U. S. SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2006

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____ to _____

Commission File Number: 001-32433

PRESTIGE BRANDS HOLDINGS, INC.

(Exact name of Registrant as specified in its charter)

Delaware	**20-1297589**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

90 North Broadway
Irvington, New York 10533
(Address of Registrants' Principal Executive Offices)

(914) 524-6810
(Registrants' telephone number, including area code)

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes o No x

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Larger accelerated filer o Accelerated filer x Non-accelerated filer o

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12 b-2 of the Exchange Act).
Yes o No x

As of February 5, 2007, there were 50,005,289 shares of common stock outstanding.

Prestige Brands Holdings, Inc.
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PART I FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

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

(In thousands, except per share data)	Three Months Ended December 31 2006	Three Months Ended December 31 2005	Nine Months Ended December 31 2006	Nine Months Ended December 31 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 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

See accompanying notes.

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

(In thousands)	December 31, 2006	March 31, 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 long-term liabilities	2,801	--
Deferred income tax liabilities	105,490	98,603
Total Liabilities	615,279	629,238
Commitments and Contingencies - Note 14		
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

See accompanying notes.

Prestige Brands Holdings, Inc.
Consolidated Statement of Changes in Stockholders' Equity
and Comprehensive Income
Nine Months Ended December 31, 2006
(Unaudited)

	Common Stock		Additional	Treasury Stock		Accumulated Other	Retained	
(In thousands)	Shares	Par Value	Paid-in Capital	Shares	Amount	Comprehensive Income	Earnings	Totals
Balances - March 31, 2006	50,056	$ 501	$ 378,570	18	$ (30)	$ 1,109	$ 29,257	$ 409,407
Stock-based compensation	4		439					439
Purchase of common stock for treasury				37	(10)			(10)
Components of comprehensive income								
Net income							27,683	27,683
Amortization of interest rate caps reclassified into earnings, net of tax benefit of $316						493		493
Unrealized loss on interest rate caps, net of income tax benefit of $622						(1,126)		(1,126)
Total comprehensive income								27,050
Balances - December 31, 2006	50,060	$ 501	$ 379,009	55	$ (40)	$ 476	$ 56,940	$ 436,886

See accompanying notes.

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

(In thousands)	Nine Months Ended December 31 2006	2005
Operating Activities		
Net income	$ 27,683	$ 22,648
Adjustments to reconcile net income to net cash 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, net of the effects of purchases of businesses		
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)
Change in other assets due to purchase price adjustments	386	--
Purchases of businesses	(31,242)	(30,555)
Net cash used for investing activities	(31,285)	(53,630)
Financing Activities		
Proceeds from the issuance of long-term debt	--	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	$ 35,096	$ 33,909
Fair value of liabilities assumed	(3,854)	(3,354)
Cash paid to purchase business	$ 31,242	$ 30,555
Interest paid	$ 30,749	$ 28,206
Income taxes paid	$ 8,790	$ 1,335

See accompanying notes.

1. Business and Basis of Presentation

Nature of Business

Prestige Brands Holdings, Inc. (referred to herein as the “Company” which reference shall, unless the context requires otherwise, be deemed to refer to Prestige Brands Holdings, Inc. and all of its direct or indirect wholly-owned subsidiaries on a consolidated basis) is engaged in the marketing, sales and distribution of over-the-counter drug, personal care and household cleaning brands to mass merchandisers, drug stores, supermarkets and club stores primarily in the United States and Canada. Prestige Brands Holdings, Inc. is a holding company with no assets or operations and is also the parent guarantor of the senior revolving credit facility, senior secured term loan facility and the senior subordinated notes more fully described in note 9 to the consolidated financial statements.

Basis of Presentation

The unaudited consolidated financial statements presented herein have been prepared in accordance with generally accepted accounting principles for interim financial reporting and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, the financial statements include all adjustments, consisting of normal recurring adjustments that are considered necessary for a fair presentation of the Company’s consolidated financial position, results of operations and cash flows for the interim periods. Operating results for the three and nine month periods ended December 31, 2006 are not necessarily indicative of results that may be expected for the year ending March 31, 2007. This financial information should be read in conjunction with the Company’s financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended March 31, 2006.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the Company’s knowledge of current events and actions that the Company may undertake in the future, actual results could differ from those estimates. As discussed below, the Company’s most significant estimates include those made in connection with the valuation of intangible assets, sales returns and allowances, trade promotional allowances and inventory obsolescence.

Cash and Cash Equivalents

The Company considers all short-term deposits and investments with original maturities of three months or less to be cash equivalents. Substantially all of the Company’s cash is held by one bank located in Wyoming. The Company does not believe that, as a result of this concentration, it is subject to any unusual financial risk beyond the normal risk associated with commercial banking relationships.

Accounts Receivable

The Company extends non-interest bearing trade credit to its customers in the ordinary course of business. The Company maintains an allowance for doubtful accounts receivable based upon historical collection experience and expected collectibility of the accounts receivable. In an effort to reduce credit risk, the Company (i) has established credit limits for all of its customer relationships, (ii) performs ongoing credit evaluations of customers’ financial condition, (iii) monitors the payment history and aging of customers’ receivables, and (iv) monitors open orders against an individual customer’s outstanding receivable balance.

Inventories

Inventories are stated at the lower of cost or fair value, where cost is determined by using the first-in, first-out method. The Company provides an allowance for slow moving and obsolete inventory, whereby it reduces inventories for the diminution of value, resulting from product obsolescence, damage or other issues affecting marketability, equal to the difference between the cost of the inventory and its estimated market value. Factors utilized in the determination of estimated market value include (i) current sales data and historical return rates, (ii) estimates of future demand, (iii) competitive pricing pressures, (iv) new product introductions, (v) product expiration dates, and (vi) component and packaging obsolescence.

Property and Equipment

Property and equipment are stated at cost and are depreciated using the straight-line method based on the following estimated useful lives:

	Years
Machinery	5
Computer equipment	3
Furniture and fixtures	7
Leasehold improvements	5

Expenditures for maintenance and repairs are charged to expense as incurred. When an asset is sold or otherwise disposed of, the cost and associated accumulated depreciation are removed from the accounts and the resulting gain or loss is recognized in the consolidated statement of operations.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. An impairment loss is recognized if the carrying amount of the asset exceeds its fair value.

Goodwill

The excess of the purchase price over the fair market value of assets acquired and liabilities assumed in purchase business combinations is classified as goodwill. In accordance with Financial Accounting Standards Board ("FASB") Statement of Financial Accounting Standards ("Statement") No. 142, "Goodwill and Other Intangible Assets," the Company does not amortize goodwill, but performs impairment tests of the carrying value at least annually. The Company tests goodwill for impairment at the "brand" level, which is one level below the operating segment level.

Intangible Assets

Intangible assets, which are composed primarily of trademarks, are stated at cost less accumulated amortization. For intangible assets with finite lives, amortization is computed on the straight-line method over estimated useful lives ranging from five to 30 years.

Indefinite lived intangible assets are tested for impairment at least annually, while intangible assets with finite lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. An impairment loss is recognized if the carrying amount of the asset exceeds its fair value.

Deferred Financing Costs

The Company has incurred debt issuance costs in connection with its long-term debt. These costs are capitalized as deferred financing costs and amortized using the effective interest method over the term of the related debt.

Revenue Recognition

Revenues are recognized in accordance with Securities and Exchange Commission Staff Accounting Bulletin 104, "Revenue Recognition," when the following criteria are met: (1) persuasive evidence of an arrangement exists; (2) the product has been shipped and the customer takes ownership and assumes risk of loss; (3) the selling price is fixed or determinable; and (4) collection of the resulting receivable is reasonably assured. The Company has determined that the transfer of risk of loss generally occurs when product is received by the customer and, accordingly, recognizes revenue at that time. Provision is made for estimated discounts related to customer payment terms and estimated product returns at the time of sale based on the Company's historical experience.

As is customary in the consumer products industry, the Company participates in the promotional programs of its customers to enhance the sale of its products. The cost of these promotional programs varies based on the actual number of units sold during a finite period of time. The Company estimates the cost of such promotional programs at their inception based on historical experience and current market conditions and reduces sales by such estimates. These promotional programs consist of direct to consumer incentives such as coupons and temporary price reductions, as well as incentives to the Company's customers, such as slotting fees and cooperative advertising. Estimates of the costs of these promotional programs are based on (i) historical sales experience, (ii) the current offering, (iii) forecasted data, (iv) current market conditions, and (v) communication with customer purchasing/marketing personnel. At the completion of the promotional program, the estimated amounts are adjusted to actual results.

Due to the nature of the consumer products industry, the Company is required to estimate future product returns. Accordingly, the Company records an estimate of product returns concurrent with recording sales which is made after analyzing (i) historical return rates, (ii) current economic trends, (iii) changes in customer demand, (iv) product acceptance, (v) seasonality of the Company's product offerings, and (vi) the impact of changes in product formulation, packaging and advertising.

Costs of Sales

Costs of sales include product costs, warehousing costs, inbound and outbound shipping costs, and handling and storage costs. Shipping, warehousing and handling costs were $6.2 million and $7.3 million for the three month periods ended December 31, 2006 and 2005, respectively, and $18.3 million and $19.3 million for the nine month periods ended December 31, 2006 and 2005, respectively.

Advertising and Promotion Costs

Advertising and promotion costs are expensed as incurred. Slotting fees associated with products are recognized as a reduction of sales. Under slotting arrangements, the retailers allow the Company's products to be placed on the stores' shelves in exchange for such fees. Direct reimbursements of advertising costs are reflected as a reduction of advertising costs in the period earned.

Stock-based Compensation

The Company adopted FASB, Statement No. 123(R), "Share-Based Payment" ("Statement No. 123(R)"), effective April 1, 2005, with the grants of restricted stock and options to purchase common stock to employees and directors in accordance with the provisions of the Company's 2005 Long-Term Equity Incentive Plan (the "Plan"). Statement No. 123(R) requires the Company to measure the cost of services to be rendered based on the grant-date fair value of the equity award. Compensation expense is to be recognized over the period an employee is required to provide service in exchange for the award, generally referred to as the requisite service period. The Company recorded non-cash compensation expense of $215,000 during the three month period ended December 31, 2006, and net non-cash compensation expense of $439,000 for the nine months ended December 31, 2006. During the three month period ended June 30, 2006, the Company recorded a net non-cash compensation credit of $9,000 as a result of the reversal of compensation charges in the amount of $142,000 associated with the departure of a former member of management. The Company recorded non-cash compensation expense of $120,000 and $230,000 during the three and nine month periods ended December 31, 2005.

Income Taxes

Income taxes are recorded in accordance with the provisions of FASB Statement No. 109, "Accounting for Income Taxes" ("Statement No. 109"). Pursuant to Statement No. 109, deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is established when necessary to reduce deferred tax assets to the amounts expected to be realized.

Derivative Instruments

FASB Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("Statement No. 133"), requires companies to recognize derivative instruments as either assets or liabilities in the balance sheet at fair value. The accounting for changes in the fair value of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and further, on the type of hedging relationship. For those derivative instruments that are designated and qualify as hedging instruments, a company must designate the hedging instrument, based upon the exposure being hedged, as a fair value hedge, a cash flow hedge or a hedge of a net investment in a foreign operation.

The Company has designated its derivative financial instruments as cash flow hedges because they hedge exposure to variability in expected future cash flows that are attributable to interest rate risk. For these hedges, the effective portion of the gain or loss on the derivative instrument is reported as a component of other comprehensive income (loss) and reclassified into earnings in the same line item associated with the forecasted transaction in the same period or periods during which the hedged transaction affects earnings. Any ineffective portion of the gain or loss on the derivative instruments is recorded in results of operations immediately.

Earnings Per Share
Basic earnings per share is calculated based on income available to common stockholders and the weighted-average number of shares outstanding during the reporting period. Diluted earnings per share is calculated based on income available to common stockholders and the weighted-average number of common and potential common shares outstanding during the reporting period. Potential common shares, composed of the incremental common shares issuable upon the exercise of stock options and unvested restricted shares, are included in the earnings per share calculation to the extent that they are dilutive.

Fair Value of Financial Instruments
The carrying value of cash, accounts receivable and accounts payable at December 31, 2006 and March 31, 2006 approximates fair value due to the short-term nature of these instruments. The carrying value of long-term debt at December 31, 2006 and March 31, 2006 approximates fair value based on interest rates for instruments with similar terms and maturities.

Recently Issued Accounting Standards
In November 2004, the FASB issued Statement of Financial Accounting Standards (“SFAS”) No. 151, “Inventory Costs” (“Statement No. 151”). Statement No. 151 amended the guidance in Accounting Research Bulletin No. 43, Chapter 4, “Inventory Pricing”, and requires the exclusion of certain costs, such as abnormal amounts of freight, handling costs and manufacturing overhead, from inventories. Additionally, Statement No. 151 requires the allocation of fixed production overhead to inventory based on normal capacity of the production facilities. The provisions of Statement No. 151 are effective for costs incurred during fiscal years beginning after September 15, 2005. The adoption of Statement No. 151 did not have a material impact on the Company’s financial condition, results of operations or cash flows for the three and nine month periods ended December 31, 2006.

In June 2006, the FASB issued FASB Interpretation No. 48, “Accounting for Uncertainty in Income Taxes--an interpretation of FASB Statement 109” (“FIN 48”), which clarifies the accounting for uncertainty in income taxes recognized in a company’s financial statements in accordance with FASB Statement 109. FIN 48 is effective for fiscal years beginning after December 15, 2006, and prescribes a recognition threshold and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The adoption of FIN 48 is not expected to have a material impact on the Company’s consolidated financial position, results of operations or cash flows.

In September 2006, the FASB issued SFAS No. 157, “Fair Value Measurements” (“Statement No. 157”) to address inconsistencies in the definition and determination of fair value pursuant to generally accepted accounting principles (“GAAP”). Statement No. 157 provides a single definition of fair value, establishes a framework for measuring fair value in GAAP and expands disclosures about fair value measurements in an effort to increase comparability related to the recognition of market-based assets and liabilities and their impact on earnings. Statement No. 157 is effective for interim financial statements issued during the fiscal year beginning after November 15, 2007.

Management has reviewed and continues to monitor the actions of the various financial and regulatory reporting agencies and is currently not aware of any other pronouncement that could have a material impact on the Company’s consolidated financial position, results of operations or cash flows.

2. Acquisition of Wartner USA B.V.

On September 21, 2006, the Company completed the acquisition of the ownership interests of Wartner USA B.V. (“Wartner”), the owner of the Wartner® brand of over-the-counter wart treatment products. The Company expects that the Wartner brand, which is the #3 brand in the United States over-the-counter wart treatment category, will enhance the Company’s leadership in the category. Additionally, the Company believes that the brand will benefit from a targeted advertising and marketing program, as well as the Company’s business model of outsourcing manufacturing and the elimination of redundant operations. The results from operations of the Wartner® brand have been included within the Company’s consolidated financial statements as a component of the over-the-counter segment commencing September 21, 2006.

The purchase price of the ownership interests was approximately $35.1 million, including fees and expenses of the acquisition of $216,000 and the assumption of approximately $5.0 million of contingent payments, with an estimated fair value of $3.8 million, owed to the former owner of Wartner through 2011. The Company funded the cash acquisition price from operating cash flows.

The following table summarizes the estimated fair values of the assets acquired at the date of acquisition. The Company has obtained independent valuations of certain tangible and intangible assets; however, the final purchase price will not be determined until all preliminary valuations have been finalized. Consequently, the allocation of the purchase price is subject to refinement.

The preliminary fair values assigned to the net assets and liabilities acquired consist of the following:

(In thousands)		
Inventory	$	769
Intangible assets		29,600
Goodwill		4,727
Accrued liabilities		(3,854)
	$	31,242

The amount allocated to intangible assets of $29.6 million includes $17.8 million related to the Wartner® brand trademark which the Company estimates to have a useful life of 20 years, as well as $11.8 million related to a patent estimated to have a useful life of 14 years. Goodwill resulting from this transaction was $4.7 million. As discussed above, this recorded amount is subject to change as additional information becomes available; however, it is estimated that such amount will be fully deductible for income tax purposes.

The following table sets forth the unaudited results of the Company’s operations on a pro forma basis as if the acquisition of Wartner had been completed on April 1, 2005. The pro forma amounts for the three and nine month periods ended December 31, 2005 include the pro forma results from operations of Dental Concepts, LLC, which was acquired in November 2005, as if the acquisition of Dental Concepts had been completed on April 1, 2005. The pro forma financial information is not necessarily indicative of the operating results that the combined entities would have achieved had the acquisitions been consummated on April 1, 2005, nor is it necessarily indicative of the operating results that may be expected for the year ending March 31, 2007.

(In thousands, except per share data)	Three Months Ended December 31		Nine Months Ended December 31	
	2006 (Actual as Reported)	2005	2006	2005
Revenues	$ 80,124	$ 83,044	$ 248,067	$ 233,629
Income before provision for income taxes	$ 14,378	$ 15,826	$ 42,521	$ 36,902
Net income	$ 10,643	$ 9,148	$ 27,783	$ 22,509
Basic earnings per share	$ 0.21	$ 0.19	$ 0.56	$ 0.46
Diluted earnings per share	$ 0.21	$ 0.18	$ 0.56	$ 0.45
Weighted average shares outstanding:				
Basic	49,535	48,929	49,425	48,874
Diluted	50,024	50,010	50,016	50,007

3. Accounts Receivable

Accounts receivable consist of the following (in thousands):

	December 31, 2006	March 31, 2006
Accounts receivable	$ 35,199	$ 40,140
Other receivables	1,514	1,870
	36,713	42,010
Less allowances for discounts, returns and uncollectible accounts	(1,483)	(1,968)
	$ 35,230	$ 40,042

4. Inventories

Inventories consist of the following (in thousands):

	December 31, 2006	March 31, 2006
Packaging and raw materials	$ 3,047	$ 3,278
Finished goods	28,733	30,563
	$ 31,780	$ 33,841

Inventories are shown net of allowances for obsolete and slow moving inventory of $1.3 million and $1.0 million at December 31, 2006 and March 31, 2006, respectively.

