

## Prestige Brands Holdings, Inc. Reports Third Quarter Fiscal 2007 Results

February 5, 2007

Net Income of \$10.6 Million Up 14% on Total Revenues of \$80.1 Million

IRVINGTON, N.Y.--(BUSINESS WIRE)--Feb. 5, 2007--Prestige Brands Holdings, Inc. (NYSE-PBH), a consumer products company with a diversified portfolio of well-recognized brands, today announced results for the third fiscal quarter and nine month period ended December 31, 2006. Highlights of the quarter include:

- Net income of \$10.6 million, or \$0.21 per diluted share, up 14% over the prior year comparable period
- Total revenues of \$80.1 million, slightly higher than the prior year comparable period
- Free cash flow of \$12.4 million was 12% higher than the prior year comparable period
- Term loan debt reduced by \$18.5 million in the third fiscal quarter

Total revenues for the third quarter ended December 31, 2006 were \$80.1 million, slightly higher than total revenues of \$79.9 million in the prior year comparable period. Excluding the impact of the acquisitions of Chore Boy(R), Dental Concepts and Wartner(R), organic revenue declined by 6%. Chore Boy and Dental Concepts were acquired in October and November 2005, respectively; the Wartner(R) brand was acquired in September, 2006.

Operating income for the third quarter ended December 31, 2006 was \$24.5 million, or 1% below the operating income of \$24.7 million in the third quarter of fiscal 2006. The decline in operating income period to period resulted primarily from increases in advertising and promotion spending behind key brands.

Net income for the quarter grew 14% to \$10.6 million or \$0.21 per diluted share over net income of \$9.3 million or \$0.19 per diluted share for the comparable prior year period. Net income includes a \$1.7 million tax benefit resulting from a reduction in the deferred income tax rate from 39.1% to 38.6% as a result of the implementation of certain tax planning strategies.

### Q3 Results by Segment

The Company conducts operations through three principal business segments: Over-the-Counter Drug (OTC), Household Products, and Personal Care products.

#### OTC Drug

Revenues of the over-the-counter drug products segment for the third quarter ended December 31, 2006 were \$45.6 million, 8% higher than the prior year comparable period net revenues of \$42.1 million. Increases in this segment resulted from sales gains in several key brands including The Doctor's(R), Clear eyes(R), Little Remedies(R), Dermoplast(R) and New Skin(R). These gains were partially offset by sales declines in the Chloraseptic(R) and Compound W(R) brands.

#### Household Products

Revenues for the household products segment for the third quarter ended December 31, 2006 were \$28.7 million, 7% less than the prior year comparable period net revenues of \$30.8 million. Comet(R) and Spic and Span(R), the two core brands in this segment, each recorded declines, while Chore Boy(R) experienced increased sales.

The Comet and Spic and Span declines were primarily the result of comparisons against unusually strong year ago shipments, which included pipeline shipments supporting new distribution and significant promotional sales to one dollar store customer. However, both brands continued to post strong consumer consumption gains during the current quarter.

#### Personal Care

Revenues for the personal care segment for the third quarter ended December 31, 2006 were \$5.8 million, 17% less than the prior year comparable period net revenues of \$7.0 million. The decline in revenues was generally in line with the Company's expectations.

#### Free Cash Flow

Free cash flow is a "non GAAP financial measure" as that term is defined by the Securities and Exchange Commission in Regulation G. Free cash flow is presented in this news release because management believes that it is a commonly used measure of liquidity, and is indicative of cash available for debt repayment and acquisitions. The Company defines "free cash flow" as operating cash flow less capital expenditures.

The Company's free cash flow for the quarter ended December 31, 2006 was \$12.4 million, composed of operating cash flows of \$12.5 million, less capital expenditures of \$0.1 million. Free cash flow for the nine month period ended December 31, 2006 was \$54.9 million, composed of operating cash flows of \$55.3 million, less capital expenditures of \$0.4 million. The Company's free cash flow in 2006 is higher than reported net income as a result of the amortization of intangibles, changes in the components of working capital and the relatively low capital expenditures.

During the third fiscal quarter, the Company used free cash flow to reduce its term loan debt by \$18.5 million, bringing debt reduction during the nine month period ended December 31, 2006 to a total of \$27.4 million. The Company's debt has been reduced to \$471.2 million at December 31, 2006, from \$498.6 million at March 31, 2006.

## Year-To-Date Results

For the nine month period ended December 31, 2006, total revenues of \$240.6 million were 11% higher than the prior period results of \$216.7 million. Excluding the effects of acquisitions, year-to-date organic sales were up 3%. For the same period, operating income was up 13% largely as a result of the increase in sales, and lower advertising and promotion spending, partially offset by the increase in general and administrative expenses. Net income for the nine month period ended December 31, 2006 was \$27.7 million, an increase of 22% over the comparable period last year.

