respect to the 2025 notes, the exchange offer is not consummated within 440 days of May 20, 2015;

you so request with respect to your initial notes that are not eligible to be exchanged for exchange notes in this exchange offer; or

(i) you (so long as you are not an exchanging dealer) are not eligible to participate in this exchange offer or (ii) you (so long as you are not an exchanging dealer) participate in the exchange offer but may not resell the exchange notes without delivering a prospectus.

In these cases, the Registration Rights Agreements require us to file a registration statement for a continuous offering in accordance with Rule 415 under the Securities Act for the benefit of the holders of the initial notes described in this paragraph. We do not currently anticipate that we will register under the Securities Act any initial notes that remain outstanding after completion of the exchange offer.

Please refer to the section of this prospectus entitled The Exchange Offer Your Failure to Participate in the Exchange Offer May Have Adverse Consequences.

Resales

It may be possible for you to resell the notes issued in the exchange offer without compliance with the registration and prospectus delivery provisions of the Securities Act, subject to the conditions described under Obligations of Broker-Dealers below.

To tender your initial notes in this exchange offer and resell the exchange notes without compliance with the registration and prospectus delivery requirements of the Securities Act, you must make the following representations:

you are authorized to tender the initial notes and to acquire exchange notes, and that we will acquire good and unencumbered title thereto,

the exchange notes acquired by you are being acquired in the ordinary course of business, you have no arrangement or understanding with any person to participate in a distribution (within the meaning of the Securities Act) of the exchange notes and are not participating in, and do not intend to participate in, the distribution of such exchange notes,

you are not an affiliate (as defined in Rule 405 under the Securities Act) of ours, or if you are an affiliate, you will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable,

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| | if you are not a broker-dealer, you are not engaging in, and do not intend to engage in, a distribution of exchange notes, and |
| | if you are a broker-dealer, and initial notes to be exchanged were acquired by you as a result of market-making or other trading activities, you will deliver a prospectus in connection with any resale of such exchange notes. |
| | Please refer to the sections of this prospectus entitled The Exchange Offer Procedure for Tendering Initial Notes Proper Execution and Delivery of Letters of Transmittal, Risk Factors Risks Related to the Exchange Offer Some persons who participate in the exchange offer must deliver a prospectus in connection with resales of the exchange notes and Plan of Distribution. |
| Obligations of Broker-Dealers | If you are a broker-dealer that receives exchange notes, you must acknowledge that you will deliver a prospectus meeting the requirements of the Securities Act in connection with any resales of the exchange notes. If you are a broker-dealer who acquired the initial notes as a result of market-making or other trading activities, you may use the exchange offer prospectus as supplemented or amended, in connection with resales of the exchange notes. If you are a broker-dealer who acquired the initial notes directly from us in the initial offering and not as a result of market-making and trading activities, you must, in the absence of an exemption, comply with the registration and prospectus delivery requirements of the Securities Act in connection with resales of the exchange notes. |

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## Summary of Terms of the 2024 Exchange Notes

The following is a summary of the terms of this offering of the 2024 exchange notes. For a more complete description of the 2024 notes as well as the definitions of certain capitalized terms used below, see Description of 2024 Notes in this prospectus.

| | |
|---|---|
| Issuer | Spectrum Brands, Inc. |
| 2024 Exchange Notes | $250,000,000 aggregate principal amount of 6.125% Senior Notes due 2024. The form and terms of the 2024 exchange notes are the same as the form and terms of the 2024 initial notes except that the issuance of the 2024 exchange notes is registered under the Securities Act, the 2024 exchange notes will not bear legends restricting their transfer and the 2024 exchange notes will not be entitled to registration rights under the 2024 Notes Registration Rights Agreement. The 2024 exchange notes will evidence the same debt as the 2024 initial notes, and both the 2024 initial notes and the 2024 exchange notes will be governed by the same indenture. |
| Maturity Date | December 15, 2024. |
| Interest | The 2024 exchange notes will bear interest at a rate of 6.125% per annum. Interest on the 2024 exchange notes will be payable in cash on June 15 and December 15 of each year, commencing on December 15, 2015. |
| Optional Redemption | On or after December 15, 2019, we may redeem some or all of the 2024 notes at any time at the redemption prices set forth in Description of 2024 Notes Optional Redemption. In addition, prior to December 15, 2019, we may redeem the 2024 notes at a redemption price equal to 100% of the principal amount plus a make-whole premium. |
| | Before December 15, 2017, we may redeem up to 35% of the 2024 notes, including additional notes, with an amount of cash equal to the net proceeds of equity offerings at a price of 106.125% of principal plus accrued and unpaid interest, provided that at least 65% of the aggregate principal amount of the 2024 notes remains outstanding after the redemption, as further described in Description of 2024 Notes Optional Redemption. |

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| Change of Control | Upon a Change of Control (as defined under Description of 2024 Notes ) we will be required to make an offer to purchase the 2024 notes. The purchase price will equal 101% of the principal amount of the 2024 notes on the date of purchase plus accrued and unpaid interest. We may not have sufficient funds available at the time of any Change of Control to make any required debt repayment (including repurchases of the 2024 notes). See Risk Factors Risks Related to the Notes We may not be able to make the change of control offer required by the indentures. |

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| Guarantees | The 2024 exchange notes will be unconditionally, jointly and severally guaranteed, on a senior unsecured basis, by SB/RH Holdings and all of our domestic subsidiaries. |
| Ranking | The 2024 exchange notes and the related exchange guarantees will be the senior unsecured obligations of us and the guarantors and will:<br><br>rank equally in right of payment with all of our and the guarantors existing and future senior indebtedness, including the initial notes and the 2025 exchange notes; and<br><br>rank senior in right of payment to all of our and the guarantors future indebtedness that expressly provide for its subordination to the 2024 notes and the related guarantees.<br><br>However, the 2024 exchange notes will be effectively subordinated to any of our secured indebtedness, including under our Secured Credit Facilities, to the extent of the value of the assets securing such indebtedness. In addition, the 2024 exchange notes will be structurally subordinated to all indebtedness and other liabilities of Spectrum Brands subsidiaries that do not guarantee the 2024 exchange notes. |
| Certain Covenants | The terms of the indentures governing the 2024 notes restrict our ability and the ability of certain of our subsidiaries (as described in Description of 2024 Notes ) to:<br><br>incur additional indebtedness;<br><br>create liens;<br><br>engage in sale-leaseback transactions;<br><br>pay dividends or make distributions in respect of capital stock;<br><br>purchase or redeem capital stock;<br><br>make investments or certain other restricted payments; |

- sell assets;
- issue or sell stock of restricted subsidiaries;
- enter into transactions with affiliates; or
- effect a consolidation or merger.

However, these limitations will be subject to a number of important qualifications and exceptions. In addition, if the 2024 notes are rated investment grade at any time by both Moody s Investors Service and Standard & Poor s Ratings Services, most of the restrictive covenants and corresponding events of default contained in the indenture governing the 2024 notes will be suspended.

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| Absence of a Public Market for the Exchange Notes | The 2024 exchange notes are new securities for which there is no established market. We cannot assure you that a market for these 2024 exchange notes will develop or that this market will be liquid. Please refer to the section of this prospectus entitled Risk Factors Risks Related to the Exchange Offer There is no active trading market for the exchange notes. |
| Form of the Exchange Notes | The 2024 exchange notes will be represented by one or more permanent global securities in registered form deposited on behalf of The Depository Trust Company ( DTC ) with U.S. Bank National Association, as custodian. You will not receive 2024 exchange notes in certificated form unless one of the events described in the section of this prospectus entitled Book-Entry, Delivery and Form of Securities Exchange of Book-Entry Notes for Certificated Notes occurs. Instead, beneficial interests in the 2024 exchange notes will be shown on, and transfers of these 2024 exchange notes will be effected only through, records maintained in book-entry form by DTC with respect to its participants. |
| Trustee | U.S. Bank National Association is serving as trustee under the indenture governing the 2024 notes. |
| Use of Proceeds | We will not receive any proceeds from the issuance of the 2024 exchange notes. We are making this exchange offer solely to satisfy our obligations under the Registration Rights Agreements. See Use of Proceeds. |
| Risk Factors | You should consider all of the information contained in this prospectus before making an investment in the 2024 notes, including the 2024 exchange notes. In particular, you should consider the risks described under Risk Factors. |

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## Summary of Terms of the 2025 Exchange Notes

The following is a summary of the terms of this offering of the 2025 exchange notes. For a more complete description of the 2025 notes as well as the definitions of certain capitalized terms used below, see Description of 2025 Notes in this prospectus.

| | |
|---|---|
| Issuer | Spectrum Brands, Inc. |
| 2025 Exchange Notes | $1,000,000,000 aggregate principal amount of 5.750% Senior Notes due 2025. The form and terms of the 2025 exchange notes are the same as the form and terms of the 2025 initial notes except that the issuance of the 2025 exchange notes is registered under the Securities Act, the 2025 exchange notes will not bear legends restricting their transfer and the 2025 exchange notes will not be entitled to registration rights under the 2025 Notes Registration Rights Agreement. The 2025 exchange notes will evidence the same debt as the 2025 initial notes, and both the 2025 initial notes and the 2025 exchange notes will be governed by the same indenture. |
| Maturity Date | July 15, 2025. |
| Interest | The 2025 exchange notes will bear interest at a rate of 5.750% per annum. Interest on the 2025 exchange notes will be payable in cash on July 15 and January 15 of each year, commencing on January 15, 2016. |
| Optional Redemption | On or after July 15, 2020, we may redeem some or all of the 2025 notes at any time at the redemption prices set forth in Description of 2025 Notes Optional Redemption. In addition, prior to July 15, 2020, we may redeem the 2025 notes at a redemption price equal to 100% of the principal amount plus a make-whole premium. |
| | Before July 15, 2018, we may redeem up to 35% of the 2025 notes, including additional notes, with an amount of cash equal to the net proceeds of equity offerings at a price of 105.750% of principal plus accrued and unpaid interest, provided that at least 65% of the aggregate principal amount of the 2025 notes remains outstanding after the redemption, as further described in Description of 2025 Notes Optional Redemption. |
| Change of Control | |

Upon a Change of Control (as defined under Description of 2025 Notes ) we will be required to make an offer to purchase the 2025 notes. The purchase price will equal 101% of the principal amount of the 2025 notes on the date of purchase plus accrued and unpaid interest. We may not have sufficient funds available at the time of any Change of Control to make any required debt repayment (including repurchases of the 2025 notes). See Risk Factors Risks Related to the Notes We may not be able to make the change of control offer required by the indentures.

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|---|---|
| Guarantees | The 2025 exchange notes will be unconditionally, jointly and severally guaranteed, on a senior unsecured basis, by SB/RH Holdings and all of our domestic subsidiaries. |
| Ranking | The 2025 exchange notes and the related exchange guarantees will be the senior unsecured obligations of us and the guarantors and will:<br><br>rank equally in right of payment with all of our and the guarantors existing and future senior indebtedness, including the initial notes and the 2024 exchange notes; and<br><br>rank senior in right of payment to all of our and the guarantors future indebtedness that expressly provide for its subordination to the 2025 notes and the related guarantees.<br><br>However, the 2025 exchange notes will be effectively subordinated to any of our secured indebtedness, including under our Secured Credit Facilities, to the extent of the value of the assets securing such indebtedness. In addition, the 2025 exchange notes will be structurally subordinated to all indebtedness and other liabilities of Spectrum Brands subsidiaries that do not guarantee the 2025 exchange notes. |
| Certain Covenants | The terms of the indentures governing the 2025 notes restrict our ability and the ability of certain of our subsidiaries (as described in Description of 2025 Notes ) to:<br><br>incur additional indebtedness;<br><br>create liens;<br><br>engage in sale-leaseback transactions;<br><br>pay dividends or make distributions in respect of capital stock;<br><br>purchase or redeem capital stock;<br><br>make investments or certain other restricted payments; |

- sell assets;
- issue or sell stock of restricted subsidiaries;
- enter into transactions with affiliates; or
- effect a consolidation or merger.

However, these limitations will be subject to a number of important qualifications and exceptions. In addition, if the 2025 notes are rated investment grade at any time by both Moody s Investors Service and Standard & Poor s Ratings Services, most of the restrictive covenants and corresponding events of default contained in the indenture governing the 2025 notes will be suspended.

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|---|---|
| Absence of a Public Market for the Exchange Notes | The 2025 exchange notes are new securities for which there is no established market. We cannot assure you that a market for these 2025 exchange notes will develop or that this market will be liquid. Please refer to the section of this prospectus entitled Risk Factors Risks Related to the Exchange Offer There is no active trading market for the exchange notes. |
| Form of the Exchange Notes | The 2025 exchange notes will be represented by one or more permanent global securities in registered form deposited on behalf of The Depository Trust Company ( DTC ) with U.S. Bank National Association, as custodian. You will not receive 2025 exchange notes in certificated form unless one of the events described in the section of this prospectus entitled Book-Entry, Delivery and Form of Securities Exchange of Book-Entry Notes for Certificated Notes occurs. Instead, beneficial interests in the 2025 exchange notes will be shown on, and transfers of these 2025 exchange notes will be effected only through, records maintained in book-entry form by DTC with respect to its participants. |
| Trustee | U.S. Bank National Association is serving as trustee under the indenture governing the 2025 notes. |
| Use of Proceeds | We will not receive any proceeds from the issuance of the 2025 exchange notes. We are making this exchange offer solely to satisfy our obligations under the Registration Rights Agreements. See Use of Proceeds. |
| Risk Factors | You should consider all of the information contained in this prospectus before making an investment in the 2025 notes, including the 2025 exchange notes. In particular, you should consider the risks described under Risk Factors. |

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## Summary Historical Financial Data of SB/RH Holdings

The following summary historical financial data have been derived from SB/RH Holdings audited consolidated financial statements and SB/RH Holdings unaudited condensed consolidated financial statements, each included elsewhere in this prospectus. SB/RH Holdings audited Consolidated Statements of Financial Position as of September 30, 2014 and 2013; SB/RH Holdings audited Consolidated Statements of Operations, audited Consolidated Statements of Comprehensive Income (Loss), audited Consolidated Statements of Shareholders Equity and audited Consolidated Statements of Cash Flows for the years ended September 30, 2014, 2013 and 2012; SB/RH Holdings Condensed Consolidated Statements of Financial Position as of June 28, 2015 (Unaudited) and September 30, 2014 and SB/RH Holdings Condensed Consolidated Statements of Operations (Unaudited), Condensed Consolidated Statements of Comprehensive Income (Loss) (Unaudited) and Condensed Consolidated Statements of Cash Flows (Unaudited) for the nine month periods ended June 28, 2015 and June 29, 2014 are included elsewhere in this prospectus.

The financial information and other data indicated may not be indicative of future performance, and the financial information and other data presented for the interim periods may not be indicative of the results for the full year. This financial information and other data should be read in conjunction with the audited and unaudited financial statements of SB/RH Holdings, including the notes thereto, and Management s Discussion and Analysis of Financial Condition and Results of Operations, included elsewhere in this prospectus.

| | Year Ended September 30, | | | Nine Months Ended | |
|---|---|---|---|---|---|
| | 2012 | 2013 | 2014 | June 29, 2014 | June 28, 2015 |
| | | | (in millions) | | |
| **Statement of Operations Data:** | | | | | |
| Net sales | $ 3,252.4 | $ 4,085.6 | $ 4,429.1 | $ 3,250.8 | $ 3,382.3 |
| Gross profit | 1,115.7 | 1,390.3 | 1,568.9 | 1,157.9 | 1,202.9 |
| Operating income | 306.1 | 352.9 | 484.5 | 368.4 | 344.1 |
| Interest expense(1) | 192.0 | 369.5 | 202.1 | 151.7 | 206.5 |
| Other expense, net | 0.9 | 3.5 | 6.3 | 4.4 | 5.6 |
| Income (loss) from continuing operations before income taxes | 113.2 | (20.2) | 276.1 | 212.3 | 132.0 |
| Income tax expense(2)(3)(4) | 60.4 | 27.4 | 59.0 | 43.8 | 4.8 |
| Net income (loss) | 52.8 | (47.5) | 217.1 | 168.5 | 127.2 |
| Less: Net income attributable to non-controlling interest | | (0.1) | 0.3 | 0.2 | 0.2 |
| Net income (loss) attributable to controlling interest | 52.8 | (47.4) | 216.8 | 168.3 | 127.0 |
| Restructuring and related charges cost of goods sold(5) | 9.8 | 10.0 | 3.7 | 3.3 | 0.4 |
| Restructuring and related charges operating expenses(5) | 9.7 | 24.0 | 19.2 | 12.7 | 21.9 |
| **Cash Flow and Related Data:** | | | | | |
| Net cash provided (used) by operating activities | $ 252.7 | $ 258.2 | $ 434.7 | $ (49.2) | $ (163.6) |
| Capital expenditures | 46.8 | 82.0 | 73.3 | 50.9 | 49.5 |
| Depreciation and amortization (excluding amortization of debt issuance costs) | 129.8 | 183.0 | 202.5 | 143.6 | 154.9 |

**Statement of Financial Position Data (at period end):**

| | | | |
|---|---|---|---|
| Cash and cash equivalents | $ 198.2 | $ 192.9 | $ 107.2 |
| Working capital(6) | 524.4 | 502.3 | 996.6 |
| Total assets | 5,619.0 | 5,511.3 | 7,473.8 |
| Total long-term debt, net of current maturities | 3,115.9 | 2,894.1 | 4,294.3 |
| Total debt | 3,218.9 | 3,006.7 | 4,393.8 |
| Total shareholders equity | 884.7 | 1,020.7 | 1,575.8 |

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(1) Fiscal 2014 includes a non-cash charge of $9 million related to the write-off of unamortized debt issuance costs and unamortized discounts in connection with the amendment of our prior term credit facility. Fiscal 2013 includes fees and expenses of $106 million coupled with a non-cash charge of $16 million related to the write-off of unamortized debt issuance costs and unamortized premiums in connection with the extinguishment and replacement of our 9.5% senior secured notes due 2018 (the 9.5% Notes ) and prior term credit facility in conjunction with the acquisition of our hardware and home improvement business. Fiscal 2012 includes a non-cash charge of $2 million related to the write-off of unamortized debt issuance costs and unamortized premiums in connection with the extinguishment and refinancing of our 12% Senior Subordinated Toggle Notes due 2019 (the 12% Notes ).

(2) Fiscal 2014 income tax expense of $59 million includes a non-cash benefit of approximately $116 million resulting from a decrease in the valuation allowance against certain net deferred taxes.

(3) Fiscal 2013 income tax expense of $27 million includes a non-cash charge of approximately $62 million resulting from an increase in the valuation allowance against certain net deferred tax assets, net of a $50 million benefit due to the reversal of a portion of the valuation allowance in conjunction with the acquisition of our hardware and home improvement business.

(4) Fiscal 2012 income tax expense of $60 million includes a non-cash charge of approximately $12 million resulting from an increase in the valuation allowance against certain net deferred tax assets, net of a $15 million benefit due to the reversal of a portion of the valuation allowance in conjunction with the acquisition of FURminator.

(5) See Note 14, Restructuring and Related Charges, to SB/RH Holdings audited Consolidated Financial Statements and Note 12, Restructuring and Related Charges, to SB/RH Holdings Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus for further discussion.

(6) Working capital is defined as current assets less current liabilities.

## RISK FACTORS

*An investment in the notes involves risks. Before deciding whether to invest in the notes, in addition to the other information included in this prospectus, you should consider the matters addressed in the section entitled Cautionary Statement Regarding Forward-Looking Statements and the risks discussed below. While we believe that these risks are the most important for you to consider, you should read this prospectus carefully, including our financial statements, the notes to our financial statements and management s discussion and analysis of our financial condition and results of operations, which are included elsewhere in this prospectus. These risk factors are not the only risks that we or our subsidiaries may face. Additional risks and uncertainties not presently known to us or not currently believed to be important also may adversely affect our business.*

### Risks Related to the Notes

***The notes will be Spectrum Brands senior unsecured obligations and the guarantees will be unsecured obligations of the guarantors. As such, the notes and the guarantees will be effectively subordinated to any of Spectrum Brands or the guarantors secured debt, including our existing and any future debt under our Secured Credit Facilities.***

Spectrum Brands obligations under the notes and the guarantors obligations under the guarantees will not be secured. The notes will be effectively subordinated to Spectrum Brands and the guarantors existing and any future secured indebtedness, including our Secured Credit Facilities, to the extent of the value of the assets securing such indebtedness, which assets include substantially all of our assets and the assets of our domestic restricted subsidiaries. As of June 28, 2015, Spectrum Brands and the guarantors had $2,013.0 million of secured indebtedness outstanding. If we are involved in any dissolution, liquidation or reorganization, or if we default under the indentures governing the notes, holders of our secured debt would be paid before holders of the notes receive any amounts due under the notes to the extent of the value of the collateral securing such indebtedness. In that event, holders of the notes may not be able to recover any or all of the principal or interest due under the notes.

***The notes will be effectively subordinated to all liabilities of, and claims of creditors of, all of our foreign subsidiaries.***

The notes will not be guaranteed by any of our non-U.S. subsidiaries. Any right that we or the guarantors have to receive any assets of any of the foreign subsidiaries upon the liquidation or reorganization of those subsidiaries, and the consequent rights of holders of notes to realize proceeds from the sale of any of those subsidiaries assets, will be effectively subordinated to the claims of those subsidiaries creditors, including trade creditors, and holders of preferred equity interests of those subsidiaries. The indentures permit these subsidiaries to incur additional debt, subject to certain limits, and will not limit their ability to incur liabilities other than debt. As of June 28, 2015, these non-guarantor subsidiaries had 20% of our total liabilities and generated 55% of our revenue in the nine month period ended June 28, 2015.

***If we are unable to comply with the restrictions and covenants in the agreements governing the notes and our other debt, there could be a default under the terms of these agreements, which could result in an acceleration of payment of funds that we have borrowed and would impact our ability to make principal and interest payments on the notes.***

If we are unable to comply with the restrictions and covenants in our Secured Credit Facilities, in the indentures governing the notes offered hereby or governing our 2020/2022 Notes (collectively, the Indentures ) or in current or future debt financing agreements, there could be a default under the terms of these agreements. Our ability to comply with these restrictions and covenants, including meeting financial ratios and tests, may be affected by events beyond our control. As a result, we cannot assure you that we will be able to comply with these restrictions and covenants or meet these tests. Any default under the agreements governing our indebtedness, including a default under the aforementioned debt instruments, that is not waived by the required lenders, and the remedies sought by the holders of such indebtedness, could prevent us from paying principal, premium, if any, and interest on the notes and substantially decrease the market value of the notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants in the instruments governing our indebtedness (including covenants in the aforementioned debt instruments), we could be in default under the terms of the agreements governing such indebtedness. In the event of such default:

- the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest;
- the lenders under the Secured Credit Facilities could elect to terminate their commitments thereunder, cease making further loans and institute foreclosure proceedings against our assets; and
- we could be forced into bankruptcy or liquidation.

Moreover, the Secured Credit Facilities, the indentures governing the notes offered hereby and the Indentures each contain cross-default or cross-acceleration provisions that would be triggered by the occurrence of a default or acceleration under other instruments governing our indebtedness. If the payment of our indebtedness is accelerated, there can be no assurance that our assets would be sufficient to repay in full that indebtedness and our other indebtedness that would become due as a result of any acceleration.

If our operating performance declines, we may in the future need to obtain waivers from the required lenders under our Secured Credit Facilities to avoid being in default. If we breach our covenants under our Secured Credit Facilities and seek a waiver, we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under our Secured Credit Facilities, the lenders could exercise their rights, as described above, and we could be forced into bankruptcy or liquidation.

***Despite our current levels of debt, we may still incur substantially more debt ranking equal or effectively senior to the notes and increase the risks associated with our proposed leverage.***

Subject to certain restriction and limitation, we or our subsidiaries could incur significant additional indebtedness in the future. The provisions contained in the indentures and in our other debt agreements limit but do not prohibit our ability to incur additional indebtedness on an equal and ratable basis with the notes. In addition, any of our debt could be secured and therefore would be effectively senior to the notes to the extent of the value of the collateral securing that debt. This may have the effect of reducing the amount of proceeds available for the notes in the event of any bankruptcy, liquidation, reorganization or similar proceeding. If new debt is added to our current debt levels, the related risks that we now face as a result of our indebtedness could intensify.

***Fraudulent transfer statutes may limit your rights as a holder of the notes.***

Federal and state fraudulent transfer laws as previously interpreted by various courts permit a court, if it makes certain findings, to:

- avoid all or a portion of our obligations to holders of the notes;

- subordinate our obligations to holders of the notes to our other existing and future creditors, entitling such creditors to be paid in full before any payment is made on the notes; and

- take other action detrimental to holders of the notes, including invalidating the notes.

In that event, we cannot assure you that you would ever be repaid. There is also no assurance that amounts previously paid to you pursuant to the notes or guarantees would not be subject to return.

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Under federal and state fraudulent transfer laws, in order to take any of those actions, courts will typically need to find that we or the guarantors received less than fair consideration or reasonably equivalent value for incurring the indebtedness represented by the notes, and at the time the notes were issued:

- were insolvent or were rendered insolvent by reason of the issuance of the notes;
- were engaged, or were about to engage, in a business or transaction for which our capital was unreasonably small;
- intended to incur, or believed or should have believed we would incur, indebtedness beyond our ability to pay as such indebtedness matures; or
- were a defendant in an action for money damages, or had a judgment for money damages docketed against us or such guarantor if, in either case, after final judgment, the judgment was unsatisfied.

A court may also void an issuance of notes, a guarantee or grant of security, without regard to the above factors, if the court found that we issued the notes or the guarantors entered into their respective guaranty with actual intent to hinder, delay or defraud current or future creditors.

Many of the foregoing terms are defined in or interpreted under those fraudulent transfer statutes and as judicially interpreted. A court could find that we did not receive fair consideration or reasonably equivalent value for the incurrence of the indebtedness represented by the notes.

The measure of insolvency for purposes of the foregoing considerations will vary depending on the law of the jurisdiction that is being applied in any such proceeding. Generally, a company would be considered insolvent if, at the time it incurred the indebtedness:

- the sum of its indebtedness (including contingent liabilities) is greater than its assets, at fair valuation;
- the present fair saleable value of its assets is less than the amount required to pay the probable liability on its total existing indebtedness and liabilities (including contingent liabilities) as they become absolute and matured; or
- it could not pay its debts as they became due.

We cannot assure you what standard a court would apply in determining our solvency and whether it would conclude that we were solvent when we incurred our obligations under the notes.

