Prestige Brands Holdings, Inc. Acquires Care Pharmaceuticals, an Australian OTC Healthcare Products Company

July 9, 2013

TARRYTOWN, N.Y.--(BUSINESS WIRE)--Jul. 9, 2013-- Prestige Brands Holdings, Inc. (NYSE:PBH) today announced its acquisition of Care Pharmaceuticals Pty Ltd. (“Care”) of Bondi Junction, New South Wales, Australia, a privately-held marketer and distributor of over-the-counter (OTC) healthcare brands for children and adults. The acquisition is effective July 1, 2013.

Care’s brands are sold throughout Australia and New Zealand, and in other parts of the Asia Pacific region. The Company’s principal brand is the Fess® line of cold/allergy and saline nasal health products which includes the leading saline spray for both adults and children in Australia. Other key brands include Painstop® analgesic, Rectogesic® for rectal discomfort, and the Fab® line of nutritional supplements. Prestige already has a presence in the region with Murine® and Clear Eyes®, among the leading OTC eye care brands in Australia and New Zealand.

Annual revenues for Care are approximately $20 million (AUD). Financial terms of the acquisition have not been disclosed. Prestige funded the acquisition with a combination of its existing credit facility and cash on the balance sheet.

Commentary

In making the announcement, Prestige CEO Matthew M. Mannelly commented, “We are very pleased with the acquisition of Care Pharmaceuticals, an OTC products company which is a great strategic fit with Prestige. Care operates under the same business model as Prestige, has an impressive portfolio of well-known brands and a track record of growth and innovation,” he said.

“The acquisition of Care provides a new and expanded platform for Prestige in the growing Asia Pacific region. Like Prestige, Care is well-known for building brands and has created a portfolio of products which complements our existing OTC product lines. Combining the strengths of two companies with expertise in brand building and innovation provides the opportunity to leverage an expanded portfolio with both retail customers and consumers,” Mr. Mannelly continued.

“We welcome Malcolm Yesner, President of Care, and his team of 35 employees, to the Prestige team. Care has a strong management team, and under Malcolm’s leadership, the Company has grown impressively through innovation, new product development and meeting consumer needs. We look forward to integrating our companies to work together as one team to build our business in this fast-growing geographic region,” he said.

Mr. Yesner commented, “I am very proud of the work our team has done to build a vital business, and we are pleased to be a part of the Prestige team. Care and Prestige share a common culture focused on building brands, innovation and new products. We look forward to integrating the Murine and Clear Eyes businesses into our growing portfolio and look to expand the geographic opportunities for Care’s products through Prestige’s existing distributor network. Together we can continue to build a portfolio which benefits from the core strengths of both companies,” he said.

“The acquisition of Care is our fourth acquisition in the past four years, and an excellent match with our acquisition criteria,” Mr. Mannelly said. “We anticipate a smooth transition as we integrate our operations. The acquisition is expected to be accretive to earnings per share for fiscal year 2014, exclusive of transaction costs and purchase accounting related items, with minimal impact on our leverage level,” he said.

Sawaya Segalas, Inc. LLC acted as exclusive financial advisor to Prestige Brands on this transaction.

About Prestige Brands Holdings, Inc.

The Company markets and distributes brand name over-the-counter and household cleaning products throughout the U.S. and Canada, and in certain international markets. Core brands include Chloraseptic® sore throat treatments, Clear Eyes® eye care products, Compound W® wart treatments, The Doctor's® NightGuard® dental protector, the Little Remedies® and PediaCare® lines of pediatric over-the-counter products, Efferdent® denture care products, Luden's® throat drops, Dramamine® motion sickness treatment, BC® and Goody's® pain relievers, Beano® gas prevention, Debrox® earwax remover, and Gaviscon® antacid in Canada.

Note Regarding Forward-Looking Statements

This news release contains "forward-looking statements" within the meaning of the federal securities laws that are 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 expected impact on earnings and our ability to create a new platform and continue to build a portfolio for both companies, to integrate the Murine and Clear Eyes businesses with the Care Pharmaceutical business, expand geographic opportunities, and smoothly integrate the businesses and operations. These 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 expected as a result of a variety of factors, including the impact of foreign exchange, general economic and business conditions, our ability to successfully integrate Care Pharmaceuticals and its brands, competitive pressures, unexpected costs, liabilities and disruptions resulting from the integration, natural disasters or acts of terrorism, or adverse changes in the laws of the countries in which the Company’s products are sold. A discussion of other factors that could cause results to vary is included in the Company's Annual Report on Form 10-K for the year ended March 31, 2013 and other periodic reports filed with the Securities and Exchange Commission.

Source: Prestige Brands Holdings, Inc.

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