## Outlook

The Company expects its full year organic revenue growth will be in line with its previously stated long-term growth range of 3-4%. Total revenues will increase at a greater rate due to acquisitions. Net income is expected to grow less rapidly than total revenue growth.

## Conference Call

The Company will host a conference call to review its third quarter and nine month results on Tuesday, February 6th at 8:30am EST. The toll free number is 866-770-7125 within North America and 617-213-8066 from outside North America. The conference pass code is "prestige". Telephonic replays will be available for two weeks following completion of the call and can be accessed at 888-286-8010 within North America and at 617-801-6888 from outside North America. The pass code is 12780289.

## About Prestige Brands Holdings, Inc.

Located in Irvington, New York, Prestige Brands Holdings, Inc. is a marketer and distributor of brand name over-the-counter products, personal care and household products sold throughout the U.S. and Canada. Key brands include Compound W(R) wart remover, Chloraseptic(R) sore throat treatment, New-Skin(R) liquid bandage, Clear eyes(R) and Murine(R) eye care products, Little Remedies(R) pediatric over-the-counter products, Cutex(R) nail polish remover, Comet(R) and Spic and Span(R) household products, and other well-known brands.

## Forward Looking Statements

Note: This news release contains "forward-looking statements" within the meaning of the federal securities laws and is intended to qualify for the Safe Harbor from liability established by the Private Securities Litigation Reform Act of 1995. "Forward-looking statements" generally can be identified by the use of forward-looking terminology such as "assumptions," "target," "guidance," "outlook," "plans," "projection," "may," "will," "would," "expect," "intend," "estimate," "anticipate," "believe," "potential," or "continue" (or the negative or other derivatives of each of these terms) or similar terminology. The "forward-looking statements" include, without limitation, statements regarding the outlook for Prestige Brands Holdings' market and the demand for its products, earnings per share, future cash flows from operations, future revenues and margin requirement and expansion, the success of new product introductions, growth in costs and expenses, and the impact of acquisitions, divestitures, restructurings and other unusual items, including Prestige Brands Holdings' ability to integrate and obtain the anticipated results and synergies from its acquisitions. These projections and statements are based on management's estimates and assumptions with respect to future events and financial performance and are believed to be reasonable, though are inherently uncertain and difficult to predict. Actual results could differ materially from those projected as a result of certain factors. A discussion of factors that could cause results to vary is included in the Company's Annual Report on Form 10-K and other periodic and other reports filed with the Securities and Exchange Commission.

Prestige Brands Holdings, Inc.  
Consolidated Statements of Operations  
(Unaudited)

|  | Three Months<br>Ended December 31 |          | Nine Months<br>Ended December 31 |           |
|--|-----------------------------------|----------|----------------------------------|-----------|
|  | -----                             |          | -----                            |           |
| (In thousands, except per<br>share data) | 2006                              | 2005     | 2006                             | 2005      |
|  | -----                             |          | -----                            |           |
| Revenues                                 |                                   |          |                                  |           |
| Net sales                                | \$ 79,564                         | \$79,829 | \$239,164                        | \$216,577 |
| Other revenues                           | 560                               | 27       | 1,434                            | 77        |
|  | -----                             |          | -----                            |           |
| Total revenues                           | 80,124                            | 79,856   | 240,598                          | 216,654   |
|  | -----                             |          | -----                            |           |
| Cost of Sales                            |                                   |          |                                  |           |
| Costs of sales                           | 36,766                            | 38,726   | 114,350                          | 103,224   |
|  | -----                             |          | -----                            |           |
| Gross profit                             | 43,358                            | 41,130   | 126,248                          | 113,430   |
|  | -----                             |          | -----                            |           |
| Operating Expenses                       |                                   |          |                                  |           |
| Advertising and promotion                | 8,952                             | 7,385    | 25,809                           | 26,307    |
| General and administrative               | 7,068                             | 6,159    | 20,761                           | 15,182    |
| Depreciation                             | 177                               | 520      | 616                              | 1,495     |
| Amortization of intangible<br>assets     | 2,627                             | 2,314    | 7,013                            | 6,610     |
|  | -----                             |          | -----                            |           |