In addition, the guarantees of the notes may also be subject to review under various laws for the protection of creditors. A court would likely find that we or a guarantor did not receive reasonably equivalent value or fair consideration for the notes or the guarantees, respectively, if we or a guarantor did not substantially benefit directly from the issuance of the notes. If a court were to void an issuance of the notes or the guarantees, you would no longer have a claim against us or the guarantors. Sufficient funds to repay the notes (or the related exchange notes) may not be available from other sources, including the remaining guarantors, if any. In addition, the court might direct you to repay any amounts that you already received from us or the guarantors. In addition, any payment by us pursuant to the notes made at a time we were found to be insolvent could be voided and required to be returned to us or to a fund for the benefit of our creditors if such payment is made to an insider within a one-year period prior to a bankruptcy filing or within 90 days for any outside party and such payment would give the creditors more than such creditors would have received in a distribution under the bankruptcy code.

***We may not be able to make the change of control offer required by the indentures.***

Upon a change of control, subject to certain conditions, we are required to offer to repurchase all outstanding notes in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the date of repurchase. We cannot assure you that we will have sufficient funds at the time of any change of control to make required repurchases of notes tendered. In addition, our other indebtedness agreements provide that certain change of control events will constitute an event of default thereunder. If the holders of the notes exercise their right to require us to repurchase all of the notes upon a change of control, the financial effect of this repurchase could cause a default under our other indebtedness, even if the change of control itself would not cause a default. Accordingly, it is possible that we will not have sufficient funds at the time of any such change of control to make the required repurchase of our other indebtedness and the notes or that restrictions in the indentures will not allow such repurchases. In addition, holders may not be entitled to require us to repurchase their notes upon a change of control in certain circumstances involving a significant change in the composition of our board of directors, including in connection with a proxy contest where our board of directors does not endorse a dissident slate of directors but approves them for purposes of the Continuing Directors definition. Lastly, certain other corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, would not constitute a Change of Control under the indentures. See Description of 2024 Notes Repurchase at the Option of Holders Change of Control and Description of 2025 Notes Repurchase at the Option of Holders Change of Control, as applicable, for additional information.

***The market price of the notes may decline if we enter into a transaction that is not a change of control under the indentures.***

We may enter into a highly leveraged transaction, reorganization, merger or similar transaction that is not a change of control under the indentures. Nevertheless, such transactions could result in a downgrade of our credit ratings, thereby negatively affecting the value of the notes.

***Changes in credit ratings issued by nationally recognized statistical ratings organizations could adversely affect our cost of financing and the market price of our securities, including the notes.***

Credit rating agencies rate our debt securities on factors that include our operating results, actions that we take, their view of the general outlook for our industry and their view of the general outlook for the economy. Actions taken by the rating agencies can include maintaining, upgrading, or downgrading the current rating or placing us on a watch list for possible future downgrading. Downgrading the credit rating of our debt securities or placing us on a watch list for possible future downgrading would likely increase our cost of financing, limit our access to the capital markets and have an adverse effect on the market price of our securities, including the notes offered hereby.

***If the notes are rated investment grade at any time by both Moody s Investor Service and Standard & Poor s Ratings Services, most of the restrictive covenants and corresponding events of default contained in the indentures governing the notes will be suspended, resulting in a reduction of credit protection.***

If, at any time, the credit rating on the applicable series of notes, as determined by both Moody s Investors Service and Standard & Poor s Ratings Services, equals or exceeds Baa3 and BBB-, respectively, or any equivalent replacement ratings, we will no longer be subject to most of the restrictive covenants and corresponding events of default contained in the applicable indenture. Any restrictive covenants or corresponding events of default that cease to apply to us as a result of achieving these ratings will be restored if one or both of the credit ratings on the notes later falls below these thresholds. However, during any period in which these restrictive covenants are suspended, we may incur other indebtedness, make restricted payments and take other actions that would have been prohibited if these covenants had been in effect. If the restrictive covenants are later restored, the actions taken while the covenants were suspended will not result in an event of default under the applicable indenture even if they would constitute an event of default at the time the covenants are restored. Accordingly, if these covenants and corresponding events of default are suspended, you will have less credit protection than you will at the time the notes are issued. See Description of 2024

Notes  Suspension of Certain Covenants  and  Description of 2025 Notes  Suspension of Certain Covenants,  as applicable.

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***The sale or other disposition by HRG Group, Inc., the holder of a majority of the outstanding shares of our common stock, to non-affiliates of a sufficient amount of the common stock of SB Holdings would constitute a change of control under the agreements governing our debt.***

HRG Group, Inc. (f/k/a Harbinger Group Inc.) ( HRG ) owns a majority of the outstanding shares of the common stock of SB Holdings. The sale or other disposition by HRG to non-affiliates of a sufficient amount of the common stock of SB Holdings would constitute a change of control under certain of the agreements governing our debt, including any foreclosure on or sale of SB Holdings common stock pledged as collateral by HRG pursuant to the indenture governing HRG s outstanding secured notes. Under the Secured Credit Facilities, a change of control is an event of default and, if a change of control were to occur, we would be required to get an amendment to these agreements to avoid a default. If we were unable to get such an amendment, the lenders could accelerate the maturity of our Secured Credit Facilities. In addition, under the Indentures, upon a change of control, we are required to offer to repurchase such notes from the holders at a price equal to 101% of principal amount of such notes plus accrued interest or obtain a waiver of default from the holders of such notes. If we were unable to make the change of control offer, or to obtain a waiver of default, it would be an event of default under the applicable Indenture that could allow holders of such notes to accelerate the maturity of the notes.

**Risks Related to the Exchange Offer**

***If you do not properly tender your initial notes, you will continue to hold unregistered initial notes and be subject to the same limitations on your ability to transfer initial notes.***

We will only issue exchange notes for initial notes that are timely received by the exchange agent together with all required documents, including a properly completed and signed letter of transmittal. Therefore, you should allow sufficient time to ensure timely delivery of the initial notes and you should carefully follow the instructions on how to tender your initial notes. Neither we nor the exchange agent are required to tell you of any defects or irregularities with respect to your tender of the initial notes. If you are eligible to participate in the exchange offer and do not tender your initial notes or if we do not accept your initial notes because you did not tender your initial notes properly, then, after we consummate the exchange offer, you will continue to hold initial notes that are subject to the existing transfer restrictions and will no longer have any registration rights or be entitled to any additional interest with respect to the initial notes. In general, you may only offer or sell the initial notes if such transaction is registered under the Securities Act and applicable state securities laws, or offered and sold under an exemption from these requirements. Except as required by the Registration Rights Agreements, we do not currently anticipate that we will register under the Securities Act, any initial notes that remain outstanding after the Exchange Offer. In addition:

- if you tender your initial notes for the purpose of participating in a distribution of the exchange notes, you will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale of the exchange notes; and

- if you are a broker-dealer that receives exchange notes for your own account in exchange for initial notes that you acquired as a result of market-making activities or any other trading activities, you will be required to acknowledge that you will deliver a prospectus in connection with any resale of those exchange notes.

We have agreed that, for a period of 180 days after the exchange offer is consummated, we will make additional copies of this prospectus and any amendment or supplement to this prospectus available to any broker-dealer for use in connection with any resales of the exchange notes. After the exchange offer is consummated, if you continue to hold any initial notes, you may have difficulty selling them because there will be fewer initial notes outstanding.

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***There is no active trading market for the exchange notes.***

The exchange notes are a new issue of securities for which there is no existing trading market. Accordingly, we cannot assure you that a liquid market for the exchange notes will develop or, if developed, that it will continue or that you will be able to sell your exchange notes at a particular time or at favorable prices. We have not applied, and do not intend to apply for listing or quotation of the notes on any securities exchange or automated quotation system.

The liquidity of any market for the exchange notes is subject to a number of factors, including:

- the number of holders of exchange notes;
- our operating performance and financial condition;
- our ability to complete the exchange offer;
- the market for similar securities;
- the interest of securities dealers in making a market in the exchange notes; and
- prevailing interest rates.

We understand that one or more of the initial purchasers with respect to the initial notes presently intend to make a market in the exchange notes. However, they are not obligated to do so, and any market-making activity with respect to the exchange notes may be discontinued at any time without notice. In addition, any market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act and may be limited during the exchange offer or the pendency of an applicable shelf registration statement.

***The issuance of the exchange notes may adversely affect the market for the initial notes.***

To the extent the initial notes are tendered and accepted in the exchange offer, the trading market for the untendered and tendered but unaccepted initial notes could be adversely affected. Because we anticipate that most holders of the initial notes will elect to exchange their initial notes for exchange notes due to the absence of restrictions on the resale of exchange notes under the Securities Act, we anticipate that the liquidity of the market for any initial notes remaining after the completion of this exchange offer may be substantially limited. Please refer to the section in this prospectus entitled The Exchange Offer Your Failure to Participate in the Exchange Offer May Have Adverse Consequences.

***Some persons who participate in the exchange offer must deliver a prospectus in connection with resales of the exchange notes.***

Based on interpretations of the staff of the SEC contained in Exxon Capital Holdings Corp., SEC no-action letter (April 13, 1988), Morgan Stanley & Co. Inc., SEC no-action letter (June 5, 1991) and Shearman & Sterling, SEC no-action letter (July 2, 1983), we believe that you may offer for resale the exchange notes without compliance with the registration and prospectus delivery requirements of the Securities Act. However, in some instances described in this prospectus under Plan of Distribution, you will remain obligated to comply with the registration and prospectus delivery requirements of the Securities Act to transfer your exchange notes. In these cases, if you transfer any exchange note without delivering a prospectus meeting the requirements of the Securities Act or without an exemption from registration of your exchange notes under the Securities Act, you may incur liability under the Securities Act. We do not and will not assume, or indemnify you against, this liability.

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## Risks Related To Our Business

***Our substantial indebtedness may limit our financial and operating flexibility, and we may incur additional debt, which could increase the risks associated with our substantial indebtedness.***

We have, and we expect to continue to have, a significant amount of indebtedness. As of June 28, 2015, we had total indebtedness under the Secured Credit Facilities, the 2020/2022 Notes, the notes and other debt instruments of approximately $4,402.3 billion. Our substantial indebtedness has had, and could continue to have, material adverse consequences for our business, and may:

- require us to dedicate a large portion of our cash flow to pay principal and interest on our indebtedness, which will reduce the availability of our cash flow to fund working capital, capital expenditures, research and development expenditures and other business activities;
- increase our vulnerability to general adverse economic and industry conditions;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- restrict our ability to make strategic acquisitions, dispositions or to exploit business opportunities;
- place us at a competitive disadvantage compared to our competitors that have less debt; and
- limit our ability to borrow additional funds (even when necessary to maintain adequate liquidity) or dispose of assets.

Under the Secured Credit Facilities and the Indentures, we may incur additional indebtedness. If new debt is added to our existing debt levels, the related risks that we now face would increase.

Furthermore, a substantial portion of our debt bears interest at variable rates. If market interest rates increase, the interest rate on our variable rate debt will increase and will create higher debt service requirements, which would adversely affect our cash flow and could adversely impact our results of operations. While we may enter into agreements limiting our exposure to higher debt service requirements, any such agreements may not offer complete protection from this risk.

***Restrictive covenants in the Secured Credit Facilities and the Indentures may restrict our ability to pursue our business strategies.***

The Secured Credit Facilities and the Indentures restrict, among other things, asset dispositions, mergers and acquisitions, dividends, stock repurchases and redemptions, other restricted payments and indebtedness, loans and investments, liens and affiliate transactions. The Secured Credit Facilities and the Indentures also contain customary events of default. These covenants could among other things, limit our ability to fund future working capital and capital expenditures, engage in future acquisitions or development activities, or otherwise realize the value of our assets and opportunities fully. In addition, the Secured Credit Facilities and the Indentures require us to dedicate a portion of cash flow from operations to payments on debt and the Revolving Credit Facility contains financial covenants relating to maximum leverage. Such requirements and covenants could limit the flexibility of our restricted entities in planning for, or reacting to, changes in the industries in which they operate. Our ability to comply with these covenants is subject to certain events outside of our control. If we are unable to comply with these covenants, the lenders under our Secured Credit Facilities could terminate their commitments and the lenders under our Secured Credit Facilities or the holders of the 2020/2022 Notes or the notes could accelerate repayment of our outstanding borrowings and, in either case, we may be unable to obtain adequate refinancing of outstanding borrowings on favorable terms or at all. If we are unable to repay outstanding borrowings when due, the lenders under the Secured Credit Facilities will also have the right to proceed against the collateral granted to them to secure the indebtedness owed to them. If our obligations under the Secured Credit Facilities are accelerated, we cannot assure you that our assets would be sufficient to repay in full such indebtedness.

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***We face risks related to the current economic environment.***

The economic environment and related turmoil in the global financial system between 2008 and 2012 had an impact on our business and financial condition, and we may face additional challenges if economic and financial market conditions deteriorate in the future.

Global economic conditions have significantly impacted economic markets within certain sectors, with financial services and retail businesses being particularly impacted. Our ability to generate revenue depends significantly on discretionary consumer spending. It is difficult to predict new general economic conditions that could impact consumer and customer demand for our products or our ability to manage normal commercial relationships with our customers, suppliers and creditors. A number of negative economic factors, including constraints on the supply of credit to households, uncertainty and weakness in the labor market and general consumer fears of a new economic downturn could have a negative impact on discretionary consumer spending. If the economy deteriorates or fails to further improve, our business could be negatively impacted, including as a result of reduced demand for our products or supplier or customer disruptions. Any weakness in discretionary consumer spending could have a material adverse effect on our revenues, results of operations and financial condition. In addition, our ability to access the capital markets may be restricted at a time when it could be necessary or beneficial to do so, which could have an impact on our flexibility to react to changing economic and business conditions.

In the last few years, concern over continuing high unemployment, stagnant economic performance and government debt levels in many European Union countries caused significant fluctuations of the Euro relative to other currencies, such as the U.S. dollar. Continued weakness of the European economy could lead to a decrease in consumer confidence, which could cause reductions in discretionary spending and demand for our products. Furthermore, sovereign debt issues could also lead to further significant, and potentially longer-term, economic issues such as reduced economic growth and devaluation of the Euro against the U.S. dollar, any of which could adversely affect our business, financial conditions and operating results.

***We depend on key personnel and may not be able to retain those employees or recruit additional qualified personnel.***

We are highly dependent on the continuing efforts of our senior management team and other key personnel. Our business, financial condition and results of operations could be materially adversely affected if we lose any of these persons and are unable to attract and retain qualified replacements.

***We participate in very competitive markets and we may not be able to compete successfully, causing us to lose market share and sales.***

The markets in which we participate are very competitive. In the consumer battery market, our primary competitors are Duracell (a brand of Procter & Gamble), Energizer and Panasonic (a brand of Matsushita). In the electric shaving and grooming and electric personal care product markets, our primary competitors are Braun (a brand of Procter & Gamble), Norelco (a brand of Philips), and Vidal Sassoon and Revlon (brands of Helen of Troy). In the pet supplies market, our primary competitors are Mars, Hartz and Central Garden & Pet. In the Home and Garden Business, our principal national competitors are Scotts, Central Garden & Pet and S.C. Johnson. Our principal national competitors within our small appliances product category include Jarden Corporation, DeLonghi America, Euro-Pro Operating LLC, Metro Thebe, Inc., (d/b/a HWI Breville) NACCO Industries, Inc. (Hamilton Beach ) and SEB S.A. In the hardware and home improvement industry, our principal competitors are Schlage, a division of Ingersoll-Rand, Masco, Fortune Brands, Kohler and American Standard. In each of these markets, we also face competition from numerous other companies. In addition, in a number of our product lines, we compete with our retail customers, who use their own private label brands, and with distributors and foreign manufacturers of unbranded products. Significant new competitors or increased competition from existing competitors may adversely affect our business, financial condition and results of our operations.

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We compete with our competitors for consumer acceptance and limited shelf space based upon brand name recognition, perceived product quality, price, performance, product features and enhancements, product packaging and design innovation, as well as creative marketing, promotion and distribution strategies, and new product introductions. Our ability to compete in these consumer product markets may be adversely affected by a number of factors, including, but not limited to, the following:

- We compete against many well-established companies that may have substantially greater financial and other resources, including personnel and research and development, and greater overall market share than us.

- In some key product lines, our competitors may have lower production costs and higher profit margins than us, which may enable them to compete more aggressively in offering retail discounts, rebates and other promotional incentives.

- Technological advancements, product improvements or effective advertising campaigns by competitors may weaken consumer demand for our products.

- Consumer purchasing behavior may shift to distribution channels, including to online retailers, where we and our customers do not have a strong presence.

- Consumer preferences may change to lower margin products or products other than those we market.

- We may not be successful in the introduction, marketing and manufacture of any new products or product innovations or be able to develop and introduce, in a timely manner, innovations to our existing products that satisfy customer needs or achieve market acceptance.

Some competitors may be willing to reduce prices and accept lower profit margins to compete with us. As a result of this competition, we could lose market share and sales, or be forced to reduce our prices to meet competition. If our product offerings are unable to compete successfully, our sales, results of operations and financial condition could be materially and adversely affected. In addition, we may be unable to implement changes to our products or otherwise adapt to changing consumer trends. If we are unable to respond to changing consumer trends, our operating results and financial condition could be adversely affected.

***Sales of certain of our products are seasonal and may cause our operating results and working capital requirements to fluctuate.***

On a consolidated basis our financial results are approximately equally weighted between quarters, however, sales of certain product categories tend to be seasonal. Sales in the consumer battery, electric shaving and grooming and electric personal care product categories, particularly in North America, tend to be concentrated in the December holiday season (our first fiscal quarter). Demand for hardware and home improvement products increases during the spring and summer construction period (our third and fourth fiscal quarters) and demand for pet supplies products remains fairly constant throughout the year. Demand for home and garden control products typically peaks during the first six months of the calendar year (our second and third fiscal quarters). Small Appliances peaks from

July through December primarily due to the increased demand by customers in the late summer for back-to-school sales and in the fall for the holiday season. As a result of this seasonality, our inventory and working capital needs fluctuate significantly throughout the year. In addition, orders from retailers are often made late in the period preceding the applicable peak season, making forecasting of production schedules and inventory purchases difficult. If we are unable to accurately forecast and prepare for customer orders or our working capital needs, or there is a general downturn in business or economic conditions during these periods, our business, financial condition and results of operations could be materially and adversely affected.

***Adverse weather conditions during our peak selling season for our home and garden control products could have a material adverse effect on our Home and Garden Business.***

Weather conditions have a significant impact on the timing and volume of sales of certain of our lawn and garden and household insecticide and repellent products. For example, periods of dry, hot weather can decrease

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insecticide sales, while periods of cold and wet weather can slow sales of herbicides. Adverse weather conditions during the first six months of the calendar year (our second and third fiscal quarters), when demand for home and garden control products typically peaks, could have a material adverse effect on our home and garden business and our financial results during such period.

***We are subject to significant international business risks that could hurt our business and cause our results of operations to fluctuate.***

Approximately 40% of our net sales for the fiscal year ended September 30, 2014 were to customers outside of the U.S. Our pursuit of international growth opportunities may require significant investments for an extended period before returns on these investments, if any, are realized. Our international operations are subject to risks including, among others:

- currency fluctuations, including, without limitation, fluctuations in the foreign exchange rate of the Euro, British Pound, Brazilian Real, Canadian Dollar, Australian Dollar, Japanese Yen and the Mexican Peso;
- changes in the economic conditions or consumer preferences or demand for our products in these markets;
- the risk that because our brand names may not be locally recognized, we must spend significant amounts of time and money to build brand recognition without certainty that we will be successful;
- labor unrest;
- political and economic instability, as a result of war, terrorist attacks, pandemics, natural disasters or otherwise;
- lack of developed infrastructure;
- longer payment cycles and greater difficulty in collecting accounts;
- restrictions on transfers of funds;
- import and export duties and quotas, as well as general transportation costs;
- changes in domestic and international customs and tariffs;

- changes in foreign labor laws and regulations affecting our ability to hire and retain employees;
- inadequate protection of intellectual property in foreign countries;
- unexpected changes in regulatory environments;
- difficulty in complying with foreign law; and
- adverse tax consequences.

The foregoing factors may have a material adverse effect on our ability to increase or maintain our supply of products, financial condition or results of operations.

***Our products utilize certain key raw materials; any significant increase in the price of, or change in supply and demand for, these raw materials could have a material and adverse effect on our business, financial condition and profits.***

The principal raw materials used to produce our products including zinc powder, brass, electrolytic manganese dioxide powder, petroleum-based plastic materials, steel, aluminum, copper and corrugated materials (for packaging) are sourced either on a global or regional basis by us or our suppliers, and the prices of those raw materials are susceptible to price fluctuations due to supply and demand trends, energy costs, transportation costs, government regulations, duties and tariffs, changes in currency exchange rates, price controls, general economic conditions and other unforeseen circumstances. In particular, during the years 2012 and 2013, we experienced extraordinary price increases for raw materials, particularly as a result of strong demand from China. Although we may increase the prices of certain of our goods to our customers, we may not be able to pass all of these cost increases on to our customers. As a result, our margins may be adversely impacted by such cost increases. We cannot provide any assurance that our sources of supply will not be interrupted due to changes in worldwide supply of or demand for raw materials or other events that interrupt material flow, which may have an adverse effect on our profitability and results of operations.

We regularly engage in forward purchase and hedging derivative transactions in an attempt to effectively manage and stabilize some of the raw material costs we expect to incur over the next 12 to 24 months. However, our hedging positions may not be effective, or may not anticipate beneficial trends, in a particular raw material market or may, as a result of changes in our business, no longer be useful for us. In addition, for certain of the principal raw materials we use to produce our products, such as electrolytic manganese dioxide powder, there are no available effective hedging markets. If these efforts are not effective or expose us to above average costs for an extended period of time, and we are unable to pass our raw materials costs on to our customers, our future profitability may be materially and adversely affected. Furthermore, with respect to transportation costs, certain modes of delivery are subject to fuel surcharges which are determined based upon the current cost of diesel fuel in relation to pre-established agreed upon costs. We may be unable to pass these fuel surcharges on to our customers, which may have an adverse effect on our profitability and results of operations.

In addition, we have exclusivity arrangements and minimum purchase requirements with certain of our suppliers for the Home and Garden Business, which increase our dependence upon and exposure to those suppliers. Some of those agreements include caps on the price we pay for our supplies and in certain instances, these caps have allowed us to purchase materials at below market prices. When we attempt to renew those contracts, the other parties to the contracts may not be willing to include or may limit the effect of those caps and could even attempt to impose above market prices in an effort to make up for any below market prices paid by us prior to the renewal of the agreement. Any failure to timely obtain suitable supplies at competitive prices could materially adversely affect our business, financial condition and results of operations.

***We may not be able to fully utilize our U.S. net operating loss carryforwards.***

As of September 30, 2014, we had U.S. federal net operating loss carryforwards ( NOLs ) of approximately $1,084 million and tax benefits related to state NOLs of $70 million. These net operating loss carryforwards expire through years ending in 2034. As of September 30, 2014, we determined that it continues to be more likely than not that the U.S. federal and most of the U.S. state net deferred tax asset, will not be realized in the future and as such recorded a full valuation allowance to offset the net U.S. federal and most of the U.S. state deferred tax asset, including Spectrum Brands NOLs. In addition, Spectrum Brands has had changes of ownership, as defined under Section 382 of the Internal Revenue Code (the IRC ) of 1986, as amended, that continue to subject a significant amount of Spectrum Brands U.S. NOLs and other tax attributes to certain limitations.

As a consequence of the merger of Salton, Inc. and Applica Incorporated in December 2007 (which created Russell Hobbs, Inc.), as well as earlier business combinations and issuances of common stock consummated by both companies, use of the tax benefits of Russell Hobbs, Inc. s U.S. NOLs is also subject to limitations imposed by Section 382 of the IRC. We expect that a significant portion of these carryforwards, if any, will not be available to offset future taxable income. In addition, use of Russell Hobbs, Inc. s NOLs and tax credit carryforwards is dependent upon both Russell Hobbs, Inc. and us achieving profitable results in the future. Russell Hobbs Inc. s U.S. NOLs were subject to a full valuation allowance at September 30, 2014.

As of September 30, 2014, we estimate that approximately $302 million of the Spectrum Brands and Russell Hobbs, Inc. U.S. federal NOLs and tax benefits of $17 million from Spectrum Brands and Russell Hobbs, Inc.

state NOLs would expire unused even if the Company generates sufficient income to otherwise use all its NOLs, due to the limitation in Section 382 of the IRC.

If we are unable to fully utilize our NOLs, other than those restricted under Section 382 of the IRC, as discussed above, to offset taxable income generated in the future, our results of operations could be materially and negatively impacted.

***Consolidation of retailers and our dependence on a small number of key customers for a significant percentage of our sales may negatively affect our business, financial condition and results of operations.***

As a result of consolidation of retailers and consumer trends toward national mass merchandisers, a significant percentage of our sales are attributable to a very limited group of customers. Our largest customer accounted for approximately 16% of our consolidated net sales for the fiscal year ended September 30, 2014. As these mass merchandisers and retailers grow larger and become more sophisticated, they may demand lower pricing, special packaging or impose other requirements on product suppliers. These business demands may relate to inventory practices, logistics or other aspects of the customer-supplier relationship. Because of the importance of these key customers, demands for price reductions or promotions, reductions in their purchases, changes in their financial condition or loss of their accounts could have a material adverse effect on our business, financial condition and results of operations. See Risks Related to the AAG Acquisition We and AAG have similar major customers and the loss of any significant customer may adversely affect our results of operations.

Although we have long-established relationships with many of our customers, we do not have long-term agreements with them and purchases are generally made through the use of individual purchase orders. Any significant reduction in purchases, failure to obtain anticipated orders or delays or cancellations of orders by any of these major customers, or significant pressure to reduce prices from any of these major customers, could have a material adverse effect on our business, financial condition and results of operations. Additionally, a significant deterioration in the financial condition of the retail industry in general, the bankruptcy of any of our customers or if any of our customers were to leave the business, could have a material adverse effect on our sales and profitability.

In addition, as a result of the desire of retailers to more closely manage inventory levels, there is a growing trend among them to purchase products on a just-in-time basis. Due to a number of factors, including (i) manufacturing lead-times, (ii) seasonal purchasing patterns and (iii) the potential for material price increases, we may be required to shorten our lead-time for production and more closely anticipate our retailers and customers demands, which could in the future require us to carry additional inventories and increase our working capital and related financing requirements. This may increase the cost of warehousing inventory or result in excess inventory becoming difficult to manage, unusable or obsolete. In addition, if our retailers significantly change their inventory management strategies, we may encounter difficulties in filling customer orders or in liquidating excess inventories, or may find that customers are cancelling orders or returning products, which may have a material adverse effect on our business.

Furthermore, we primarily sell branded products and a move by one or more of our large customers to sell significant quantities of private label products, which we do not produce on their behalf and which directly compete with our products, could have a material adverse effect on our business, financial condition and results of operations.