5. Property and Equipment

Property and equipment consist of the following (in thousands):

	December 31, 2006	March 31, 2006
Machinery	$ 1,447	$ 3,722
Computer equipment	610	987
Furniture and fixtures	263	303
Leasehold improvements	371	340
	2,691	5,352
Accumulated depreciation	(1,238)	(3,699)
	$ 1,453	$ 1,653

6. Goodwill

A reconciliation of the activity affecting goodwill by operating segment is as follows (in thousands):

	Over-the-Counter Drug	Household Cleaning	Personal Care	Consolidated
Balance - March 31, 2006	$ 222,635	$ 72,549	$ 2,751	$ 297,935
Additions	5,993	--	--	5,993
Balance - December 31, 2006	$ 228,628	$ 72,549	$ 2,751	$ 303,928

During the three month period ended December 31, 2006, the Company finalized the purchase price allocation of Dental Concepts, LLC and increased goodwill by $1.3 million. At December 31, 2006, approximately $33.1 million of the Company’s goodwill is deductible for income tax purposes.

7. Intangible Assets

A reconciliation of the activity affecting intangible assets is as follows (in thousands):

	Indefinite Lived Intangibles	Finite Lived Intangibles	Total
Carrying Amounts			
Balance - March 31, 2006	$ 544,963	$ 110,066	$ 655,029
Additions	--	29,600	29,600
Balance - December 31, 2006	$ 544,963	$ 139,666	$ 684,629
Accumulated Amortization			
Balance - March 31, 2006	$ --	$ 17,832	$ 17,832
Amortization	--	7,013	7,013
Balance - December 31, 2006	$ --	$ 24,845	$ 24,845

At December 31, 2006, intangible assets are expected to be amortized over a period of five to 30 years as follows (in thousands):

Year Ending December 31		
2007	$	10,507
2008		10,507
2009		10,502
2010		9,086
2011		9,071
Thereafter		65,148
	$	114,821

8. Other Accrued Liabilities

Other accrued liabilities consist of the following (in thousands):

	December 31, 2006		March 31, 2006	
Accrued marketing costs	$	6,058	$	2,513
Accrued payroll		2,737		813
Accrued commissions		322		248
Other		1,050		1,008
	$	10,167	$	4,582

9. Long-Term Debt

Long-term debt consists of the following (in thousands):

	December 31, 2006	March 31, 2006
Senior revolving credit facility ("Revolving Credit Facility"), which expires on April 6, 2009, is available for maximum borrowings of up to $60.0 million. The Revolving Credit Facility bears interest at the Company's option at either the prime rate plus a variable margin or LIBOR plus a variable margin. The variable margins range from 0.75% to 2.50% and at December 31, 2006, the interest rate on the Revolving Credit Facility was 9.5% per annum. The Company is also required to pay a variable commitment fee on the unused portion of the Revolving Credit Facility. At December 31, 2006, the commitment fee was 0.50% of the unused line. The Revolving Credit Facility is collateralized by substantially all of the Company's assets.	$ --	$ 7,000
Senior secured term loan facility ("Tranche B Term Loan Facility") that bears interest at the Company's option at either the prime rate plus a margin of 1.25% or LIBOR plus a margin of 2.25%. At December 31, 2006, the applicable interest rate on the Tranche B Term Loan Facility was 7.71%. Principal payments of $887,500 and interest are payable quarterly. In February 2005, the Tranche B Term Loan Facility was amended to increase the additional amount available thereunder by $50.0 million to $200.0 million, all of which is available at December 31, 2006. Current amounts outstanding under the Tranche B Term Loan Facility mature on April 6, 2011, while amounts borrowed pursuant to the amendment will mature on October 6, 2011. The Tranche B Term Loan Facility is collateralized by substantially all of the Company's assets.	345,238	365,630
Senior Subordinated Notes ("Senior Notes") that bear interest at 9.25% which is payable on April 15th and October 15th of each year. The Senior Notes mature on April 15, 2012; however, the Company may redeem some or all of the Senior Notes on or prior to April 15, 2008 at a redemption price equal to 100%, plus a make-whole premium, and after April 15, 2008 at redemption prices set forth in the indenture governing the Senior Notes. The Senior Notes are unconditionally guaranteed by Prestige Brands Holdings, Inc., and its domestic wholly-owned subsidiaries other than Prestige Brands, Inc., the issuer. Each of these guarantees is joint and several. There are no significant restrictions on the ability of any of the guarantors to obtain funds from their subsidiaries.	126,000	126,000
	471,238	498,630
Current portion of long-term debt	(3,550)	(3,730)
	$ 467,688	$ 494,900

Effective as of December 19, 2006: (i) a Second Supplemental Indenture ("Second Supplemental Indenture"), and (ii) a Guaranty Supplement ("Indenture Guaranty Supplement") were entered into with the trustee for the holders of the Senior Notes. The Second Supplemental Indenture supplements and amends the indenture, dated as of April 6, 2004, as amended on October 6, 2004 ("Indenture"). Pursuant to the terms of the Second Supplemental Indenture and the Indenture Guaranty Supplement, the Company agreed to guaranty all of the obligations of Prestige Brands, Inc., an indirect wholly-owned subsidiary of the Company ("PBI"), set forth in the Indenture. The Second Supplemental Indenture also amended the covenant requiring Prestige Brands International, LLC ("Prestige Brands International"), an indirect wholly-owned subsidiary of the Company, to file periodic reports with the Securities and Exchange Commission ("SEC") pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended ("Exchange Act"). So long as the Company or any other guarantor is required to file periodic reports under Section 13 or 15(d) of the Exchange Act that are substantially the same as the periodic reports that Prestige Brands International would otherwise be required to file with the SEC pursuant to the Indenture, Prestige Brands International is not required to file such reports.

Also effective as of December 19, 2006, a Joinder Agreement ("Joinder Agreement"), and a Guaranty Supplement ("Credit Agreement Guaranty Supplement") were entered into with the administrative agent for the lenders under the Senior Credit Facility. Pursuant to the terms of the Joinder Agreement and the Credit Agreement Guaranty Supplement, the Company agreed to become a party to the Pledge and Security Agreement ("Security Agreement") and the Guaranty ("Credit Agreement Guaranty"), each dated as of April 6, 2004, by PBI and certain of its affiliates in favor of the lenders. The Security Agreement and the Credit Agreement Guaranty secure the performance by PBI of its obligations under the Credit Agreement, dated as of April 6, 2004, as amended ("Credit Agreement"), by granting security interests to the Company's lenders in collateral owned by the Company and providing guaranties of such obligations by certain of PBI's affiliates.

The Revolving Credit Facility and the Tranche B Term Loan Facility (together the "Senior Credit Facility") contain various financial covenants, including provisions that require the Company to maintain certain leverage ratios, interest coverage ratios and fixed charge coverage ratios. The Senior Credit Facility and the Senior Notes also contain provisions that restrict the Company from undertaking specified corporate actions, such as asset dispositions, acquisitions, dividend payments, repurchase of common shares outstanding, changes of control, incurrence of indebtedness, creation of liens, making of loans and transactions with affiliates. Additionally, the Senior Credit Facility and the Senior Notes contain cross-default provisions whereby a default pursuant to the terms and conditions of either indebtedness will cause a default on the remaining indebtedness. At December 31, 2006, the Company was in compliance with its applicable financial and other covenants under the Senior Credit Facility and the Indenture.

Future principal payments required in accordance with the terms of the Senior Credit Facility and the Senior Notes are as follows (in thousands):

Year Ending December 31,	
2007	$ 3,550
2008	3,550
2009	3,550
2010	3,550
2011	331,038
Thereafter	126,000
	$ 471,238

In an effort to mitigate the impact of changing interest rates, the Company entered into interest rate cap agreements with various financial institutions. In June 2004, the Company purchased a 5% interest rate cap with a notional amount of $20.0 million which expired in June 2006. In March 2005, the Company purchased interest rate cap agreements with a total notional amount of $180.0 million and cap rates ranging from 3.25% to 3.75%. On May 31, 2006, an interest rate cap agreement with a notional amount of $50.0 million and a 3.25% cap rate expired. The remaining agreements terminate on May 30, 2007 and 2008 as to notional amounts of $80.0 million and $50.0 million, respectively. The Company is accounting for the interest rate cap agreements as cash flow hedges. The fair value of the interest rate cap agreements, which is included in other long-term assets, was $1.8 million and $3.3 million at December 31, 2006 and March 31, 2006, respectively.

10. Stockholders' Equity

The Company is authorized to issue 250.0 million shares of common stock, $0.01 par value per share, and 5.0 million shares of preferred stock, $0.01 par value per share. The Board of Directors may direct the issuance of the undesignated preferred stock in one or more series and determine preferences, privileges and restrictions thereof.

Each share of common stock has the right to one vote on all matters submitted to a vote of stockholders. The holders of common stock are also entitled to receive dividends whenever funds are legally available and when declared by the Board of Directors, subject to prior rights of holders of all classes of stock outstanding having priority rights as to dividends. No dividends have been declared or paid on the Company's common stock through December 31, 2006.

11. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except per share amounts):

	Three Months Ended December 31		Nine Months Ended December 31	
	2006	2005	2006	2005
Numerator				
Net income	$ 10,643	$ 9,345	$ 27,683	$ 22,648
Denominator				
Denominator for basic earnings per share - weighted average shares	49,535	48,929	49,425	48,874
Dilutive effect of unvested restricted common stock, performance shares and options	489	1,081	591	1,133
Denominator for diluted earnings per share	50,024	50,010	50,016	50,007
Earnings per Common Share:				
Basic	$ 0.21	$ 0.19	$ 0.56	$ 0.46
Diluted	$ 0.21	$ 0.19	$ 0.55	$ 0.45

At December 31, 2006, 444,000 shares of restricted stock issued to officers, directors and employees were unvested, and were therefore, excluded from the calculation of basic earnings per share for the period ended December 31, 2006. However, such shares are included in the calculation of diluted earnings per share. An additional 270,000 shares of restricted stock granted to officers and employees have been excluded from the calculation of both basic and diluted earnings per share since vesting of such shares is subject to contingencies which have not been met as of December 31, 2006. At December 31, 2005, 1.1 million shares of restricted stock issued to officers and employees, were unvested and were therefore, excluded from the calculation of basic earnings per share for the periods ended December 31, 2005.

12. Stock-Based Compensation

In connection with the Company's February 2005 initial public offering, the Board of Directors adopted the Plan which provides for the grant, up to a maximum of 5.0 million shares, of stock options, restricted stock, restricted stock units, deferred stock units and other equity-based awards. Directors, officers and other employees of the Company and its subsidiaries, as well as others performing services for the Company, are eligible for grants under the Plan. The Company believes that such awards better align the interests of its employees with those of its stockholders.

Restricted Shares

Restricted shares granted under the Plan generally vest in 3 to 5 years, contingent on attainment of Company performance goals, including both revenue and earnings per share growth targets. Certain restricted share awards provide for accelerated vesting if there is a change of control. The fair value of nonvested restricted shares is determined as the closing price of the Company's common stock on the day preceding the grant date. There were no restricted shares granted during the three month period ended December 31, 2006; however, the Company granted awards aggregating 156,500 shares of restricted stock with an estimated fair value of $1.3 million during the nine month period ended December 31, 2006. During the three month period ended December 31, 2005, the Company authorized the grant of 155,800 shares of restricted stock with an estimated fair value of $1.9 million to employees. During the nine month period ended December 31, 2005, the Company granted awards aggregating 180,700 shares of restricted stock with an estimated fair value of $2.2 million.

Performance Shares

On the vesting date, the recipient of performance shares will receive the difference between the closing price of the Company's common stock on such date and the grant date price, times the number of performance shares underlying the grant. These awards may be settled in cash, common stock or some combination thereof at the option of the Company. There were no performance share awards granted during the three month period ended December 31, 2006; however, during the nine month period ended December 31, 2006, the Company granted awards aggregating 16,100 performance shares with an estimated fair value of $60,000. No such awards were granted during the three month and nine month periods ended December 31, 2005.

Options

The Plan provides that the exercise price of the option granted shall be no less than the fair market value of the Company's common stock on the date the option is granted. Options granted have a term of no greater than 10 years from the date of grant and vest in accordance with a schedule determined at the time the option is granted, generally 3 to 5 years. Certain option awards provide for accelerated vesting if there is a change in control. There were no options outstanding as of December 31, 2006.

The fair value of option and performance share awards is estimated on the date of grant using the Black-Scholes Option Pricing Model. As of December 31, 2006, there was approximately $1.6 million of total unrecognized compensation cost related to nonvested share-based compensation arrangements under the Plan, based on management's estimate of the shares that will ultimately vest. The Company expects to recognize such costs over the next 4 years. However, the restricted shares vest upon the attainment of Company performance goals; if such goals are not met, no compensation cost would ultimately be recognized and any previously recognized compensation cost would be reversed. At December 31, 2006, there were 4.7 million shares available for issuance under the Plan.

13. Income Taxes

Income taxes are recorded in the Company's quarterly financial statements based on the Company's estimated annual effective income tax rate. The effective tax rates used in the calculation of income taxes were 25.9% and 34.6% for three and nine month periods ended December 31, 2006, respectively, and 38.6% and 39.0% for the three and nine month periods ended December 31, 2005, respectively. The reduction in the income tax rates for the three and nine month periods ended December 31, 2006 result from the implementation of initiatives to obtain operational, as well as tax, efficiencies.

A reconciliation of the effective tax rate compared to the statutory U.S. Federal tax rate for the nine month period ended December 31, 2006 is as follows (in thousands):

		%
Income tax provision at statutory rate	$ 14,825.0	35.0
Foreign tax provision	(58.2)	(0.1)
State income taxes, net of federal income tax benefit	1,595.3	3.7
Decrease in net deferred tax liability resulting from an decrease in the effective state tax rate	(1,708.0)	(4.0)
Other	20.9	0.0
Provision for income taxes from continuing operations	$ 14,675.0	34.6

14. Commitments and Contingencies

The Company and certain of its officers and directors are defendants in a consolidated putative securities class action lawsuit filed in the United States District Court for the Southern District of New York (the "Consolidated Action"). The first of the six consolidated cases was filed on August 3, 2005. Plaintiffs purport to represent a class of stockholders of the Company who purchased shares between February 9, 2005 through November 15, 2005. Plaintiffs also name as defendants the underwriters in the Company's initial public offering and a private equity fund that was a selling stockholder in the offering. The District Court has appointed a Lead Plaintiff. On December 23, 2005, the Lead Plaintiff filed a Consolidated Class Action Complaint, which asserted claims under Sections 11, 12(a)(2) and 15 of the Securities Act of 1933 and Sections 10(b), 20(a), and 20A of the Securities Exchange Act of 1934. The Lead Plaintiff generally alleged that the Company issued a series of materially false and misleading statements in connection with its initial public offering and thereafter in regard to the following areas: the accounting issues described in the Company's press release issued on or about November 15, 2005; and the alleged failure to disclose that demand for certain of the Company's products was declining and that the Company was planning to withdraw several products from the market. Plaintiffs seek an unspecified amount of damages. The Company filed a motion to dismiss the Consolidated Class Action Complaint in February 2006. On July 10, 2006, the Court dismissed all claims against the Company and the individual defendants arising under the Securities Exchange Act of 1934. Requests for discovery have been submitted and a motion by Plaintiffs for class certification is pending. The Company's management believes the remaining claims are legally deficient and subject to meritorious defenses. The Company intends to vigorously pursue its defenses; however, the Company cannot reasonably estimate the potential range of loss, if any.

On May 23, 2006, Similasan Corporation filed a lawsuit against the Company in the United States District Court for the District of Colorado in which Similasan alleged false designation of origin, trademark and trade dress infringement, and deceptive trade practices by the Company related to *Murine* for Allergy Eye Relief, *Murine* for Tired Eye Relief and *Murine* for Earache Relief, as applicable. Similasan has requested injunctive relief, an accounting of profits and damages and litigation costs and attorneys' fees. The Company has filed an answer to the complaint with a potentially dispositive motion. In addition to the lawsuit filed by Similasan in the U.S. District Court for the District of Colorado, the Company also received a cease and desist letter from Swiss legal counsel to Similasan and its parent company, Similasan AG, a Swiss company. In the cease and desist letter, Similasan and Similasan AG have alleged a breach of the Secrecy Agreement executed by the Company and demanded that the Company cease and desist from (i) using confidential information covered by the Secrecy Agreement; and (ii) manufacturing, distributing, marketing or selling certain of its homeopathic products. The complaint in the Colorado action has now been amended to include allegations relating to the breach of confidentiality' and the Company has filed an answer and responsive motions. The Company's management believes the allegations to be without merit and intends to vigorously pursue its defenses; however, the Company cannot reasonably estimate the potential range of loss, if any.