|  |           |          |           |           |
|--|-----------|----------|-----------|-----------|
| Total operating expenses                 | 18,824    | 16,378   | 54,199    | 49,594    |
|  | -----     | -----    | -----     | -----     |
| Operating income                         | 24,534    | 24,752   | 72,049    | 63,836    |
|  | -----     | -----    | -----     | -----     |
| Other income (expense)                   |           |          |           |           |
| Interest income                          | 199       | 144      | 787       | 451       |
| Interest expense                         | (10,355)  | (9,670)  | (30,478)  | (27,158)  |
|  | -----     | -----    | -----     | -----     |
| Total other income (expense)             | (10,156)  | (9,526)  | (29,691)  | (26,707)  |
|  | -----     | -----    | -----     | -----     |
| Income before provision for income taxes | 14,378    | 15,226   | 42,358    | 37,129    |
| Provision for income taxes               | 3,735     | 5,881    | 14,675    | 14,481    |
|  | -----     | -----    | -----     | -----     |
| Net income                               | \$ 10,643 | \$ 9,345 | \$ 27,683 | \$ 22,648 |
|  | =====     | =====    | =====     | =====     |
| Basic earnings per share                 | \$ 0.21   | \$ 0.19  | \$ 0.56   | \$ 0.46   |
|  | =====     | =====    | =====     | =====     |
| Diluted earnings per share               | \$ 0.21   | \$ 0.19  | \$ 0.55   | \$ 0.45   |
|  | =====     | =====    | =====     | =====     |
| Weighted average shares outstanding:     |           |          |           |           |
| Basic                                    | 49,535    | 48,929   | 49,425    | 48,874    |
|  | =====     | =====    | =====     | =====     |
| Diluted                                  | 50,024    | 50,010   | 50,016    | 50,007    |
|  | =====     | =====    | =====     | =====     |

Prestige Brands Holdings, Inc.  
Consolidated Balance Sheets  
(Unaudited)

|   |                      |                   |
|---|----------------------|-------------------|
| (In thousands)                            | December 31,<br>2006 | March 31,<br>2006 |
|   | -----                | -----             |
| Assets                                    |                      |                   |
| Current assets                            |                      |                   |
| Cash and cash equivalents                 | \$ 4,802             | \$ 8,200          |
| Accounts receivable                       | 35,230               | 40,042            |
| Inventories                               | 31,780               | 33,841            |
| Deferred income tax assets                | 2,522                | 3,227             |
| Prepaid expenses and other current assets | 1,466                | 701               |
|   | -----                | -----             |
| Total current assets                      | 75,800               | 86,011            |
| Property and equipment                    | 1,453                | 1,653             |
| Goodwill                                  | 303,928              | 297,935           |
| Intangible assets                         | 659,784              | 637,197           |
| Other long-term assets                    | 11,200               | 15,849            |
|   | -----                | -----             |
| Total Assets                              | \$1,052,165          | \$1,038,645       |
|   | =====                | =====             |
| Liabilities and Stockholders' Equity      |                      |                   |
| Current liabilities                       |                      |                   |
| Accounts payable                          | \$ 20,500            | \$ 18,065         |
| Accrued interest payable                  | 4,872                | 7,563             |
| Income taxes payable                      | 211                  | 1,795             |

|  |             |             |
|--|-------------|-------------|
| Other accrued liabilities                  | 10,167      | 4,582       |
| Current portion of long-term debt          | 3,550       | 3,730       |
|  | -----       | -----       |
| Total current liabilities                  | 39,300      | 35,735      |
| Long-term debt                             | 467,688     | 494,900     |
| Other accrued liabilities                  | 2,801       | --          |
| Deferred income tax liabilities            | 105,490     | 98,603      |
|  | -----       | -----       |
| Total Liabilities                          | 615,279     | 629,238     |
|  | -----       | -----       |
| Stockholders' Equity                       |             |             |
| Preferred stock - \$0.01 par value         |             |             |
| Authorized - 5,000 shares                  |             |             |
| Issued and outstanding - None              | --          | --          |
| Common stock - \$0.01 par value            |             |             |
| Authorized - 250,000 shares                |             |             |
| Issued - 50,060 shares at December 31,     |             |             |
| 2006 and 50,056 shares at March 31, 2006   | 501         | 501         |
| Additional paid-in capital                 | 379,009     | 378,570     |
| Treasury stock, at cost - 55 shares at     |             |             |
| December 31, 2006 and 18 shares at March   |             |             |
| 31, 2006                                   | (40)        | (30)        |
| Accumulated other comprehensive income     | 476         | 1,109       |
| Retained earnings                          | 56,940      | 29,257      |
|  | -----       | -----       |
| Total stockholders' equity                 | 436,886     | 409,407     |
|  | -----       | -----       |
| Total Liabilities and Stockholders' Equity | \$1,052,165 | \$1,038,645 |
|  | =====       | =====       |