***As a result of our international operations, we face a number of risks related to exchange rates and foreign currencies.***

Our international sales and certain of our expenses are transacted in foreign currencies. During the fiscal year ended September 30, 2014, approximately 40% of our net sales and operating expenses were denominated in foreign currencies. We expect that the amount of our revenues and expenses transacted in foreign currencies

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will increase as our Latin American, European and Asian operations grow and as a result of acquisitions in these markets and, as a result, our exposure to risks associated with foreign currencies could increase accordingly. Significant changes in the value of the U.S. dollar in relation to foreign currencies will affect our cost of goods sold and our operating margins and could result in exchange losses or otherwise have a material effect on our business, financial condition and results of operations. Changes in currency exchange rates may also affect our sales to, purchases from and loans to our subsidiaries as well as sales to, purchases from and bank lines of credit with our customers, suppliers and creditors that are denominated in foreign currencies.

We source many products from China and other Asian countries. To the extent the Chinese Renminbi ( RMB ) or other currencies appreciate with respect to the U.S. dollar, we may experience fluctuations in our results of operations. Since 2005, the RMB has no longer been pegged to the U.S. dollar at a constant exchange rate and instead fluctuates versus a basket of currencies. Although the People s Bank of China regularly intervenes in the foreign exchange market to prevent significant short-term fluctuations in the exchange rate, the RMB may appreciate or depreciate within a flexible peg range against the U.S. dollar in the medium to long term. Moreover, it is possible that in the future Chinese authorities may lift restrictions on fluctuations in the RMB exchange rate and lessen intervention in the foreign exchange market.

While we may enter into hedging transactions in the future, the availability and effectiveness of these transactions may be limited, and we may not be able to successfully hedge our exposure to currency fluctuations. Further, we may not be successful in implementing customer pricing or other actions in an effort to mitigate the impact of currency fluctuations and, thus, our results of operations may be adversely impacted.

***Our international operations may expose us to risks related to compliance with the laws and regulations of foreign countries.***

We are subject to three EU Directives that may have a material impact on our business: Restriction of the Use of Hazardous Substances in Electrical and Electronic Equipment, Waste of Electrical and Electronic Equipment and the Directive on Batteries and Accumulators and Waste Batteries, discussed below. Restriction of the Use of Hazardous Substances in Electrical and Electronic Equipment requires us to eliminate specified hazardous materials from products we sell in EU member states. Waste of Electrical and Electronic Equipment requires us to collect and treat, dispose of or recycle certain products we manufacture or import into the EU at our own expense. The EU Directive on Batteries and Accumulators and Waste Batteries bans heavy metals in batteries by establishing maximum quantities of heavy metals in batteries and mandates waste management of these batteries, including collection, recycling and disposal systems, with the costs imposed upon producers and importers such as us. The costs associated with maintaining compliance or failing to comply with the EU Directives may harm our business. For example:

- Although contracts with our suppliers address related compliance issues, we may be unable to procure appropriate Restriction of the Use of Hazardous Substances in Electrical and Electronic Equipment compliant material in sufficient quantity and quality and/or be able to incorporate it into our product procurement processes without compromising quality and/or harming our cost structure.

- We may face excess and obsolete inventory risk related to non-compliant inventory that we may hold for which there is reduced demand, and we may need to write down the carrying value of such inventories.

We may be unable to sell certain existing inventories of our batteries in Europe and other countries that have adopted similar regulations.

Many of the developing countries in which we operate do not have significant governmental regulation relating to environmental safety, occupational safety, employment practices or other business matters routinely regulated in the U.S. and EU or may not rigorously enforce such regulation. As these countries and their economies develop, it is possible that new regulations or increased enforcement of existing regulations may increase the expense of doing business in these countries. In addition, social legislation in many countries in which we operate may result in significantly higher expenses associated with labor costs, terminating employees or distributors and closing manufacturing facilities. Increases in our costs as a result of increased regulation, legislation or enforcement could materially and adversely affect our business, results of operations and financial condition.

***We may not be able to adequately establish and protect our intellectual property rights, and the infringement or loss of our intellectual property rights could harm our business.***

To establish and protect our intellectual property rights, we rely upon a combination of national, foreign and multi-national patent, trademark and trade secret laws, together with licenses, confidentiality agreements and other contractual arrangements. The measures that we take to protect our intellectual property rights may prove inadequate to prevent third parties from infringing or misappropriating our intellectual property. We may need to resort to litigation to enforce or defend our intellectual property rights. If a competitor or collaborator files a patent application claiming technology also claimed by us, or a trademark application claiming a trademark, service mark or trade dress also used by us, in order to protect our rights, we may have to participate in expensive and time consuming opposition or interference proceedings before the U.S. Patent and Trademark Office or a similar foreign agency. Similarly, our intellectual property rights may be challenged by third parties or invalidated through administrative process or litigation. The costs associated with protecting intellectual property rights, including litigation costs, may be material. Furthermore, even if our intellectual property rights are not directly challenged, disputes among third parties could lead to the weakening or invalidation of our intellectual property rights, or our competitors may independently develop technologies that are substantially equivalent or superior to our technology. Obtaining, protecting and defending intellectual property rights can be time consuming and expensive, and may require us to incur substantial costs, including the diversion of the time and resources of management and technical personnel.

Moreover, the laws of certain foreign countries in which we operate or may operate in the future do not protect, and the governments of certain foreign countries do not enforce, intellectual property rights to the same extent as do the laws and government of the U.S., which may negate our competitive or technological advantages in such markets. Also, some of the technology underlying our products is the subject of nonexclusive licenses from third parties. As a result, this technology could be made available to our competitors at any time. If we are unable to establish and then adequately protect our intellectual property rights, our business, financial condition and results of operations could be materially and adversely affected.

We license various trademarks, trade names and patents from third parties for certain of our products. These licenses generally place marketing obligations on us and require us to pay fees and royalties based on net sales or profits. Typically, these licenses may be terminated if we fail to satisfy certain minimum sales obligations or if we breach the terms of the license. The termination of these licensing arrangements could adversely affect our business, financial condition and results of operations.

In our Global Batteries & Appliances segment, we license the use of the Black & Decker brand for marketing in certain small household appliances in North America, South America (excluding Brazil) and the Caribbean. In July 2014, The Black & Decker Corporation ( BDC ) extended the license agreement through December 2018. The failure to renew the license agreement with BDC or to enter into a new agreement on acceptable terms could have a material adverse effect on our financial condition, liquidity and results of operations. Additionally, in connection with our acquisition of the HHI Business, we received a limited right to use certain Stanley Black & Decker trademarks, brand names and logos in marketing our products and services for only five years. Pursuant to a transitional trademark license agreement, Stanley Black & Decker granted us the right to use the Stanley and Black & Decker marks and logos, and certain other marks and logos, for up to five years after the completion of the HHI Business acquisition in connection with certain products and services. When our right to use these Stanley Black & Decker trademarks, brand names and logos expires, we may not be able to maintain or enjoy comparable name recognition or status under our new brand. If we are unable to successfully manage the transition of our business to our new brand, our reputation among our customers could be adversely affected, and our revenue and profitability could decline.

***Claims by third parties that we are infringing their intellectual property and other litigation could adversely affect our business.***

From time to time in the past we have been subject to claims that we are infringing the intellectual property of others. We currently are the subject of such claims and it is possible that third parties will assert infringement claims against us in the future. An adverse finding against us in these or similar trademark or other intellectual property litigations may have a material adverse effect on our business, financial condition and results of operations. Any such claims, with or without merit, could be time consuming and expensive, and may require us to incur substantial costs, including the diversion of the resources of management and technical personnel, cause product delays or require us to enter into licensing or other agreements in order to secure continued access to necessary or desirable intellectual property. If we are deemed to be infringing a third party s intellectual property and are unable to continue using that intellectual property as we had been, our business and results of operations could be harmed if we are unable to successfully develop non-infringing alternative intellectual property on a timely basis or license non-infringing alternatives or substitutes, if any exist, on commercially reasonable terms. In addition, an unfavorable ruling in intellectual property litigation could subject us to significant liability, as well as require us to cease developing, manufacturing or selling the affected products or using the affected processes or trademarks. Any significant restriction on our proprietary or licensed intellectual property that impedes our ability to develop and commercialize our products could have a material adverse effect on our business, financial condition and results of operations.

***Our dependence on a few suppliers and one of our U.S. facilities for certain of our products makes us vulnerable to a disruption in the supply of our products.***

Although we have long-standing relationships with many of our suppliers, we generally do not have long-term contracts with them. An adverse change in any of the following could have a material adverse effect on our business, financial condition and results of operations:

- our ability to identify and develop relationships with qualified suppliers;
- the terms and conditions upon which we purchase products from our suppliers, including applicable exchange rates, transport and other costs, our suppliers willingness to extend credit to us to finance our inventory purchases and other factors beyond our control;
- the financial condition of our suppliers;
- political and economic instability in the countries in which our suppliers are located, as a result of war, terrorist attacks, pandemics, natural disasters or otherwise;
- our ability to import outsourced products;

- our suppliers noncompliance with applicable laws, trade restrictions and tariffs; or

- our suppliers ability to manufacture and deliver outsourced products according to our standards of quality on a timely and efficient basis.

If our relationship with one of our key suppliers is adversely affected, we may not be able to quickly or effectively replace such supplier and may not be able to retrieve tooling, molds or other specialized production equipment or processes used by such supplier in the manufacture of our products. The loss of one or more of our suppliers, a material reduction in their supply of products or provision of services to us or extended disruptions or interruptions in their operations could have a material adverse effect on our business, financial condition and results of operations.

We manufacture the majority of our foil cutting systems for our shaving product lines, using specially designed machines and proprietary cutting technology, at our Portage, Wisconsin facility. In addition, we also manufacture the majority of our residential door locks at our Subic Bay, Philippines facility. Our home and garden products are mainly manufactured from our St. Louis, Missouri, facility. Damage to these facilities, or prolonged interruption in the operations of these facilities whether for repairs, as a result of labor difficulties or for other reasons, could have a material adverse effect on our ability to manufacture and sell our foil shaving, residential door locks and home and garden products which could in turn harm our business, financial condition and results of operations.

***We face risks related to our sales of products obtained from third-party suppliers.***

We sell a significant number of products that are manufactured by third party suppliers over which we have no direct control. While we have implemented processes and procedures to try to ensure that the suppliers we use are complying with all applicable regulations, there can be no assurances that such suppliers in all instances will comply with such processes and procedures or otherwise with applicable regulations. Noncompliance could result in our marketing and distribution of contaminated, defective or dangerous products which could subject us to liabilities and could result in the imposition by governmental authorities of procedures or penalties that could restrict or eliminate our ability to purchase products from non-compliant suppliers. Any or all of these effects could adversely affect our business, financial condition and results of operations.

In addition, the Dodd-Frank Wall Street Reform and Consumer Protection Act includes provisions regarding certain minerals and metals, known as conflict minerals, mined from the Democratic Republic of Congo and adjoining countries. These provisions require companies to undertake due diligence procedures and report on the use of conflict minerals in its products, including products manufactured by third parties. Compliance with these provisions will cause us to incur costs to certify that our supply chain is conflict free and we may face difficulties if our suppliers are unwilling or unable to verify the source of their materials. Our ability to source these minerals and metals may also be adversely impacted. In addition, our customers may require that we provide them with a certification and our inability to do so may disqualify us as a supplier.

***Class action and derivative action lawsuits and other investigations, regardless of their merits, could have an adverse effect on our business, financial condition and results of operations.***

We and certain of our officers and directors have been named in the past, and, may be named in the future, as defendants of class action and derivative action lawsuits. In the past, we have also received requests for information from government authorities. Regardless of their subject matter or merits, class action lawsuits and other government investigations may result in significant cost to us, which may not be covered by insurance, may divert the attention of management or may otherwise have an adverse effect on our business, financial condition and results of operations.

***We may be exposed to significant product liability claims which our insurance may not cover and which could harm our reputation.***

In the ordinary course of our business, we may be named as a defendant in lawsuits involving product liability claims. In any such proceeding, plaintiffs may seek to recover large and sometimes unspecified amounts of damages and the matters may remain unresolved for several years. Any such matters could have a material adverse effect on our business, results of operations and financial condition if we are unable to successfully defend against or settle these matters or if our insurance coverage is insufficient to satisfy any judgments against us or settlements relating to these matters. Although we have product liability insurance coverage and an excess umbrella policy, our insurance policies may not provide coverage for certain, or any, claims against us or may not be sufficient to cover all possible liabilities. Additionally, we do not maintain product recall insurance. We may not be able to maintain such insurance on acceptable terms, if at all, in the future. Moreover, any adverse publicity arising from claims made against us, even if the claims were not successful, could adversely affect the reputation and sales of our products. In particular, product recalls or product liability claims challenging the safety of our products may result in a decline in sales for a particular product and could damage the reputation or the value of the related brand. This could be true even if the claims themselves are ultimately settled for immaterial amounts. This type of adverse publicity could occur and product liability claims could be made in the future.

***We may incur material capital and other costs due to environmental liabilities.***

We are subject to a broad range of federal, state, local, foreign and multi-national laws and regulations relating to the environment. These include laws and regulations that govern:

- discharges to the air, water and land;
- the handling and disposal of solid and hazardous substances and wastes; and
- remediation of contamination associated with release of hazardous substances at our facilities and at off-site disposal locations.

Risk of environmental liability is inherent in our business. As a result, material environmental costs may arise in the future. In particular, we may incur capital and other costs to comply with increasingly stringent environmental laws and enforcement policies, such as the EU Directives: Restriction of the Use of Hazardous Substances in Electrical and Electronic Equipment, Waste of Electrical and Electronic Equipment and the Directive on Batteries and Accumulators and Waste Batteries, discussed above. Our international operations may expose us to risks related to compliance with the laws and regulations of foreign countries. See Our international operations may expose us to risks related to compliance with the laws and regulations of foreign countries.

Moreover, there are proposed international accords and treaties, as well as federal, state and local laws and regulations, that would attempt to control or limit the causes of climate change, including the effect of greenhouse gas emissions on the environment. In the event that the U.S. government or foreign governments enact new climate change laws or regulations or make changes to existing laws or regulations, compliance with applicable laws or regulations may result in increased manufacturing costs for our products, such as by requiring investment in new pollution control equipment or changing the ways in which certain of our products are made. We may incur some of these costs directly and others may be passed on to us from our third-party suppliers. Although we believe that we are substantially in compliance with applicable environmental laws and regulations at our facilities, we may not always be in compliance with such laws and regulations or any new laws and regulations in the future, which could have a material adverse effect on our business, financial condition and results of operations.

From time to time, we have been required to address the effect of historic activities on the environmental condition of our properties or former properties. We have not conducted invasive testing at all of our facilities to identify all potential environmental liability risks. Given the age of our facilities and the nature of our operations, material liabilities may arise in the future in connection with our current or former facilities. If previously unknown contamination of property underlying or in the vicinity of our manufacturing facilities is discovered, we could be required to incur material unforeseen expenses. If this occurs, it may have a material adverse effect on our business, financial condition and results of operations. We are currently engaged in investigative or remedial projects at a few of our facilities and any liabilities arising from such investigative or remedial projects at such facilities may have a material effect on our business, financial condition and results of operations.

In addition, in connection with business acquisitions, we have assumed, and in connection with future acquisitions may assume in the future, certain potential environmental liabilities. To the extent we have not identified such environmental liabilities or to the extent the indemnifications obtained from our counterparties are insufficient to cover such environmental liabilities, these environmental liabilities could have a material adverse effect on our business.

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We are also subject to proceedings related to our disposal of industrial and hazardous material at off-site disposal locations or similar disposals made by other parties for which we are responsible as a result of our relationship with such other parties. These proceedings are under the Comprehensive Environmental Response, Compensation, and Liability Act ( CERCLA ) or similar state or foreign jurisdiction laws that hold persons who arranged for the disposal or treatment of such substances strictly liable for costs incurred in responding to the release or threatened release of hazardous substances from such sites, regardless of fault or the lawfulness of the original disposal. Liability under CERCLA is typically joint and several, meaning that a liable party may be responsible for all of the costs incurred in investigating and remediating contamination at a site. We occasionally are identified by federal or state governmental agencies as being a potentially responsible party for response actions contemplated at an off-site facility. At the existing sites where we have been notified of our status as a potentially responsible party, it is either premature to determine if our potential liability, if any, will be material or we do not believe that our liability, if any, will be material. We may be named as a potentially responsible party under CERCLA or similar state or foreign jurisdiction laws in the future for other sites not currently known to us, and the costs and liabilities associated with these sites may have a material adverse effect on our business, financial condition and results of operations.

***Compliance with various public health, consumer protection and other regulations applicable to our products and facilities could increase our cost of doing business and expose us to additional requirements with which we may be unable to comply.***

Certain of our products sold through, and facilities operated under, each of our business segments are regulated by the Environmental Protection Agency ( EPA ), the Food and Drug Administration ( FDA ) or other federal consumer protection and product safety agencies and are subject to the regulations such agencies enforce, as well as by similar state, foreign and multinational agencies and regulations. For example, in the U.S., all products containing pesticides must be registered with the EPA and, in many cases, similar state and foreign agencies before they can be manufactured or sold. Our inability to obtain, or the cancellation of, any registration could have an adverse effect on our business, financial condition and results of operations. The severity of the effect would depend on which products were involved, whether another product could be substituted and whether our competitors were similarly affected. We attempt to anticipate regulatory developments and maintain registrations of, and access to, substitute chemicals and other ingredients, but we may not always be able to avoid or minimize these risks.

As a distributor of consumer products in the U.S., certain of our products are also subject to the Consumer Product Safety Act, which empowers the U.S. Consumer Product Safety Commission (the Consumer Commission ) to exclude from the market products that are found to be unsafe or hazardous. Under certain circumstances, the Consumer Commission could require us to repair, replace or refund the purchase price of one or more of our products, or we may voluntarily do so. Any additional repurchases or recalls of our products could be costly to us and could damage the reputation or the value of our brands. If we are required to remove, or we voluntarily remove our products from the market, our reputation or brands could be tarnished and we may have large quantities of finished products that could not be sold. Furthermore, failure to timely notify the Consumer Commission of a potential safety hazard can result in significant fines being assessed against us. Additionally, laws regulating certain consumer products exist in some states, as well as in other countries in which we sell our products, and more restrictive laws and regulations may be adopted in the future.

The Food Quality Protection Act ( FQPA ) established a standard for food-use pesticides, which is that a reasonable certainty of no harm will result from the cumulative effect of pesticide exposures. Under the FQPA, the EPA is evaluating the cumulative effects from dietary and non-dietary exposures to pesticides. The pesticides in certain of our products that are sold through the Home and Garden Business continue to be evaluated by the EPA as part of this program. It is possible that the EPA or a third party active ingredient registrant may decide that a pesticide we use in our products will be limited or made unavailable to us. We cannot predict the outcome or the severity of the effect of the EPA s continuing evaluations of active ingredients used in our products.

In addition, the use of certain pesticide products that are sold through our Home and Garden Business may, among other things, be regulated by various local, state, federal and foreign environmental and public health agencies. These regulations may require that only certified or professional users apply the product, that users post notices on properties where products have been or will be applied or that certain ingredients may not be used. Compliance with such public health regulations could increase our cost of doing business and expose us to additional requirements with which we may be unable to comply.

Any failure to comply with these laws or regulations, or the terms of applicable environmental permits, could result in us incurring substantial costs, including fines, penalties and other civil and criminal sanctions or the prohibition of sales of our pest control products. Environmental law requirements, and the enforcement thereof, change frequently, have tended to become more stringent over time and could require us to incur significant expenses.

Most federal, state and local authorities require certification by Underwriters Laboratory, Inc. ( UL ), an independent, not-for-profit corporation engaged in the testing of products for compliance with certain public safety standards, or other safety regulation certification prior to marketing electrical appliances. Foreign jurisdictions also have regulatory authorities overseeing the safety of consumer products. Our products may not meet the specifications required by these authorities. A determination that any of our products are not in compliance with these rules and regulations could result in the imposition of fines or an award of damages to private litigants.

***Public perceptions that some of the products we produce and market are not safe could adversely affect us.***

On occasion, customers and some current or former employees have alleged that some products failed to perform up to expectations or have caused damage or injury to individuals or property. Public perception that any of our products are not safe, whether justified or not, could impair our reputation, damage our brand names and have a material adverse effect on our business, financial condition and results of operations. In addition, we rely on certain third party trademarks, brand names and logos which we do not have exclusive use of. Public perception that any such third party trademarks, band names and logos used by us are not safe, whether justified or not, could have a material adverse effect on our business, financial condition and results of operations.

***If we are unable to negotiate satisfactory terms to continue existing or enter into additional collective bargaining agreements, we may experience an increased risk of labor disruptions and our results of operations and financial condition may suffer.***

As of June 28, 2015, approximately 13% of our total labor force is covered by collective bargaining agreements. There are three collective bargaining agreements that will expire through the end of our fiscal year ending September 30, 2016, which cover approximately 50% of the labor force under collective bargaining agreements, or approximately 6% of our total labor force. While we currently expect to negotiate continuations to the terms of these agreements, there can be no assurances that we will be able to obtain terms that are satisfactory to us or otherwise to reach agreement at all with the applicable parties. In addition, in the course of our business, we may also become subject to additional collective bargaining agreements. These agreements may be on terms that are less favorable than those under our current collective bargaining agreements. Increased exposure to collective bargaining agreements, whether on terms more or less favorable than our existing collective bargaining agreements, could adversely affect the operation of our business, including through increased labor expenses. While we intend to comply with all collective bargaining agreements to which we are subject, there can be no assurances that we will be able to do so and any noncompliance could subject us to disruptions in our operations and materially and adversely affect our results of operations and financial condition.

***Significant changes in actual investment return on pension assets, discount rates and other factors could affect our results of operations, equity and pension contributions in future periods.***

Our results of operations may be positively or negatively affected by the amount of income or expense we record for our defined benefit pension plans. U.S. Generally Accepted Accounting Principles ( GAAP ) requires that we calculate income or expense for the plans using actuarial valuations. These valuations reflect assumptions about financial markets and other economic conditions, which may change based on changes in key economic indicators. The most significant assumptions we use to estimate pension income or expense are the discount rate and the expected long-term rate of return on plan assets. In addition, we are required to make an annual measurement of plan assets and liabilities, which may result in a significant change to equity. Although pension expense and pension funding contributions are not directly related, key economic factors that affect pension expense would also likely affect the amount of cash we would contribute to pension plans as required under the Employee Retirement Income Security Act of 1974, as amended.

***If our goodwill, indefinite-lived intangible assets or other long-term assets become impaired, we will be required to record additional impairment charges, which may be significant.***

A significant portion of our long-term assets consist of goodwill, other indefinite-lived intangible assets and finite-lived intangible assets recorded as a result of past acquisitions as well as through fresh start reporting. We do not amortize goodwill and indefinite-lived intangible assets, but rather review them for impairment on a periodic basis or whenever events or changes in circumstances indicate that their carrying value may not be recoverable. We consider whether circumstances or conditions exist which suggest that the carrying value of our goodwill and other long-lived intangible assets might be impaired. If such circumstances or conditions exist, further steps are required in order to determine whether the carrying value of each of the individual assets exceeds its fair value. If analysis indicates that an individual asset s carrying value does exceed its fair value, the next step is to record a loss equal to the excess of the individual asset s carrying value over its fair value.

The steps required by GAAP entail significant amounts of judgment and subjectivity. Events and changes in circumstances that may indicate that there may be an impairment and which may indicate that interim impairment testing is necessary include, but are not limited to: strategic decisions to exit a business or dispose of an asset made in response to changes in economic, political and competitive conditions; the impact of the economic environment on the customer base and on broad market conditions that drive valuation considerations by market participants; our internal expectations with regard to future revenue growth and the assumptions we make when performing impairment reviews; a significant decrease in the market price of our assets; a significant adverse change in the extent or manner in which our assets are used; a significant adverse change in legal factors or the business climate that could affect our assets; an accumulation of costs significantly in excess of the amount originally expected for the acquisition of an asset; and significant changes in the cash flows associated with an asset. As a result of such circumstances, we may be required to record a significant charge to earnings in our financial statements during the period in which any impairment of our goodwill, indefinite-lived intangible assets or other long-term assets is determined. Any such impairment charges could have a material adverse effect on our business, financial condition and operating results.

***If we are unable to protect the confidentiality of our proprietary information and know-how, the value of our technology, products and services could be harmed significantly.***

We rely on trade secrets, know-how and other proprietary information in operating our business. If this information is not adequately protected, then it may be disclosed or used in an unauthorized manner. To the extent that consultants, key employees or other third parties apply technological information independently developed by them or by others to our proposed products, disputes may arise as to the proprietary rights to such information, which may not be resolved in our favor. The risk that other parties may breach confidentiality agreements or that our trade secrets become known or independently discovered by competitors, could harm us by enabling our competitors, who may have greater experience and financial resources, to copy or use our trade secrets and other proprietary information in the advancement of their products, methods or technologies. The disclosure of our trade secrets would impair our competitive position, thereby weakening demand for our products or services and harming our ability to maintain or increase our customer base.

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***Disruption or failures of our information technology systems could have a material adverse effect on our business.***

Our information technology systems are susceptible to security breaches, operational data loss, general disruptions in functionality, and may not be compatible with new technology. We depend on our information technology systems for the effectiveness of our operations and to interface with our customers, as well as to maintain financial records and accuracy. Disruption or failures of our information technology systems could impair our ability to effectively and timely provide our services and products and maintain our financial records, which could damage our reputation and have a material adverse effect on our business.

***Our acquisition and expansion strategy may not be successful.***

Our growth strategy is based in part on growth through acquisitions, which poses a number of risks. We may not be successful in identifying appropriate acquisition candidates, consummating acquisitions on satisfactory terms or integrating any newly acquired or expanded business with our current operations. We may issue additional equity, incur long-term or short-term indebtedness, spend cash or use a combination of these for all or part of the consideration paid in future acquisitions or expansion of our operations. The execution of our acquisition and expansion strategy could entail repositioning or similar actions that in turn require us to record impairments, restructuring and other charges. Any such charges would reduce our earnings. We cannot guarantee that any future business acquisitions will be pursued or that any acquisitions that are pursued will be consummated.

***Significant costs have been incurred and are expected to be incurred in connection with the consummation of recent and future business acquisitions and the integration of such acquired businesses with the Company into a combined company, including legal, accounting, financial advisory and other costs.***

We expect to incur one-time costs in connection with integrating the operations, products and personnel of the Company and acquired businesses into a combined company, in addition to costs related directly to completing such acquisitions described below. We would expect similar costs to be incurred with any future acquisition. These costs may include expenditures for:

- employee redeployment, relocation or severance;
- integration of operations and information systems;
- combination of research and development teams and processes; and
- reorganization or closures of facilities.

In addition, we expect to incur a number of non-recurring costs associated with combining our operations with those of acquired businesses. Additional unanticipated costs may yet be incurred as we integrate our business with acquired businesses. Although we expect that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of our operations with those of acquired businesses, may offset incremental transaction and transaction-related costs over time, this net benefit may not be achieved in the near term. Additionally, while we expect to benefit from leveraging distribution channels and brand names among us and our acquired businesses, we cannot assure you that we will achieve such benefits.