On September 28, 2006, OraSure Technologies, Inc. moved in the Supreme Court of the State of New York for a preliminary injunction prohibiting the Company from selling cryogenic wart removal products under the

Wartner® brand, which the Company acquired on September 21, 2006. OraSure Technologies is a supplier to the Company for the Company's Compound W Freeze Off® business. The distribution agreement in place calls for mediation of contract disputes, followed by arbitration, if necessary. The contract in question is of five years duration ending in December 2007. On October 30, 2006, the Court denied OraSure Technologies' motion for a preliminary injunction. Subsequently, in a decision and order dated December 20, 2006, the Court denied a motion by OraSure Technologies for a rehearing regarding a preliminary injunction. An appeal was filed by OraSure in the Appellate Division of the Supreme Court of the State of New York on January 29, 2007, which the Company expects to answer in due course. The Company is now seeking resolution of the matter through arbitration.

The Company is also involved from time to time in other routine legal matters and other claims incidental to its business. The Company reviews outstanding claims and proceedings internally and with external counsel as necessary to assess probability of loss and for the ability to estimate loss. These assessments are re-evaluated each quarter and as new information becomes available to determine whether a reserve should be established or if any existing reserve should be adjusted. The actual cost of resolving a claim or proceeding ultimately may be substantially different than the amount of the recorded reserve. In addition, because it is not permissible under generally accepted accounting principles to establish a litigation reserve until the loss is both probable and estimable, in some cases there may be insufficient time to establish a reserve prior to the actual incurrence of the loss (upon verdict and judgment at trial, for example, or in the case of a quickly negotiated settlement). The Company believes the resolution of routine matters and other incidental claims, taking into account reserves and insurance, will not have a material adverse effect on its business, financial condition or results from operations.

Lease Commitments

The Company has operating leases for office facilities and equipment in New York, New Jersey and Wyoming, which expire at various dates through July 2009.

The following summarizes future minimum lease payments for the Company's operating leases (in thousands):

Year Ending December 31,	Facilities	Equipment	Total
2007	$ 646	$ 120	$ 766
2008	499	120	619
2009	198	87	285
2010	--	49	49
	$ 1,343	$ 376	$ 1,719

15. Concentrations of Risk

The Company's sales are concentrated in the areas of over-the-counter drug, personal care and household cleaning products. The Company sells its products to mass merchandisers, food and drug accounts, and dollar and club stores. During the three and nine month periods ended December 31, 2006 approximately 55.5% and 58.6%, respectively, of the Company's total sales were derived from its four major brands, while during the three and nine month periods ended December 31, 2005, approximately 59.8% and 62.1%, respectively, of the Company's total sales were derived from these four major brands. During the three month periods ended December 31, 2006 and 2005, approximately 21.4% and 20.0%, respectively, of the Company's sales were made to one customer, while during the nine month periods ended December 31, 2006 and 2005, approximately 23.6% and 22.4% of sales were to this customer. At December 31, 2006, approximately 20.6% of accounts receivable were owed by the same customer.

The Company manages product distribution in the continental United States through a main distribution center in St. Louis, Missouri. A serious disruption, such as a flood or fire, to the main distribution center could damage the Company's inventories and materially impair the Company's ability to distribute its products to customers in a timely manner or at a reasonable cost. The Company could incur significantly higher costs and experience longer lead times associated with the distribution of its products to its customers during the time that it takes the Company to reopen or replace its distribution center. As a result, any such disruption could have a material adverse effect on the Company's sales and profitability.

The Company has relationships with over 40 third-party manufacturers. Of those, the top 10 manufacturers produced items that accounted for approximately 78% of the Company's gross sales for the nine month period ended December 31, 2006. The Company does not have long-term contracts with 3 of these manufacturers and certain manufacturers of various smaller brands, which collectively, represented approximately 34% of the Company's gross sales for the nine month period ended December 31, 2006. The lack of manufacturing agreements for these products exposes the Company to the risk that a manufacturer could stop producing the Company's products at any time, for any reason or fail to provide the Company with the level of products the Company needs to meet its customers' demands. Without adequate supplies of merchandise to sell to the Company's customers, sales would decrease materially and the Company's business would suffer.

16. Business Segments

Segment information has been prepared in accordance with FASB Statement No. 131, "Disclosures about Segments of an Enterprise and Related Information." The Company's operating and reportable segments consist of (i) Over-the-Counter Drugs, (ii) Household Cleaning, and (iii) Personal Care.

There were no inter-segment sales or transfers during the three and nine month periods ended December 31, 2006 and 2005. The Company evaluates the performance of its operating segments and allocates resources to them based primarily on contribution margin. The table below summarizes information about the Company's operating and reportable segments (in thousands).

	Three Months Ended December 31, 2006			
	Over-the-Counter Drug	**Household Cleaning**	**Personal Care**	**Consolidated**
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-Counter Drug	Household Cleaning	Personal Care	Consolidated
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	19,573	5,304	932	25,809
Contribution margin	$ 63,656	$ 29,873	$ 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

	Three Months Ended December 31, 2005			
	Over-the-Counter Drug	Household Cleaning	Personal Care	Consolidated
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-Counter Drug		Household Cleaning		Personal Care		Consolidated	
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

During the three month periods ended December 31, 2006 and 2005, approximately 95.9% and 96.8%, respectively, of the Company’s sales were made to customers in the United States and Canada, while during the nine month periods ended December 31, 2006 and 2005, approximately 95.6% and 96.9%, respectively, of sales were made to customers in the United States and Canada. At December 31, 2006 and March 31, 2006, substantially all of the Company’s long-term assets were located in the United States of America and have been allocated to the operating segments as follows:

	Over-the-Counter Drug		Household Cleaning		Personal Care		Consolidated	
Goodwill	$	228,628	$	72,549	$	2,751	$	303,928
Intangible assets								
Indefinite lived		374,070		170,893		--		544,963
Finite lived		96,676		24		18,121		114,821
		470,746		170,917		18,121		659,784
	$	699,374	$	243,466	$	20,872	$	963,712

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

We are engaged in the marketing, sales and distribution of brand name over-the-counter drug, household cleaning and personal care products to mass merchandisers, drug stores, supermarkets and club stores primarily in the United States and Canada. We operate in niche segments of these categories where we can use the strength of our brands, our established retail distribution network, a low-cost operating model and our experienced management team as a competitive advantage to grow our presence in these categories and, as a result, grow our sales and profits.

We have grown our brand portfolio by acquiring strong and well-recognized brands from larger consumer products and pharmaceutical companies, as well as other brands from smaller private companies. While the brands we have purchased from larger consumer products and pharmaceutical companies have long histories of support and brand development, we believe that at the time we acquired them they were considered "non-core" by their previous owners and did not benefit from the focus of senior level management or strong marketing support. We believe that the brands we have purchased from smaller private companies have been constrained by the limited resources of their prior owners. After acquiring a brand, we seek to increase its sales, market share and distribution in both existing and new channels. We pursue this growth through increased spending on advertising and promotion, new marketing strategies, improved packaging and formulations and innovative new products.

On September 21, 2006, we completed the acquisition of the ownership interests of Wartner USA B.V., a privately held limited liability company, and the intellectual property associated with the "Wartner®" brand of over-the-counter wart treatment products. The purchase price of this acquisition was $35.1 million, inclusive of direct costs of the acquisition of $216,000. We purchased the Wartner brand with funds generated from operations and the assumption of approximately $5.0 million of contingent payments to the former owner of the Wartner brand.

On October 28, 2005, we completed the acquisition of the "Chore Boy®" brand of cleaning pads and sponges. The purchase price of this acquisition was $22.6 million, including direct costs of $400,000. We purchased the Chore Boy® brand with funds generated from operations.

On November 8, 2005, we completed the acquisition of the ownership interests of Dental Concepts LLC, a marketer of therapeutic oral care products sold under "The Doctor's®" brand. The purchase price of the ownership interests was approximately $30.5 million, including fees and expenses of the acquisition of $500,000. We financed the acquisition price through the utilization of our Revolving Credit Facility and with cash resources of $30.0 million and $500,000, respectively.

We expect that the Wartner® brand will benefit from our business model of outsourcing manufacturing and increasing awareness through targeted marketing and that both the Chore Boy® and The Doctor's® product lines will continue to benefit from our model.

Three Month Period Ended December 31, 2006 compared to the Three Month Period Ended December 31, 2005

Total Revenues

	FYE 2007 Revenues	%	FYE 2006 Revenues	%	Increase (Decrease)	%
OTC Drug	$ 45,574	56.9	$ 42,051	52.6	$ 3,523	8.4
Household Cleaning	28,715	35.8	30,798	38.6	(2,083)	(6.8)
Personal Care	5,835	7.3	7,007	8.8	(1,172)	(16.7)
Total Revenues	$ 80,124	100.0	$ 79,856	100.0	$ 268	0.3

The slight increase in total revenues for the three month period ended December 31, 2006 versus the comparable period in 2005 was primarily a result of the acquisitions of the Wartner brand, acquired in September of 2006, and the Chore Boy® and The Doctor's® brands acquired in October and November 2005, respectively. The revenue increase in the Over-the-Counter Drug segment was mostly offset by a decrease in the Household Cleaning and Personal Care segments. Excluding the impact of the acquisitions, revenues were down 5.7%.

Over-the-Counter Drug Segment

Revenues in the Over-the-Counter Drug segment increased by $3.5 million, or 8.4% for the three month period ended December 31, 2006 versus the comparable period in 2005. The increase was primarily the result of the Wartner and Doctor's brands which were acquired in September 2006 and November 2005, respectively. Excluding the impact of these acquisitions, revenues were essentially flat for the period. Revenue increases from Little Remedies®, Clear eyes® New Skin and Dermoplast were offset by revenue decreases from Chloraseptic®, Compound W® and Murine®. Little Remedies' revenue increased during the period primarily as a result of strong consumer consumption. The Clear eyes® sales growth is a result of continued strong consumer consumption trends and the launch of Clear eyes® Triple Action. New Skin's revenue increased as a result of improving consumer consumption trends while Dermoplast's revenue increased due to continued strong consumer consumption trends. The Doctor's® brand had strong revenue growth as a result of television media support behind The Doctor's Nightguard. Chloraseptic revenue decreased during the period in line with weak consumer consumption primarily attributable to a less severe cough and cold season as it relates to sore throat symptoms. Compound W® revenue decreased during the period primarily as a result of weaker consumer consumption of Freeze-Off, its cryogenic wart remover product.

Household Cleaning Segment

Revenues of the Household Cleaning segment declined by $2.1 million, or 6.8%, for the three month period ended December 31, 2006 versus the comparable period of 2005. Excluding the acquisition of Chore Boy®, revenues for this segment were down 11.3% for the period. The Comet® and Spic and Span® brands revenue 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 a dollar store customer. Both brands experienced continued consumer consumption gains during the quarter.

Personal Care Segment

Revenues of the Personal Care segment declined by $1.2 million, or 16.7% for the three month period ended December 31, 2006 versus the comparable period of 2005. The sales decrease was a result of continued declines in consumer consumption trends for the Cutex®, Denorex® and Prell® brands and was in accordance with management's expectations.

Gross Profit

	FYE 2007 Gross Profit	%	FYE 2006 Gross Profit	%	Increase (Decrease)	%
OTC Drug	$ 29,774	65.3	$ 26,230	62.4	$ 3,544	13.5
Household Cleaning	10,928	38.1	11,847	38.5	(919)	(7.8)
Personal Care	2,656	45.5	3,053	43.6	(397)	(13.0)
	$ 43,358	54.1	$ 41,130	51.5	$ 2,228	5.4

Gross profit for the three month period ended December 31, 2006 increased $2.2 million, or 5.4% versus the comparable period in 2005. As a percent of total revenue, gross profit increased from 51.5% for the same period last year to 54.1% during the current period. The increase in gross profit percentage was primarily the result of a shift in sales to the higher margin OTC segment and a reduction in distribution costs resulting from lower oil prices versus the comparable period last year.

Over-the-Counter Drug Segment
Gross profit for the three month period ended December 31, 2006 increased $3.5 million, or 13.5%, versus the comparable period in 2005. As a percent of OTC revenue, gross profit increased from 62.4% for the same period last year to 65.3% during the current period. The increase in gross profit percentage was primarily a result of favorable sales mix and a reduction in distribution costs resulting from lower oil prices versus the comparable period last year. The favorable sales mix was primarily attributable to sales of higher margin products, such as, The Doctor's Nightguard, Wartner and Compound W's salicylic acid products constituting a larger percentage of total OTC sales than in the prior year's quarter.

Household Cleaning Segment
Gross profit for the three month period ended December 31, 2006 decreased $919,000, or 7.8%, versus the comparable period in 2005. As a percent of household cleaning revenue, gross profit decreased from 38.5% for the same period last year to 38.1% during the current period. The decrease in gross profit percentage is primarily a result of favorable distribution costs resulting from lower oil prices offset by the increase in Chore Boy sales which have a lower margin than the other brands in the segment.

Personal Care Segment
Gross profit for the three month period ended December 31, 2006 decreased $397,000, or 13.0%, versus the comparable period in 2005. As a percent of personal care revenue, gross profit increased from 43.6% for the same period last year to 45.5% during the current period. The increase in gross profit percentage was primarily a result of favorable distribution costs resulting from lower oil prices and a reduction in promotional pricing allowances.

Contribution Margin

	FYE 2007 Contribution Margin	%	FYE 2006 Contribution Margin	%	Increase (Decrease)	%
OTC Drug	$ 22,685	49.8	$ 21,304	50.7	$ 1,381	6.5
Household Cleaning	9,333	32.5	10,112	32.8	(779)	(7.7)
Personal Care	2,388	40.9	2,329	33.2	59	2.5
	$ 34,406	42.9	$ 33,745	42.3	$ 661	2.0

Contribution margin, defined as gross profit less advertising and promotional expenses, increased $661,000, or 2.0%, for the three month period ended December 31, 2006 versus the comparable period of 2005. The contribution margin increase was a result of the increase in sales and gross profit as previously discussed, partially offset by a $1.6 million, or 21.2% increase in advertising and promotional spending. The increase was primarily attributable to the Over-the-Counter Drug segment.

Over-the-Counter Drug Segment
Contribution margin in the Over-the-Counter Drug segment increased by $1.4 million, or 6.5% for the three month period ended December 31, 2006 versus the comparable period of 2005. The contribution margin increase was a result of the increase in sales and gross profit as previously discussed, partially offset by a $2.2 million, or a 43.9% increase in advertising and promotional spending. The increase in advertising and promotional spending was primarily a result of television media behind The Doctor’s Nightguard, Chloraseptic Daily Defense Strips, and Clear eyes.

Household Cleaning Segment
Contribution margin in the household cleaning segment decreased by $779,000, or 7.7%, for the three month period ended December 31, 2006 versus the comparable period of 2005. The contribution margin decrease was a result of the decrease in sales and gross profit as previously discussed, partially offset with a $140,000, or an 8.1% reduction in advertising and promotional spending. The decrease was a result of a modest reduction of Comet media and promotional spending partially offset by increased spending related to Chore Boy.

Personal Care Segment
Contribution margin of the personal care segment was up $59,000, or 2.5% for the three month period ended December 31, 2006 versus the comparable period of 2005. The slight contribution margin increase was primarily the result of a $456,000, or 63.0%, reduction in advertising and promotion spending versus the comparable period in 2005, offset by the gross profit decline as previously discussed. The reduction in advertising and promotion was due to the Company’s strategic decision to redeploy advertising and promotional funds in support of its growth brands in the OTC drug segment.

General and Administrative
General and administrative expenses were $7.1 million for the three month period ended December 31, 2006 versus $6.2 million for the comparable period of 2005. The increase is primarily related to higher compensation costs as a result of additional staff added during the second half of our fiscal year ended March 31, 2006, increased stock-based compensation costs, as well as increased legal fees.

Depreciation and Amortization
Depreciation and amortization expense was $2.8 million for the three month period ended December 31, 2006 versus $2.8 million for the comparable period of 2005. An increase in amortization of intangible assets related to the Wartner and Dental Concepts acquisition was partially offset by a reduction in carrying value of trademarks related to the Personal Care segment resulting from an asset impairment charge of $7.4 million recorded during the three month period ended March 31, 2006. Depreciation expense decreased by $343,000 for the three month period ended December 31, 2006 versus the comparable period of 2005 which mostly offset the increase in amortization expense.

Interest Expense
Net interest expense was $10.2 million for the three month period ended December 31, 2006 versus $9.5 million for the comparable period of 2005. This represented an increase of $630,000, or 6.6%, from the prior period. The increase in interest expense is due to the increase in interest rates associated with our variable rate indebtedness. The average cost of funds increased from 7.7% for the three month period ended December 31, 2005 to 8.4% for the three month period ended December 31, 2006.

Income Taxes
The income tax provision for the three month period ended December 31, 2006 was $3.7 million, with an effective rate of 25.9%, compared to $5.9 million, with an effective rate of 38.6% for period ended December 31, 2005. During the three month period ended March 31, 2006, the Company increased the effective tax rate to 39.1% and adjusted the deferred tax liabilities as a result of the completion of a state nexus study. The current period includes a $1.7 million tax benefit resulting from a reduction in the deferred income tax rate to 38.6% from 39.1% as a result of the implementation of initiatives to obtain operational, as well as tax, efficiencies.