Prestige Brands Holdings, Inc.  
Consolidated Statements of Cash Flows  
(Unaudited)

|  | Nine Months Ended<br>December 31 |           |
|--|----------------------------------|-----------|
|  | -----                            | -----     |
| (In thousands)   | 2006                             | 2005      |
|  | -----                            | -----     |
| Operating Activities   |                                  |           |
| Net income   | \$ 27,683                        | \$ 22,648 |
| Adjustments to reconcile net income to net cash<br>provided by operating activities: |                                  |           |
| Depreciation and amortization  | 7,629                            | 8,105     |
| Deferred income taxes  | 7,686                            | 11,543    |
| Amortization of deferred financing costs   | 2,422                            | 1,727     |
| Stock-based compensation   | 439                              | 230       |
| Changes in operating assets and liabilities  |                                  |           |
| Accounts receivable  | 4,812                            | 2,681     |
| Inventories  | 2,707                            | (6,997)   |
| Prepaid expenses and other current assets  | (765)                            | 271       |
| Accounts payable   | 1,366                            | (3,549)   |
| Income taxes payable   | (1,584)                          | (2,135)   |
| Accrued liabilities  | 2,894                            | 1,312     |
|  | -----                            | -----     |
| Net cash provided by operating activities  | 55,289                           | 35,836    |
|  | -----                            | -----     |
| Investing Activities   |                                  |           |
| Purchases of equipment   | (429)                            | (452)     |
| Purchase of intangibles  | --                               | (22,623)  |

|  |           |           |
|--|-----------|-----------|
| Purchase of business                                     | (30,856)  | (30,555)  |
| Net cash used for investing activities                   | (31,285)  | (53,630)  |
| Financing Activities                                     |           |           |
| Proceeds from the issuance of notes                      | --        | 30,000    |
| Repayment of long-term debt                              | (27,392)  | (7,797)   |
| Payment of deferred financing costs                      | --        | (13)      |
| Purchase of common stock for treasury                    | (10)      | (21)      |
| Additional costs associated with initial public offering | --        | (63)      |
| Net cash provided by (used for) financing activities     | (27,402)  | 22,106    |
| Increase (decrease) in cash                              | (3,398)   | 4,312     |
| Cash - beginning of period                               | 8,200     | 5,334     |
| Cash - end of period                                     | \$ 4,802  | \$ 9,646  |
| Supplemental Cash Flow Information                       |           |           |
| Fair value of assets acquired                            | \$ 34,710 | \$ 33,909 |
| Fair value of liabilities assumed                        | (3,854)   | (3,354)   |
| Cash paid to purchase business                           | \$ 30,856 | \$ 30,555 |
| Interest paid  | \$ 30,749 | \$ 28,206 |
| Income taxes paid  | \$ 8,790  | \$ 1,335  |

Prestige Brands Holdings, Inc.  
Statements of Segment Operations  
(Unaudited)

Three Months Ended December 31, 2006

|                           | Over-the-Counter<br>Drug | Household<br>Cleaning | Personal<br>Care | Consolidated |
|---------------------------|--------------------------|-----------------------|------------------|--------------|
| (In thousands)            |                          |                       |                  |              |
| Net sales                 | \$ 45,574                | \$ 28,155             | \$ 5,835         | \$ 79,564    |
| Other revenues            | --                       | 560                   | --               | 560          |
| Total revenues            | 45,574                   | 28,715                | 5,835            | 80,124       |
| Cost of sales             | 15,800                   | 17,787                | 3,179            | 36,766       |
| Gross profit              | 29,774                   | 10,928                | 2,656            | 43,358       |
| Advertising and promotion | 7,089                    | 1,595                 | 268              | 8,952        |
| Contribution margin       | \$ 22,685                | \$ 9,333              | \$ 2,388         | 34,406       |
| Other operating expenses  |                          |                       |                  | 9,872        |

|                            |           |
|----------------------------|-----------|
| Operating income           | 24,534    |
| Other (income) expense     | 10,156    |
| Provision for income taxes | 3,735     |
|                            | -----     |
| Net income                 | \$ 10,643 |
|                            | =====     |