***We may not realize the anticipated benefits of, and synergies from, our business acquisitions and may become responsible for certain liabilities and integration costs as a result.***

Business acquisitions involve the integration of new businesses that have previously operated independently from us. The integration of our operations with those of acquired businesses is frequently expected to result in financial and operational benefits, including increased top line growth, margins, revenues and cost savings and be accretive to earnings per share, earnings before interest, taxes, depreciation and amortization and free cash flow before synergies. There can be no assurance, however, regarding when or the extent to which we will be able to realize these increased top line growth, margins, revenues, cost savings or accretions to earnings per share, earnings before interest, taxes, depreciation and amortization or free cash flow or other benefits. Integration may also be difficult, unpredictable, and subject to delay because of possible company culture conflicts and different opinions on technical decisions and product roadmaps. We will often be required to integrate or, in some cases, replace, numerous systems, including those involving management information, purchasing, accounting and finance, sales, billing, employee benefits, payroll and regulatory compliance, many of which may be dissimilar. In some instances, we and certain acquired businesses have served the same customers, and some customers may decide that it is desirable to have additional or different suppliers. Difficulties associated with the integration of acquired businesses could have a material adverse effect on our business.

We may also acquire partial or full ownership in businesses or may acquire rights to market and distribute particular products or lines of products. The acquisition of a business or the rights to market specific products or use specific product names may involve a financial commitment by us, either in the form of cash or equity consideration. In the case of a new license, such commitments are usually in the form of prepaid royalties and future minimum royalty payments. There is no guarantee that we will acquire businesses or product distribution rights that will contribute positively to our earnings. Anticipated synergies may not materialize, cost savings may be less than expected, sales of products may not meet expectations and acquired businesses may carry unexpected liabilities.

In addition, in connection with business acquisitions, we have assumed, and may assume in connection with future acquisitions, certain potential liabilities. To the extent such liabilities are not identified by us or to the extent the indemnifications obtained from third parties are insufficient to cover such liabilities, these liabilities could have a material adverse effect on our business.

***Integrating our business with acquired businesses may divert our management s attention away from operations.***

Successful integration of acquired businesses operations, products and personnel with us may place a significant burden on our management and other internal resources. The diversion of management s attention, and any difficulties encountered in the transition and integration process, could harm our business, financial condition and operating results.

***As a result of business acquisitions, we may not be able to retain key personnel or recruit additional qualified personnel, which could materially affect our business and require us to incur substantial additional costs to recruit replacement personnel.***

We are highly dependent on the continuing efforts of our senior management team and other key personnel. As a result of business acquisitions, our current and prospective employees could experience uncertainty about their future roles. This uncertainty may adversely affect our ability to attract and retain key management, sales, marketing and technical personnel. Any failure to attract and retain key personnel could have a material adverse effect on our business. In addition, we currently do not maintain key person insurance covering any member of our management team.

If any of our key personnel or those of our acquired businesses were to join a competitor or form a competing company, existing and potential customers or suppliers could choose to form business relationships with that competitor instead of us. There can be no assurance that confidentiality, non-solicitation, non-competition or similar agreements signed by former directors, officers, employees or stockholders of us, our acquired businesses or our transactional counterparties will be effective in preventing a loss of business.

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***General customer uncertainty related to our business acquisitions could harm us.***

Our customers may, in response to the announcement or consummation of a business acquisition, delay or defer purchasing decisions. If our customers delay or defer purchasing decisions, our revenues could materially decline or any anticipated increases in revenue could be lower than expected.

***We are required to supply certain products and services to Stanley Black & Decker and its subsidiaries pursuant to the terms of certain supply agreements for a period of time after the completion of the HHI Business acquisition. Our provision of products and services under these agreements require us to dedicate resources of the HHI Business and may result in unfavorable results to us.***

Certain products and services currently used by Stanley Black & Decker are produced and provided using equipment of the HHI Business which includes the acquired Tong Lung Metal Industry Co. Ltd. (the TLM Business ) that we acquired or certain equipment belonging to Stanley Black & Decker and its subsidiaries that will continue to be located for a period of time after the completion of the HHI Business acquisition at facilities operated by the HHI Business and the TLM Business and maintained by us pursuant to certain specifications. We and Stanley Black & Decker entered into supply agreements (each, a Supply Agreement ) whereby we provide Stanley Black & Decker and its subsidiaries with certain of these products and services for a period of time. This requires us to dedicate resources of the HHI Business and the TLM Business towards the provision of these products and services and may result in unfavorable results to us. These Supply Agreements are an accommodation to Stanley Black & Decker and its subsidiaries as part of the HHI Business acquisition, and the pricing of the products and services is on terms more favorable to Stanley Black & Decker and its subsidiaries than it would be in the ordinary course of business.

**Risks Related to the AAG Acquisition**

***We face significant risks from the AAG Acquisition similar to risks generally associated with our acquisition and expansion strategy.***

The AAG Acquisition subjects us to significant risks generally associated with our acquisition and expansion strategy. Significant costs have been incurred and are expected to be incurred in connection with the AAG Acquisition and our integration of AAG with our business, including legal, accounting, financial advisory and other costs. We may also not realize the anticipated benefits of, and synergies from, the AAG Acquisition and will be responsible for certain liabilities and integration costs as a result of the AAG Acquisition. As a result of the AAG Acquisition and other acquisitions, we may also not be able to retain key personnel or recruit additional qualified personnel, which could require us to incur substantial additional costs to recruit replacement personnel. General customer uncertainty, including our and AAG s customers, related to the AAG Acquisition could also harm us. Each of these general risks for acquisition and expansion activities, which are described in more detail under Risks Related To Our Business, could result in the AAG Acquisition having a material adverse effect on our business.

***We and AAG have similar major customers and the loss of any significant customer may adversely affect our results of operations.***

A limited number of the same customers represents a large percentage of our and AAG s respective net sales. One of our largest customers accounted for approximately 23% of AAG s net sales for the twelve months ended December 31, 2014. AAG s next largest customer accounted for approximately 12% of net sales for the same period and no other customer accounted for more than 10% of AAG s net sales for the same period. The success of our and AAG s businesses depend, in part, on our ability to maintain our level of sales and product distribution through high-volume distributors, retailers, super centers and mass merchandisers.

Currently, neither we nor AAG have long-term supply agreements with a substantial number of our retail customers, including our largest customers. These high-volume stores and mass merchandisers frequently

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reevaluate the products they carry. A decision by our major customers to discontinue or decrease the amount of products purchased from us, sell a national brand on an exclusive basis or change the manner of doing business with us, could reduce our revenues and materially adversely affect our results of operations. See Risks Related to our Business Consolidation of retailers and our dependence on a small number of key customers for a significant percentage of our sales may negatively affect our business, financial condition and results of operations.

***A change in governmental regulations regarding the use of refrigerant gas R-134a or its potential future substitutes could have a material adverse effect on IDQ Sub s ability to sell its aftermarket A/C products.***

The refrigerant R-134a is a critical component of IDQ Sub s aftermarket A/C products and is used in products which comprised approximately 90% of its gross sales in its fiscal year ended December 31, 2014. Older generation refrigerants such as R-12 (Freon) have been regulated for some time in the United States and elsewhere, due to concerns about their potential to contribute to ozone depletion. In recent years, refrigerants such as R-134a, which is an approved substitute for R-12, have also become the subject of regulatory focus due to their potential to contribute to global warming.

The European Union has passed regulations that require the phase out of R-134a in automotive cooling systems in new vehicles by 2017. In the United States, IDQ Sub has reported that it cannot predict what future action, if any, the EPA will take on the regulation of R-134a. But based on currently available information, it believes that it would take some time for suitable alternatives to R-134a to come into full-scale commercial production and therefore such alternatives would not be readily available for wide spread use in new car models. If the future use of R-134a is phased out or is limited or prohibited in jurisdictions in which we do business, the future market for IDQ Sub s products containing R-134a may be limited, which could have a material adverse impact on its results of operations, financial condition, and cash flows.

In addition, regulations may be enacted governing the packaging, use and disposal of IDQ Sub s products containing refrigerants. For example, regulations are currently in effect in California that govern the sale and distribution of products containing R-134a. While IDQ Sub has reported that it is not aware of any noncompliance with such regulations, its failure to comply with these or possible future regulations in California, or elsewhere, could result in material fines or costs or its inability to sell its products in those markets, which could have a material adverse impact on its results of operations, financial condition and cash flows. If substitutes for R-134a become widely used in A/C systems and their use for DIY and retrofit purposes are not approved by the EPA, it could have a material adverse effect on IDQ Sub s results of operations, financial condition and cash flows. In addition, the cost of HFO-1234yf, the leading long-term alternative to R-134a being proposed in the United States and the European Union for use in the A/C systems of new vehicles, will likely be higher than that of R-134a. If HFO-1234yf becomes widely used and IDQ Sub is able to develop products using HFO-1234yf, but is unable to price its products to reflect the increased cost of HFO-1234yf, it could have a material adverse effect on its results of operations, financial condition and cash flow.

***All of IDQ Sub s products are produced at one facility, and a significant disruption or disaster at such a facility could have a material adverse effect on its results of operations.***

IDQ Sub s manufacturing facility consists of one site which is located in Garland, Texas and thus it is dependent upon the continued safe operation of this facility. Its facility is subject to various hazards associated with the manufacturing, handling, storage, and transportation of chemical materials and products, including human error, leaks and ruptures, explosions, floods, fires, inclement weather and natural disasters, power loss or other infrastructure failures, mechanical failure, unscheduled downtime, regulatory requirements, the loss of certifications, technical difficulties, labor disputes, inability to obtain material, equipment or transportation, environmental hazards such as remediation, chemical spills, discharges or releases of toxic or hazardous substances or gases, and other risks. Many of these hazards could cause personal injury and loss of life, severe damage to, or destruction of, property and equipment and environmental contamination. In addition, the

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occurrence of material operating problems at IDQ Sub s facility due to any of these hazards could cause a disruption in the production of its products. IDQ Sub may also encounter difficulties or interruption as a result of the application of enhanced manufacturing technologies or changes to production lines to improve IDQ Sub s throughput or to upgrade or repair its production lines. IDQ Sub s insurance policies have coverage in case of significant damage to its manufacturing facility but may not fully compensate IDQ Sub for the cost of replacement for any such damage and any loss from business interruption. As a result, IDQ Sub may not be adequately insured to cover losses resulting from significant damage to its manufacturing facility. Any damage to its facility or interruption in manufacturing could result in production delays and delays in meeting contractual obligations, which could have a material adverse effect on IDQ Sub s relationships with its customers and on its results of operations, financial condition or cash flows in any given period.

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## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

We have made or implied certain forward-looking statements in this prospectus. All statements, other than statements of historical facts included in this prospectus, including statements 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. When used in this prospectus, the words anticipate, intend, plan, estimate, believe, expect, project, could may and similar expressions are also intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words.

Since these forward-looking statements are based upon our current expectations of future events and projections and are subject to a number of risks and uncertainties, many of which are beyond our control and some of which may change rapidly, actual results or outcomes may differ materially from those expressed or implied herein, and you should not place undue reliance on these statements. Important factors that could cause our actual results to differ materially from those expressed or implied herein include, without limitation:

- the impact of our indebtedness on our business, financial condition and results of operations;
- the impact of restrictions in our debt instruments on our ability to operate our business, finance our capital needs or pursue or expand our business strategies;
- any failure to comply with financial covenants and other provisions and restrictions of our debt instruments;
- the impact of expenses resulting from the implementation of new business strategies, divestitures or current and proposed restructuring activities;
- our inability to successfully integrate and operate new acquisitions, including, but not limited to, the AAG Acquisition, at the level of financial performance anticipated;
- the unanticipated loss of key members of senior management;
- the impact of fluctuations in commodity prices, costs or availability of raw materials or terms and conditions available from suppliers, including suppliers willingness to advance credit;
- interest rate and exchange rate fluctuations;
- the loss of, or a significant reduction in, sales to any significant retail customer(s);

competitive promotional activity or spending by competitors or price reductions by competitors;

the introduction of new product features or technological developments by competitors and/or the development of new competitors or competitive brands;

the effects of general economic conditions, including inflation, recession or fears of a recession, depression or fears of a depression, labor costs and stock market volatility or changes in trade, monetary or fiscal policies in the countries where we do business;

changes in consumer spending preferences and demand for our products;

our ability to develop and successfully introduce new products, protect our intellectual property and avoid infringing the intellectual property of third parties;

our ability to successfully implement, achieve and sustain manufacturing and distribution cost efficiencies and improvements, and fully realize anticipated cost savings;

the cost and effect of unanticipated legal, tax or regulatory proceedings or new laws or regulations (including environmental, public health and consumer protection regulations);

public perception regarding the safety of our products, including the potential for environmental liabilities, product liability claims, litigation and other claims;

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- the impact of pending or threatened litigation;
- changes in accounting policies applicable to our business;
- government regulations;
- the seasonal nature of sales of certain of our products;
- the effects of climate change and unusual weather activity;
- the effects of political or economic conditions, terrorist attacks, acts of war or other unrest in international markets; and
- various other risks and uncertainties.

Some of the above-mentioned factors are described in further detail in the section entitled Risk Factors set forth above. You should assume the information appearing in this prospectus is accurate only as of the date hereof or as otherwise specified, as our business, financial condition, results of operations and prospects may have changed since that date. Except as required by applicable law, including the securities laws of the U.S. and the rules and regulations of the SEC, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise to reflect actual results or changes in factors or assumptions affecting such forward-looking statements.

We also caution the reader that our estimates of trends, market share, retail consumption of our products and reasons for changes in such consumption are based solely on limited data available to us and our management s reasonable assumptions about market conditions, and consequently may be inaccurate, or may not reflect significant segments of the retail market.

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## RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our consolidated ratio of earnings to fixed charges for each of the periods indicated. You should read these ratios in connection with our consolidated financial statements, including the notes to those statements, included elsewhere in this prospectus.

| | Year Ended September 30, | | | | | Nine Months Ended June 28, |
|---|---|---|---|---|---|---|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Fixed charges: | | | | | | |
| Interest expense | 277.0 | 208.5 | 192.0 | 369.5 | 202.1 | 206.5 |
| Total fixed charges | 277.0 | 208.5 | 192.0 | 369.5 | 202.1 | 206.5 |
| Earnings | | | | | | |
| Earnings from continuing operations before income taxes | (123.8) | 17.7 | 113.2 | (20.2) | 276.1 | 132.0 |
| Add: | | | | | | |
| Fixed Charges | 277.0 | 208.5 | 192.0 | 369.5 | 202.1 | 206.5 |
| Total adjusted earnings | 153.2 | 226.2 | 305.2 | 349.3 | 478.2 | 338.5 |
| Ratio of earnings to fixed charges | 0.6x | 1.1x | 1.6x | 0.9x | 2.4x | 1.6x |

## USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the exchange notes. We are making this exchange offer solely to satisfy our obligations under the Registration Rights Agreements. In consideration for issuing the exchange notes, we will receive initial notes in a like and corresponding aggregate principal amount.

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## CAPITALIZATION

The following table presents our cash and cash equivalents and consolidated capitalization.

| | As of June 28, 2015[1] (in millions) |
|---|---|
| Cash and cash equivalents | $ 107.2 |
| **Debt:** | |
| Term Credit Facilities[2] | 1,847.1 |
| Revolving Credit Facility[2] | 47.5 |
| 6.375% Senior Notes due 2020 | 520.0 |
| 6.625% Senior Notes due 2022 | 570.0 |
| 6.125% Senior Notes due 2024 | 250.0 |
| 5.750% Senior Notes due 2025 | 1,000.0 |
| Capital leases | 88.7 |
| Other unsecured debt | 79.0 |
| **Total debt** | $ 4,402.3 |
| Total shareholders equity | 1,575.8 |
| **Total capitalization** | $ 5,978.1 |

(1) Balances are reflected at par.

(2) See Description of Other Indebtedness Credit Agreement.

## UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

On May 21, 2015, Spectrum Brands Holdings, Inc. ( SBH ), the direct parent of SB/RH Holdings, LLC (the Company and, together with its consolidated subsidiaries, including Spectrum Brands, Inc., Spectrum Brands ) completed the acquisition (the AAG Acquisition ) of Armored AutoGroup Parent Inc. ( AAG ) pursuant to the Agreement and Plan of Merger by and among AAG, the Company, Ignite Merger Sub, Inc. and, solely in its capacity as representative, Avista Capital Partners II GP, LLC, dated as of April 28, 2015 for $1.4 billion in cash. Spectrum Brands funded the AAG Acquisition with the proceeds of its initial offering of an aggregate principal amount of $1,000 million of Spectrum Brands, Inc. s 5.750% Senior Notes due 2025 (the SBI 5.75% Notes ) and the registered offering of $575 million of shares of SBH s common stock (the SBH Equity Offering ).

The following unaudited pro forma condensed combined financial statements for the year ended September 30, 2014, the date of the latest publicly available annual financial information for the Company, and the nine month period ended June 28, 2015, the date of the latest publicly available interim financial information for the Company, gives effect to the AAG Acquisition for such periods. The unaudited pro forma condensed combined financial statements shown below reflect historical financial information and have been prepared on the basis that the transaction will be accounted for using the acquisition method of accounting under Accounting Standards Codification Topic 805: *Business Combinations* ( ASC 805 ). Accordingly, the assets acquired and liabilities assumed in the AAG Acquisition will be measured at their respective fair values with any excess consideration reflected as goodwill. The unaudited pro forma condensed combined financial statements presented assume that AAG is a wholly owned subsidiary of Spectrum Brands. Because the financial position data of AAG is reflected in Spectrum Brands Condensed Consolidated Statements of Financial Position as of June 28, 2015 (Unaudited), included elsewhere in this prospectus, no pro forma financial position data is presented below.

The following unaudited pro forma condensed combined statements of income for the year ended September 30, 2014 and the nine month period ended June 28, 2015 are presented on a basis to reflect the AAG Acquisition and related transactions as if they had occurred on October 1, 2013. Because of different fiscal period ends, and in order to present results for comparable periods, the unaudited pro forma condensed combined statement of income for the year ended September 30, 2014 combines Spectrum Brands audited historical consolidated statement of income for the year then ended with the AAG audited historical consolidated statement of income information for the twelve month period ended December 31, 2014. The unaudited pro forma condensed combined statement of income for the year ended September 30, 2014 also includes the statement of income for IDQ Holdings, Inc. ( IDQ ) for the period from January 1 through March 16, 2014 as AAG acquired IDQ on March 17, 2014. The unaudited pro forma condensed combined statement of income for the nine months ended June 28, 2015 combines Spectrum Brands unaudited consolidated statement of income for the nine months ended June 28, 2015 with the AAG historical consolidated statement of income information for the period of October 1, 2014 through May 20, 2015, the date prior to the close of the AAG Acquisition. The AAG results from October 1, 2014 through May 20, 2015 have been derived by combining the historical unaudited consolidated statement of income for the three month period ended March 31, 2015, the historical unaudited consolidated statement of income for the three month period ended December 31, 2014 and the unaudited historical financial information for the period from April 1, 2015 through May 20, 2015. As a result of the foregoing, the AAG historical unaudited consolidated statement of income for the three month period ended December 31, 2014 is included in the unaudited pro forma condensed combined financial statements for both the year ended September 30, 2014 and the nine month period ended June 28, 2015. See Note 1 to the Unaudited Pro Forma Condensed Combined Financial Statements for additional information. Pro forma adjustments are made in order to reflect the potential effect of the AAG Acquisition and related transactions on the income statement.

The unaudited pro forma condensed combined financial statements should be read in conjunction with the notes to unaudited pro forma condensed combined financial statements. The unaudited pro forma condensed combined financial statements and the notes to unaudited pro forma condensed combined financial statements are based on, and should be read in conjunction with Spectrum Brands historical audited and unaudited consolidated

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financial statements, and the notes thereto, and the AAG historical audited and unaudited consolidated financial statements, and the notes thereto, each included elsewhere in this prospectus.

The process of valuing the AAG tangible and intangible assets acquired and liabilities assumed, as well as evaluating accounting policies for conformity, is still in the preliminary stages. Accordingly, the purchase accounting adjustments included in the unaudited pro forma condensed combined financial statements are preliminary and have been presented solely for the purpose of providing these unaudited pro forma condensed combined financial statements. For purposes of preparing the unaudited pro forma condensed combined financial statements, Spectrum Brands has made preliminary adjustments, where sufficient information is available to make a fair value estimate, to reflect those tangible and intangible assets acquired and liabilities assumed based on preliminary estimates of their fair value as of May 21, 2015. For those assets and liabilities where insufficient information is available to make a reasonable estimate of fair value, the unaudited pro forma condensed combined financial statements reflect the historical carrying value of those assets and liabilities at May 21, 2015. A final determination of the fair values of the assets acquired and liabilities assumed will include management s consideration of a final valuation. Spectrum Brands currently expects that the process of determining the fair values of the tangible and intangible assets acquired and liabilities assumed will be completed within one year of the acquisition date. Material revisions to Spectrum Brands preliminary estimates could be necessary as more information becomes available through the completion of this final determination. The final amounts may be materially different from the information presented in these unaudited pro forma condensed combined financial statements due to a number of factors, including changes in market conditions and financial results which may impact cash flow projections used in the valuation, and the identification of additional conditions that existed as of the date of the AAG Acquisition which may impact the fair value of the AAG net assets.

Spectrum Brands and AAG s historical consolidated financial information has been adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that are (1) directly attributable to the AAG Acquisition; (2) factually supportable; and (3) with respect to the unaudited pro forma statements of income, expected to have a continuing impact on the combined results. The unaudited pro forma condensed combined financial statements do not reflect any revenue enhancements, cost savings from operating efficiencies, synergies or other restructurings, or the costs and related liabilities that would be incurred to achieve such revenue enhancements and cost savings, which could result from the AAG Acquisition.

**The pro forma adjustments are based upon available information and assumptions that the managements of Spectrum Brands and AAG believe reasonably reflect the AAG Acquisition. The unaudited pro forma condensed combined financial statements are provided for illustrative purposes only and do not purport to represent what the actual consolidated results of operations of Spectrum Brands would have been had the AAG Acquisition occurred on the dates assumed, nor are they necessarily indicative of the future consolidated results of operations of Spectrum Brands.**

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**SB/RH Holdings, LLC**

**Unaudited Pro Forma Condensed Combined Statement of Income**

**For the Year Ended September 30, 2014**

**(Unaudited)**

**(Amounts in millions)**

| | SB/RH Holdings, LLC 12 months ended September 30, 2014 | Armored AutoGroup Parent, Inc. 12 months ended December 31, 2014 | IDQ Holdings, Inc. January 1, 2014 through March 16, 2014 | Pro Forma Adjustments | Note | Pro Forma Combined |
|---|---|---|---|---|---|---|
| Net sales | $ 4,429.1 | $ 410.0 | $ 33.3 | $ | | $ 4,872.4 |
| Cost of goods sold | 2,856.5 | 226.0 | 18.4 | | (A) | 3,100.9 |
| Restructuring and related charges | 3.7 | | | | | 3.7 |
| Gross profit | 1,568.9 | 184.0 | 14.9 | | | 1,767.8 |
| Selling | 678.2 | 49.9 | 1.7 | | | 729.8 |
| General and administrative | 319.0 | 86.9 | 8.6 | (34.3) | (B)(C) | 380.2 |
| Research and development | 47.9 | 2.9 | | | | 50.8 |
| Intangible asset and goodwill impairment | | 7.0 | | (7.0) | (D) | |
| Acquisition and integration charges | 20.1 | | | | | 20.1 |
| Restructuring and related charges | 19.2 | | | | | 19.2 |
| Total operating expenses | 1,084.4 | 146.7 | 10.3 | (41.3) | | 1,200.1 |
| Operating income | 484.5 | 37.3 | 4.6 | 41.3 | | 567.7 |
| Interest expense | 202.1 | 71.5 | 4.6 | (15.0) | (E) | 263.2 |
| Other expense, net | 6.3 | 1.3 | 0.2 | | | 7.8 |
| Income (loss) before income taxes | 276.1 | (35.5) | (0.2) | 56.3 | | 296.7 |
| Income tax expense (benefit) | 59.0 | (11.0) | | 2.5 | (F) | 50.5 |
| Net income (loss) | 217.1 | (24.5) | (0.2) | 53.8 | | 246.2 |
| | 0.3 | | | | | 0.3 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Net income attributable to non-controlling interests | | | | | | | | | | |
| Net income (loss) attributable to Parent | $ | 216.8 | $ | (24.5) | $ | (0.2) | $ | 53.8 | $ | 245.9 |

See accompanying notes to unaudited pro forma condensed combined financial statements

(Unaudited).

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**SB/RH Holdings, LLC**

**Unaudited Pro Forma Condensed Combined Statement of Income**

**For the Nine Month Period Ended June 28, 2015**

**(Unaudited)**

**(Amounts in millions)**

| | SB/RH Holdings, LLC Nine months ended June 28, 2015 | Armored AutoGroup Parent, Inc. October 1, 2014 May 20, 2015 | Pro Forma Adjustments | Note | Pro Forma Combined |
|---|---|---|---|---|---|
| Net sales | $ 3,382.3 | $ 275.8 | $ | | $ 3,658.1 |
| Cost of goods sold | 2,179.0 | 154.4 | | (A) | 2,333.4 |
| Restructuring and related charges | 0.4 | | | | 0.4 |
| Gross profit | 1,202.9 | 121.4 | | | 1,324.3 |
| Selling | 517.7 | 23.2 | | | 540.9 |
| General and administrative | 238.1 | 90.0 | (56.6) | (B)(C)(G)(H) | 271.5 |
| Research and development | 36.9 | 1.9 | | | 38.8 |
| Intangible asset and goodwill impairment | | 7.0 | (7.0) | (D) | |
| Acquisition and integration charges | 44.2 | | (17.8) | (I) | 26.4 |
| Restructuring and related charges | 21.9 | | | | 21.9 |
| Total operating expenses | 858.8 | 122.1 | (81.4) | | 899.5 |
| Operating income | 344.1 | (0.7) | 81.4 | | 424.8 |
| Interest expense | 206.5 | 85.2 | (46.6) | (E) | 245.1 |
| Other expense, net | 5.6 | 1.1 | | | 6.7 |
| Income (loss) before income taxes | 132.0 | (87.0) | 128.0 | | 173.0 |
| Income tax expense (benefit) | 4.8 | (11.6) | 2.5 | (F) | (4.3) |
| Net income (loss) | 127.2 | (75.4) | 125.5 | | 177.3 |
| Net income attributable to non-controlling interests | 0.2 | | | | 0.2 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Net income (loss) attributable to Parent | $ | 127.0 | $ | (75.4) | $ | 125.5 | $ | 177.1 |

See accompanying notes to unaudited pro forma condensed combined financial statements

(Unaudited).