Nine Month Period Ended December 31, 2006 compared to the Nine Month Period Ended December 31, 2005

Total Revenues

	FYE 2007 Revenues	%	FYE 2006 Revenues	%	Increase (Decrease)	%
OTC Drug	$ 131,427	54.7	$ 116,199	53.6	$ 15,228	13.1
Household Cleaning	90,059	37.4	78,860	36.4	11,199	14.2
Personal Care	19,112	7.9	21,595	10.0	(2,483)	(11.5)
	$ 240,598	100.0	$ 216,654	100.0	$ 23,944	11.1

The 11.1% increase in revenues for the nine month period ended December 31, 2006 versus the comparable period in 2005 was primarily a result of the acquisitions of the Wartner brand, acquired in September of 2006, and the Chore Boy® and The Doctor's® brands acquired in October and November 2005, respectively. Excluding the impact of the acquisitions, revenues were up 2.6%. Revenue increases in Over-the-Counter Drug and Household Cleaning segments were partially offset by a decrease in the Personal Care segment.

Over-the-Counter Drug Segment

Revenues in the Over-the-Counter Drug segment increased $15.2 million, or 13.1% for the nine month period ended December 31, 2006 versus the comparable period in 2005. The increase was primarily a result of the Wartner and Doctor's brands which were acquired in September 2006 and November 2005, respectively. Excluding the impact of these acquisitions, revenues increased 4.5%. All the major brands in this segment, with the exception of New Skin, had revenue increases during the period versus the comparable period last year. Little Remedies and Dermoplast sales increases were primarily a result of improved consumer consumption. The increase in Compound W was primarily a result of weak customer shipments in 2005. Chloraseptic's revenue increase was due to the launch of the new Daily Defense Strips and multi-symptom products, as well as, increased shipments to international customers. The Clear eyes® sales growth was a result of continued strong consumer consumption trends, the launch of Clear eyes® Triple Action and increased shipments to international customers. The Murine® revenue increase was a result of improved consumer consumption of the ear product and the launch of the homeopathic product line. New Skin's revenue decrease was the result of softness in the liquid bandage category.

Household Cleaning Segment

Revenues of the Household Cleaning segment increased $11.2 million, or 14.2%, for the nine month period ended December 31, 2006 versus the comparable period of 2005. Excluding the acquisition of Chore Boy®, revenues for this segment increased 3.7% for the period. Comet® revenue increased during the period due to strong consumer consumption, expanded distribution and royalty revenues earned from licensing agreements in Eastern Europe and for institutional sales in North America. Revenues for the Spic and Span® brand increased during the period as a result of increased consumer consumption and expanded distribution of dilutable product and antibacterial spray.

Personal Care Segment

Revenues of the Personal Care segment declined $2.5 million, or 11.5%, for the nine month period ended December 31, 2006 versus the comparable period of 2005. The sales decrease was a result of continued declines in consumer consumption trends for the Cutex®, Denorex® and Prell® brands and was in accordance with management's expectations.

Gross Profit

	FYE 2007 Gross Profit	%	FYE 2006 Gross Profit	%	Increase (Decrease)	%
OTC Drug	$ 83,229	63.3	$ 73,155	63.0	$ 10,074	13.8
Household Cleaning	35,177	39.1	30,987	39.3	4,190	13.5
Personal Care	7,842	41.0	9,288	43.0	(1,446)	(15.6)
	$ 126,248	52.5	$ 113,430	52.4	$ 12,818	11.3

Gross profit for the nine month period ended December 31, 2006 increased $12.8 million, or 11.3%, versus the comparable period in 2005. As a percent of total revenue, gross profit increased slightly from 52.4% for the same period last year to 52.5% during the current period. The increase in gross profit percentage was generally the result of lower distribution costs and a shift to higher margin products within Over-The-Counter Drug segment, partially offset by higher product costs and increased shipments to non-North American distributors which have a lower margin than our domestic markets. Shipments to markets outside of North America represented 4.4% of total revenues versus 3.1% for the same period last year.

Over-the-Counter Drug Segment
Gross profit for the nine month period ended December 31, 2006 increased $10.1 million, or 13.8%, versus the comparable period in 2005. As a percent of OTC revenue, gross profit increased from 63.0% for the same period last year to 63.3% during the current period. The increase in gross profit percentage was primarily a result of favorable sales mix and a reduction in distribution costs resulting from lower oil prices, partially offset by higher packaging costs and increased shipments to non-North American distributors which have a lower gross margin than our domestic markets.

Household Cleaning Segment
Gross profit for the nine month period ended December 31, 2006 increased $4.2 million, or 13.5%, versus the comparable period in 2005. As a percent of household cleaning revenue, gross profit decreased from 39.3% for the same period last year to 39.1% during the current period. The decrease in gross profit percentage is primarily a result of increased product costs and an increase in Chore Boy sales which have a lower margin than the segment average, partially offset by royalties earned, with no associated costs, from our international and institutional licensing arrangements with Procter & Gamble

Personal Care Segment
Gross profit for the nine month period ended December 31, 2006 decreased $1.4 million, or 15.6%, versus the comparable period in 2005. As a percent of personal care revenue, gross profit decreased from 43.0% for the same period last year to 41.0% during the current period. The decrease in gross profit percentage is a result of increased promotional pricing allowances and product costs.

Contribution Margin

	FYE 2007 Contribution Margin	%	FYE 2006 Contribution Margin	%	Increase (Decrease)	%
OTC Drug	$ 63,656	48.4	$ 54,963	47.3	$ 8,693	15.8
Household Cleaning	29,873	33.2	25,742	32.6	4,131	16.0
Personal Care	6,910	36.2	6,418	29.7	492	7.7
	$ 100,439	41.7	$ 87,123	40.2	$ 13,316	15.3

Contribution margin, defined as gross profit less advertising and promotional expenses, increased $13.3 million, or 15.3% for the nine month period ended December 31, 2006 versus the comparable period of 2005. The contribution margin increase was a result of the increase in sales and gross profit as previously discussed, and a

$498,000, or 1.9% reduction in advertising and promotional spending. The reduction in advertising and promotional spending is primarily a result of $1.9 million reduction in the Personal Care segment partially offset by an increase of $1.4 million in the Over-the-Counter Drug segment.

Over-the-Counter Drug Segment
Contribution margin in the Over-the-Counter Drug segment increased by $8.7 million, or 15.8%, for the nine month period ended December 31, 2006 versus the comparable period of 2005. The contribution margin increase was a result of the increase in sales and gross profit as previously discussed, partially offset with a $1.4 million, or a 7.6%, increase in advertising and promotional spending. The increase in advertising and promotional spending was primarily a result of increased media behind The Doctor’s Nightguard and Murine, Little Remedies print media and Chloraseptic promotional spending, partially offset by a reduction in Clear eyes and New Skin media.

Household Cleaning Segment
Contribution margin in the household cleaning segment increased by $4.1 million, or 16.0%, for the nine month period ended December 31, 2006 versus the comparable period of 2005. The contribution margin increase was a result of the sales and gross profit increase previously discussed, slightly offset with a $59,000, or a 1.1% increase in advertising and promotional spending. The increase is a result of a modest reduction of Comet media and promotional spending partially offset by increased spending resulting from the Chore Boy acquisition.

Personal Care Segment
Contribution margin of the personal care segment was up $492,000, or 7.7% for the nine month period ended December 31, 2006 versus the comparable period of 2005. The contribution margin increase was primarily the result of a $1.9 million, or 67.5%, reduction in advertising and promotion spending versus the comparable period in 2005, partially offset by the gross profit decline as previously discussed. The reduction in advertising and promotion was due to the Company's strategic decision to redeploy advertising and promotional funds in support of its growth brands in the OTC drug segment.

General and Administrative
General and administrative expenses were $20.8 million for the nine month period ended December 31, 2006 versus $15.2 million for the comparable period of 2005. The increase was primarily related to additional staff added during the second half of our fiscal year ended March 31, 2006, severance compensation related to the departure of a member of management during the three month period ended June 30, 2006, increased stock-based compensation costs, as well as increased legal and professional fees.

Depreciation and Amortization
Depreciation and amortization expense was $7.6 million for the nine month period ended December 31, 2006 versus $8.1 million for the comparable period of 2005. An increase in amortization related to intangible assets purchased in the Wartner and Dental Concepts acquisitions was partially offset by a reduction of the carrying value of certain trademarks. During the three month period ended March 31, 2006, the Company recognized an asset impairment charge of approximately $7.4 million related to intangible assets in the Personal Care segment. Depreciation expense decreased by $879,000 for the nine month period ended December 31, 2006 versus the comparable period of 2005 due to the absence of depreciation charges for manufacturing equipment that was fully depreciated as of January 31, 2006.

Interest Expense
Net interest expense was $29.7 million for the nine month period ended December 31, 2006 versus $26.7 million for the comparable period of 2005. This represented an increase of $3.0 million, or 11.2%, from the prior period. The increase in interest expense was due to the increase in interest rates associated with our variable rate indebtedness. The average cost of funds increased from 7.1% for the three month period ended December 30, 2005 to 8.1% for the three month period ended December 31, 2006.

Income Taxes
The income tax provision for the nine month period ended December 31, 2006 was $14.7 million, with an effective rate of 34.6%, compared to $14.5 million, with an effective rate of 39.0% for period ended December 31, 2005. During the three month period ended March 31, 2006, the Company increased the effective tax rate to 39.1% and adjusted the deferred tax liabilities as a result of the completion of a state nexus study. The current

period includes a $1.7 million tax benefit resulting from a reduction in the deferred income tax rate to 38.6% from 39.1% as a result of the implementation of initiatives to obtain operational, as well as tax, efficiencies.

Liquidity and Capital Resources

We have financed and expect to continue to finance our operations with a combination of internally generated funds and borrowings. In February 2005, we completed an initial public offering that provided the Company with net proceeds of $416.8 million which were used to repay the $100.0 million outstanding under the Tranche C Facility of our Senior Credit Facility, to redeem $84.0 million in aggregate principal amount of our existing 9.25% Senior Notes, to repurchase common stock held by the GTCR funds and the TCW/Crescent funds, and to redeem all of the outstanding senior preferred units and class B preferred units held by previous investors in Prestige International Holdings, LLC, the predecessor-in-interest to Prestige Brands Holdings, Inc. Effective upon the completion of the IPO, we entered into an amendment to the credit agreement that, among other things, allows us to increase the indebtedness under our Tranche B Term Loan Facility to $200.0 million and allows for an increase in our Revolving Credit Facility up to $60.0 million. Our principal uses of cash are for operating expenses, debt service, acquisitions, working capital and capital expenditures.

	Nine Months Ended December 31	
(In thousands)	**2006**	**2005**
Cash provided by (used for):		
Operating Activities	$ 55,289	$ 35,836
Investing Activities	(31,285)	(53,630)
Financing Activities	(27,402)	22,106

Net cash provided by operating activities was $55.3 million for the nine month period ended December 31, 2006 compared to $35.8 million for the nine month period ended December 31, 2005. The $19.5 million increase in net cash provided by operating activities was primarily the result of the following:

- An increase of net income of $5.1 million from $22.6 million for the nine month period ended December 31, 2005 to $27.7 million for the nine month period ended December 31, 2006,
- A decrease in non-cash expenses of $3.4 million for the nine month period ended December 31, 2006 compared to the nine month period ended December 31, 2005, and
- An increase in cash provided by changes in the components of working capital for the nine month period ended December 31, 2006 of $17.8 million over the nine month period ended December 31, 2005.

Net cash used for investing activities was $31.3 million for the nine month period ended December 31, 2006 compared to $53.6 million for the nine month period ended December 31, 2005. The net cash used for investing activities for the nine month period ended December 31, 2006, was primarily the result of the acquisition of Wartner USA B.V., while during the nine month period ended December 31, 2005, cash was used primarily for the acquisition of the Chore Boy® brand of cleaning pads and sponges and The Doctor's® brand of therapeutic oral care products.

Net cash used for financing activities was $27.4 million for the nine month period ended December 31, 2006, compared to net cash provided by financing activities of $22.1 million for the nine month period ended December 31, 2005. During the three month period ended December 31, 2006, the Company repaid $18.5 million of indebtedness with cash generated from operations. This brought the aggregate debt reduction during the nine month period ended December 31, 2006 to $27.4 million, thereby reducing our outstanding indebtedness to $471.2 million from $498.6 million at March 31, 2006. During the nine month period ended December 31, 2005, the Company incurred $30.0 million of indebtedness related to our Revolving Credit Facility which was drawn upon in November 2005 to fund the acquisition of Dental Concepts LLC. This was partially offset by repayment of $7.8 million of indebtedness during the period.

Capital Resources

As of December 31, 2006, we had an aggregate of $471.2 million of outstanding indebtedness, which consisted of the following:

- $345.2 million of borrowings under the Tranche B Term Loan Facility, and

- $126.0 million of 9.25% Senior Notes due 2012.

We had $60.0 million of borrowing capacity available under the Revolving Credit Facility at such time, as well as $200.0 million available under the Tranche B Term Loan Facility.

All loans under the Senior Credit Facility bear interest at floating rates, based on either the prime rate, or at our option, the LIBOR rate, plus an applicable margin. As of December 31, 2006, an aggregate of $345.2 million was outstanding under the Senior Credit Facility at a weighted average interest rate of 7.71%.

In June 2004, we purchased a 5% interest rate cap agreement with a notional amount of $20.0 million which expired in June 2006. In March 2005, we purchased interest rate cap agreements that became effective August 30, 2005, with a total notional amount of $180.0 million and LIBOR cap rates ranging from 3.25% to 3.75%. On May 31, 2006, an interest rate cap agreement with a notional amount of $50.0 million and a 3.25% cap rate expired. The remaining interest rate cap agreements terminate on May 30, 2007 and 2008 as to notional amounts of $80.0 million and $50.0 million, respectively. The fair value of the interest rate cap agreements was $1.8 million at December 31, 2006.

The Tranche B Term Loan Facility matures in October 2011. We must make quarterly amortization payments on the Tranche B Term Loan Facility equal to $887,500, representing 0.25% of the initial principal amount of the term loan. The Revolving Credit Facility matures and the commitments relating to the Revolving Credit Facility terminate in April 2009.

Effective as of December 19, 2006: (i) a Second Supplemental Indenture (“Second Supplemental Indenture”), and (ii) a Guaranty Supplement (“Indenture Guaranty Supplement”) were entered into with the trustee for the holders of the Senior Notes. The Second Supplemental Indenture supplements and amends the indenture, dated as of April 6, 2004, as amended on October 6, 2004 (“Indenture”). Pursuant to the terms of the Second Supplemental Indenture and the Indenture Guaranty Supplement, the Company agreed to guaranty all the obligations of Prestige Brands, Inc., an indirect wholly-owned subsidiary of the Company (“PBI”), set forth in the Indenture. The Second Supplemental Indenture also amended the covenant requiring Prestige Brands International, LLC (“Prestige Brands International”), an indirect wholly-owned subsidiary of the Company, to file periodic reports with the Securities and Exchange Commission (“SEC”) pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (“Exchange Act”). So long as the Company or any other guarantor is required to file periodic reports under Section 13 or 15(d) of the Exchange Act that are substantially the same as the periodic reports that Prestige Brands International would otherwise be required to file with the SEC pursuant to the Indenture, Prestige Brands International is not required to file such reports.

Also effective as of December 19, 2006, a Joinder Agreement (“Joinder Agreement”) and a Guaranty Supplement (“Credit Agreement Guaranty Supplement”) were entered into with the administrative agent for the lenders under the Senior Credit Facility. Pursuant to the terms of the Joinder Agreement and the Credit Agreement Guaranty Supplement, the Company agreed to become a party to the Pledge and Security Agreement (“Security Agreement”) and the Guaranty (“Credit Agreement Guaranty”), each dated as of April 6, 2004, by PBI and certain of its affiliates in favor of the lenders. The Security Agreement and the Credit Agreement Guaranty secure the performance by PBI of its obligations under the Credit Agreement, dated as of April 6, 2004, as amended (“Credit Agreement”), by granting security interests to the Company’s lenders in collateral owned by the Company and providing guaranties of such obligations by certain of PBI’s affiliates.

The Revolving Credit Facility and the Tranche B Term Loan Facility contain various financial covenants, including provisions that require us to maintain certain leverage ratios, interest coverage ratios and fixed charge coverage ratios. The Revolving Credit Facility and the Tranche B Term Loan Facility, as well as the Senior Notes, contain provisions that accelerate our indebtedness on certain changes in control and restrict us from undertaking specified corporate actions, including, asset dispositions, acquisitions, payment of dividends and other specified payments, repurchasing the Company's equity securities in the public markets, incurrence of indebtedness, creation of liens, making loans and investments and transactions with affiliates. Specifically, we must:

- have a leverage ratio of less than 5.0 to 1.0 for the quarter ended December 31, 2006, decreasing over time to 3.75 to 1.0 for the quarter ending September 30, 2010, and remaining level thereafter,

- have an interest coverage ratio of greater than 2.75 to 1.0 for the quarter ended December 31, 2006, increasing over time to 3.25 to 1.0 for the quarter ending March 31, 2010, and

- have a fixed charge coverage ratio of greater than 1.5 to 1.0 for the quarter ended December 31, 2006, and for each quarter thereafter until the quarter ending March 31, 2011.

At December 31, 2006, we were in compliance with the applicable financial and restrictive covenants under the Senior Credit Facility and the Indenture, as amended, governing the Senior Notes.