Nine Months Ended December 31, 2006

|                            | Over-the-<br>Counter<br>Drug | Household<br>Cleaning | Personal<br>Care | Consolidated |
|----------------------------|------------------------------|-----------------------|------------------|--------------|
|                            | -----                        | -----                 | -----            | -----        |
| (In thousands)             |                              |                       |                  |              |
| Net sales                  | \$ 131,427                   | \$ 88,625             | \$19,112         | \$ 239,164   |
| Other revenues             | --                           | 1,434                 | --               | 1,434        |
|                            | -----                        | -----                 | -----            | -----        |
| Total revenues             | 131,427                      | 90,059                | 19,112           | 240,598      |
| Cost of sales              | 48,198                       | 54,882                | 11,270           | 114,350      |
|                            | -----                        | -----                 | -----            | -----        |
| Gross profit               | 83,229                       | 35,177                | 7,842            | 126,248      |
| Advertising and promotion  | 19,572                       | 5,305                 | 932              | 25,809       |
|                            | -----                        | -----                 | -----            | -----        |
| Contribution margin        | \$ 63,657                    | \$ 29,872             | \$ 6,910         | 100,439      |
|                            | =====                        | =====                 | =====            |              |
| Other operating expenses   |                              |                       |                  | 28,390       |
|                            |                              |                       |                  | -----        |
| Operating income           |                              |                       |                  | 72,049       |
| Other (income) expense     |                              |                       |                  | 29,691       |
| Provision for income taxes |                              |                       |                  | 14,675       |
|                            |                              |                       |                  | -----        |
| Net income                 |                              |                       |                  | \$ 27,683    |
|                            |                              |                       |                  | =====        |

Prestige Brands Holdings, Inc.  
Statements of Segment Operations  
(Unaudited)

Three Months Ended December 31, 2005

|                           | Over-the-<br>Counter<br>Drug | Household<br>Cleaning | Personal<br>Care | Consolidated |
|---------------------------|------------------------------|-----------------------|------------------|--------------|
|                           | -----                        | -----                 | -----            | -----        |
| (In thousands)            |                              |                       |                  |              |
| Net sales                 | \$ 42,051                    | \$ 30,771             | \$ 7,007         | \$ 79,829    |
| Other revenues            | --                           | 27                    | --               | 27           |
|                           | -----                        | -----                 | -----            | -----        |
| Total revenues            | 42,051                       | 30,798                | 7,007            | 79,856       |
| Cost of sales             | 15,821                       | 18,951                | 3,954            | 38,726       |
|                           | -----                        | -----                 | -----            | -----        |
| Gross profit              | 26,230                       | 11,847                | 3,053            | 41,130       |
| Advertising and promotion | 4,926                        | 1,735                 | 724              | 7,385        |
|                           | -----                        | -----                 | -----            | -----        |
| Contribution margin       | \$ 21,304                    | \$ 10,112             | \$ 2,329         | 33,745       |
|                           | =====                        | =====                 | =====            |              |

|                            |          |
|----------------------------|----------|
| Other operating expenses   | 8,993    |
|                            | -----    |
| Operating income           | 24,752   |
| Other (income) expense     | 9,526    |
| Provision for income taxes | 5,881    |
|                            | -----    |
| Net income                 | \$ 9,345 |
|                            | =====    |

Nine Months Ended December 31, 2005

|                            | Over-the-<br>Counter<br>Drug | Household<br>Cleaning | Personal<br>Care | Consolidated |
|----------------------------|------------------------------|-----------------------|------------------|--------------|
|                            | -----                        | -----                 | -----            | -----        |
| (In thousands)             |                              |                       |                  |              |
| Net sales                  | \$ 116,199                   | \$ 78,783             | \$21,595         | \$ 216,577   |
| Other revenues             | --                           | 77                    | --               | 77           |
|                            | -----                        | -----                 | -----            | -----        |
| Total revenues             | 116,199                      | 78,860                | 21,595           | 216,654      |
| Cost of sales              | 43,044                       | 47,873                | 12,307           | 103,224      |
|                            | -----                        | -----                 | -----            | -----        |
| Gross profit               | 73,155                       | 30,987                | 9,288            | 113,430      |
| Advertising and promotion  | 18,192                       | 5,245                 | 2,870            | 26,307       |
|                            | -----                        | -----                 | -----            | -----        |
| Contribution margin        | \$ 54,963                    | \$ 25,742             | \$ 6,418         | 87,123       |
|                            | =====                        | =====                 | =====            |              |
| Other operating expenses   |                              |                       |                  | 23,287       |
|                            |                              |                       |                  | -----        |
| Operating income           |                              |                       |                  | 63,836       |
| Other (income) expense     |                              |                       |                  | 26,707       |
| Provision for income taxes |                              |                       |                  | 14,481       |
|                            |                              |                       |                  | -----        |
| Net income                 |                              |                       |                  | \$ 22,648    |
|                            |                              |                       |                  | =====        |

CONTACT:  
For Prestige Brands Holdings, Inc.  
Dean Siegal  
914-524-6819

SOURCE:  
Prestige Brands Holdings, Inc.