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**SB/RH HOLDINGS, LLC**

**NOTES TO THE UNAUDITED PRO FORMA CONDENSED**

**COMBINED FINANCIAL STATEMENTS (Unaudited)**

**(Amounts in millions of dollars, except for share or as otherwise specified)**

### (1) Conforming Interim Periods

Spectrum Brands fiscal year end is September 30 while the AAG fiscal year end is December 31. The latest interim period for Spectrum Brands ended on June 28, 2015, and included its results for the third quarter and nine month period ended June 28, 2015, while AAG s latest interim period ended on March 31, 2015, and included its first quarter results for the three month period ended March 31, 2015. The unaudited pro forma condensed combined interim period results presented herein include the results for Spectrum Brands latest nine month periods and AAG s results for October 1, 2014 through May 20, 2015, the date prior to the close of the AAG Acquisition. Accordingly, the AAG historical financial information for the statement of income covering the period of October 1, 2014 through May 20, 2015, the date prior to the close of the AAG Acquisition, has been derived by adding the unaudited results for the three month period ended March 31, 2015 to the audited results for the fiscal year ended December 31, 2014, and deducting the unaudited results for the nine months ended September 30, 2014 and adding the unaudited period from April 1, 2015 through May 20, 2015, as follows:

| | 12 months ended December 31, 2014 A | 9 months ended September 30, 2014 B | 3 months ended December 31, 2014 (A - B) = C | 3 months ended March 31, 2015 D | Period from April 1, 2015 May 20, 2015 E | October 1, 2014 through May 20, 2015 C + D + E |
|---|---|---|---|---|---|---|
| Net sales | $ 410.0 | $ 341.6 | $ 68.4 | $ 119.4 | $ 88.0 | $ 275.8 |
| Cost of goods sold | 226.0 | 185.2 | 40.8 | 68.1 | 45.5 | 154.4 |
| Restructuring and related charges | | | | | | |
| Gross profit | 184.0 | 156.4 | 27.6 | 51.3 | 42.5 | 121.4 |
| Selling(A) | 49.9 | 41.9 | 8.0 | 8.2 | 7.0 | 23.2 |
| General and administrative(A) | 86.9 | 65.0 | 21.9 | 22.1 | 46.0 | 90.0 |
| Research and development | 2.9 | 2.1 | 0.8 | 0.7 | 0.4 | 1.9 |
| Intangible asset and goodwill impairment | 7.0 | | 7.0 | | | 7.0 |
| Total operating expenses | 146.7 | 109.0 | 37.7 | 31.0 | 53.4 | 122.1 |
| Operating income (loss) | 37.3 | 47.4 | (10.1) | 20.3 | (10.9) | (0.7) |
| Interest expense | 71.5 | 52.1 | 19.4 | 19.3 | 46.5 | 85.2 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Other expense, net | | 1.3 | | 1.0 | | 0.3 | | 0.4 | | 0.4 | 1.1 |
| Income (loss) before income taxes | | (35.5) | | (5.7) | | (29.8) | | 0.6 | | (57.8) | (87.0) |
| Income tax expense (benefit) | | (11.0) | | (0.5) | | (10.5) | | 0.2 | | (1.3) | (11.6) |
| Net income (loss) | $ | (24.5) | $ | (5.2) | $ | (19.3) | $ | 0.4 | $ | (56.5) | $ (75.4) |

(A) The reclassification of the AAG Selling, general and administrative expenses were made to conform to Spectrum Brands presentation.

**(2) Basis of Presentation**

The AAG Acquisition will be accounted for under the acquisition method of accounting in accordance with ASC 805. In accounting for the transaction, Spectrum Brands will apply its historical accounting policies and recognize the assets and liabilities of AAG at their respective fair values as of May 21, 2015, the closing date of the AAG Acquisition. In preparing the unaudited pro forma condensed combined financial statements, the assets

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**SB/RH HOLDINGS, LLC**

**NOTES TO THE UNAUDITED PRO FORMA CONDENSED**

**COMBINED FINANCIAL STATEMENTS (Unaudited) (Continued)**

**(Amounts in millions of dollars, except for share or as otherwise specified)**

and liabilities of AAG have been measured at their estimated fair values on a preliminary basis using estimates and assumptions that Spectrum Brands management believes are reasonable based on information currently available. Use of different estimates and judgments could yield materially different results.

For purposes of measuring the estimated fair value of the assets acquired and liabilities assumed for purposes of preparing the unaudited pro forma condensed combined financial statements, Spectrum Brands used the guidance in ASC Topic 820, *Fair Value Measurement and Disclosure* ( ASC 820 ), which established a framework for measuring fair values. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Market participants are assumed to be buyers and sellers in the principal (most advantageous) market for the asset or liability. Additionally, under ASC 820, fair value measurements for an asset assume the highest and best use of that asset by market participants. As a result, Spectrum Brands may be required to value assets of AAG at fair value measures that do not reflect Spectrum Brands intended use of those assets. Use of different estimates and judgments could yield different results.

### (3) Significant Accounting Policies

The unaudited pro forma condensed combined financial statements do not assume any differences in accounting policies between Spectrum Brands and AAG. Spectrum Brands is in the process of reviewing the accounting policies of AAG to ensure their conformity with those of Spectrum Brands and, as a result of that review, Spectrum Brands may identify differences between the accounting policies of the two companies, that when conformed, could have a material impact on the unaudited pro forma condensed combined financial statements. At this time, Spectrum Brands is not aware of any differences in accounting policies that would have a material impact on the unaudited pro forma condensed combined financial statements.

### (4) Preliminary Consideration Transferred

The acquisition method of accounting requires that the consideration transferred in a business combination be measured at fair value as of the closing date of the AAG Acquisition. The following summarizes the preliminary consideration paid for AAG:

| | |
|---|---|
| Cash paid to AAG shareholders and option holders | $ 613.7 |
| Cash paid to repay in full the AAG senior credit facilities | 282.2 |
| Assumption of AAG and IDQ Notes[(a)] | 540.0 |

| | |
|---|---|
| Cash paid to settle pre-acquisition costs incurred by AAG | 25.5 |
| Cash paid to escrow account for post close working capital and other adjustments | 10.0 |
| Preliminary purchase price of AAG[(b)] | $ 1,471.4 |

(a) Consists of $275.0 aggregate principal amount of Armored AutoGroup Inc. s 9¼% Senior Notes due 2018, $220.0 aggregate principal amount of IDQ Holdings, Inc. s 11.500% Senior Secured Notes due 2017 and $45.0 aggregate principal amount of IDQ Acquisition Corp. s 14.00%/14.75% Senior Secured PIK Notes due 2017 (collectively, the AAG and IDQ Notes ) assumed (cash was subsequently paid to redeem such notes on June 15, 2015, June 22, 2015 and June 22, 2015, respectively).

(b) Excludes preliminary working capital adjustments that are not finalized.

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**SB/RH HOLDINGS, LLC**

**NOTES TO THE UNAUDITED PRO FORMA CONDENSED**

**COMBINED FINANCIAL STATEMENTS (Unaudited) (Continued)**

**(Amounts in millions of dollars, except for share or as otherwise specified)**

**(5) Preliminary Fair Values of Net Assets Acquired**

For the purposes of preparing the unaudited pro forma condensed combined financial statements, Spectrum Brands made preliminary estimates of the fair values of the assets acquired and liabilities assumed in the AAG Acquisition. These estimates have been recognized in preparing the unaudited pro forma condensed combined financial statements and the excess of the preliminary consideration transferred (see Note 4) on an assumed acquisition date of May 21, 2015 has been reflected as goodwill. On this basis, Spectrum Brands has estimated that the amounts recorded in accounting for the AAG Acquisition would be as follows:

| | |
|---|---|
| Preliminary purchase price of AAG | $ 1,471.4 |
| Less: Carrying value of net assets acquired | 56.7 |
| Less: Fair value of indefinite lived tradenames | 299.0 |
| Less: Fair value of customer relationships | 66.0 |
| Less: Fair value of developed technology | 45.0 |
| Less: Fair value of licensing arrangement | 19.0 |
| Less: Increase in net fair value of tangible assets acquired less liabilities assumed | 20.0 |
| Residual goodwill | $ 965.7 |
| Carrying value of AAG net assets as of May 21, 2015 | $ 471.4 |
| Plus: Settled acquired pre-acquisition debt | 567.7 |
| Less: Historical intangible assets | (461.1) |
| Less: Historical goodwill | (521.3) |
| Total carrying value of net assets acquired | $ 56.7 |

**(6) Pro Forma Reclassifications and Adjustments for the AAG Acquisition**

(A) Spectrum Brands estimates cost of sales will increase by approximately $15.0 during the first inventory turn subsequent to the acquisition date as a result of the sale of inventory that was written-up to fair value in purchase accounting. This cost has been excluded from the pro forma adjustments as this amount is considered non-recurring.

(B) Adjustment reflects increased depreciation expense of $2.0 and $1.3, respectively, associated with the adjustment to record the AAG property, plant and equipment at fair value for the fiscal year ended September 30, 2014 and the period from October 1, 2014 through May 20, 2015.

(C) Adjustment reflects decreased intangible asset amortization expense of $36.3 and $24.0, respectively, associated with the adjustment to record the AAG intangible assets at fair value for the fiscal year ended September 30, 2014 and the period from October 1, 2014 through May 20, 2015.

(D) Adjustment reflects the reversal of the AAG intangible asset impairment charge recorded during the three months ended December 31, 2014, as the acquired AAG intangible assets have been reflected at fair value as of an assumed acquisition date of October 1, 2013 in preparing the unaudited pro forma condensed consolidated statements of income for the fiscal year ended September 30, 2014 and the period from October 1, 2014 through May 20, 2015.

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**SB/RH HOLDINGS, LLC**

**NOTES TO THE UNAUDITED PRO FORMA CONDENSED**

**COMBINED FINANCIAL STATEMENTS (Unaudited) (Continued)**

**(Amounts in millions of dollars, except for share or as otherwise specified)**

(E) In connection with the AAG Acquisition, Spectrum Brands issued $1,000.0 in 5.75% Notes and incurred related issuance costs. In addition, a substantial portion of the historical AAG debt was repaid in connection with the AAG Acquisition. These changes in the combined debt structure gave rise to interest expense adjustments that resulted in a net decrease to interest expense of $15.0 for the fiscal year ended September 30, 2014, and a net decrease of $46.6 for the period from October 1, 2014 through May 20, 2015. The adjustments consist of the following:

| | Assumed Interest Rate | Fiscal Year Ended September 30, 2014 | October 1, 2014 May 20, 2015 |
|---|---|---|---|
| New SBI 5.75% Notes USD ($1,000.0) | 5.75% | $ 58.1 | $ 36.9 |
| Amortization of debt issuance costs of SBI 5.75% Notes | | 2.0 | 1.3 |
| Total pro forma interest expense on SBI acquisition-related debt | | $ 60.1 | $ 38.2 |
| Less: elimination of interest expense related to prior AAG debt facilities that were repaid | | (75.1) | (84.8) |
| Total pro forma adjustment to interest expense | | $ (15.0) | $ (46.6) |

(F) As a result of Spectrum Brands valuation allowance, the pro forma income adjustments do not have income tax consequences, except for the impact of the indefinite lived intangible adjustments, which resulted in the reversal of a $2.5 income tax benefit assuming a 35% effective tax rate for each of the fiscal years ended September 30, 2014 and the period from October 1, 2014 through May 20, 2015. The impact of all other pro forma adjustments is solely a change in deferred income taxes offset by the change in the valuation allowance.

(G) Adjustment reflects the reversal of $25.5 of pre-acquisition costs incurred by AAG.

(H) Adjustment reflects the reversal of $8.4 of pre-acquisition accelerated stock based amortization incurred by AAG in conjunction with the AAG Acquisition.

(I) Adjustment reflects the reversal of $17.8 of acquisition and integration charges incurred by Spectrum Brands in conjunction with the AAG Acquisition.

**(7) Transaction Costs**

Spectrum Brands estimates that expenses related to the AAG Acquisition will be approximately $31.1. These costs include fees for investment banking services, advisory, legal, accounting, due diligence, tax, valuation, printing and various other services necessary to complete this transaction. In accordance with ASC 805, these fees and expenses will be charged to expense as incurred. Spectrum Brands incurred and recorded $17.8 of transaction costs related to the AAG Acquisition, primarily professional fees through June 28, 2015.

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## SELECTED HISTORICAL FINANCIAL DATA

The following selected historical financial data have been derived from SB/RH Holdings audited consolidated financial statements and SB/RH Holdings unaudited condensed consolidated financial statements, each included elsewhere in this prospectus. SB/RH Holdings audited Consolidated Statements of Financial Position as of September 30, 2014 and 2013; SB/RH Holdings audited Consolidated Statements of Operations, audited Consolidated Statements of Comprehensive Income (Loss), audited Consolidated Statements of Shareholders Equity and audited Consolidated Statements of Cash Flows for the years ended September 30, 2014, 2013 and 2012; SB/RH Holdings Condensed Consolidated Statements of Financial Position as of June 28, 2015 (Unaudited) and September 30, 2014 and SB/RH Holdings Condensed Consolidated Statements of Operations (Unaudited), Condensed Consolidated Statements of Comprehensive Income (Loss) (Unaudited) and Condensed Consolidated Statements of Cash Flows (Unaudited) for the nine month periods ended June 28, 2015 and June 29, 2014 are included elsewhere in this prospectus.

The following selected financial data, which may not be indicative of future performance and the financial information and other data presented for the interim periods may not be indicative of the results for the full year. This financial information and other data should be read in conjunction with the audited and unaudited financial statements of SB/RH Holdings, including the notes thereto, and Management s Discussion and Analysis of Financial Condition and Results of Operations, included elsewhere in this prospectus.

| | Year Ended September 30, | | | | | Nine Months Ended | |
|---|---|---|---|---|---|---|---|
| | 2010 | 2011 | 2012 | 2013 | 2014 | June 29, 2014 | June 28, 2015 |
| **Statement of Operations Data:** | | | | | | | |
| Net sales | $ 2,567.0 | $ 3,186.9 | $ 3,252.4 | $ 4,085.6 | $ 4,429.1 | $ 3,250.8 | $ 3,382.3 |
| Gross profit | 921.4 | 1,128.9 | 1,115.7 | 1,390.3 | 1,568.9 | 1,157.9 | 1,202.9 |
| Operating income(1) | 169.1 | 228.7 | 306.1 | 352.9 | 484.5 | 368.4 | 344.1 |
| Interest expense(2) | 277.0 | 208.5 | 192.0 | 369.5 | 202.1 | 151.7 | 206.5 |
| Other expense, net | 12.3 | 2.5 | 0.9 | 3.5 | 6.3 | 4.4 | 5.6 |
| Reorganization items expense | 3.6 | | | | | | |
| Income (loss) from continuing operations before income taxes | (123.8) | 17.7 | 113.2 | (20.2) | 276.1 | 212.3 | 132.0 |
| Income tax expense(3) | 63.2 | 92.3 | 60.4 | 27.4 | 59.0 | 43.8 | 4.8 |
| Loss from discontinued operations, net of tax(4) | (2.7) | | | | | | |
| Net income (loss) | (189.8) | (74.6) | 52.8 | (47.5) | 217.1 | 168.5 | 127.2 |
| Less: Net income (loss) attributable to noncontrolling interest | | | | (0.1) | 0.3 | 0.2 | 0.2 |
| Net income (loss) attributable to controlling interest | (189.8) | (74.6) | 52.8 | (47.4) | 216.8 | 168.3 | 127.0 |
| Restructuring and related charges cost of goods sold(5) | 7.2 | 7.8 | 9.8 | 10.0 | 3.7 | 3.3 | 0.4 |
| Restructuring and related charges operating expenses(5) | 17.0 | 20.8 | 9.7 | 24.0 | 19.2 | 12.7 | 21.9 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Cash Flow and Related Data:** | | | | | | | |
| Net cash provided (used) by operating activities | $ 57.3 | $ 232.2 | $ 252.7 | $ 258.2 | $ 434.7 | $ (49.2) | $ (163.6) |
| Capital expenditures[6] | 40.3 | 36.2 | 46.8 | 82.0 | 73.3 | 50.9 | 49.5 |
| Depreciation and amortization (excluding amortization of debt issuance costs)[6] | 117.3 | 134.7 | 129.8 | 183.0 | 202.5 | 143.6 | 154.9 |
| **Statement of Financial Position Data (at period end):** | | | | | | | |
| Cash and cash equivalents | $ 170.6 | $ 142.4 | $ 157.9 | $ 198.2 | $ 192.9 | | $ 107.2 |
| Working capital[7] | 537.3 | 412.0 | 454.4 | 524.4 | 502.3 | | 996.6 |
| Total assets | 3,873.7 | 3,662.3 | 3,753.5 | 5,619.0 | 5,511.3 | | 7,473.8 |
| Total long-term debt, net of current maturities | 1,723.1 | 1,535.5 | 1,652.9 | 3,115.9 | 2,894.1 | | 4,294.3 |
| Total debt | 1,743.8 | 1,576.6 | 1,669.3 | 3,218.9 | 3,006.7 | | 4,393.8 |
| Total shareholders equity | 1,046.7 | 989.1 | 992.7 | 933.9 | 1,070.2 | | 1,575.8 |

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(1) Pursuant to the guidance in Financial Accounting Standards Board Accounting Standards Codification Topic 350: Intangibles-Goodwill and Other, we conduct annual impairment testing of goodwill and indefinite-lived intangible assets. As a result of these analyses we recorded a non-cash pretax impairment charge of approximately $32 million in Fiscal 2011. See the Critical Accounting Policies Valuation of Assets and Asset Impairment section of Management s Discussion and Analysis of Financial Condition and Results of Operations as well as Note 2(i), Significant Accounting Policies and Practices Intangible Assets, to our audited Consolidated Financial Statements and Note 2, Significant Accounting Policies Intangible Assets, to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus, for further details on impairment charges.

(2) Fiscal 2014 includes a non-cash charge of $9 million related to the write-off of unamortized debt issuance costs and unamortized discounts in connection with the amendment of our prior term credit facility. Fiscal 2013 includes fees and expenses of $106 million coupled with a non-cash charge of $16 million related to the write-off of unamortized debt issuance costs and unamortized premiums in connection with the extinguishment and replacement of the 9.5% Notes and prior term credit facility in conjunction with the acquisition of our hardware and home improvement business. Fiscal 2012 includes a non-cash charge of $2 million related to the write-off of unamortized debt issuance costs and unamortized premiums in connection with the extinguishment and refinancing of the 12% Notes. Fiscal 2011 includes a non-cash charge of $24 million related to the write-off of unamortized debt issuance costs and unamortized discounts in conjunction with the refinancing of our prior term debt facility. Fiscal 2010 includes a non-cash charge of $83 million related to the write-off of unamortized debt issuance costs and unamortized discounts and premiums in connection with the extinguishment and refinancing of debt that was completed in conjunction with the merger with Russell Hobbs.

(3) Fiscal 2014 income tax expense of $59 million includes a non-cash benefit of approximately $116 million resulting from a decrease in the valuation allowance against certain net deferred taxes. Fiscal 2013 income tax expense of $27 million includes a non-cash charge of approximately $62 million resulting from an increase in the valuation allowance against certain net deferred tax assets, net of a $50 million benefit due to the reversal of a portion of the valuation allowance in conjunction with the acquisition of our hardware and home improvement business. Fiscal 2012 income tax expense of $60 million includes a non-cash charge of approximately $12 million resulting from an increase in the valuation allowance against certain net deferred tax assets, net of a $15 million benefit due to the reversal of a portion of the valuation allowance in conjunction with the acquisition of FURminator. Fiscal 2011 income tax expense of $92 million includes a non-cash charge of approximately $65 million resulting from an increase in the valuation allowance against certain net deferred tax assets. Fiscal 2010 income tax expense of $63 million includes a non-cash charge of approximately $92 million resulting from an increase in the valuation allowance against certain net deferred tax assets.

(4) On November 5, 2008, SB Holdings board of directors committed to the shutdown of the growing products portion of the Home and Garden Business, which included the manufacturing and marketing of fertilizers, enriched soils, mulch and grass seed, following an evaluation of the historical lack of profitability and the projected input costs and significant working capital demands for the growing product portion of the Home and Garden Business during Fiscal 2009. During the second quarter of Fiscal 2009, we completed the shutdown of the growing products portion of the Home and Garden Business and, accordingly, began reporting the results of operations of this business as discontinued operations. Therefore, the presentation of all historical continuing operations excludes the growing products portion of the Home and Garden Business.

(5) See Note 14, Restructuring and Related Charges, to SB/RH Holdings audited Consolidated Financial Statements and Note 12, Restructuring and Related Charges, to SB/RH Holdings Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus, for further discussion.

(6) Amounts reflect the results of continuing operations only.

(7) Working capital is defined as current assets less current liabilities.

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# MANAGEMENT S DISCUSSION AND ANALYSIS OF

# FINANCIAL CONDITION AND RESULTS OF OPERATIONS

## Introduction

The following is management s discussion of the financial results, liquidity and other key items related to our performance and should be read in conjunction with Selected Historical Financial Data and our audited Consolidated Financial Statements and related notes included elsewhere in this prospectus. All references to Fiscal 2014, Fiscal 2013 and Fiscal 2012 refer to fiscal year periods ended September 30, 2014, 2013 and 2012, respectively. All references to Fiscal 2015 Nine Months and Fiscal 2014 Nine Months refer to the nine-month periods ended June 28, 2015 and June 29, 2014, respectively.

We are a global branded consumer products company. Spectrum Brands, Inc. is a wholly owned direct subsidiary of SB/RH Holdings, LLC, which is a direct subsidiary of Spectrum Brands Holdings, Inc. ( SB Holdings ). SB Holdings common stock trades on the New York Stock Exchange (the NYSE ) under the symbol SPB.

Unless the context requires otherwise, Spectrum, SB/RH Holdings, the Company, we, or our refers to SB/RH Holdings, LLC and, where applicable, its consolidated subsidiaries.

## Business Overview

We manufacture and market alkaline, zinc carbon and hearing aid batteries, herbicides, insecticides and repellants and specialty pet supplies. We design and market rechargeable batteries, battery-powered lighting products, electric shavers and accessories, grooming products and hair care appliances. Our operations also include the manufacturing and marketing of specialty pet supplies, and of herbicides, insecticides and insect repellents in North America. We also design, market and distribute a broad range of branded small appliances and personal care products. We also design, manufacture, market, distribute and sell certain hardware, home improvement and plumbing products, and are a leading U.S. provider of residential locksets and builders hardware and a leading provider of faucets. Our manufacturing and product development facilities are located in the U.S., Europe, Latin America and Asia. Substantially all of our rechargeable batteries, chargers and portable lighting products, shaving and grooming products, small household appliances and personal care products are manufactured by third-party suppliers, primarily located in Asia.

On May 21, 2015, we acquired AAG. AAG is a consumer products company consisting primarily of Armor All and STP products, two of the most recognizable brands in the automotive aftermarket appearance products and performance chemicals categories, respectively, and the AC/PRO brand of do-it-yourself automotive air conditioner recharge products. For information pertaining to the AAG Acquisition, see Note 13, Acquisitions to our Condensed Consolidated Financial Statements (Unaudited), included elsewhere in this prospectus.

We sell our products in approximately 160 countries through a variety of trade channels, including retailers, wholesalers and distributors, hearing aid professionals, industrial distributors and original equipment manufacturers and enjoy strong name recognition in our markets under the Rayovac, VARTA and Remington brands, each of which has been in existence for more than 80 years, and under the Tetra, 8-in-1, Dingo, Nature s Miracle, IAMS, Eukanuba, Healthy-Hide, Digest-eeze, Spectracide, Cutter, Hot Shot, Black & Decker, George Foreman, Russell Hobbs, Farberware, Black Flag, FURminator, Kwikset, Weiser, Baldwin, National Hardware, Stanley, Pfister and the previously mentioned AAG brands. We also have patented technologies such as Smartkey, a rekeyable lockset technology, and Smart Code Home Connect.

Our diversified global branded consumer products have positions in seven major product categories: consumer batteries, small appliances, personal care, hardware and home improvement, pet supplies, auto care and home and garden controls.

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Our chief operating decision-maker manages the businesses in five vertically integrated, product-focused reporting segments: (i) Global Batteries & Appliances, which consists of the Company s worldwide battery, personal care and small appliances primarily in the kitchen and home product categories ( Global Batteries & Appliances ); (ii) Hardware & Home Improvement, which consists of the Company s worldwide hardware, home improvement and plumbing business ( Hardware & Home Improvement ); (iii) Global Pet Supplies, which consists of the Company s worldwide pet supplies business ( Global Pet Supplies ); (iv) Home and Garden, which consists of the Company s home and garden and insect control business ( Home and Garden ); and (v) Global Auto Care, which consists of the Company s automotive aftermarket appearance products, performance chemicals/additives and do-it-yourself automotive air conditioner recharge ( Global Auto Care ). Management reviews our performance based on these segments. For information pertaining to our business segments, see Note 11, Segment Information, to our audited Consolidated Financial Statements and Note 11, Segment Results, to our Condensed Consolidated Financial Statements (Unaudited), each included elsewhere in this prospectus.

Global and geographic strategic initiatives and financial objectives are determined at the corporate level. Each business segment is responsible for implementing defined strategic initiatives and achieving certain financial objectives and has a general manager responsible for sales and marketing initiatives and the financial results for all product lines within that business segment.

***Cost Reduction Initiatives***

We continually seek to improve our operational efficiency, match our manufacturing capacity and product costs to market demand and better utilize our manufacturing resources. We have undertaken various initiatives to reduce manufacturing and operating costs.

*Fiscal 2014*. To reduce operating costs we implemented a series of initiatives to rationalize the international operations within our residential hardware and home improvement business, which was acquired in Fiscal 2013 (the HHI Business ). These initiatives will include headcount reductions and the exit of certain unprofitable international business within the Hardware and Home Improvement segment (the HHI Business Rationalization Initiatives ).

*Fiscal 2013*. To reduce operating costs we implemented a series of initiatives throughout the Company comprised principally of headcount reductions in the Global Batteries & Appliances and Global Pet Supplies segments and within Corporate (the Global Expense Rationalization Initiatives ). On November 3, 2014, we announced an expansion of our Global Expense Rationalization Initiatives, which consist of headcount reductions. Costs associated with the expanded initiatives, which are expected to be incurred through September 30, 2015, are currently projected to total approximately $46,500, which include costs associated with the Global Expense Rationalization Initiatives announced in Fiscal 2013.

*Fiscal 2009*. In connection with our announcement of a plan to reduce headcount within each of our segments and to exit certain facilities in the U.S. related to the Global Pet Supplies segment, we implemented a number of cost reduction initiatives (the Global Cost Reduction Initiatives ). These initiatives also included consultation, legal and accounting fees related to the evaluation of our capital structure.

***Meeting Consumer Needs through Technology and Development***

We continue to focus our efforts on meeting consumer needs for our products through new product development and technology innovations. Research and development efforts associated with our electric shaving and grooming products allow us to deliver to the market unique cutting systems. Research and development efforts associated with our electric personal care products allow us to deliver to our customers products that save them time, provide salon alternatives and enhance their in-home personal care options. We are continuously pursuing new innovations for our shaving, grooming and hair care products including foil and rotary shaver improvements, trimmer enhancements and technologies that deliver skin and hair care benefits.