Our principal sources of funds are anticipated to be cash flows from operating activities and available borrowings under the Revolving Credit Facility and Tranche B Term Loan Facility. We believe that these funds will provide us with sufficient liquidity and capital resources for us to meet our current and future financial obligations, as well as to provide funds for working capital, capital expenditures and other needs for at least the next 12 months. We regularly review acquisition opportunities and other potential strategic transactions, which may require additional debt or equity financing. If additional financing is required, there are no assurances that it will be available, or if available, that it can be obtained on terms favorable to us or on a basis that is not dilutive to our stockholders.

Commitments

As of December 31, 2006, we had ongoing commitments under various contractual and commercial obligations as follows:

	Payments Due by Period				
(In Millions) **Contractual Obligations**	**Total**	**Less than 1 Year**	**1 to 3 Years**	**4 to 5 Years**	**After 5 Years**
Long-term debt	$ 471.2	$ 3.5	$ 7.1	$ 334.6	$ 126.0
Interest on long-term debt (1)	173.5	38.4	75.9	55.8	3.4
Operating leases	1.7	0.7	.9	0.1	--
Total contractual cash obligations	$ 646.4	$ 42.6	$ 83.9	$ 390.5	$ 129.4

(1) Represents the estimated interest obligations on the outstanding balances of the Revolving Credit Facility, Tranche B Term Loan Facility and Senior Notes, together, assuming scheduled principal payments (based on the terms of the loan agreements) were made and assuming a weighted average interest rate of 8.12%. Estimated interest obligations would be different under different assumptions regarding interest rates or timing of principal payments. If interest rates on borrowings with variable rates increased by 1%, interest expense would increase approximately $3.4 million, in the first year. However, given the protection afforded by the interest rate cap agreements, the impact of a one percentage point increase would be limited to $2.2 million.

Critical Accounting Policies and Estimates

The Company's significant accounting policies are described in the notes to the unaudited financial statements included elsewhere in this Quarterly Report on Form 10-Q, as well as in our Annual Report on Form 10-K for the year ended March 31, 2006. While all significant accounting policies are important to our consolidated financial statements, certain of these policies may be viewed as being critical. Such policies are those that are both most important to the portrayal of our financial condition and results from operations and require our most difficult, subjective and complex estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses or the related disclosure of contingent assets and liabilities. These estimates are based upon our historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ materially from these estimates under different conditions. The most critical accounting policies are as follows:

Revenue Recognition

We comply with the provisions of Securities and Exchange Commission Staff Accounting Bulletin 104 "Revenue Recognition," which states that revenue should be recognized when the following revenue recognition criteria are met: (1) persuasive evidence of an arrangement exists; (2) the product has been shipped and the customer takes ownership and assumes the risk of loss; (3) the selling price is fixed or determinable; and (4) collection of the resulting receivable is reasonably assured. We have determined that the transfer of risk of loss generally occurs when product is received by the customer, and, accordingly recognize revenue at that time. Provision is made for estimated discounts related to customer payment terms and estimated product returns at the time of sale based on our historical experience.

As is customary in the consumer products industry, we participate in the promotional programs of our customers to enhance the sale of our products. The cost of these promotional programs varies based on the actual number of units sold during a finite period of time. We estimate the cost of such promotional programs at their inception based on historical experience and current market conditions and reduce sales by such estimates. These promotional programs consist of direct to consumer incentives such as coupons and temporary price reductions, as well as incentives to our customers, such as slotting fees and cooperative advertising. We do not provide incentives to customers for the acquisition of product in excess of normal inventory quantities since such incentives increase the potential for future returns, as well as reduce sales in the subsequent fiscal periods.

Estimates of costs of promotional programs are based on (i) historical sales experience, (ii) the current offering, (iii) forecasted data, (iv) current market conditions, and (v) communication with customer purchasing/marketing personnel. At the completion of the promotional program, the estimated amounts are adjusted to actual results. While our promotional expense for the year ended March 31, 2006 was $13.3 million, we participated in 4,700 promotional campaigns, resulting in an average cost of $2,800 per campaign. Of such amount, only 845 payments were in excess of $5,000. We believe that the estimation methodologies employed, combined with the nature of the promotional campaigns, makes the likelihood remote that our obligation would be misstated by a material amount. However, for illustrative purposes, had we underestimated the promotional program rate by 10% for the three and nine month periods ended December 31, 2006, our sales and operating income would have been adversely affected by approximately $352,000 and $1.0 million, respectively.

We also periodically run couponing programs in Sunday newspaper inserts or as on-package instant redeemable coupons. We utilize a national clearing house to process coupons redeemed by customers. At the time a coupon is distributed, a provision is made based upon historical redemption rates for that particular product, information provided as a result of the clearing house's experience with coupons of similar dollar value, the length of time the coupon is valid, and the seasonality of the coupon drop, among other factors. During the year ended March 31, 2006, we had 20 coupon events. The amount recorded against revenues and accrued for these events during the year was $2.7 million, of which $2.4 million was redeemed during the year. During the nine month period ended December 31, 2006, we had 14 coupon events. The amount recorded against revenues and accrued for these events during the three and nine month periods ended December 31, 2006 was $700,000 and $2.2 million, respectively, of which $600,000 and $2.0 million, respectively, was redeemed during each period.

Allowances for Product Returns
Due to the nature of the consumer products industry, we are required to estimate future product returns. Accordingly, we record an estimate of product returns concurrent with the recording of sales. Such estimates are made after analyzing (i) historical return rates, (ii) current economic trends, (iii) changes in customer demand, (iv) product acceptance, (v) seasonality of our product offerings, and (vi) the impact of changes in product formulation, packaging and advertising.

We construct our returns analysis by looking at the previous year's return history for each brand. Subsequently, each month, we estimate our current return rate based upon an average of the previous six months' return rate and review that calculated rate for reasonableness giving consideration to the other factors described above. Our historical return rate has been relatively stable; for example, for the years ended March 31, 2006, 2005 and 2004, returns represented 3.5%, 3.6% and 3.6%, respectively, of gross sales. At December 31, 2006 and March 31, 2006, the allowance for sales returns was $1.8 million and $1.7 million, respectively.

While we utilize the methodology described above to estimate product returns, actual results may differ materially from our estimates, causing our future financial results to be adversely affected. Among the factors that could cause a material change in the estimated return rate would be significant unexpected returns with respect to a product or products that comprise a significant portion of our revenues. Based upon the methodology described above and our actual returns' experience, management believes the likelihood of such an event is remote. As noted, over the last three years, our actual product return rate has stayed within a range of 3.5% to 3.6% of gross sales. An increase of 0.1% in our estimated return rate as a percentage of gross sales would have adversely affected our reported sales and operating income for the three and nine month periods ended December 31, 2006 by approximately $92,000 and $279,000, respectively.

Allowances for Obsolete and Damaged Inventory
We value our inventory at the lower of cost or market value. Accordingly, we reduce our inventories for the diminution of value resulting from product obsolescence, damage or other issues affecting marketability equal to the difference between the cost of the inventory and its estimated market value. Factors utilized in the determination of estimated market value include (i) current sales data and historical return rates, (ii) estimates of future demand, (iii) competitive pricing pressures, (iv) new product introductions, (v) product expiration dates, and (vi) component and packaging obsolescence.

Many of our products are subject to expiration dating. As a general rule our customers will not accept goods with expiration dating of less than 12 months from the date of delivery. To monitor this risk, management utilizes a detailed compilation of inventory with expiration dating between zero and 15 months and reserves for 100% of the cost of any item with expiration dating of 12 months or less. At December 31, 2006 and March 31, 2006, the allowance for obsolete and slow moving inventory represented 4.0% and 2.9%, respectively, of total inventory. A 1.0% increase in our allowance for obsolescence at December 31, 2006 would have adversely affected our reported operating income for the three and nine month periods ended December 31, 2006 by approximately $331,000. During the three months ended December 31, 2006, the Company recorded a $39,000 credit, or 0.05% of net sales, to operations for changes in inventory obsolescence costs while during the nine month period ended December 31, 2006, inventory obsolescence costs charged to operations were $801,000, or 0.33% of net sales.

Allowance for Doubtful Accounts
In the ordinary course of business, we grant non-interest bearing trade credit to our customers on normal credit terms. We maintain an allowance for doubtful accounts receivable which is based upon our historical collection experience and expected collectibility of the accounts receivable. In an effort to reduce our credit risk, we (i) establish credit limits for all of our customer relationships, (ii) perform ongoing credit evaluations of our customers' financial condition, (iii) monitor the payment history and aging of our customers' receivables, and (iv) monitor open orders against an individual customer's outstanding receivable balance.

We establish specific reserves for those accounts which file for bankruptcy, have no payment activity for 180 days or have reported major negative changes to their financial condition. The allowance for bad debts at December 31, 2006 and March 31, 2006 amounted to 0.2% and 0.3%, respectively, of accounts receivable. For the three month period ended December 31, 2006 we recorded bad debt expense of $37,500. Bad debt expense for the nine month period ended December 31, 2006 was favorably influenced by a $67,000 recovery during the three month period ended June 30, 2006, and amounted to $25,100.

While management believes that it is diligent in its evaluation of the adequacy of the allowance for doubtful accounts, an unexpected event, such as the bankruptcy filing of a major customer, could have an adverse effect on our future financial results. A 0.1% increase in our bad debt expense as a percentage of net sales would have resulted in a decrease in operating income for the three and nine month periods ended December 31, 2006 of approximately $80,000 and $239,000, respectively.

Valuation of Intangible Assets and Goodwill
Goodwill and intangible assets amounted to $963.7 million and $935.1 million at December 31, 2006 and March 31, 2006, respectively. As of December 31, 2006, goodwill and intangible assets were apportioned among our three operating segments as follows:

	Over-the-Counter Drug	Household Cleaning	Personal Care	Consolidated
Goodwill	$ 228,628	$ 72,549	$ 2,751	$ 303,928
Intangible assets				
Indefinite lived	374,070	170,893	--	544,963
Finite lived	96,676	24	18,121	114,821
	470,746	170,917	18,121	659,784
	$ 699,374	$ 243,466	$ 20,872	$ 963,712

Our *Clear Eyes*®, *New-Skin*®, *Chloraseptic*® and *Compound W*® brands comprise the majority of the value of the intangible assets within the Over-The-Counter segment. *Denorex*®, *Cutex*® and *Prell*® comprised substantially all of the intangible asset value within the Personal Care segment. The *Comet*®, *Spic and Span*® and *Chore Boy*® brands comprise substantially all of the intangible asset value within the Household Cleaning segment.

Goodwill and intangible assets comprise substantially all of our assets. Goodwill represents the excess of the purchase price over the fair value of assets acquired and liabilities assumed in a purchase business combination. Intangible assets generally represent our trademarks, brand names and patents. When we acquire a brand, we are required to make judgments regarding the value assigned to the associated intangible assets, as well as their respective useful lives. Management considers many factors, both prior to and after, the acquisition of an intangible asset in determining the value, as well as the useful life, assigned to each intangible asset that the Company acquires or continues to own and promote. The most significant factors are:

- **Brand History**
  A brand that has been in existence for a long period of time (*e.g.*, 25, 50 or 100 years) generally warrants a higher valuation and longer life (sometimes indefinite) than a brand that has been in existence for a very short period of time. A brand that has been in existence for an extended period of time generally has been the subject of considerable investment by its previous owner(s) to support product innovation and advertising and promotion.

- **Market Position**
  Consumer products that rank number one or two in their respective market generally have greater name recognition and are known as quality product offerings, which warrant a higher valuation and longer life than products that lag in the marketplace.

- **Recent and Projected Sales Growth**
  Recent sales results present a snapshot as to how the brand has performed in the most recent time periods and represent another factor in the determination of brand value. In addition, projected sales growth provides information about the strength and potential longevity of the brand. A brand that has both strong current and projected sales generally warrants a higher valuation and a longer life than a brand that has weak or declining sales. Similarly, consideration is given to the potential investment, in the form of advertising and promotion, that is required to reinvigorate a brand that has fallen from favor.

- **History of and Potential for Product Extensions**
  Consideration also is given to the product innovation that has occurred during the brand's history and the potential for continued product innovation that will determine the brand's future. Brands that can be continually enhanced by new product offerings generally warrant a higher valuation and longer life than a brand that has always "followed the leader".

To assist in the valuation process, management engages an independent valuation firm to provide an evaluation of the acquired intangibles. After consideration of the factors described above, as well as current economic conditions and changing consumer behavior, management prepares a determination of the intangible's value and useful life based on its analysis of the requirements of Statements No. 141 and No. 142. Under Statement No. 142, goodwill and indefinite-lived intangible assets are no longer amortized, but must be tested for impairment at least annually. Intangible assets with finite lives are amortized over their respective estimated useful lives and must also be tested for impairment.

On an annual basis, or more frequently if conditions indicate that the carrying value of the asset may not be recovered, management performs a review of both the values and useful lives assigned to goodwill and intangible assets and tests for impairment.

Finite-Lived Intangible Assets
As mentioned above, management performs an annual review, or more frequently if necessary, to ascertain the impact of events and circumstances on the estimated useful lives and carrying values of our trademarks and trade names. In connection with this analysis, management:

- Reviews period-to-period sales and profitability by brand,
- Analyzes industry trends and projects brand growth rates,
- Prepares annual sales forecasts,
- Evaluates advertising effectiveness,
- Analyzes gross margins,
- Reviews contractual benefits or limitations,
- Monitors competitors' advertising spend and product innovation,
- Prepares projections to measure brand viability over the estimated useful life of the intangible asset, and
- Considers the regulatory environment, as well as industry litigation.

Should analysis of any of the aforementioned factors warrant a change in the estimated useful life of the intangible asset, management will reduce the estimated useful life and amortize the carrying value prospectively over the shorter remaining useful life. Management's projections are utilized to assimilate all of the facts, circumstances and expectations related to the trademark or trade name and estimate the cash flows over its useful life. In the event that the long-term projections indicate that the carrying value is in excess of the undiscounted cash flows expected to result from the use of the intangible assets, management is required to record an impairment charge. Once that analysis is completed, a discount rate is applied to the cash flows to estimate fair value. The impairment charge is measured as the excess of the carrying amount of the intangible asset over fair value as calculated using the discounted cash flow analysis. Future events, such as competition, technological advances and reductions in advertising support for our trademarks and trade names could cause subsequent evaluations to utilize different assumptions.

Indefinite-Lived Intangible Assets
In a manner similar to finite-lived intangible assets, on an annual basis, or more frequently if necessary, management analyzes current events and circumstances to determine whether the indefinite life classification for a trademark or trade name continues to be valid. Should circumstance warrant a finite life, the carrying value of the intangible asset would then be amortized prospectively over the estimated remaining useful life.

In connection with this analysis, management also tests the indefinite-lived intangible assets for impairment by comparing the carrying value of the intangible asset to its estimated fair value. Since quoted market prices are seldom available for trademarks and trade names such as ours, we utilize present value techniques to estimate fair value. Accordingly, management's projections are utilized to assimilate all of the facts, circumstances and expectations related to the trademark or trade name and estimate the cash flows over its useful life. In performing this analysis, management considers the same types of information as listed above in regards to finite-lived intangible assets. Once that analysis is completed, a discount rate is applied to the cash flows to estimate fair value. Future events, such as competition, technological advances and reductions in advertising support for our trademarks and trade names could cause subsequent evaluations to utilize different assumptions.

Goodwill
As part of its annual test for impairment of goodwill, management estimates the discounted cash flows of each reporting unit, which is at the brand level, and one level below the operating segment level, to estimate their respective fair values. In performing this analysis, management considers the same types of information as listed above in regards to finite-lived intangible assets. In the event that the carrying amount of the reporting unit exceeds the fair value, management would then be required to allocate the estimated fair value of the assets and liabilities of the reporting unit as if the unit was acquired in a business combination, thereby revaluing the carrying amount of goodwill. In a manner similar to indefinite-lived assets, future events, such as competition, technological advances and reductions in advertising support for our trademarks and trade names could cause subsequent evaluations to utilize different assumptions.

In estimating the value of trademarks and trade names, as well as goodwill, at March 31, 2006, management applied a discount rate of 10.3%, the Company's then current weighted-average cost of funds, to the estimated cash flows; however that rate, as well as future cash flows may be influenced by such factors, including (i) changes in interest rates, (ii) rates of inflation, or (iii) sales or contribution margin reductions. In the event that the carrying value exceeded the estimated fair value of either intangible assets or goodwill, we would be required to recognize an impairment charge. Additionally, continued decline of the fair value ascribed to an intangible asset or a reporting unit caused by external factors may require future impairment charges.

During the three month period ended March 31, 2006, we recorded non-cash charges related to the impairment of intangible assets and goodwill of the Personal Care segment of $7.4 million and $1.9 million, respectively, because the carrying amounts of these "branded" assets exceeded their fair market values primarily as a result of declining sales caused by product competition. Should the related fair values of goodwill and intangible assets continue to be adversely affected as a result of declining sales or margins caused by competition, technological advances or reductions in advertising and promotional expenses, the Company may be required to record additional impairment charges.

Stock-Based Compensation
During 2006, we adopted FASB Statement No. 123(R), "Share-Based Payment" ("Statement No. 123(R)") with the initial grants of restricted stock and options to purchase common stock to employees and directors in accordance with the provisions of the Plan. Statement No. 123(R) requires us to measure the cost of services to be rendered based on the grant-date fair value of the equity award. Compensation expense is to be recognized over the period which an employee is required to provide service in exchange for the award, generally referred to as the requisite service period. Information utilized in the determination of fair value includes the following:

- Type of instrument (i.e.: restricted shares vs. an option, warrant or performance shares),
- Strike price of the instrument,
- Market price of the Company's common stock on the date of grant,

- Discount rates,
- Duration of the instrument, and
- Volatility of the Company’s common stock in the public market.