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During Fiscal 2014, at our Home and Garden Business segment, we entered the animal repellents category with the acquisition of The Liquid Fence Company. In addition, we increased our pest repellent offerings with the Cutter Backwoods Dry Insect Repellent aerosol and the Repel Tick Defense aerosol. Continuing our pursuit of innovation, we started offering the Mulch-Lock Ready-to-Use and Mulch-Lock Concentrate, which are versatile landscaping tools that can be used to eliminate frequent groundcover maintenance and help customers save time, effort and money. We also introduced our novel, award-winning Black Flag Refillable Rat Bait Station, a reusable rodenticide product that is easy to refill. At our Global Batteries & Appliances segment, Rayovac released the Phone Boost 800 portable charging device and the car and wall USB power chargers. In addition, Rayovac introduced the Virtually Indestructible Spotlight and the Virtually Indestructible Lantern. Our Russell Hobbs brand entered the health fryer market with the new versatile Purifry and Purifry Multi. Our Black & Decker brand introduced the Mill & Brew Coffee Maker, an integrated bean grinder that allows coffee drinkers to have the freshest cup of hot coffee. Our Remington brand introduced new personal care products such as the HyperFlex rotary shaver, Vacuum Beard and Grooming kit, SmartEdge Shaver and Virtually Indestructible Hair Clipper. At our Hardware and Home Improvement segment, we launched our SmartKey re-key technology in padlocks, enhancing security and allowing homeowners to use the same key to unlock their home and their padlocks. Within our Hardware and Home Improvement segment, our Kwikset Brand launched the revolutionary Kevo Bluetooth enabled deadbolt. This is a first of a kind deadbolt that turns a smart phone into a key and allows authorized users to open their Kwikset deadbolt by simply touching the lock. Owners of Kevo can also send digital EKeys and monitor the use of their lock by downloading the Kevo app. At our Global Pet Supplies segment, we recently launched the Tetra Betta Ring, which is a designer aquarium indoor system for Betta fish with LED lighting that provides for a relaxing atmosphere. In addition, our Tetra brand introduced a breakthrough innovation for ideal water parameters with biodegradable balls. The biodegradable balls fulfill the living requirements of bacteria by consuming harmful substances with the effect of improving aquarium water quality and less algae growth.

***Competitive Landscape***

We compete in seven major product categories: consumer batteries, small appliances, personal care, hardware and home improvement, pet supplies, home and garden controls and auto care, which consists of the recently acquired AAG business.

The consumer battery product category consists of non-rechargeable alkaline or zinc carbon batteries in cell sizes of AA, AAA, C, D and 9-volt, specialty batteries, which include rechargeable batteries, hearing aid batteries, photo batteries and watch/calculator batteries; and portable lighting products. Most consumer batteries are marketed under one of the following brands: Rayovac/VARTA, Duracell, Energizer or Panasonic. In addition, some retailers market private label batteries, particularly in Europe. The majority of consumers in North America and Europe purchase alkaline batteries. The Latin America market consists primarily of zinc carbon batteries but is gradually converting to higher-priced alkaline batteries as household disposable income grows. Our major competitors in the consumer batteries product category are Energizer Holdings, Inc., The Procter & Gamble Company and Matsushita.

We believe that we are the largest worldwide marketer of hearing aid batteries and that we continue to maintain a leading global market position. We believe that our close relationship with hearing aid manufacturers and other customers, as well as our product performance improvements and packaging innovations, position us for continued success in this category.

Our global pet supplies business comprises aquatics equipment (aquariums, filters, pumps, etc.), aquatics consumables (fish food, water treatments and conditioners, etc.) and specialty pet products for dogs, cats, birds and other small domestic animals. The pet supply market is extremely fragmented, with no competitor holding a market share greater than twenty percent. We believe that our brand positioning, including the leading global aquatics brand in Tetra, our diverse array of innovative and attractive products and our strong retail relationships and global infrastructure will allow us to remain competitive in this fast growing industry. Our largest competitors in the pet supplies product category are Mars Corporation, The Hartz Mountain Corporation and Central Garden & Pet Company.

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Products in our home and garden category are sold through the Home and Garden Business, which operates in the U.S. market under the major brand names Spectracide, Hot Shot, Cutter, Repel, Black Flag and Garden Safe. The Home and Garden Business manufactures and markets outdoor and indoor insect control products, rodenticides, herbicides, insect repellents and lawn maintenance products. In addition, we produce and market several private-label brands for many major retailers.

The Home and Garden Business marketing position is primarily that of a branded value, enhanced and supported by innovative products of outstanding quality and appealing packaging that is designed to drive sales at the point of purchase. Our commitment to quality and value has earned the trust of consumers and the confidence of retailers, who count on us to deliver the fast-selling products, merchandising solutions and quality service they require. The Home and Garden Business primary competitors include The Scotts Miracle-Gro Company, Central Garden & Pet Company and S.C. Johnson & Son, Inc.

We also operate in the shaving and grooming and personal care product category, consisting of electric shavers and accessories, electric grooming products and hair care appliances. Electric shavers include men s and women s shavers (both rotary and foil design) and electric shaver accessories consisting of shaver replacement parts (primarily foils and cutters), pre-shave products and cleaning agents. Electric shavers are marketed primarily under our Remington brand. Our primary competitors in the electric shaving and grooming category are Procter & Gamble, makers of Braun, and Koninklijke Phillips Electronics N.V., makers of Norelco. Electric grooming products include beard and mustache trimmers, nose and ear trimmers, body groomers and haircut kits and related accessories. Hair care appliances include hair dryers, straightening irons, styling irons and hair-setters. Europe and North America account for the majority of our worldwide electric personal care product category sales. Our major competitors in the electric personal care product category are Conair Corporation, Wahl Clipper Corporation and Helen of Troy Limited.

The Hardware & Home Improvement segment has developed a market-leading franchise with leading brands, making it the most desired manufacturer among top home builders and major retailers. Hardware & Home Improvement is acclaimed as a market leader in the U.S. and Canadian lockset business. Competition within the industry varies based on location as well as product segment. The main source of competition for locks includes other third party manufacturers such as Schlage, a division of Ingersoll-Rand, and private label import brands such as Defiant and Gatehouse. The major U.S. competitors of Pfister, the plumbing brand sold by our Hardware & Home Improvement segment, are Masco, Fortune Brands, Kohler and American Standard. Hardware & Home Improvement also competes with The Home Depot and Lowe s private label brands.

Products in our small appliances category consist of small electrical appliances primarily in the kitchen and home product categories. Primary competitor brands in the small appliance category include Hamilton Beach, Procter Silex, Sunbeam, Mr. Coffee, Oster, General Electric, Rowenta, DeLonghi, Kitchen Aid, Cuisinart, Krups, Braun, Rival, Europro, Kenwood, Philips, Morphy Richards, Breville and Tefal.

Our auto care category consists of the recently-acquired AAG business, consisting primarily of the Armor All and STP products, two of the most recognizable brands in the automotive aftermarket appearance products and performance chemicals categories, respectively, and the AC/PRO brand of do-it-yourself automotive air conditioner recharge products.

The following factors contribute to our ability to succeed in these highly competitive product categories:

*Strong Diversified Global Brand Portfolio.* We have a global portfolio of well-recognized consumer product brands. We believe that the strength of our brands positions us to extend our product lines and provide our retail customers with strong sell-through to consumers.

*Strong Global Retail Relationships.* We have well-established business relationships with many of the top global retailers, distributors and wholesalers, which have assisted us in our efforts to expand our overall market penetration and promote sales.

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*Expansive Distribution Network.* We distribute our products in approximately 160 countries through a variety of trade channels, including retailers, wholesalers and distributors, hearing aid professionals, industrial distributors and Original Equipment Manufacturers.

*Innovative New Products, Packaging and Technologies.* We have a long history of product and packaging innovations in each of our seven product categories and continually seek to introduce new products both as extensions of existing product lines and as new product categories.

*Experienced Management Team.* Our management team has substantial consumer products experience. On average, each senior management team member has more than 20 years of experience at Spectrum, VARTA, Remington, Russell Hobbs or other branded consumer product companies such as Newell Rubbermaid and Schering-Plough.

***Seasonal Product Sales***

On a consolidated basis our financial results are approximately equally weighted between quarters, however, sales of certain product categories tend to be seasonal. Sales in the consumer battery, electric shaving and grooming and electric personal care product categories, particularly in North America, tend to be concentrated in the December holiday season (Spectrum s first fiscal quarter). Demand for hardware and home improvement products increases during the spring and summer construction period (Spectrum s third and fourth fiscal quarters). Demand for pet supplies products remains fairly constant throughout the year. Demand for home and garden control products sold though the Home and Garden Business typically peaks during the first six months of the calendar year (Spectrum s second and third fiscal quarters). Small Appliances peaks from July through December primarily due to the increased demand by customers in the late summer for back-to-school sales and in the fall for the holiday season.

The seasonality of our sales during the last three fiscal years is as follows:

**Percentage of Annual Sales**

| | Fiscal Year Ended September 30, | | |
|---|---|---|---|
| | **2014** | **2013** | **2012** |
| **Fiscal Quarter Ended** | | | |
| December | 25% | 21% | 26% |
| March | 23% | 24% | 23% |
| June | 25% | 27% | 25% |
| September | 27% | 28% | 26% |

**Fiscal Quarter and Fiscal Nine Months Ended June 28, 2015 Compared to Fiscal Quarter and Fiscal Nine Months Ended June 29, 2014**

In this prospectus, we refer to the three month period ended June 28, 2015 as the Fiscal 2015 Quarter, the nine month period ended June 28, 2015 as the Fiscal 2015 Nine Months, the three month period ended June 29, 2014 as the Fiscal 2014 Quarter, and the nine month period ended June 29, 2014 as the Fiscal 2014 Nine Months.

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*Net Sales*

Net sales for the Fiscal 2015 Quarter increased $119.0 million to $1,247.5 million from $1,128.5 million in the Fiscal 2014 Quarter, an 11% increase. The following table details the principal components of the change in net sales from the Fiscal 2014 Quarter to the Fiscal 2015 Quarter (in millions):

| | Net Sales |
|---|---|
| Fiscal 2014 Quarter Net Sales | $ 1,128.5 |
| Addition of global auto care | 64.4 |
| Increase in global pet supplies | 64.4 |
| Increase in home and garden | 27.7 |
| Increase in personal care | 15.3 |
| Increase in hardware and home improvement | 11.5 |
| Increase in small appliances | 10.5 |
| Decrease in consumer batteries | (11.2) |
| Foreign currency impact, net | (63.6) |
| Fiscal 2015 Quarter Net Sales | $ 1,247.5 |

Net sales for the Fiscal Nine Months increased $131.5 million to $3,382.3 million from $3,250.8 million in the Fiscal 2014 Nine Months, a 4% increase. The following table details the principal components of the change in net sales from the Fiscal 2014 Nine Months to the Fiscal 2015 Nine Months (in millions):

| | Net Sales |
|---|---|
| Fiscal 2014 Nine Months Net Sales | $ 3,250.8 |
| Addition of global auto care | 64.4 |
| Increase in global pet supplies | 117.0 |
| Increase in home and garden | 42.8 |
| Increase in small appliances | 35.1 |
| Increase in hardware and home improvement | 34.6 |
| Increase in personal care | 25.2 |
| Decrease in consumer batteries | (31.5) |
| Foreign currency impact, net | (156.1) |
| Fiscal 2015 Nine Months Net Sales | $ 3,382.3 |

Consolidated net sales by product line for the Fiscal 2015 Quarter, the Fiscal 2014 Quarter, the Fiscal 2015 Nine Months and the Fiscal 2014 Nine Months are as follows (in millions):

| | Fiscal Quarter | | Fiscal Nine Months | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| **Product line net sales by segment** | | | | |

| | | | | |
|---|---|---|---|---|
| Global batteries and appliances | | | | |
| Consumer batteries | $ 178.3 | $ 213.3 | $ 600.3 | $ 689.2 |
| Small appliances | 161.3 | 163.9 | 536.7 | 533.2 |
| Personal care | 119.4 | 117.6 | 402.3 | 412.6 |
| Total Global batteries and appliances | $ 459.0 | $ 494.8 | $ 1,539.3 | $ 1,635.0 |
| Hardware and home improvement | 313.5 | 306.9 | 874.1 | 852.2 |
| Global pet supplies | 208.3 | 152.2 | 538.8 | 440.7 |
| Global auto care | 64.4 | | 64.4 | |
| Home and garden | 202.3 | 174.6 | 365.7 | 322.9 |
| Total net sales to external customers | $ 1,247.5 | $ 1,128.5 | $ 3,382.3 | $ 3,250.8 |

Global consumer battery sales decreased $35.0 million, or 16%, during the Fiscal 2015 Quarter versus the Fiscal 2014 Quarter. Excluding the impact of negative foreign exchange of $23.8 million, global consumer battery sales decreased $11.2 million. The constant currency decrease in global consumer battery sales was primarily attributable to a decrease in North American sales of $20.6 million, which was partially offset by an increase in European and Asia Pacific ( EURAPAC ) consumer battery sales of $9.8 million. The North American battery decrease was due to the following: (i) $13.5 million in alkaline batteries; (ii) $4.1 million in specialty batteries; and (iii) $3.0 million in lights. The decrease in North American alkaline battery sales was primarily attributable to continued competitor discounting coupled with a retail customer bankruptcy. The decrease in North American specialty batteries and lights was primarily attributable to distribution loss to a competitor at a major retailer. On a constant currency basis, the EURAPAC sales increase was primarily due to gains of $6.3 million and $2.3 million in alkaline and specialty batteries, respectively. The increase in EURAPAC alkaline battery sales was driven by customer gains and increased volume at existing retailers. The increase in EURAPAC specialty batteries was attributed to customer gains and higher sales volume of hearing aid batteries. EURAPAC light sales also increased $1.2 million on a constant currency basis as a result of increased promotional activity and customer gains. Global consumer battery sales decreased $88.9 million, or 13%, during the Fiscal 2015 Nine Months compared to the Fiscal 2014 Nine Months. Excluding the impact of negative foreign exchange of $57.4 million, global consumer battery sales decreased $31.5 million. The constant currency decrease in global consumer battery sales was primarily attributable to the factors discussed above for the Fiscal 2015 Quarter across all geographic regions.

Small appliance sales decreased $2.6 million, or 2%, during the Fiscal 2015 Quarter compared to the Fiscal 2014 Quarter, which included $13.1 million of negative foreign exchange impact. Excluding foreign exchange, EURAPAC and North American sales increased $6.2 million, and $5.0 million, respectively, which were slightly tempered by modest declines in Latin America of $0.7 million. The EURAPAC sales increase was attributable to promotions at current customers coupled with customer gains, which were partially offset by exits of unprofitable product categories. The North American sales increase was attributed to the continued success of new product launches. Small appliance sales increased $3.5 million, or 1%, during the Fiscal 2015 Nine Months versus the Fiscal 2014 Nine Months, which included a negative foreign currency exchange impact of $31.6 million. Excluding foreign exchange, EURAPAC and North American sales increased $21.3 million and $12.7 million, respectively, based on factors discussed above for the Fiscal 2015 Quarter. Latin American sales increased $1.1 million compared to the Fiscal 2014 Nine Months resulting from new product introductions and volume gains in certain product lines.

Personal care sales increased $1.8 million, or 2%, during the Fiscal 2015 Quarter compared to the Fiscal 2014 Quarter, which included $13.5 million of negative foreign exchange impact. Excluding foreign exchange, North American, EURAPAC, and Latin American sales increased $7.0 million, $6.3 million and $2.0 million, respectively. The North American sales increase was primarily a result of product display location changes at a major customer and promotional activity. The increase is also attributed to the growth in the ecommerce channel. The Latin American sales increase was primarily attributable to growth in Mexico and customer gains throughout the region. The EURAPAC sales increase was due to a combination of sales attributed to new products and continued expansion into Eastern European markets. Personal care sales decreased $10.3 million, or 2%, during the Fiscal 2015 Nine Months compared to the Fiscal 2014 Nine Months. Excluding the negative foreign currency exchange impact of $35.5 million, personal care sales increased $25.2 million in the Fiscal 2015 Nine Months. Excluding foreign exchange, EURAPAC, North American, and Latin American sales increased $13.3 million, $6.6 million, and $5.3 million, respectively. The constant currency increases were due to factors discussed above for the Fiscal 2015 Quarter.

Hardware and home improvement sales increased $6.6 million, or 2%, during the Fiscal 2015 Quarter, which included negative foreign exchange impact of $4.9 million. On a constant currency basis, sales increased domestically due to gains at existing customers in security and plumbing of $6.5 million coupled with the Tell acquisition contributing $9.9 million during the Fiscal 2015 Quarter. The increase was partially offset by a $1.2 million decrease in Mexico driven by lower volume and the exit of low margin categories. The gains were also offset by $4.1 million resulting from exits of unprofitable categories in Canada and China, and $2.7 million resulting from the expiration of a customer tolling arrangement. Hardware and home improvement sales increased $21.9 million, or 3%, during the Fiscal 2015 Nine Months compared to the Fiscal 2014 Nine Months, which included negative foreign exchange impacts of $12.7 million. The change in net sales was primarily attributed to the Tell acquisition which contributed $29.0 million during the Fiscal 2015 Nine Months, in addition to gains in other domestic security and plumbing sales of $19.4 million, offset by decreases in Mexico, Canada, and China of $3.4 million, $3.2 million, and $5.5 million, respectively, for the reasons noted above.

Global pet supplies sales increased $56.1 million, or 37%, during the Fiscal 2015 Quarter compared to the Fiscal 2014 Quarter, which included negative foreign exchange impact of $8.3 million. On a constant currency basis and including acquisitions, companion animal sales increased $66.2 million while aquatic sales decreased $1.8 million. The constant currency sales increase in companion animal was primarily driven by the acquisitions of Proctor & Gamble s European pet food business ( European IAMS and Eukanuba ) and Salix Animal Health LLC ( Salix ), which accounted for $66.2 million of sales during the Fiscal 2015 Quarter. The aquatics sales decline was primarily due to a reduction in promotional activity related to low margin products. Global pet supplies sales increased $98.1 million, or 22%, during the Fiscal 2015 Nine Months versus the Fiscal 2014 Nine Months, which included a negative foreign exchange impact of $18.9 million. On a constant currency basis and including acquisitions, companion animal sales increased $127.3 million while aquatic sales decreased $10.3 million, primarily due to the factors discussed above.

Home and garden sales increased $27.7 million, or 16%, during the Fiscal 2015 Quarter compared to the Fiscal 2014 Quarter. The sales gain was attributable to increases in repellent product sales, lawn and garden control product sales and household insect control sales of $10.6 million, $8.6 million and $8.5 million, respectively. The sales increase in all three product categories was a result of distribution gains and strong point of sale activity driving replenishment orders at existing customers. The increase was also attributed to the timing of the peak season. Home and garden sales increased $42.8 million, or 13%, during the Fiscal 2015 Nine Months compared to the Fiscal 2014 Nine Months, primarily attributable to the factors discussed above coupled with the full period impact of the acquisition of The Liquid Fence Company ( Liquid Fence ), which occurred during the second quarter of our fiscal year ended September 30, 2014 ( Fiscal 2014 ).

Global auto care, which consists of the AAG business that was acquired on May 21, 2015, accounted for $64.4 million of sales for both the Fiscal 2015 Quarter and Fiscal 2015 Nine Months.

***Gross Profit.*** Gross profit and gross profit margin for the Fiscal 2015 Quarter was $458.0 million and 36.7%, respectively, versus $417.0 million and 37.0%, respectively, for the Fiscal 2014 Quarter. Gross profit was up primarily due to the previously discussed acquisitions during Fiscal 2015, which contributed $54.6 million in gross profit in the Fiscal 2015 Quarter. The slight decrease in gross margin as a percentage of sales is attributable to a $4.7 million one-time non-cash increase to cost of goods sold due to the sale of inventory which was revalued in connection with the acquisition of AAG.

Gross profit for the Fiscal 2015 Nine Months was $1,202.9 million versus $1,157.9 million for the Fiscal 2014 Nine Months. Our gross profit margin for both the Fiscal 2015 Nine Months and the Fiscal 2014 Nine Months was flat at 35.6%. Acquisition activity during the Fiscal 2015 Nine Months resulted in a $7.7 million one-time non-cash increase to cost of goods sold due to the sale of inventory which was revalued in connection with the acquisitions of AAG, Salix and European IAMS and Eukanuba. Furthermore, foreign currency exchange negatively impacted gross profit margin by 10 basis points during the Fiscal 2015 Nine Months.

***Operating Expenses.*** Operating expenses for the Fiscal 2015 Quarter totaled $320.6 million compared to $267.8 million for the Fiscal 2014 Quarter. Activity from AAG accounted for a $17.6 million increase in operating expenses. Also contributing to this increase in operating expenses was a $21.5 million increase in Acquisition and related charges, a $7.4 million increase in Restructuring and related charges and a $6.0 million increase in stock based compensation expense. The $21.5 million increase in Acquisition and integration related charges was primarily attributable to costs related to the continued integration of European IAMS and Eukanuba and Salix and the acquisition of AAG during the Fiscal 2015 Quarter. The increase in Restructuring and related charges was primarily due to an increase in activity related to the HHI Business Rationalization Initiatives.

Operating expenses for the Fiscal 2015 Nine Months totaled $858.8 million compared to $789.5 million for the Fiscal 2014 Nine Months. Activity from AAG accounted for a $17.6 million increase in operating expenses. Also contributing to this increase in operating expenses was a $29.7 million increase in Acquisition and related charges, a $9.2 million increase in Restructuring and related charges and a $6.2 million increase in stock based compensation expense. The drivers of the operating expense increases during the Fiscal 2015 Nine Months were primarily attributable to the factors discussed above for the Fiscal 2015 Quarter.

See Note 2, Significant Accounting Policies Acquisition and Integration Related Charges, to our Condensed Consolidated Financial Statements (Unaudited) included elsewhere in this prospectus for additional information regarding our Acquisition and integration related charges.

See Note 12, Restructuring and Related Charges, to our Condensed Consolidated Financial Statements (Unaudited) included elsewhere in this prospectus for additional information regarding our Restructuring and related charges.

***Segment Results.*** As discussed above, we manage our business in five reportable segments: (i) Global Batteries & Appliances; (ii) Hardware & Home Improvement; (iii) Global Pet Supplies; (vi) Home and Garden; and (v) Global Auto Care.

The operating segment profits do not include restructuring and related charges, acquisition and integration related charges, interest expense, interest income and income tax expense. Corporate expenses primarily include general and administrative expenses and global long-term incentive compensation plans which are evaluated on a consolidated basis and not allocated to our operating segments. All depreciation and amortization included in income from operations is related to operating segments or corporate expense. Costs are allocated to operating segments or corporate expense according to the function of each cost center.

All capital expenditures are related to operating segments. Variable allocations of assets are not made for segment reporting.

Financial information pertaining to our reportable segments is contained in Note 11, Segment Results, to our Condensed Consolidated Financial Statements (Unaudited) included elsewhere in this prospectus.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ( Adjusted EBITDA ) is a metric used by management and frequently used by the financial community which provides insight into an organization s operating trends and facilitates comparisons between peer companies, since interest, taxes, depreciation and amortization can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA can also be a useful measure of a company s ability to service debt and is one of the measures used for determining our debt covenant compliance. Adjusted EBITDA excludes certain items that are unusual in nature or not comparable from period to period. While we believe that Adjusted EBITDA is useful supplemental information, such adjusted results are not intended to replace our Generally Accepted Accounting Principles ( GAAP ) financial results and should be read in conjunction with those GAAP results.

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Below are reconciliations of GAAP Net income (loss), as adjusted, to Adjusted Earnings Before Interest and Taxes ( EBIT ) and to Adjusted EBITDA for each segment and for Consolidated SB/RH for the Fiscal 2015 Quarter, the Fiscal 2015 Nine Months, the Fiscal 2014 Quarter and the Fiscal 2014 Nine Months:

| Fiscal 2015 Quarter | Global Batteries & Appliances | Hardware & Home Improvement | Global Pet Supplies | Global Auto Care | Home and Garden | Corporate / Unallocated Items[a] | Consolidated SB/RH |
|---|---|---|---|---|---|---|---|
| | | | | (in millions) | | | |
| Net income (loss), as adjusted[a] | $ 40.6 | $ 44.6 | $ 20.2 | $ 12.2 | $ 59.9 | $ (130.9) | $ 46.6 |
| Income tax expense | | | | | | (23.8) | (23.8) |
| Interest expense | | | | | | 112.9 | 112.9 |
| Acquisition and integration related charges | 0.9 | 1.8 | 3.8 | 0.5 | (0.8) | 18.0 | 24.2 |
| Restructuring and related charges | 1.0 | 6.3 | 3.1 | | 0.1 | | 10.5 |
| Purchase accounting fair value adjustment | | | | 4.7 | | | 4.7 |
| Other[b] | | | | | | 2.1 | 2.1 |
| Adjusted EBIT | $ 42.5 | $ 52.7 | $ 27.1 | $ 17.4 | $ 59.2 | $ (21.7) | $ 177.2 |
| Depreciation and amortization[c] | 17.6 | 9.9 | 11.3 | 1.8 | 3.2 | 15.2 | 59.0 |
| Adjusted EBITDA | $ 60.1 | $ 62.6 | $ 38.4 | $ 19.2 | $ 62.4 | $ (6.5) | $ 236.2 |

| Fiscal 2015 Nine Months | Global Batteries & Appliances | Hardware & Home Improvement | Global Pet Supplies | Global Auto Care | Home and Garden | Corporate / Unalloc-ated Items[a] | Consolidated SB/RH |
|---|---|---|---|---|---|---|---|
| | | | | (in millions) | | | |
| Net income (loss), as adjusted[a] | $ 166.8 | $ 115.5 | $ 35.6 | $ 12.2 | $ 88.7 | $ (291.6) | $ 127.2 |
| Income tax expense | | | | | | 4.8 | 4.8 |
| Interest expense | | | | | | 206.5 | 206.5 |
| Acquisition and integration related charges | 3.5 | 6.3 | 8.2 | 0.5 | 1.3 | 24.4 | 44.2 |
| Restructuring and related charges | 6.4 | 7.8 | 7.5 | | 0.3 | 0.3 | 22.3 |
| Purchase accounting fair value adjustment | | 0.8 | 2.2 | 4.7 | | | 7.7 |
| Other[d] | | | | | | 3.9 | 3.9 |
| Adjusted EBIT | $ 176.7 | $ 130.4 | $ 53.5 | $ 17.4 | $ 90.3 | $ (51.7) | $ 416.6 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Depreciation and amortization[c] | 52.5 | 29.8 | 28.9 | 1.8 | 9.7 | 32.2 | 154.9 |
| Adjusted EBITDA | $ 229.2 | $ 160.2 | $ 82.4 | $ 19.2 | $ 100.0 | $ (19.5) | $ 571.5 |

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| Fiscal 2014 Quarter | Global Batteries & Appliances | Hardware & Home Improvement | Global Pet Supplies | Home and Garden | Corporate / Unallocated Items[a] | Consolidated SB/RH |
|---|---|---|---|---|---|---|
| | | | (in millions) | | | |
| Net income (loss), as adjusted[a] | $ 44.4 | $ 48.3 | $ 22.3 | $ 47.8 | $ (84.2) | $ 78.6 |
| Income tax expense | | | | | 20.5 | 20.5 |
| Interest expense | | | | | 47.3 | 47.3 |
| Acquisition and integration related charges | 1.3 | 0.4 | | 0.6 | 0.4 | 2.7 |
| Restructuring and related charges | 2.6 | 0.6 | 0.5 | | | 3.7 |
| Adjusted EBIT | $ 48.3 | $ 49.3 | $ 22.8 | $ 48.4 | $ (16.0) | $ 152.8 |
| Depreciation and amortization[c] | 18.7 | 10.5 | 7.9 | 3.2 | 9.2 | 49.5 |
| Adjusted EBITDA | $ 67.0 | $ 59.8 | $ 30.7 | $ 51.6 | $ (6.8) | $ 202.3 |

| Fiscal 2014 Nine Months | Global Batteries & Appliances | Hardware & Home Improvement | Global Pet Supplies | Home and Garden | Corporate / Unallocated Items[a] | Consolidated SB/RH |
|---|---|---|---|---|---|---|
| | | | (in millions) | | | |
| Net income (loss), as adjusted[a] | $ 173.2 | $ 115.9 | $ 54.2 | $ 69.3 | $ (244.1) | $ 168.5 |
| Income tax expense | | | | | 43.8 | 43.8 |
| Interest expense | | | | | 151.7 | 151.7 |
| Acquisition and integration related charges | 5.9 | 4.0 | | 0.9 | 3.7 | 14.5 |
| Restructuring and related charges | 9.8 | 3.7 | 1.8 | | 0.7 | 16.0 |
| Adjusted EBIT | $ 188.9 | $ 123.6 | $ 56.0 | $ 70.2 | $ (44.2) | $ 394.5 |
| Depreciation and amortization[c] | 53.4 | 31.2 | 23.6 | 9.4 | 26.0 | 143.6 |
| Adjusted EBITDA | $ 242.3 | $ 154.8 | $ 79.6 | $ 79.6 | $ (18.2) | $ 538.1 |

(a) It is our policy to record Income tax expense and Interest expense on a consolidated basis. Accordingly, such amounts are not reflected in the operating results of the operating segments and are presented within Corporate / Unallocated Items.
(b) Included in other are costs associated with a transition agreement with a key executive.
(c) Included within depreciation and amortization is amortization of stock based compensation.
(d) Included in other are costs associated with onboarding for a key executive coupled with costs associated with a transition agreement with another key executive.

***Global Batteries & Appliances***

| | Fiscal Quarter | | Fiscal Nine Months | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | (in millions) | | | |
| Net sales to external customers | $ 459.0 | $ 494.8 | $ 1,539.3 | $ 1,635.0 |
| Segment profit | $ 42.1 | $ 49.1 | $ 180.4 | $ 190.6 |
| Segment profit as a % of net sales | 9.2% | 9.9% | 11.7% | 11.7% |
| Segment Adjusted EBITDA | $ 60.1 | $ 67.0 | $ 229.2 | $ 242.3 |
| Assets as of June 28, 2015 and September 30, 2014 | $ 2,093.7 | $ 2,152.0 | $ 2,093.7 | $ 2,152.0 |

Global Batteries & Appliances net sales to external customers are discussed within the Product line net sales by segment discussion above.

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Segment profit in the Fiscal 2015 Quarter decreased to $42.1 million from $49.1 million in the Fiscal 2014 Quarter, driven by the previously discussed net sales decrease which was partially tempered by product cost improvement initiatives. Segment profitability as a percentage of net sales decreased to 9.2% in the Fiscal 2015 Quarter compared to 9.9% in the Fiscal 2014 Quarter as a result of unfavorable manufacturing variances and foreign currency translation, which was partially tempered by previously discussed cost improvement initiatives.

Segment profit in the Fiscal 2015 Nine Months decreased to $180.4 million from $190.6 million in the Fiscal 2014 Nine Months, driven by decreased net sales offset by operating cost improvements as discussed for the Fiscal 2015 Quarter. Segment profitability as a percentage of net sales remained flat at 11.7% in the Fiscal 2015 Nine Months versus Fiscal 2014 Nine Months.

Segment Adjusted EBITDA in the Fiscal 2015 Quarter decreased to $60.1 million from $67.0 million in the Fiscal 2014 Quarter. Segment Adjusted EBITDA in the Fiscal 2015 Nine Months decreased to $229.2 million from $242.3 million in the Fiscal 2014 Nine Months. The decrease in segment Adjusted EBITDA for both periods was driven by the factors that drove the decrease in segment profit discussed above for each respective period.

Segment assets at June 28, 2015 decreased to $2,093.7 million from $2,152.0 million at September 30, 2014. The decrease was primarily due to the decrease of $56.7 million in intangible assets as a result of amortization of definite lived intangible assets and foreign currency impact.

***Hardware & Home Improvement***

| | Fiscal Quarter | | Fiscal Nine Months | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | (in millions) | | | |
| Net sales to external customers | $ 313.5 | $ 306.9 | $ 874.1 | $ 852.2 |
| Segment profit | $ 53.7 | $ 50.7 | $ 129.9 | $ 125.5 |
| Segment profit as a % of net sales | 17.1% | 16.5% | 14.9% | 14.7% |
| Segment Adjusted EBITDA | $ 62.6 | $ 59.8 | $ 160.2 | $ 154.8 |
| Assets as of June 28, 2015 and September 30, 2014 | $ 1,708.9 | $ 1,629.0 | $ 1,708.9 | $ 1,629.0 |

Hardware and home improvement net sales to external customers are discussed within the Product line net sales by segment discussion above.

Segment profit in the Fiscal 2015 Quarter increased to $53.7 million from $50.7 million in the Fiscal 2014 Quarter. Segment profitability as a percentage of net sales increased to 17.1% in the Fiscal 2015 Quarter, versus 16.5% in the Fiscal 2014 Quarter. The increase in segment profit was driven by the previously discussed net sales increase, while the increase in segment profit as a percentage of net sales is attributed to product cost improvement programs and expense control.

Segment profit in the Fiscal 2015 Nine Months increased to $129.9 million from $125.5 million in the Fiscal 2014 Nine Months. Segment profitability as a percentage of net sales was 14.9% in the Fiscal 2015 Nine Months and 14.7% in the Fiscal 2014 Nine Months. The increase in segment profit and increase in segment profitability as a percentage of net sales was driven by the factors discussed above for the Fiscal 2015 Quarter.

Segment Adjusted EBITDA was $62.6 million in the Fiscal 2015 Quarter versus $59.8 million in the Fiscal 2014 Quarter. The increase in Segment Adjusted EBITDA was due to the previously discussed increase in net sales. Segment Adjusted EBITDA was $160.2 million in the Fiscal 2015 Nine Months versus $154.8 million in the Fiscal 2014 Nine Months. The increase in Segment Adjusted EBITDA for this period was driven by the increased sales and cost savings discussed above.

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Segment assets at June 28, 2015 and September 30, 2014 were $1,708.9 million and $1,629.0 million, respectively. The increase in segment assets was primarily driven by a seasonal increase in accounts receivable and inventory of $89.4 million and the Tell acquisition, offset by depreciation and amortization.

***Global Pet Supplies***

| | Fiscal Quarter | | Fiscal Nine Months | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | (in millions) | | | |
| Net sales to external customers | $ 208.3 | $ 152.2 | $ 538.8 | $ 440.7 |
| Segment profit | $ 28.0 | $ 22.9 | $ 52.3 | $ 56.5 |
| Segment profit as a % of net sales | 13.4% | 15.0% | 9.7% | 12.8% |
| Segment Adjusted EBITDA | $ 38.4 | $ 30.7 | $ 82.4 | $ 79.6 |
| Assets as of June 28, 2015 and September 30, 2014 | $ 1,156.4 | $ 890.4 | $ 1,156.4 | $ 890.4 |

Global pet supply net sales to external customers are discussed within the Product line net sales by segment discussion above.

Segment profit increased to $28.0 million in the Fiscal 2015 Quarter compared to $22.9 million in the Fiscal 2014 Quarter and segment profitability as a percentage of net sales in the Fiscal 2015 Quarter decreased to 13.4% from 15.0% in the Fiscal 2014 Quarter. The increase in segment profit was driven by the previously discussed net sales increase, while the decrease in segment profit as a percentage of net sales is attributed to the lower profit margins of an acquired business.

Segment profit decreased to $52.3 million in the Fiscal 2015 Nine Months compared to $56.5 million in the Fiscal 2014 Nine Months. Segment profitability as a percentage of net sales in the Fiscal 2015 Nine Months decreased to 9.7% from 12.8% in the Fiscal 2014 Nine Months. The decreases in segment profit and segment profitability as a percent of net sales were driven by the factors discussed above for the Fiscal 2015 Quarter.

Segment Adjusted EBITDA in the Fiscal 2015 Quarter increased to $38.4 million from $30.7 million in the Fiscal 2014 Quarter. The increase in Segment Adjusted EBITDA was primarily due a combined increase of $7.5 million from the Salix and European IAMS and Eukanuba acquisitions tempered by the factors discussed above for the decrease in segment profit for the Fiscal 2015 Quarter. Segment Adjusted EBITDA in the Fiscal 2015 Nine Months increased to $82.4 million from $79.6 million in the Fiscal 2014 Nine Months. The increase in segment Adjusted EBITDA was driven by the combined increase in Adjusted EBITDA of $15.2 million from the Salix and European IAMS and Eukanuba acquisitions, which was more than offset by the factors that drove the decrease in segment profit discussed above.

Segment assets at June 28, 2015 increased to $1,156.4 million from $890.4 million at September 30, 2014. The increase in segment assets was primarily attributable to the acquisitions of Salix and European IAMS and Eukanuba during the Fiscal 2015 Nine Months. Goodwill and intangible assets increased to $797.2 million at June 28, 2015 from $668.7 million at September 30, 2014.

See Note 13, Acquisitions, to our Condensed Consolidated Financial Statements (Unaudited) included elsewhere in this prospectus for additional information regarding our Acquisitions.

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### *Home and Garden*

| | Fiscal Quarter | | Fiscal Nine Months | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| | (in millions) | | | |
| Net sales to external customers | $ 202.3 | $ 174.6 | $ 365.7 | $ 322.9 |
| Segment profit | $ 59.3 | $ 48.4 | $ 90.4 | $ 70.2 |
| Segment profit as a % of net sales | 29.3% | 27.7% | 24.7% | 21.7% |
| Segment Adjusted EBITDA | $ 62.4 | $ 51.6 | $ 100.0 | $ 79.6 |
| Assets as of June 28, 2015 and September 30, 2014 | $ 594.8 | $ 526.6 | $ 594.8 | $ 526.6 |

Home and Garden net sales to external customers are discussed within the Product line net sales by segment discussion above.

Segment profitability in the Fiscal 2015 Quarter increased to $59.3 million from $48.4 million in the Fiscal 2014 Quarter. Segment profitability as a percentage of net sales in the Fiscal 2015 Quarter increased to 29.3% from 27.7% last year. The increase in segment profit and segment profitability as a percentage of net sales is attributable to the increase in net sales to external customers as discussed within Product line net sales by segment above, coupled with product cost improvements initiatives.

Segment profitability in the Fiscal 2015 Nine Months increased to $90.4 million from $70.2 million in the Fiscal 2014 Nine Months, driven by increased sales in the Fiscal 2015 Nine Months from Liquid Fence acquisition that closed in the second quarter of Fiscal 2014, and product cost improvements. Segment profitability as a percentage of net sales in the Fiscal 2015 Nine Months increased to 24.7%, from 21.7% in the Fiscal 2014 Nine Months due to factors discussed for the increase in segment profit.

Segment Adjusted EBITDA in the Fiscal 2015 Quarter increased to $62.4 million from $51.6 million in the Fiscal 2014 Quarter. Segment Adjusted EBITDA in the Fiscal 2015 Nine Months increased to $100.0 million from $79.6 million in the Fiscal 2014 Nine Months. The increases in segment Adjusted EBITDA for both periods were driven by the factors discussed above for the increase in segment profit and segment profitability.

Segment assets at June 28, 2015 increased to $594.8 million from $526.6 million at September 30, 2014. The increase in segment assets was driven by normal seasonal increases in inventory in preparation of our major selling season. Goodwill and intangible assets decreased to $441.2 million at June 28, 2015 from $449.2 million at September 30, 2014, due to amortization of definite lived intangible assets.

### *Global Auto Care*

| | Fiscal Quarter | Fiscal Nine Months |
|---|---|---|
| | 2015 | 2015 |
| | (in millions) | |
| Net sales to external customers | $ 64.4 | $ 64.4 |
| Segment profit | $ 12.8 | $ 12.8 |
| Segment profit as a % of net sales | 19.9% | 19.9% |
| Segment Adjusted EBITDA | $ 19.2 | $ 19.2 |

| | | |
|---|---|---|
| Assets as of June 28, 2015 | $ 1,658.4 | $ 1,658.4 |

Results of the AAG business, reported as a separate business segment, Global Auto Care, relate to operations subsequent to the acquisition date, May 21, 2015.

Global Auto Care net sales to external customers are discussed within the Product line net sales by segment discussion above.

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***Corporate Expense.*** Our corporate expense was $23.7 million in the Fiscal 2015 Quarter compared to $15.4 million in the Fiscal 2014 Quarter. The $8.3 million increase in corporate expense is primarily attributable to an increase of $6.0 million in stock compensation expense coupled with a $2.1 million expense related to a transition and retention agreement entered into with a key executive. Corporate expense as a percentage of consolidated net sales increased to 1.9% in the Fiscal 2015 Quarter compared to 1.4% in the Fiscal 2014 Quarter based on the factors discussed above.

Our corporate expense was $55.2 million in the Fiscal 2015 Nine Months compared to $44.0 million in the Fiscal 2014 Nine Months, and corporate expense as a percentage of consolidated net sales increased to 1.6% in the Fiscal 2015 Nine Months compared to 1.4% in the Fiscal 2014 Nine Months. The increase in corporate expense and corporate expense as a percentage of net sales is primarily attributable to the factors discussed above for the Fiscal 2015 Quarter.

***Acquisition and Integration Related Charges.*** Acquisition and integration related charges include, but are not limited to, transaction costs such as banking, legal and accounting professional fees directly related to acquisitions, termination and related costs for transitional and certain other employees, integration related professional fees and other post business combination related expenses associated with our acquisitions. See Note 2, Significant Accounting Policies Acquisition and Integration Related Charges to our Condensed Consolidated Financial Statements (Unaudited) included elsewhere in this prospectus for further detail regarding our Acquisition and integration related charges.

***Restructuring and Related Charges.*** See Note 12, Restructuring and Related Charges to our Condensed Consolidated Financial Statements (Unaudited) included elsewhere in this prospectus for information regarding our restructuring and related charges.

***Interest Expense.*** On May 20, 2015, in connection with the acquisition of AAG, we issued $1,000.0 million aggregate principal amount of 5.75% unsecured notes due 2025 (the 5.75% Notes ). On June 23, 2015, we (i) entered into Term Loan facilities pursuant to a senior credit agreement (the Senior Credit Agreement ) which consist of a $1,450.0 million U.S. dollar denominated term loan facility due June 23, 2022 (the U.S. USD Term Loan ), a CAD$75.0 million Canadian dollar denominated term loan facility due June 23, 2022 (the CAD Term Loan ) and a 300.0 million Euro denominated term loan facility due June 23, 2022 (the Euro Term Loan ) (together, the Term Loan ) and (ii) entered into a $500.0 million cash flow revolving credit facility due June 23, 2022 pursuant to the Senior Credit Agreement (the Revolver Facility ). The proceeds from the Term Loan facilities and draws on the Revolver Facility were used to repay our then-existing senior term credit facility (the Prior Term Loan ), repay our outstanding 6.75% senior unsecured notes due 2020 (the 6.75% Notes ), repay and replace our then-existing asset based revolving loan facility (the Prior Revolver Facility ), and to pay fees and expenses in connection with the refinancing and for general corporate purposes.

Interest expense in the Fiscal 2015 Quarter was $112.9 million compared to $47.3 million in the Fiscal 2014 Quarter. The $65.6 million increase in interest expense in the Fiscal 2015 Quarter was driven primarily by $58.8 million of one-time costs incurred related to the financing of the acquisition of AAG and the refinancing of our debt structure discussed above and additional interest expense on debt issued in conjunction with the acquisitions of Tell, European IAMS and Eukanuba and Salix in the first half of Fiscal 2015. Interest expense incurred in conjunction with the AAG Acquisition included $14.1 million of costs related to bridge financing commitments and $4.5 million of costs related to interest on the acquired AAG senior notes from the date of the acquisition through the time of payoff in June 2015.

Expenses related to the refinancing of the Term Loan, Revolver Facility and redemption of the 6.75% Notes included: (i) $16.9 million of cash costs related to the call premium and pre-paid interest on the 6.75% Notes; (ii) $4.1 million of non-cash costs for the write off of unamortized deferred financing fees on the 6.75% Notes; (iii) $10.4 million of cash costs related to fees associated with the refinancing of the Term Loan; and (iv) $8.8 million of non-cash costs for the write off of unamortized deferred financing fees and original issue

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discount on the Prior Term Loan and Prior Revolver Facility. See Note 6, Debt, to our Condensed Consolidated Financial Statements (Unaudited) included elsewhere in this prospectus for additional information regarding our outstanding debt.

Interest expense in the Fiscal 2015 Nine Months was $206.5 million compared to $151.7 million in the Fiscal 2014 Nine Months. The $54.8 million increase in interest expense in the Fiscal 2015 Nine Months is primarily driven by the $58.8 million of one-time costs incurred in the Fiscal 2015 Quarter described above and the previously discussed debt incurred to finance acquisitions during the first half of Fiscal 2015. See Note 6, Debt, to our Condensed Consolidated Financial Statements (Unaudited) included elsewhere in this prospectus for additional information regarding our outstanding debt.

***Income Taxes.*** Our effective tax rates for the Fiscal 2015 Quarter and the Fiscal 2015 Nine Months were (104%) and 4%, respectively. Our effective tax rate for both the Fiscal 2014 Quarter and the Fiscal 2014 Nine Months was 21%. Our effective tax rates differ from the U.S. federal statutory rate of 35% principally due to (i) income earned outside the U.S. that is subject to statutory rates lower than 35%, (ii) the release of valuation allowance on U.S. net operating loss deferred tax assets offsetting tax expense on both U.S. pretax income and foreign income not permanently reinvested, and (iii) deferred income tax expense related to the change in book versus tax basis of indefinite-lived intangibles, which are amortized for tax purposes but not for book purposes. Additionally, we recorded a tax benefit of $31.4 million for both the Fiscal 2015 Quarter and the Fiscal 2015 Nine Months from the reversal of a portion of the U.S. valuation allowance on deferred tax assets as a result of the AAG Acquisition. For the Fiscal 2015 Nine Months, we recorded a tax charge of $3.6 million to establish a valuation allowance against certain deferred tax assets related to our Brazil operations, since it is more likely than not that we will not obtain tax benefits from these assets. For the Fiscal 2014 Quarter and the Fiscal 2014 Nine Months, the tax rate was reduced due to a favorable Mexican tax law change.

We are not treating current and certain prior year earnings as permanently reinvested, except for jurisdictions where repatriation is either precluded or restricted by law. Due to the valuation allowance recorded against U.S. net deferred tax assets, including net operating loss carryforwards, we do not recognize any incremental U.S. tax expense on the expected future repatriation of foreign earnings. Should the U.S. valuation allowance be released at some future date, the recording of U.S. tax on foreign earnings not considered permanently reinvested might have a material effect on our effective tax rate. By the end of our fiscal year ending September 30, 2015, we expect to record approximately $2.6 million of additional tax liability from non-U.S. withholding and other taxes expected to be incurred on repatriation of foreign earnings, and also expect to record $16.7 million of U.S. tax on future repatriation that would be offset by operating losses.

During our fiscal year ending September 30, 2014, we earned domestic pretax book income after having generated significant domestic book and tax losses since our fiscal year ended September 30, 1997. We generated a domestic tax loss during the Fiscal 2015 Quarter and the Fiscal 2015 Nine Months. Should we generate domestic pretax profits in the near-term, there is a reasonable possibility that some or most of the domestic valuation allowance could be released, which could result in a material tax benefit. We estimate that $123.4 million of valuation allowance related to domestic deferred tax assets cannot be released regardless of the amount of domestic income generated due to prior period ownership changes that limit the amount of NOLs we can use. Additionally, we expect that $5.1 million of valuation allowance corresponding to capital losses created by the sale of the Fanal business in the Fiscal 2015 Quarter cannot be released because we do not expect to generate sufficient capital gains in the carryforward period.

**Fiscal Year Ended September 30, 2014 Compared to Fiscal Year Ended September 30, 2013**

***Highlights of Consolidated Operating Results***

***Net Sales.*** Net sales for Fiscal 2014 increased $343 million to $4,429 million from $4,086 million in Fiscal 2013, an 8% increase. The following table details the principal components of the change in net sales from Fiscal 2013 to Fiscal 2014 (in millions):

| | Net Sales |
|---|---|
| Fiscal 2013 Net Sales | $ 4,086 |
| Increase in hardware and home improvement products | 296 |
| Increase in home and garden products | 42 |
| Increase in consumer batteries | 28 |
| Increase in electric personal care products | 10 |
| Increase in electric shaving and grooming products | 2 |
| Decrease in small appliances | (4) |
| Decrease in pet supplies | (23) |
| Foreign currency impact, net | (8) |
| Fiscal 2014 Net Sales | $ 4,429 |

Consolidated product line net sales by segment for Fiscal 2014 and Fiscal 2013 were as follows (in millions):

| | Fiscal Year | |
|---|---|---|
| | 2014 | 2013 |
| ***Product line net sales by segment*** | | |
| Global batteries and appliances | | |
| Consumer batteries | $ 958 | $ 932 |
| Small appliances | 731 | 740 |
| Electric shaving and grooming products | 278 | 277 |
| Electric personal care products | 264 | 255 |
| Total Global batteries and appliances | $ 2,231 | $ 2,204 |
| Hardware and home improvement | 1,166 | 870 |
| Global pet supplies | 600 | 622 |
| Home and garden | 432 | 390 |
| Total net sales to external customers | $ 4,429 | $ 4,086 |

Global consumer battery sales increased $26 million, or 3%, during Fiscal 2014 compared to Fiscal 2013. Excluding the impact of negative foreign exchange of $2 million, global consumer battery sales increased $28 million. The constant currency increase in global consumer battery sales was attributable to increases in European and Latin American consumer battery sales of $24 million and $10 million, respectively, partially offset by a decrease in North American consumer battery sales of $6 million. The increase in European and Latin American sales were a result of retailer distribution gains, new customers and products, successful promotion activities and geographic expansion. The decrease in North America was primarily driven by the non-recurrence of approximately $10 million of flashlight sales in North America related to storm activity in the first quarter of Fiscal 2013.

Small appliance sales decreased $9 million, or 1%, during Fiscal 2014 versus Fiscal 2013. Excluding the negative foreign exchange impact of $5 million, small appliances decreased $4 million. Excluding foreign exchange impacts, North American sales declined $20 million, which was tempered by gains in Europe and Latin America of $13 million and $2 million, respectively. The North American sales declines were due to our exit of low-margin promotions in Fiscal 2014. The European and Latin American sales gains were attributable to promotions with existing retailers during Fiscal 2014, coupled with innovative new product launches.

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Electric shaving and grooming product sales increased $1 million, or 1%, during Fiscal 2014 compared to Fiscal 2013. Excluding the impact of negative foreign exchange of $1 million, electric shaving and grooming product sales increased $2 million. The constant currency increase was attributable to European and Latin American sales gains of $5 million and $1 million, respectively, offset by a $4 million decline in North American sales. The gains in Europe and Latin America were due to innovative new product launches, promotional activities and expansion into new channels. The decrease in North America was due to the non-recurrence of promotions during the first quarter of Fiscal 2013 and customer inventory management.

Electric personal care sales increased $9 million, or 4%, in Fiscal 2014 versus Fiscal 2013. Geographically, excluding the impact of negative foreign exchange of $1 million, sales increased $5 million in Latin America, $3 million in Europe and $2 million in North America. Latin American sales gains were attributable to volume expansion in Colombia, successful hair care accessories product launches throughout Central America, distribution gains in Brazil and increased promotional activities. The increase in both European and North American sales was driven by innovative new products and successful promotions.

Hardware and home improvement sales increased $296 million, or 34%, during Fiscal 2014 compared to Fiscal 2013. On a proforma basis, as if the acquisition of the HHI Business had occurred at the beginning of the Fiscal 2013, hardware and home improvement sales increased $104 million, or 10%, to $1,166 million in Fiscal 2014 versus $1,062 million in Fiscal 2013. This increase was attributable to the residential security category which accounted for $91 million of the increase due to strong retail positioning in North America coupled with the continued recovery of the U.S. housing market. The plumbing category increased $17 million while the hardware product category decreased $2 million. The plumbing product category increased due to growth in the U.S. from both retail and non-retail channels. Also contributing to the Fiscal 2014 sales increase were sales related to the Tong Lung Metal Industry Co. Ltd., a Taiwan Corporation (the TLM Business ), as prior year results did not include the TLM Business until April 8, 2013.

Global pet supplies sales decreased $22 million, or 4%, during Fiscal 2014 versus Fiscal 2013, which included a positive foreign currency exchange impact of $1 million. Excluding foreign exchange impacts, aquatic sales and companion animal sales decreased $19 million and $4 million, respectively. The decline in aquatic sales was driven by lower kit and equipment sales in North America and lower aquatic food sales internationally coupled with a one-time negative impact from product registration issues in Russia during the third and fourth quarter of Fiscal 2014. The decline in companion animal sales was driven by adverse weather in North America, which negatively affected retail store traffic during the second quarter of Fiscal 2014, and the non-recurrence of companion animal promotions that took place during the first quarter of Fiscal 2013.

Home and garden product sales increased $42 million, or 11%, in Fiscal 2014 versus Fiscal 2013. The sales gains were attributable to increases in repellent product sales and lawn and garden control sales of $23 million and $20 million, respectively. The repellent product sales increase was driven by market share gains, the extended selling season due to favorable weather and a $13 million increase due to the acquisition of The Liquid Fence Company, Inc. ( Liquid Fence ) on January 2, 2014. The increase in lawn and garden control sales was primarily driven by distribution gains at key retailers and the extended selling season discussed above. These gains were partially offset by a slight decline in household insect control sales of $1 million.