Additionally, management must estimate the expected attrition rate of the recipients to enable it to estimate the amount of non-cash compensation expense to be recorded in our financial statements. While management uses diligent analysis to estimate the respective variables, a change in assumptions or market conditions, as well as changes in the anticipated attrition rates, could have a significant impact on the future amounts recorded as non-cash compensation expense. The Company recorded non-cash compensation expense of $215,000 during the three month period ended December 31, 2006, and net non-cash compensation of $439,000 for the nine month period ended December 31, 2006. During the three month period ended June 30, 2006, the Company recorded a net non-cash compensation credit of $9,000 as a result of the reversal of compensation charges in the amount of $142,000 associated with the departure of a former member of management. The Company recorded non-cash compensation expense of $119,000 during the three month period ended December 31, 2005 and $230,000 during the nine month period ended December 31, 2005.

Recent Accounting Pronouncements

In November 2004, the FASB issued Statement of Financial Accounting Standards (“SFAS”) No. 151, “Inventory Costs” (“Statement No. 151”). Statement No. 151 amended the guidance in Accounting Research Bulletin No. 43, Chapter 4, “Inventory Pricing”, and requires the exclusion of certain costs, such as abnormal amounts of freight, handling costs and manufacturing overhead, from inventories. Additionally, Statement No. 151 requires the allocation of fixed production overhead to inventory based on normal capacity of the production facilities. The provisions of Statement No. 151 are effective for costs incurred during fiscal years beginning after June 15, 2005. The adoption of Statement No. 151 did not have a material impact on the Company’s financial condition, results of operations or cash flows for the three and nine month periods ended December 31, 2006.

In June 2006, the FASB issued FASB Interpretation No. 48, “Accounting for Uncertainty in Income Taxes--an interpretation of FASB Statement 109” (“FIN 48”) which clarifies the accounting for uncertainty in income taxes recognized in a company’s financial statements in accordance with FASB Statement No. 109. FIN 48 is effective for fiscal years beginning after December 15, 2006, and prescribes a recognition threshold and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. While the Company has not completed a comprehensive analysis of FIN 48, the adoption of FIN 48 is not expected to have a material impact on the Company’s consolidated financial position, results of operations or cash flows.

In September 2006, the FASB issued SFAS No. 157, “Fair Value Measurements” (“Statement No. 157”) to address inconsistencies in the definition and determination of fair value pursuant to generally accepted accounting principles (“GAAP”). Statement No. 157 provides a single definition of fair value, establishes a framework for measuring fair value in GAAP and expands disclosures about fair value measurements in an effort to increase comparability related to the recognition of market-based assets and liabilities and their impact on earnings. Statement No. 157 is effective for interim financial statements issued during the fiscal year beginning after November 15, 2007.

Management has reviewed and continues to monitor the actions of the various financial and regulatory reporting agencies and is currently not aware of any other pronouncement that could have a material impact on our consolidated financial position, results of operations or cash flows.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements or financing activities with special-purpose entities.

Inflation

Inflationary factors such as increases in the costs of raw materials, packaging materials, purchased product and overhead may adversely affect our operating results. Although we do not believe that inflation has had a material impact on our financial condition or results from operations for the periods referred to above, a high rate of inflation in the future could have a material adverse effect on our business, financial condition or results from operations. The recent volatility of crude oil prices has had a slightly favorable impact on transportation costs, as well as, certain petroleum based raw materials and packaging material as compared to recent prior periods. Although the Company takes efforts to minimize the impact of inflationary factors, including raising prices to our customers, a high rate of pricing volatility associated with crude oil supplies may have an adverse effect on our business, financial condition or future operating results.

Seasonality

The first quarter of our fiscal year typically has the lowest level of revenue due to the seasonal nature of certain of our brands relative to the summer and winter months. In addition, the first quarter is the least profitable quarter due the increased advertising and promotional spending to support those brands with a summer selling season, such as Compound W, Wartner, Cutex and New Skin. The Company's advertising and promotional campaign in the third quarter influence sales in the fourth quarter winter months. Additionally, the fourth quarter typically has the lowest level of advertising and promotional spending as a percent of revenue.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (the “PSLRA”), including, without limitation, information within Management’s Discussion and Analysis of Financial Condition and Results of Operations. The following cautionary statements are being made pursuant to the provisions of the PSLRA and with the intention of obtaining the benefits of the “safe harbor” provisions of the PSLRA. Although we believe that our expectations are based on reasonable assumptions, actual results may differ materially from those in our forward-looking statements.

Forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Except as required under federal securities laws and the rules and regulations of the SEC, we do not have any intention to update any forward-looking statements to reflect events or circumstances arising after the date of this Quarterly Report on Form 10-Q, whether as a result of new information, future events or otherwise. As a result of these risks and uncertainties, readers are cautioned not to place undue reliance on forward-looking statements included in this Quarterly Report on Form 10-Q or that may be made elsewhere from time to time by, or on behalf of, us. All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

Our forward-looking statements generally can be identified by the use of words or phrases such as “believe,” “anticipate,” “expect,” “estimate,” “project,” “will be,” “will continue,” “will likely result,” or other similar words and phrases. Forward-looking statements and our plans and expectations are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated, and our business in general is subject to such risks. For more information, see “Risk Factors” contained in Part I, Item 1A of our Annual Report on Form 10-K, as well as the additional risk factors disclosures contained in Part II, Item 1A, of our Quarterly Report on Form 10-Q for the period ended September 30, 2006. In addition, our expectations or beliefs concerning future events involve risks and uncertainties, including, without limitation:

- general economic conditions affecting our products and their respective markets,
- the high level of competition in our industry and markets,
- our dependence on a limited number of customers for a large portion of our sales,
- disruptions in our distribution center,
- acquisitions or other strategic transactions diverting managerial resources, or incurrence of additional liabilities or integration problems associated with such transactions,
- changing consumer trends or pricing pressures which may cause us to lower our prices,
- increases in supplier prices,
- increases in transportation fees and fuel charges,
- changes in our senior management team,
- our ability to protect our intellectual property rights,
- our dependency on the reputation of our brand names,
- shortages of supply of sourced goods or interruptions in the manufacturing of our products,
- our level of debt, and ability to service our debt,
- any adverse judgment rendered in any pending litigation or arbitration,
- our ability to obtain additional financing, and
- the restrictions imposed by our senior credit facility and the indenture on our operations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to changes in interest rates because our senior credit facility is variable rate debt. Interest rate changes, therefore, generally do not affect the market value of such debt, but do impact the amount of our interest payments and, therefore, our future earnings and cash flows, assuming other factors are held constant. At December 31, 2006, we had variable rate debt of approximately $345.2 million related to our Tranche B term loan.

In an effort to protect the Company from the adverse impact that rising interest rates would have on our variable rate debt, we have entered into various interest rate cap agreements to hedge this exposure. In June 2004, we purchased a 5% interest rate cap agreement with a notional amount of $20.0 million which terminated in June 2006. In March 2005, we purchased interest rate cap agreements that became effective August 30, 2005, with a total notional amount of $180.0 million and LIBOR cap rates ranging from 3.25% to 3.75%. On May 31, 2006, an interest rate cap agreement with a notional amount of $50.0 million and a 3.25% cap rate expired. The remaining interest rate cap agreements terminate on May 30, 2007 and 2008 as to notional amounts of $80.0 million and $50.0 million, respectively.

Holding other variables constant, including levels of indebtedness, a one percentage point increase in interest rates on our variable rate debt would have an adverse impact on pre-tax earnings and cash flows for fiscal 2007 of approximately $3.4 million. However, given the protection afforded by the interest rate cap agreements, the impact of a one percentage point increase would be limited to $2.2 million. The fair value of the interest rate cap agreements was $1.8 million at December 31, 2006.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company’s management, with the participation of its Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Company’s disclosure controls and procedures, as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934 (“Exchange Act”). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2006, the Company’s disclosure controls and procedures were effective to ensure that material information required to be disclosed by the Company in the reports the Company files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission rules and forms and that such information is accumulated and communicated to the Company’s management, including the Company’s principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes during the quarter ended December 31, 2006 in the Company’s internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company and certain of its officers and directors are defendants in a consolidated putative securities class action lawsuit filed in the United States District Court for the Southern District of New York (the “Consolidated Action”). The first of the six consolidated cases was filed on August 3, 2005. Plaintiffs purport to represent a class of stockholders of the Company who purchased shares between February 9, 2005 through November 15, 2005. Plaintiffs also name as defendants the underwriters in the Company’s initial public offering and a private equity fund that was a selling stockholder in the offering. The District Court has appointed a Lead Plaintiff. On December 23, 2005, the Lead Plaintiff filed a Consolidated Class Action Complaint, which asserted claims under Sections 11, 12(a)(2) and 15 of the Securities Act of 1933 and Sections 10(b), 20(a), and 20A of the Securities Exchange Act of 1934. The Lead Plaintiff generally alleged that the Company issued a series of materially false and misleading statements in connection with its initial public offering and thereafter in regard to the following areas: the accounting issues described in the Company’s press release issued on or about November 15, 2005; and the alleged failure to disclose that demand for certain of the Company’s products was declining and that the Company was planning to withdraw several products from the market. Plaintiffs seek an unspecified amount of damages. The Company filed a motion to dismiss the Consolidated Class Action Complaint in February 2006. On July 10, 2006, the Court dismissed all claims against the Company and the individual defendants arising under the Securities Exchange Act of 1934. Requests for discovery have been submitted and a motion by Plaintiffs for class certification is pending. The Company’s management believes the remaining claims are legally deficient and subject to meritorious defenses. The Company intends to vigorously pursue its defenses; however, the Company cannot reasonably estimate the potential range of loss, if any.

On May 23, 2006, Similasan Corporation filed a lawsuit against the Company in the United States District Court for the District of Colorado in which Similasan alleged false designation of origin, trademark and trade dress infringement, and deceptive trade practices by the Company related to *Murine* for Allergy Eye Relief, *Murine* for Tired Eye Relief and *Murine* for Earache Relief, as applicable. Similasan has requested injunctive relief, an accounting of profits and damages and litigation costs and attorneys’ fees. The Company has filed an answer to the complaint with a potentially dispositive motion. In addition to the lawsuit filed by Similasan in the U.S. District Court for the District of Colorado, the Company also received a cease and desist letter from Swiss legal counsel to Similasan and its parent company, Similasan AG, a Swiss company. In the cease and desist letter, Similasan and Similasan AG have alleged a breach of the Secrecy Agreement executed by the Company and demanded that the Company cease and desist from (i) using confidential information covered by the Secrecy Agreement; and (ii) manufacturing, distributing, marketing or selling certain of its homeopathic products. The complaint in the Colorado action has now been amended to include allegations relating to the breach of confidentiality’ and the Company has filed an answer and responsive motions. The Company’s management believes the allegations to be without merit and intends to vigorously pursue its defenses; however, the Company cannot reasonably estimate the potential range of loss, if any.

On September 28, 2006, OraSure Technologies, Inc. moved in the Supreme Court of the State of New York for a preliminary injunction prohibiting the Company from selling cryogenic wart removal products under the Wartner® brand, which the Company acquired on September 21, 2006. OraSure Technologies is a supplier to the Company for the Company’s Compound W Freeze Off® business. The distribution agreement in place calls for mediation of contract disputes, followed by arbitration, if necessary. The contract in question is of five years duration ending in December 2007. On October 30, 2006, the Court denied OraSure Technologies’ motion for a preliminary injunction. Subsequently, in a decision and order dated December 20, 2006, the Court denied a motion by OraSure Technologies for a rehearing regarding a preliminary injunction. An appeal was filed by OraSure in the Appellate Division of the Supreme Court of the State of New York on January 29, 2007, which the Company expects to answer in due course. The Company is now seeking resolution of the matter through arbitration.

The Company is also involved from time to time in other routine legal matters and other claims incidental to its business. The Company reviews outstanding claims and proceedings internally and with external counsel as necessary to assess probability of loss and for the ability to estimate loss. These assessments are re-evaluated each quarter and as new information becomes available to determine whether a reserve should be established or if any existing reserve should be adjusted. The actual cost of resolving a claim or proceeding ultimately may be substantially different than the amount of the recorded reserve. In addition, because it is not permissible under generally accepted accounting principles to establish a litigation reserve until the loss is both probable and estimable, in some cases there may be insufficient time to establish a reserve prior to the actual incurrence of the loss (upon verdict and judgment at trial, for example, or in the case of a quickly negotiated settlement). The Company believes the resolution of routine matters and other incidental claims, taking into account reserves and insurance, will not have a material adverse effect on its business, financial condition or results from operations.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors previously disclosed in Part I, Item 1A, of our Annual Report on Form 10-K for the year ended March 31, 2006, as supplemented by those additional risk factors disclosed in Part II, Item 1A, of our Quarterly Report on Form 10-Q for the period ended September 30, 2006, both of which are incorporated herein by reference.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

There were no equity securities sold by the Company during the period covered by this Quarterly Report on Form 10-Q that were not registered under the Securities Act of 1933, as amended.

The following table sets forth information with respect to purchases of shares of the Company's common stock made during the quarter ended December 31, 2006, by or on behalf of the Company or any "affiliated purchaser," as defined by Rule 10b-18(a)(3) of the Exchange Act:

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
10/1/06 - 10/31/06				
11/1/06 - 11/30/06	2,300	$ 1.70	--	--
12/1/06 - 12/31/06				
Total	2,300	$ 1.70	--	--

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

4.1	Supplemental Indenture, dated as of October 6, 2004, among Vetco, Inc., Prestige Brands, Inc. and U.S. Bank, National Association.
4.2	Second Supplemental Indenture, dated as of December 19, 2006, by and among Prestige Brands, Inc., U.S. Bank, National Association, Prestige Brands Holdings, Inc., Dental Concepts LLC and Prestige International Holdings, LLC.
10.1	Joinder Agreement, dated as of December 19, 2006, by Prestige Brands Holdings, Inc., Prestige International Holdings, LLC and Dental Concepts LLC in favor of Citicorp North America, Inc., as Administrative Agent, to the Pledge and Security Agreement, dated as of April 6, 2004, by Prestige Brands, Inc. and its subsidiaries and affiliates listed on the signature pages thereof in favor of Citicorp North America, Inc., as Administrative Agent.
10.2	Guaranty, dated as of April 6, 2004, by Prestige Brands International, LLC and each of the other entities listed on the signature pages thereof in favor of Citicorp North America, Inc., as Administrative Agent.
10.3	Guaranty Supplement, dated as of December 19, 2006, by Prestige Brands Holdings, Inc., Prestige International Holdings, LLC and Dental Concepts LLC in favor of Citicorp North America, Inc., as Administrative Agent, to the Guaranty, dated as of April 6, 2004, among Prestige Brands International, LLC and certain subsidiaries and affiliates of Prestige Brands, Inc. listed on the signature pages thereof in favor of Citicorp North America, Inc., as Administrative Agent.
10.4	Letter Agreement, dated December 22, 2006, among Prestige Brands Holdings, Inc., Prestige Brands, Inc. and Gerard F. Butler.
10.5	Employment Agreement, dated as of January 19, 2007, by and between Prestige Brands Holdings, Inc. and Mark Pettie.
31.1	Certification of Principal Executive Officer of Prestige Brands Holdings, Inc. pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
31.2	Certification of Principal Financial Officer of Prestige Brands Holdings, Inc. pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
32.1	Certification of Principal Executive Officer of Prestige Brands Holdings, Inc. pursuant to Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code.
32.2	Certification of Principal Financial Officer of Prestige Brands Holdings, Inc. pursuant to Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Prestige Brands Holdings, Inc.
Registrant

Date: February 9, 2007

PETER J. ANDERSON

Peter J. Anderson
Chief Financial Officer
(Principal Financial Officer and
Duly Authorized Officer)

Exhibit Index

4.1	Supplemental Indenture, dated as of October 6, 2004, among Vetco, Inc., Prestige Brands, Inc. and U.S. Bank, National Association.
4.2	Second Supplemental Indenture, dated as of December 19, 2006, by and among Prestige Brands, Inc., U.S. Bank, National Association, Prestige Brands Holdings, Inc., Dental Concepts LLC and Prestige International Holdings, LLC.
10.1	Joinder Agreement, dated as of December 19, 2006, by Prestige Brands Holdings, Inc., Prestige International Holdings, LLC and Dental Concepts LLC in favor of Citicorp North America, Inc., as Administrative Agent, to the Pledge and Security Agreement, dated as of April 6, 2004, by Prestige Brands, Inc. and its subsidiaries and affiliates listed on the signature pages thereof in favor of Citicorp North America, Inc., as Administrative Agent.
10.2	Guaranty, dated as of April 6, 2004, by Prestige Brands International, LLC and each of the other entities listed on the signature pages thereof in favor of Citicorp North America, Inc., as Administrative Agent.
10.3	Guaranty Supplement, dated as of December 19, 2006, by Prestige Brands Holdings, Inc., Prestige International Holdings, LLC and Dental Concepts LLC in favor of Citicorp North America, Inc., as Administrative Agent, to the Guaranty, dated as of April 6, 2004, among Prestige Brands International, LLC and certain subsidiaries and affiliates of Prestige Brands, Inc. listed on the signature pages thereof in favor of Citicorp North America, Inc., as Administrative Agent.
10.4	Letter Agreement, dated December 22, 2006, among Prestige Brands Holdings, Inc., Prestige Brands, Inc. and Gerard F. Butler.
10.5	Employment Agreement, dated as of January 19, 2007, by and between Prestige Brands Holdings, Inc. and Mark Pettie.
31.1	Certification of Principal Executive Officer of Prestige Brands Holdings, Inc. pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
31.2	Certification of Principal Financial Officer of Prestige Brands Holdings, Inc. pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
32.1	Certification of Principal Executive Officer of Prestige Brands Holdings, Inc. pursuant to Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code.
32.2	Certification of Principal Financial Officer of Prestige Brands Holdings, Inc. pursuant to Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code.

SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE (this *"Supplemental Indenture")*, dated as of October 6, 2004, among Vetco, Inc., a New York corporation (the*"Guaranteeing Subsidiary")*, a subsidiary of Prestige Brands, Inc. (or its permitted successor) (the *"Company")*, the Company and U.S. Bank, National Association, as trustee under the indenture referred to below (the *"Trustee")*.

WITNESSETH

WHEREAS, the Company has heretofore executed and delivered to the Trustee an indenture (the *"Indenture")*, dated as of April 6, 2004 providing for the issuance of 9.25%Senior Subordinated Notes due 2012 (the *"Notes"*);

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally guarantee all of the Company's Obligations under the Notes and the Indenture on the terms and conditions set forth herein (the *"Subsidiary Guarantee"*); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO GUARANTEE. The Guaranteeing Subsidiary hereby agrees as follows:

(a) Along with all Guarantors named in the Indenture, to jointly and severally Guarantee to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, the Notes or the obligations of the Company hereunder or thereunder, that:

(i) the principal of, and premium and Liquidated Damages, if any, and interest on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Notes, if any, if lawful, and all other obligations of the Company to the Holders or the Trustee hereunder or thereunder will be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and

(ii) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Guarantors shall be jointly and severally obligated to pay the same immediately.

(b) The obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or the Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a Guarantor.

(c) The following is hereby waived: diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever.

(d) This Subsidiary Guarantee shall not be discharged except by complete performance of the obligations contained in the Notes and the Indenture, and the Guaranteeing Subsidiary accepts all obligations of a Guarantor under the Indenture.

(e) If any Holder or the Trustee is required by any court or otherwise to return to the Company, the Guarantors, or any custodian, trustee, liquidator or other similar official acting in relation to either the Company or the Guarantors, any amount paid by either to the Trustee or such Holder, this Subsidiary Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

(f) The Guaranteeing Subsidiary shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby.

(g) As between the Guarantors, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 of the Indenture for the purposes of this Subsidiary Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Article 6 of the Indenture, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantors for the purpose of this Subsidiary Guarantee.

(h) The Guarantors shall have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Subsidiary Guarantee.

(i) Pursuant to Section 10.02 of the Indenture, after giving effect to any maximum amount and all other contingent and fixed liabilities that are relevant under any applicable Bankruptcy or fraudulent conveyance laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under Article 10 of the Indenture, this new Subsidiary Guarantee shall be limited to the maximum amount permissible such that the obligations of such Guarantor under this Subsidiary Guarantee will not constitute a fraudulent transfer or conveyance.

3. EXECUTION AND DELIVERY. Each Guaranteeing Subsidiary agrees that the Subsidiary Guarantees shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Subsidiary Guarantee.

4. GUARANTEEING SUBSIDIARY MAY CONSOLIDATE, ETC. ON CERTAIN TERMS.

(a) The Guaranteeing Subsidiary may not sell or otherwise dispose of all substantially all of its assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person) another Person, other than the Company or another Guarantor unless:

(i) immediately after giving effect to such transaction, no Default or Event of Default exists; and

(ii) either (A) subject to Sections 10.04 and 10,05 of the Indenture, the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger unconditionally assumes all, the obligations of that Guarantor, pursuant to a supplemental indenture in form and substance reasonably satisfactory to the Trustee, under the Notes, the Indenture and the Subsidiary Guarantee on the terms set forth herein or therein; or (B) the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of the Indenture, including without limitation, Section 4.12 thereof.

(b) In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor Person, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the Subsidiary Guarantee endorsed upon the Notes and the due and punctual performance of all of the covenants and conditions of the Indenture to be performed by the Guarantor, such successor Person shall succeed to and be substituted for the Guarantor with the same effect as if it had been named herein as a Guarantor. Such successor Person thereupon may cause to be signed any or all of the Subsidiary Guarantees to be endorsed upon all of the Notes issuable under the Indenture which theretofore shall not have been signed by the Company and delivered to the Trustee. All the Subsidiary Guarantees so issued shall in all respects have the same legal rank and benefit under the Indenture as the Subsidiary Guarantees theretofore and thereafter issued in accordance with the terms of the Indenture as though all of such Subsidiary Guarantees had been issued at the date of the execution hereof:

(c) Except as set forth in Articles 4 and 5 and Section 10.05 of Article 10 of the Indenture, and notwithstanding clauses (a) and (b) above, nothing contained in the Indenture or in any of the Notes shell prevent any consolidation or merger of a Guarantor with or into the Company or another Guarantor, or shall prevent any sale or conveyance of the property of a Guarantor as an entirety or substantially as an entirety to the Company or another Guarantor.

5. RELEASES.

(a) In the event of any sale or other disposition of all or substantially all of the assets of any Guarantor, by way of merger, consolidation or otherwise, or a sale or other disposition of all of the capital stock of any Guarantor, in each case to a Person that is not (either before or after giving effect to such transaction) a Restricted Subsidiary of the Company, then such Guarantor (in the event of a sale or other disposition, by way of merger, consolidation or otherwise, of all of the capital stock of such Guarantor) or the corporation acquiring the property (in the event of a sale or other disposition of all or substantial1y all of the assets of such Guarantor) will be released and relieved of any obligations under its Subsidiary Guarantee; *provided* that the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of the Indenture, including without limitation Section 4.12 of the Indenture. Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that such sale or other disposition was made by the Company in accordance with the provisions of the Indenture, including without limitation Section 4.12 of the Indenture, the Trustee shal1 execute any documents reasonably required in order to evidence the release of any Guarantor from its obligations under its Subsidiary Guarantee.

(b) Any Guarantor not released from its obligations under its Subsidiary Guarantee shall remain liable for the full amount of principal of and interest on the Notes and for the other obligations of any Guarantor under the Indenture as provided in Article 10 of the Indenture.

6. NO RECOURSE AGAINST OTHERS. No director, officer, employee, incorporator or stockholder of the Company or any Guarantor, as such, will have any liability for any obligations of the Company or the Guarantors under the Notes, this Indenture the Subsidiary Guarantees, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives arid releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

7. NEW YORK LAW TO GOVERN. THE INTERNAL LAW OF THE STATE OP NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF

CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

8. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement

9. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

10. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Company.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be only executed and attested, all as of the date first above written.

VETCO, INC.

By: /s/ Peter J. Anderson
Name: Peter J. Anderson
Title: Vice President

PRESTIGE BRANDS, INC.

By: /s/ Peter C. Mann
Name: Peter C. Mann
Title: President

U.S. BANK, NATIONAL ASSOCIATION,
as Trustee

By: /s/ Benjamin Krueger
Authorized Signatory

<u>SECOND SUPPLEMENTAL INDENTURE</u>

By and Among

PRESTIGE BRANDS, INC.,
U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE,
PRESTIGE BRANDS HOLDINGS, INC.,
DENTAL CONCEPTS LLC
AND
PRESTIGE INTERNATIONAL HOLDINGS, LLC

Dated as of
December 19, 2006

A SUPPLEMENT TO THE INDENTURE
Dated as of April 6, 2004

SECOND SUPPLEMENTAL INDENTURE

THIS SECOND SUPPLEMENTAL INDENTURE (the "Second Supplement") is dated as of December 19, 2006, and made and entered into by and among **PRESTIGE BRANDS, INC.,** a Delaware corporation (the "Company"), **U.S. BANK NATIONAL ASSOCIATION,** a national banking association, as trustee (the "Trustee"), **PRESTIGE BRANDS HOLDINGS, INC.,** a Delaware corporation (the "Holding Company"), **DENTAL CONCEPTS LLC,** a Delaware limited liability company ("Dental Concepts"), and **PRESTIGE INTERNATIONAL HOLDINGS, LLC,** a Delaware limited liability company ("PIH"). Each of the Holding Company, Dental Concepts and PIH has executed this Second Supplement for the purposes set forth in Section 1.3 hereof. This Second Supplement supplements and amends the Indenture, dated as of April 6, 2004 (the "Indenture"), by and among the Company, the Trustee and the Guarantors that are parties thereto, as supplemented and amended by the Supplemental Indenture, dated as of October 6, 2004 (the "First Supplement"), by and among the Company, the Trustee and Vetco, Inc., a New York corporation, which provided for the issuance of the Company's 9¼% Senior Subordinated Notes Due 2012 (the "Notes"). As used herein, the term "Existing Indenture" shall mean the Indenture, as supplemented and amended by the First Supplement, and the term "Amended Indenture" shall mean the Indenture, as supplemented and amended by the First Supplement, this Second Supplement and as otherwise supplemented and amended from time to time. Except where specified herein, all capitalized terms not defined herein shall have the meanings ascribed to them in the Amended Indenture. References in this Second Supplement to the exhibits to and the specific sections and articles of the Existing Indenture shall refer to the exhibits to and the numbered sections and articles of the Indenture, as supplemented and amended by the First Supplement, and references in this Second Supplement to the exhibits to and the specific sections and articles of the Amended Indenture shall refer to the exhibits to and the numbered sections and articles of the Indenture, as supplemented and amended by the First Supplement, this Second Supplement and as otherwise supplemented and amended from time to time.

W I T N E S S E T H :

WHEREAS, Section 9.01 of the Existing Indenture provides, among other things, that the Company and the Trustee may amend or supplement the Existing Indenture (i) to make any change that does not adversely affect the legal rights under the Existing Indenture of any Holder of the Notes, (ii) to conform the text of the Existing Indenture or the Notes to any provision of the "Description of the Notes" section of the offering memorandum, dated as of March 30, 2004 (the "Memorandum"), relating to the sale of the Initial Notes, to the extent that such provision was intended to be a verbatim recitation of a provision of the Existing Indenture or the Notes, and (iii) to add additional Guarantees or additional obligors with respect to the Notes; and

WHEREAS, as a result of a restructuring of the corporate organization that includes the Company, the Company and Prestige Brands International, LLC, a Delaware limited liability company (the "Parent"), are now Subsidiaries of the Holding Company, which is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act; and

WHEREAS, Section 4.03 of the Existing Indenture presently requires that the Parent file with the Commission and provide the Trustee and Holders of Notes with such annual reports and such information, documents and other reports as are specified in Sections 13 and 15(d) of the Exchange Act and applicable to a U.S. entity subject to such Sections (collectively, the "SEC Reports"), even though the Parent is not otherwise required to do so; and

WHEREAS, the SEC Reports of the Parent and the Holding Company are substantially the same; and

WHEREAS, the Company has requested that the Trustee execute this Second Supplement to amend Section 4.03 of the Existing Indenture to eliminate the requirement under the Existing Indenture for the Parent to submit the SEC Reports to the Commission and the Trustee and the Holders and to require the Holding Company to submit the SEC Reports to the Commission and the Trustee and the Holders in lieu of the Parent, subject to the terms of this Second Supplement; and

WHEREAS, each of the Holding Company, Dental Concepts and PIH has agreed to become a Guarantor of the Notes; and

WHEREAS, the Company and the Trustee also have agreed, pursuant to Section 9.01(l) of the Existing Indenture, to amend the Existing Indenture to provide certain definitions that were omitted from the Existing Indenture but were included in the Memorandum;

NOW, THEREFORE, in consideration of the premises herein, the Company covenants and agrees with the Trustee, for the equal and proportionate benefit of the respective Holders from time to time, as follows:

ARTICLE I
SUPPLEMENTS AND AMENDMENTS

Section 1.1 Amendment to Section 1.01. Section 1.01 of the Existing Indenture is hereby amended, pursuant to Section 9.01(l) of the Existing Indenture, as follows:

(a) The following definition is hereby inserted between the definitions of "HOLDER" and "IAI GLOBAL NOTE" as set forth therein:

"HOLDINGS" means Prestige Products Holdings, Inc., a Delaware corporation, and any successor entity (the owner of 100% of the outstanding common stock of the Company) and not any of its Subsidiaries.

(b) The following definition is hereby inserted between the definitions of "OPINION OF COUNSEL" and "PARTICIPANT" as set forth therein:

"PARENT" means Prestige Brands International, LLC, a Delaware limited liability company, and any successor entity (the owner of 100% of the outstanding common stock of Holdings) and not any of its Subsidiaries.

Section 1.2 Amendment to Section 4.03. Section 4.03 of the Existing Indenture is hereby deleted and the following is hereby inserted in lieu therefor:

SECTION 4.03 REPORTS.

Notwithstanding that the Parent may not be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, the Parent shall file with the Commission and provide the Trustee and Holders of Notes with such annual reports and such information, documents and other reports as are specified in Sections 13 and 15(d) of the Exchange Act and applicable to a U.S. entity subject to such Sections, such information, documents and reports to be so filed with the Commission and provided at the times specified for the filing of such information, documents and reports under such Sections; *provided, however*, that the Parent shall not be so obligated to file such information, documents and reports with the Commission (i) prior to the completion of the Registered Exchange Offer and, in any event, if the Commission does not permit such filings, and (ii) as long as (A) the Parent is a wholly-owned Subsidiary of a Guarantor that files with the Commission, and provides the Trustee and Holders of Notes with, such annual reports and such information, documents and other reports as are specified in Sections 13 and 15(d) of the Exchange Act and applicable to a U.S. entity subject to such Sections and (B) such annual reports, information, documents and other reports so filed by such Guarantor are substantially the same as such annual reports, information, documents and other reports of the Parent would be if they were to be so prepared, filed and provided.

Section 1.3 Guarantees. Each of the Holding Company, Dental Concepts and PIH (each of which are referred to individually as an “Additional Guarantor” and collectively as the “Additional Guarantors”) hereby executes this Second Supplement for the purpose of providing a Guarantee of the Notes and agrees as follows:

(a) Subject to this Section 1.3, each Additional Guarantor hereby unconditionally guarantees to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns: (i) the due and punctual payment of the principal of, premium, if any, and interest on the Notes, subject to any applicable grace period, whether at Stated Maturity, by acceleration, redemption or otherwise, the due and punctual payment of interest on the overdue principal of and premium, if any, and, to the extent permitted by law, interest, and the due and punctual performance of all other obligations of the Company to the Holders or the Trustee under the Amended Indenture, the Registration Rights Agreement or any other agreement with or for the benefit of the Holders or the Trustee, all in accordance with the terms hereof and thereof; and (ii) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that the same shall be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at Stated Maturity, by acceleration pursuant to Section 6.02 of the Amended Indenture, redemption or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, each Additional Guarantor shall be jointly and severally obligated with all other Guarantors to pay the same immediately. Each Additional Guarantor agrees that this is a guarantee of payment and not a guarantee of collection. Each Additional Guarantor hereby agrees that its obligations with regard to its Guarantee shall be joint and several with all other Guarantors, unconditional, irrespective of the validity or enforceability of the Notes or the obligations of the Company under the Amended Indenture, the absence of any action to enforce the same, the recovery of any judgment against the Company or any other obligor with respect to the Amended Indenture, the Notes or the Obligations of the Company under the Amended Indenture or the Notes, any action to enforce the same or any other circumstances (other than complete performance) which might otherwise constitute a legal or equitable discharge or defense of an Additional Guarantor. Each Additional Guarantor further, to the extent permitted by law, waives and relinquishes all claims, rights and remedies accorded by applicable law to guarantors and agrees not to assert or take advantage of any such claims, rights or remedies, including but not limited to:

(i) any right to require any of the Trustee, the Holders or the Company (each a "Benefited Party"), as a condition of payment or performance by such Additional Guarantor, to (1) proceed against the Company, any other guarantor (including any other Guarantor) of the Obligations under the Guarantees or any other Person, (2) proceed against or exhaust any security held from the Company, any such other guarantor or any other Person, (3) proceed against or have resort to any balance of any deposit account or credit on the books of any Benefited Party in favor of the Company or any other Person, or (4) pursue any other remedy in the power of any Benefited Party whatsoever;

(ii) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of the Company including any defense based on or arising out of the lack of validity or the unenforceability of the Obligations under the Guarantees or any agreement or instrument relating thereto or by reason of the cessation of the liability of the Company from any cause other than payment in full of the Obligations under the Guarantees;

(iii) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal;

(iv) any defense based upon any Benefited Party's errors or omissions in the administration of the Obligations under the Guarantees, except behavior which amounts to bad faith;

(v)(1) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms of the Guarantees and any legal or equitable discharge of such Additional Guarantor's obligations hereunder, (2) the benefit of any statute of limitations affecting such Additional Guarantor's liability hereunder or the enforcement hereof, (3) any rights to set-offs, recoupments and counterclaims and (4) promptness, diligence and any requirement that any Benefited Party protect, secure, perfect or insure any security interest or lien or any property subject thereto;

(vi) notices, demands, presentations, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance of the Guarantees, notices of Default under the Notes or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Obligations under the Guarantees or any agreement related thereto, and notices of any extension of credit to the Company and any right to consent to any thereof;

(vii) to the extent permitted under applicable law, the benefits of any "One Action" rule; and

(viii) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms of the Guarantees. Except to the extent expressly provided in this Second Supplement and the Amended Indenture, including Sections 8.02, 8.03 and 10.05 of the Amended Indenture and Section 1.3(f) hereof, each Additional Guarantor hereby covenants that its Guarantee shall not be discharged except by complete performance of the obligations contained in its Guarantee, this Second Supplement and the Amended Indenture.