***Gross Profit.*** Gross profit and gross profit margin for Fiscal 2014 was $1,569 million and 35.4% versus $1,390 million and 34.0%, respectively, for Fiscal 2013. The increase in gross profit and improvement in gross profit margin was primarily attributable to an increase in sales, particularly the shift towards higher margin sales, and continuing cost improvements. In addition, the increase in gross profit margin was driven by the non-recurrence of a $31 million increase to cost of goods sold due to the sale of inventory during Fiscal 2013 that was revalued in connection with the acquisition of the HHI Business.

***Operating Expenses.*** Operating expenses for Fiscal 2014 totaled \$1,084 million compared to \$1,037 million for Fiscal 2013. The \$47 million increase in operating expenses during Fiscal 2014 is primarily attributable to an

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increase of $76 million in Selling and General and administrative expenses as a result of increased sales partially offset by a $28 million decrease in Acquisition and integration related charges as a result of the HHI Business acquisition in Fiscal 2013.

See Note 2(u), Significant Accounting Policies and Practices Acquisition and Integration Related Charges, to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding our Acquisition and integration charges.

***Segment Results.*** As discussed above, we manage our business in four reportable segments: (i) Global Batteries & Appliances; (ii) Global Pet Supplies; (iii) Home and Garden Business; and (iv) Hardware & Home Improvement.

The operating segment profits do not include restructuring and related charges, acquisition and integration related charges, interest expense, interest income and income tax expense. Corporate expenses primarily include general and administrative expenses and global long-term incentive compensation plans which are evaluated on a consolidated basis and not allocated to our operating segments. All depreciation and amortization included in income from operations is related to operating segments or corporate expense. Costs are allocated to operating segments or corporate expense according to the function of each cost center.

Financial information pertaining to our reportable segments is contained in Note 11, Segment Information, to our audited Consolidated Financial Statements included elsewhere in this prospectus.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ( Adjusted EBITDA ) is a metric used by management and frequently used by the financial community which provides insight into an organization s operating trends and facilitates comparisons between peer companies, since interest, taxes, depreciation and amortization can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA can also be a useful measure of a company s ability to service debt and is one of the measures used for determining our debt covenant compliance. Adjusted EBITDA excludes certain items that are unusual in nature or not comparable from period to period. While we believe that Adjusted EBITDA is useful supplemental information, such adjusted results are not intended to replace our U.S. Generally Accepted Accounting Principles ( GAAP ) financial results and should be read in conjunction with those GAAP results.

Below are reconciliations of GAAP Net income, as adjusted, to Adjusted Earnings Before Interest and Taxes ( Adjusted EBIT ) and to Adjusted EBITDA for each segment and for Consolidated SB/RH Holdings for Fiscal 2014 and Fiscal 2013:

| **Fiscal 2014** | **Global Batteries & Appliances** | **Global Pet Supplies** | **Home and Garden** | **Hardware & Home Improvement** | **Corporate / Unallocated Items[a]** | **Consolidated SB/RH Holdings** |
|---|---|---|---|---|---|---|
| | | | | **(in millions)** | | |
| Net income (loss), as adjusted[a] | $ 235 | $ 79 | $ 88 | $ 157 | $ (342) | $ 217 |
| Income tax expense | | | | | 59 | 59 |
| Interest expense | | | | | 202 | 202 |
| Acquisition and integration related charges | 8 | | 1 | 4 | 7 | 20 |
| Restructuring and related charges | 11 | 3 | | 8 | 1 | 23 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Other[b] | | | | | | | | | 1 | | 1 |
| Adjusted EBIT | $ 254 | $ | 82 | $ | 89 | $ | 169 | $ | (72) | $ | 522 |
| Depreciation and amortization[c] | 73 | | 31 | | 13 | | 40 | | 46 | | 203 |
| Adjusted EBITDA | $ 327 | $ | 113 | $ | 102 | $ | 209 | $ | (26) | $ | 725 |

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| Fiscal 2013 | Global Batteries & Appliances | Global Pet Supplies | Home and Garden | Hardware & Home Improvement | Corporate / Unallocated Items[(a)] | Consolidated SB/RH Holdings |
|---|---|---|---|---|---|---|
| | | | (in millions) | | | |
| Net income (loss), as adjusted[(a)] | $ 214 | $ 77 | $ 78 | $ 75 | $ (491) | $ (47) |
| Pre-acquisition earnings of HHI[(d)] | | | | 30 | | 30 |
| Income tax expense | | | | | 27 | 27 |
| Interest expense | | | | | 370 | 370 |
| Acquisition and integration related charges | 6 | 2 | | 7 | 33 | 48 |
| Restructuring and related charges | 15 | 11 | 1 | 6 | 1 | 34 |
| HHI Business inventory fair value adjustment | | | | 31 | | 31 |
| Venezuela devaluation | 2 | | | | | 2 |
| Adjusted EBIT | $ 237 | $ 90 | $ 79 | $ 149 | $ (60) | $ 495 |
| Depreciation and amortization[(c)] | 67 | 30 | 11 | 32 | 43 | 183 |
| Adjusted EBITDA | $ 304 | $ 120 | $ 90 | $ 181 | $ (17) | $ 678 |

(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 operating results of the operating segments and are presented within Corporate / Unallocated Items.
(b) Included in other are costs associated with onboarding for a key executive.
(c) Included within depreciation and amortization is amortization of stock based compensation.
(d) 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.

***Global Batteries & Appliances***

| | Fiscal Year | |
|---|---|---|
| | 2014 | 2013 |
| Net sales to external customers | $ 2,231 | $ 2,204 |
| Segment profit | $ 257 | $ 238 |
| Segment profit as a % of net sales | 11.5% | 10.8% |
| Segment Adjusted EBITDA | $ 327 | $ 304 |
| Assets as of September 30 | $ 2,152 | $ 2,361 |

Global Batteries and Appliances net sales to external customers are discussed in the Product line net sales by segment discussion above.

Segment profit in Fiscal 2014 increased to $257 million from $238 million in Fiscal 2013. Segment profitability as a percentage of net sales increased slightly to 11.5% in Fiscal 2014 versus 10.8% in Fiscal 2013. The increase in segment profit and segment profitably as a percentage of net sales were primarily attributable to increased sales and cost improvements, which were partially offset by unfavorable product mix and pricing pressures in the U.S. and Europe.

Segment Adjusted EBITDA in Fiscal 2014 increased to $327 million from $304 million in Fiscal 2013. The increase in segment Adjusted EBITDA was driven by the factors discussed above.

Segment assets at September 30, 2014 decreased to $2,152 million from $2,361 million at September 30, 2013. The decrease in segment assets of $209 million is primarily due to the transfer of $147 million in cash and cash equivalents from our Global Batteries and Appliances segment to Corporate, coupled with a decrease of $49

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million in intangible assets. Goodwill and intangible assets, which are substantially the result of the revaluation impacts of fresh-start reporting during Fiscal 2009 and acquisitions, decreased to $1,272 million at September 30, 2014 from $1,322 million at September 30, 2013 due to amortization of intangible assets, coupled with negative foreign exchange impacts.

***Hardware & Home Improvement***

| | Fiscal Year | |
|---|---|---|
| | 2014 | 2013 |
| Net sales to external customers | $ 1,166 | $ 870 |
| Segment profit | $ 172 | $ 89 |
| Segment profit as a % of net sales | 14.8% | 10.2% |
| Segment Adjusted EBITDA | $ 209 | $ 181 |
| Assets as of September 30 | $ 1,629 | $ 1,736 |

Results of the HHI Business, reported in the Hardware & Home Improvement segment, relate to operations subsequent to the acquisition date of December 17, 2012. A portion of the HHI Business, consisting of the TLM Business, is included in the results of the Hardware and Home Improvement segment subsequent to its acquisition on April 8, 2013.

Hardware and home improvement net sales to external customers are discussed in the Product line net sales by segment discussion above.

Segment profit increased $83 million to $172 million in Fiscal 2014 compared to $89 million Fiscal 2013. Segment profitability as a percentage of net sales was 14.8% in Fiscal 2014 and 10.2% in Fiscal 2013. The increase in segment profit was primarily driven by the inclusion of the HHI Business for the entire Fiscal 2014. Furthermore, the increase in segment profit and segment profit as a percentage of net sales was driven by the increase in sales and cost improvements, coupled with the non-recurrence of a $31 million increase to cost of goods sold in Fiscal 2013 which related to the sale of inventory revalued in connection with the acquisition.

Segment Adjusted EBITDA was $209 million in Fiscal 2014 compared to $181 million in Fiscal 2013. The increase in Segment Adjusted EBITDA were driven by the increased sales, cost improvements and other factors discussed above.

Segment assets at September 30, 2014 decreased to $1,629 million from $1,736 million at September 30, 2013. The decrease of $107 million is primarily due to the transfer of $35 million in cash and cash equivalents from our Hardware and Home Improvement segment to Corporate, coupled with a decrease in intangible assets and property, plant and equipment of $21 million and $14 million, respectively, principally due to depreciation and amortization recognized in Fiscal 2014.

***Global Pet Supplies***

| | Fiscal Year | |
|---|---|---|
| | 2014 | 2013 |
| Net sales to external customers | $ 600 | $ 622 |
| Segment profit | $ 82 | $ 91 |

| | | |
|---|---|---|
| Segment profit as a % of net sales | 13.7% | 14.6% |
| Segment Adjusted EBITDA | $ 113 | $ 120 |
| Assets as of September 30 | $ 890 | $ 949 |

Global Pet Supply net sales to external customers are discussed in the Product line net sales by segment discussion above.

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Segment profit decreased $9 million to $82 million in Fiscal 2014 compared to $91 million in Fiscal 2013 and segment profitability as a percentage of net sales in Fiscal 2014 decreased to 13.7%, compared to 14.6% in Fiscal 2013. The decrease in segment profit and profitability as a percentage of net sales were primarily driven by decreased sales and unfavorable product mix in Fiscal 2014 as compared to Fiscal 2013, which was partially offset by cost improvements in manufacturing and sourcing.

Segment Adjusted EBITDA in Fiscal 2014 decreased $7 million to $113 million from $120 million in Fiscal 2013. The decrease in Adjusted EBITDA was driven by the factors discussed above for segment profit.

Segment assets at September 30, 2014 decreased to $890 million from $949 million at September 30, 2013. The decrease in segment assets was primarily driven by a $13 million transfer of cash and cash equivalents from our Global Pet Supplies segment to Corporate, coupled with a $32 million decrease in goodwill and intangible assets. Goodwill and intangible assets, which are substantially the result of the revaluation impacts of fresh-start reporting during Fiscal 2009 and acquisitions, decreased to $669 million at September 30, 2014 from $701 million at September 30, 2013 due to amortization of intangible assets coupled with negative foreign exchange impacts.

***Home and Garden Business***

| | Fiscal Year | |
|---|---|---|
| | **2014** | **2013** |
| Net sales to external customers | $ 432 | $ 390 |
| Segment profit | $ 89 | $ 78 |
| Segment profit as a % of net sales | 20.6% | 20.1% |
| Segment Adjusted EBITDA | $ 102 | $ 90 |
| Assets as of September 30 | $ 527 | $ 501 |

Home and Garden net sales to external customers are discussed in the Product line net sales by segment discussion above.

Segment profitability in Fiscal 2014 increased $11 million to $89 million from $78 million in Fiscal 2013, driven by increased sales in Fiscal 2014 and the acquisition of Liquid Fence. Segment profitability as a percentage of net sales in Fiscal 2014 increased to 20.6% from 20.1% in Fiscal 2013.

Segment Adjusted EBITDA increased $12 million to $102 million in Fiscal 2014 compared to segment Adjusted EBITDA of $90 million in Fiscal 2013 driven by the increase in net sales coupled with cost and operating expense improvements.

Segment assets at September 30, 2014 increased to $527 million from $501 million at September 30, 2013. The increased in segment assets was primarily driven by a $23 million increase in goodwill and intangible assets due to the acquisition of Liquid Fence. Goodwill and intangible assets, which are substantially a result of the revaluation impacts of fresh-start reporting during Fiscal 2009 and acquisitions, increased to $449 million at September 30, 2014, from $426 million at September 30, 2013.

See Note 15, Acquisitions to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding the Liquid Fence acquisition.

***Corporate Expense.*** Our corporate expense was $73 million in Fiscal 2014 compared to $60 million in Fiscal 2013. The increase in corporate expense is primarily attributable to an increase of $5 million related to corporate support of the HHI business and other initiatives coupled with an increase in stock based compensation of $2 million and onboarding costs for a key executive. Corporate expense as a percentage of consolidated net sales for Fiscal 2014 increased slightly to 1.6% versus 1.5% for Fiscal 2013 due to the factors discussed above.

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***Acquisition and Integration Related Charges.*** Acquisition and integration related charges include, but are not limited to, transaction costs such as banking, legal and accounting professional fees directly related to acquisitions, termination and related costs for transitional and certain other employees, integration related professional fees and other post business combination related expenses associated with our acquisitions. See Note 2(u), Significant Accounting Policies and Practices Acquisition and Integration Related Charges, to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding our Acquisition and integration related charges.

***Restructuring and Related Charges.*** See Note 14, Restructuring and Related Charges, to our audited Consolidated Financial Statements included elsewhere in this prospectus for information regarding our Restructuring and related charges.

***Interest Expense.*** Interest expense in Fiscal 2014 was $202 million compared to $370 million in Fiscal 2013. The decrease in interest expense in Fiscal 2014 of $174 million is primarily due to a non-recurrence of $122 million of costs related to extinguishment of our 9.5% Notes in Fiscal 2013 coupled with ongoing interest cost savings of $56 million from the refinancing of those notes. The decrease in interest expense is also due to a non-recurrence of $29 million in costs and expenses related to the acquisition financing for the HHI Business in Fiscal 2013. These savings were partially offset by $11 million in costs related to the refinancing of our Term Loan Facility in Fiscal 2014, consisting of the write off of unamortized deferred financing fees and original issue discount, and the inclusion of a full year of interest related to the HHI Business financing in Fiscal 2014 versus a partial period in Fiscal 2013. See Note 6, Debt, to our audited Consolidated Financial Statements included elsewhere in this prospectus.

***Income Taxes.*** In Fiscal 2014, we recorded income tax expense of $59 million on pretax income from continuing operations of $276 million, and in Fiscal 2013, we recorded income tax expense of $27 million on a pretax loss from continuing operations of $20 million. Our effective tax rate on income from continuing operations was approximately 21% for Fiscal 2014. Our effective tax rate on our loss from continuing operations was approximately (136)% for Fiscal 2013. During Fiscal 2014, our effective tax rate differs from the U.S. federal statutory rate of 35% principally due to income earned outside the U.S. that is subject to statutory rates lower than 35%. During Fiscal 2013, our effective tax rate differed from the U.S. federal statutory rate of 35% principally due to: (i) losses in the U.S. and certain foreign jurisdictions for which no tax benefit can be recognized due to full valuation allowances that have been provided on our net operating loss carryforward tax benefits and other deferred tax assets; (ii) deferred income tax expense related to the change in book versus tax basis of indefinite lived intangibles, which are amortized for tax purposes but not for book purposes and (iii) the reversal of U.S. valuation allowances of $50 million on deferred tax assets as a result of the acquisition of the HHI Business. Additionally, in Fiscal 2013, the consolidated pretax income was close to break even, resulting in a higher effective tax rate as this rate is calculated by dividing tax expense into pretax income (loss) from continuing operations.

As of September 30, 2014, we have provided residual taxes on approximately $3 million of earnings not yet taxed in the U.S. Due to the valuation allowance recorded against U.S. net deferred tax assets, including net operating loss carryforwards ( NOLs ), we do not recognize any incremental U.S. tax expense on the expected future repatriation of foreign earnings. Should the U.S. valuation allowance be released at some future date, the U.S. tax on future foreign earnings not considered to be permanently reinvested might have a material effect on our effective tax rate. As of September 30, 2014, we project approximately $2 million of additional tax expense from non-U.S. withholding and other taxes expected to be incurred on repatriation of foreign earnings.

As of September 30, 2014, we have U.S. federal NOLs of approximately $1,084 million, with a federal tax benefit of $380 million and future tax benefits related to state NOLs of $70 million. We also have foreign NOLs of approximately $106 million. During Fiscal 2014, we used approximately $302 million of U.S. NOLs, including $179 million from one-time internal restructuring and external debt refinancing activities.

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The realization of our deferred tax assets depends on our ability to generate sufficient taxable income of the appropriate character in future periods and in the appropriate taxing jurisdictions. We establish valuation allowances for deferred tax assets when we estimate it is more likely than not that the tax assets will not be realized. We base these estimates on projections of future income, including tax planning strategies, in certain jurisdictions. Changes in industry conditions and other economic conditions may impact our ability to project future income. Accounting Standards Codification ( ASC ) Topic 740: Income Taxes ( ASC 740 ) requires the establishment of a valuation allowance when it is more likely than not that some portion or all of the deferred tax assets will not be realized. In accordance with ASC 740, we periodically assess the likelihood that our deferred tax assets will be realized and determine if adjustments to the valuation allowance are required.

Our total valuation allowance for the tax benefit of deferred tax assets that may not be realized is approximately $327 million at September 30, 2014. Of this amount, approximately $293 million relates to U.S. net deferred tax assets and approximately $34 million relates to foreign net deferred tax assets.

For Fiscal 2014, we generated domestic pretax profits of $83 million. Should we continue to generate domestic pretax profits in subsequent periods, there is a reasonable possibility that some or most of the domestic valuation allowance of $293 million could be released at some future date, which could result in a material tax benefit. We estimate that $122 million of valuation allowance related to domestic deferred tax assets cannot be released regardless of the amount of domestic income generated due to prior period ownership changes that limit the amount of NOLs we can use.

ASC 740, which clarifies the accounting for uncertainty in tax positions, requires that we recognize the impact of a tax position if that position is more likely than not to be sustained on audit based on the technical merits of the position. As of September 30, 2014 and September 30, 2013, the total amount of unrecognized tax benefits that, if recognized, would affect the effective income tax rate in future periods was $12 million and $14 million, respectively.

See Note 9, Income Taxes, to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding income taxes.

**Fiscal Year Ended September 30, 2013 Compared to Fiscal Year Ended September 30, 2012**

***Highlights of Consolidated Operating Results***

***Net Sales.*** Net sales for Fiscal 2013 increased $834 million to $4,086 million from $3,252 million in Fiscal 2012, a 26% increase. The following table details the principal components of the change in net sales from Fiscal 2012 to Fiscal 2013 (in millions):

| | Net Sales |
|---|---|
| Fiscal 2012 Net Sales | $ 3,252 |
| Addition of hardware and home improvement products | 870 |
| Increase in pet supplies | 12 |
| Increase in electric personal care products | 5 |
| Increase in home and garden products | 3 |
| Decrease in electric shaving and grooming products | (1) |
| Decrease in consumer batteries | (9) |
| Decrease in small appliances | (27) |

| | |
|---|---|
| Foreign currency impact, net | (19) |
| Fiscal 2013 Net Sales | $ 4,086 |

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Consolidated net sales by product line for Fiscal 2013 and Fiscal 2012 are as follows (in millions):

| | Fiscal Year | |
|---|---|---|
| | **2013** | **2012** |
| ***Product line net sales by segment*** | | |
| Global batteries and appliances | | |
| Consumer batteries | $ 932 | $ 949 |
| Small appliances | 740 | 772 |
| Electric shaving and grooming products | 277 | 279 |
| Electric personal care products | 255 | 250 |
| Total Global batteries and appliances | $ 2,204 | $ 2,250 |
| Hardware and home improvement products | 870 | |
| Global pet supplies | 622 | 615 |
| Home and garden | 390 | 387 |
| Total net sales to external customers | $ 4,086 | $ 3,252 |

Global consumer battery sales decreased $17 million, or 2%, during Fiscal 2013 compared to Fiscal 2012. Excluding the impact of negative foreign exchange of $8 million, global consumer battery sales decreased $9 million. The constant currency decrease in global consumer battery sales was primarily attributable to the non-recurrence of promotions, timing of holiday shipments and inventory management at key customers, tempered by new customer listings and expansion into new channels.

Small appliance sales decreased $32 million, or 4%, during Fiscal 2013 versus Fiscal 2012, primarily attributable to declines in North American sales of $45 million and negative foreign exchange impacts of $4 million, partially offset by a $17 million increase in European small appliance sales. The North American sales declines resulted from the planned exit of certain low margin products. Strong small appliances sales in Europe were driven by market share gains in the United Kingdom, regional expansion in both Eastern and Western Europe and successful new product introductions.

Electric shaving and grooming product sales decreased $2 million, or 1%, during Fiscal 2013 compared to Fiscal 2012, attributable to an $11 million decline in North American sales and $1 million of negative foreign currency impacts, partially offset by an increase of $10 million in European sales and a slight increase in Latin American sales. North American sales declined as a result of labor disruptions at U.S. ports of entry during the peak holiday period in Fiscal 2013, coupled with decreased retail space available for the product category at a major retailer and customer inventory management. European sales gains were driven by successful new product launches and promotions, market growth, increased distribution and customer gains. The gain in Latin American sales was driven by expansion in Brazil due to successful new product launches and distribution gains, tempered by lower sales to customers who export to Venezuela and import restrictions in Argentina.

Electric personal care sales increased $5 million, or 2%, in Fiscal 2013 versus Fiscal 2012, resulting from a sales increase of $8 million in Europe, driven by new innovative products, coupled with additional distribution channels and customer gains. The gains were tempered by a $3 million decline in Latin American sales, resulting from decreased promotions and lower sales to customers who export to Venezuela, partially offset by distribution gains in Brazil and Central America.

Hardware and home improvement sales were $870 million for Fiscal 2013, reflecting the results of the HHI Business subsequent to the acquisition on December 17, 2012. Pro forma net sales for Fiscal 2013 and Fiscal 2012 as if the acquisition had occurred at the beginning of both periods were $1,062 million and $974 million, respectively. The Fiscal 2013 sales growth was driven by double-digit improvements in the HHI Business U.S. residential security and plumbing categories due to the housing market recovery. The results of TLM Taiwan are included in the results of hardware and home improvement sales subsequent to its acquisition on April 8, 2013.

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Global pet supplies sales increased $7 million, or 1%, during Fiscal 2013 versus Fiscal 2012, driven by increased companion animal sales of $16 million, tempered by a $4 million decline in aquatics sales and $5 million of negative foreign currency impacts. Gains in companion animal sales resulted from strong growth in the Dingo and FURminator brands, expansion in Europe, new product launches and the inclusion of FURminator sales during all of Fiscal 2013 as the acquisition was completed on December 22, 2011. The decline in aquatic sales was primarily due to a decline in tropical food and outdoor pond product sales in Europe as a result of a later arrival of the spring season due to cooler temperatures.

Home and garden product sales increased $3 million, or 1%, in Fiscal 2013 versus Fiscal 2012, driven by a $4 million increase in lawn and garden control sales resulting from an extension to the season due to favorable fall weather, combined with reduced returns and more efficient trade spending. The negative impact on household insect control sales due to a late spring season was offset by increased year over year fourth quarter sales driven by the extension of the season due to favorable fall weather and gains in the first quarter of Fiscal 2013 from new retail distribution. Also contributing to the sales gains was the inclusion of Black Flag sales during all of Fiscal 2013, as the acquisition was completed on October 31, 2011, and retail replenishment following strong retail sales in the fourth quarter of Fiscal 2012.

***Gross Profit.*** Gross profit for Fiscal 2013 was $1,390 million versus $1,116 million for Fiscal 2012. The increase in gross profit was driven by the acquisition of the HHI Business which contributed $273 million in Gross profit in Fiscal 2013. Our gross profit margin for Fiscal 2013 decreased slightly to 34.0% from 34.3% in Fiscal 2012. The slight decline in gross profit margin was driven by a $31 million increase to cost of goods sold due to the sale of inventory which was revalued in connection with the acquisition of the HHI Business, which offset improvements to gross profit resulting from the exit of low margin products in our small appliances category.

***Operating Expenses.*** Operating expenses for Fiscal 2013 totaled $1,037 million compared to $810 million for Fiscal 2012. The $227 million increase in operating expenses during Fiscal 2013 is primarily attributable to the acquisition of the HHI Business which accounted for $190 million in operating expenses and led to a $17 million increase in Acquisition and integration related charges. Furthermore, we incurred a $14 million increase in Restructuring and related charges primarily related to the Global Expense Rationalization initiatives announced in Fiscal 2013 and an $18 million increase in stock compensation expense. These increases were tempered by $8 million in savings across all segments from our cost reduction initiatives and positive foreign exchange impacts of $4 million.

See Note 2(u), Significant Accounting Policies and Practices Acquisition and Integration Related Charges, to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding our Acquisition and integration charges.

See Note 14, Restructuring and Related Charges, to our audited Consolidated Financial Statements included elsewhere in this prospectus for additional information regarding our Restructuring and related charges.

***Segment Results.*** As discussed above, we manage our business in four reportable segments: (i) Global Batteries & Appliances; (ii) Global Pet Supplies; (iii) Home and Garden Business; and (iv) Hardware & Home Improvement.

The operating segment profits do not include restructuring and related charges, acquisition and integration related charges, interest expense, interest income and income tax expense. Corporate expenses primarily include general and administrative expenses and global long-term incentive compensation plans which are evaluated on a consolidated basis and not allocated to our operating segments. All depreciation and amortization included in income from operations is related to operating segments or corporate expense. Costs are allocated to operating segments or corporate expense according to the function of each cost center.

Financial information pertaining to our reportable segments is contained in Note 11, Segment Information, to our audited Consolidated Financial Statements included elsewhere in this prospectus.

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Adjusted EBITDA is a metric used by management and frequently used by the financial community which provides insight into an organization s operating trends and facilitates comparisons between peer companies, since interest, taxes, depreciation and amortization can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA can also be a useful measure of a company s ability to service debt and is one of the measures used for determining our debt covenant compliance. Adjusted EBITDA excludes certain items that are unusual in nature or not comparable from period to period. While we believe that Adjusted EBITDA is useful supplemental information, such adjusted results are not intended to replace our Generally Accepted Accounting Principles ( GAAP ) financial results and should be read in conjunction with those GAAP results.

Below are reconciliations of GAAP Net income (loss), as adjusted, to Adjusted EBIT and to Adjusted EBITDA for each segment and for Consolidated SB/RH Holdings for Fiscal 2013 and Fiscal 2012:

| Fiscal 2013 | Global Batteries & Appliances | Global Pet Supplies | Home and Garden | Hardware & Home Improvement | Corporate / Unallocated Items[a] | Consolidated SB/RH Holdings |
|---|---|---|---|---|---|---|
| | | | (in millions) | | | |
| Net income (loss), as adjusted[a] | $ 214 | $ 77 | $ 78 | $ 75 | $ (491) | $ (47) |
| Pre-acquisition earnings of HHI[b] | | | | 30 | | 30 |
| Income tax expense | | | | | 27 | 27 |
| Interest expense | | | | | 370 | 370 |
| Acquisition and integration related charges | 6 | 2 | | 7 | 33 | 48 |
| Restructuring and related charges | 15 | 11 | 1 | 6 | 1 | 34 |
| HHI Business inventory fair value adjustment | | | | | | |