If any Holder or the Trustee is required by any court or otherwise to return to the Company, the Guarantors or any custodian, trustee, liquidator or other similar official acting in relation to either the Company or the Guarantors, any amount paid to either the Trustee or such Holder, each Additional Guarantor's Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect. Each Additional Guarantor agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby. Each Additional Guarantor further agrees that, as between the Guarantors, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Section 6.02 of the Amended Indenture for the purposes of this Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby and (y) in the event of any declaration of acceleration of such obligations as provided in Section 6.02 of the Amended Indenture, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantors for the purpose of the Guarantees. An Additional Guarantor shall have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Guarantees. The other Guarantors' shares of such contribution payment will be computed based on the proportion that the net worth of the relevant Guarantor represents relative to the aggregate net worth of all of the Guarantors combined.

(b) Each Additional Guarantor, and by its acceptance of Notes, each Holder, hereby confirms that it is the intention of all such parties that the Guarantee of such Additional Guarantor not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to any guarantee. To effectuate the foregoing intention, the Trustee, the Holders and each Additional Guarantor hereby irrevocably agree that each Additional Guarantor's liability shall be that amount from time to time equal to the aggregate liability of such Additional Guarantor under its Guarantee, but shall be limited to the lesser of (i) the aggregate amount of the Company's obligations under the Notes and the Amended Indenture or (ii) the amount, if any, which would not have (1) rendered the Additional Guarantor "insolvent" (as such term is defined in Bankruptcy Law and in the Debtor and Creditor Law of the State of New York) or (2) left it with unreasonably small capital at the time its Guarantee with respect to the Notes was entered into, after giving effect to the incurrence of existing Debt immediately before such time; *provided*, *however*, it shall be a presumption in any lawsuit or proceeding in which an Additional Guarantor is a party that the amount guaranteed pursuant to its Guarantee with respect to the Notes is the amount described in clause (i) of this Section 1.3(b) unless any creditor, or representative of creditors of the Additional Guarantor, or debtor in possession or trustee in bankruptcy of the Additional Guarantor, otherwise proves in a lawsuit that the aggregate liability of the Additional Guarantor is limited to the amount described in clause (ii) of this Section 1.3(b).

(c) In making any determination as to the solvency or sufficiency of capital of an Additional Guarantor in accordance with Section 1.3(b) hereof and this Section 1.3(c), the right of each Additional Guarantor to contribution from other Guarantors and any other rights such Additional Guarantor may have, contractual or otherwise, shall be taken into account.

(d) To evidence its Guarantee set forth in Section 1.3(a) hereof, each Additional Guarantor hereby agrees that a notation of such Guarantee in substantially the form included in Exhibit E attached to the Amended Indenture shall be endorsed by an Officer of such Additional Guarantor on each Note authenticated and delivered by the Trustee and that this Second Supplement shall be executed on behalf of such Additional Guarantor by its President, Chief Financial Officer, Treasurer or one of its Vice Presidents. Each Additional Guarantor hereby agrees that its Guarantee set forth in Section 1.3(a) hereof shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Guarantee. If an Officer whose signature is on this Second Supplement or on a Guarantee no longer holds that office at the time the

Trustee authenticates the Note on which such Guarantee is endorsed, the Guarantee shall be valid nevertheless. The delivery of any Note by the Trustee, after the authentication thereof under the Amended Indenture, shall constitute due delivery of the Guarantee set forth in this Second Supplement on behalf of each Additional Guarantor.

(e) Except as otherwise provided in Section 1.3(f) hereof, no Additional Guarantor may consolidate with or merge with or into (whether or not such Additional Guarantor is the Surviving Person) another Person whether or not affiliated with such Additional Guarantor unless:

(i) subject to Section 1.3(f) hereof, the Person formed by or surviving any such consolidation or merger (if other than a Guarantor or the Company) unconditionally assumes all the obligations of such Additional Guarantor, pursuant to a supplemental indenture in form and substance reasonably satisfactory to the Trustee, under the Amended Indenture, its Guarantee and any Registration Rights Agreements on the terms set forth herein or therein; and

(ii) the Additional Guarantor complies with the requirements of Article 5 of the Amended Indenture.

In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor Person, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of such Additional Guarantor's Guarantee endorsed upon the Notes and the due and punctual performance of all of the covenants and conditions of the Amended Indenture to be performed by the Additional Guarantor, such successor Person shall succeed to and be substituted for the Additional Guarantor with the same effect as if it had been named in the Amended Indenture as a Guarantor. Such successor Person thereupon may cause to be signed any or all of the Guarantees to be endorsed upon all of the Notes issuable under the Amended Indenture which theretofore shall not have been signed by the Company and delivered to the Trustee. All the Guarantees so issued shall in all respects have the same legal rank and benefit under the Amended Indenture as the Guarantees theretofore and thereafter issued in accordance with the terms of the Amended Indenture as though all of such Guarantees had been issued at the date of the execution of the Indenture. Except as set forth in Articles 4 and 5 of the Amended Indenture, and notwithstanding clauses (i) and (ii) of this Section 1.3(e), nothing contained in the Amended Indenture or in any of the Notes shall prevent any consolidation or merger of an Additional Guarantor with or into the Company or another Guarantor, or shall prevent any sale or conveyance of the property of an Additional Guarantor as an entirety or substantially as an entirety to the Company or another Guarantor.

(f) In the event of a sale or other disposition of all or substantially all of the assets of an Additional Guarantor, by way of merger, consolidation or otherwise, or a sale or other disposition of all of the Capital Stock of any

Additional Guarantor, in each case to a Person that is not (either before or after giving effect to such transactions) a Subsidiary of the Parent, then such Additional Guarantor (in the event of a sale or other disposition, by way of merger, consolidation or otherwise, of all of the Capital Stock of such Additional Guarantor) or the corporation acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of such Additional Guarantor) shall be released and relieved of any obligations under its Guarantee; provided that the net proceeds of such sale or other disposition shall be applied in accordance with the applicable provisions of the Amended Indenture, including without limitation Section 4.12 of the Amended Indenture. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary in accordance with the provisions of Section 4.17 of the Amended Indenture, such Subsidiary shall be released and relieved of any obligations under its Guarantee. Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the effect that such sale or other disposition was made by the Company or Parent in accordance with the provisions of the Amended Indenture, including without limitation Section 4.12 of the Amended Indenture, the Trustee shall execute any documents reasonably required in order to evidence the release of any Additional Guarantor from its obligations under its Guarantee. Any Additional Guarantor not released from its obligations under its Guarantee shall remain liable for the full amount of principal of and interest on the Notes and for the other obligations of any Guarantor under the Amended Indenture as provided in Article 10 of the Amended Indenture and this Section 1.3.

Each Additional Guarantor shall constitute a Guarantor for purposes of the Amended Indenture, and the terms of this Section 1.3 shall, as to each Additional Guarantor, constitute its Guarantee for purposes of the Amended Indenture. Notwithstanding the foregoing terms of this Section 1.3, each of the Additional Guarantors intends by its execution of this Second Supplement to provide its Guarantee on the same terms and conditions as the Guarantees of the other Guarantors under the Amended Indenture and agrees that this Section 1.3 shall be construed and enforced in a manner consistent with such intention.

ARTICLE II
MISCELLANEOUS PROVISIONS

Section 2.1 Execution as Supplemental Indenture. This Second Supplement is executed and shall be construed as an indenture supplement to the Existing Indenture.

Section 2.2 Successors. This Second Supplement shall be binding upon and inure to the benefit of the parties hereto, their respective successors and assigns.

Section 2.3 Ratification. Except as expressly provided herein, all of the terms and provisions of the Existing Indenture are and shall remain in full force and effect.

Section 2.4 Governing Law. This Second Supplement shall be deemed to be a contract made under the laws of the State of New York and for all purposes shall be construed in accordance with the laws of said State.

Section 2.5 Counterparts; Construction. This Second Supplement may be executed in any number of counterparts, each of which shall be an original, but such counterparts together shall constitute one and the same instrument. . As used herein, words in the singular number include the plural and words in the plural include the singular.

Section 2.6 The Trustee. The Trustee accepts the supplements and amendments to the Existing Indenture effected by this Second Supplement.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Second Supplement to be duly executed as of the day and year first above written.

PRESTIGE BRANDS, INC.

By: /s/ Peter C. Mann
Name: Peter C. Mann
Title: President

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

By: /s/ Raymond S. Haverstock
Name: Raymond S. Haverstock
Title: Vice President

PRESTIGE BRANDS HOLDINGS, INC.

By: /s/ Peter C. Mann
Name: Peter C. Mann
Title: Chief Executive Officer and President

DENTAL CONCEPTS LLC

By: /s/ Peter C. Mann
Name: Peter C. Mann
Title: Chief Executive Officer

PRESTIGE INTERNATIONAL HOLDINGS, LLC

By: /s/ Peter C. Mann
Name: Peter C. Mann
Title: President

JOINDER AGREEMENT

This Joinder Agreement, dated as of December 19, 2006, is delivered pursuant to *Section 7.11 (Additional Grantors)* of the Pledge and Security Agreement, dated as of April 6, 2004 (the "*Pledge and Security Agreement*"), by Prestige Brands, Inc. (the "*Borrower*") and the subsidiaries and affiliates of the Borrower listed on the signature pages thereof in favor of the Citicorp North America, Inc., as agent for the First-Priority Secured Parties (the "*Administrative Agent*"). Capitalized terms used herein but not defined herein are used with the meanings given them in the Pledge and Security Agreement.

By executing and delivering this Joinder Agreement, the undersigned, as provided in *Section 7.11 (Additional Grantors)* of the Pledge and Security Agreement, hereby becomes a party to the Pledge and Security Agreement as a Grantor thereunder with the same force and effect as if originally named as a Grantor therein and, without limiting the generality of the foregoing, hereby grants to the Administrative Agent, as collateral security for the full, prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the First-Priority Secured Obligations of the undersigned, hereby collaterally assigns, mortgages, pledges and hypothecates to the Administrative Agent and grants to the Administrative Agent a Lien on and security interest in, all of its right, title and interest in, to and under the Collateral of the undersigned and expressly assumes all obligations and liabilities of a Grantor under the Pledge and Security Agreement.

The information set forth in *Annex 1-A* is hereby added to the information set forth in *Schedules 1* through *7* to the Pledge and Security Agreement.

The undersigned hereby represents and warrants that each of the representations and warranties contained in *Article III (Representations and Warranties)* of the Pledge and Security Agreement applicable to it is true and correct on and as the date hereof as if made on and as of such date.

[Remainder of page intentionally left blank]

In witness whereof, the undersigned has caused this Joinder Agreement to be duly executed and delivered as of the date first above written.

PRESTIGE BRANDS HOLDINGS, INC.
PRESTIGE INTERNATIONAL
HOLDINGS, LLC

By: /s/ Peter J. Anderson
Name: Peter J. Anderson
Title: Chief Financial Officer

DENTAL CONCEPTS LLC
By: /s/ Peter J. Anderson
Name: Peter J. Anderson
Title: Treasurer

Acknowledged and Agreed
as of the date first above written:

Citicorp North America, Inc.,
as Administrative Agent

By: /s/ C.P. Mahon
Name: C.P. Mahon
Title: Vice President

GUARANTY

GUARANTY, dated as of April 6, 2004, by Prestige Brands International, LLC, a Delaware limited liability company (the "*Parent*"), and each of the other entities listed on the signature pages hereof or that becomes a party hereto pursuant to *Section 23 (Additional Guarantors)* hereof (collectively, together with the Parent, the "*Guarantors*" and each, individually, a "*Guarantor*" and each Guarantor other than Prestige Products Holdings, Inc., the Parent and other than any other Person that is the beneficial owner of all of the Stock of the Borrower (as defined below), a "*Subsidiary Guarantor*"), in favor of each Collateral Agent, and each other Agent, Lender, Issuer and each other holder of an Obligation (as each such term is defined in the Credit Agreement referred to below) (each, a "*Guarantied Party*" and, collectively, the "*Guarantied Parties*").

WITNESSETH:

WHEREAS, pursuant to the Credit Agreement dated as of April 6, 2004 (together with all appendices, exhibits and schedules thereto and as the same may be amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"; capitalized terms defined therein and used herein having the meanings given to them in the Credit Agreement) among Prestige Brands, Inc. (the "*Borrower*"), the Parent, the Lenders and Issuers party thereto, Citicorp North America, Inc., as agent for the Lenders and Issuers and collateral agent for the First-Priority Secured Parties, and as collateral agent for the Tranche C Secured Parties, Bank of America, N.A. as syndication agent for the Lenders and Issuers, and Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services Inc., as documentation agent for the Lenders and Issuers, the Lenders and Issuers have severally agreed to make extensions of credit to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, Parent is the sole shareholder of Prestige Products Holdings, Inc., a Delaware corporation, which in turn is the sole shareholder of the Borrower, and each Subsidiary Guarantor is a direct or indirect Subsidiary of the Parent;

WHEREAS, each Guarantor will receive substantial direct and indirect benefits from the making of the Loans, the issuance of the Letters of Credit and the granting of the other financial accommodations to the Borrower under the Credit Agreement; and

WHEREAS, a condition precedent to the obligation of the Lenders and the Issuers to make their respective extensions of credit to the Borrower under the Credit Agreement is that the Guarantors shall have executed and delivered this Guaranty for the benefit of the Guarantied Parties;

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1 Guaranty

(a) To induce the Lenders to make the Loans and the Issuers to issue Letters of Credit, each Guarantor hereby absolutely, unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, the full and punctual payment when due, whether at stated maturity or earlier, by reason of acceleration, mandatory prepayment or otherwise in accordance herewith or any other Loan Document, of all the Obligations, whether or not from time to time reduced or extinguished or hereafter increased or incurred, whether or not recovery may be or hereafter may become barred by any statute of limitations, whether or not enforceable as against the Borrower, whether now or hereafter existing, and whether due or to become due, including principal, interest (including interest at the contract rate applicable upon default accrued or accruing after the commencement of any proceeding under the Bankruptcy Code, whether or not such interest is an allowed claim in such proceeding), fees and costs of collection. This Guaranty constitutes a guaranty of payment and not of collection.

(b) Each Guarantor further agrees that, if (i) any payment made by Borrower or any other person and applied to the Obligations is at any time annulled, avoided, set aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be refunded or repaid or (ii) the proceeds of Collateral are required to be returned by any Guarantied Party to the Borrower, its estate, trustee, receiver or any other party, including any Guarantor, under any bankruptcy law, equitable cause or any other Requirement of Law, then, to the extent of such payment or repayment, any such Guarantor's liability hereunder (and any Lien or other Collateral securing such liability) shall be and remain in full force and effect, as fully as if such payment had never been made. If, prior to any of the foregoing, this Guaranty shall have been cancelled or surrendered (and if any Lien or other Collateral securing such Guarantor's liability hereunder shall have been released or terminated by virtue of such cancellation or surrender), this Guaranty (and such Lien or other Collateral) shall be reinstated in full force and effect, and such prior cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligations of any such Guarantor in respect of the amount of such payment (or any Lien or other Collateral securing such obligation).

Section 2 Limitation of Guaranty

Any term or provision of this Guaranty or any other Loan Document to the contrary notwithstanding, the maximum aggregate amount of the Obligations for which any Subsidiary Guarantor shall be liable shall not exceed the maximum amount for which such Subsidiary Guarantor can be liable without rendering this Guaranty or any other Loan Document, as it relates to such Subsidiary Guarantor, subject to avoidance under applicable law relating to fraudulent conveyance or fraudulent transfer (including Section 548 of the Bankruptcy Code or any applicable provisions of comparable state law) (collectively, "*Fraudulent Transfer Laws*"), in each case after giving effect (a) to all other liabilities of such Subsidiary Guarantor, contingent or otherwise, that are relevant under such Fraudulent Transfer Laws (specifically excluding, however, any liabilities of such Subsidiary Guarantor in respect of intercompany Indebtedness to the Borrower to the extent that such Indebtedness would be discharged in an amount equal to the amount paid by such Subsidiary Guarantor hereunder) and (b) to the value as assets of such Subsidiary Guarantor (as determined under the applicable provisions of such Fraudulent Transfer Laws) of any rights to subrogation, contribution, reimbursement, indemnity or similar rights held by such Subsidiary Guarantor pursuant to (i) applicable Requirements of Law, (ii) *Section 3 (Contribution)* of this Guaranty or (iii) any other Contractual Obligations providing for an equitable allocation among such Subsidiary Guarantor and other Subsidiaries or Affiliates of the Borrower of obligations arising under this Guaranty or other guaranties of the Obligations by such parties.

Section 3 Contribution

To the extent that any Subsidiary Guarantor shall be required hereunder to pay a portion of the Obligations exceeding the greater of (a) the amount of the economic benefit actually received by such Subsidiary Guarantor from the Revolving Loans and the Term Loans and (b) the amount such Subsidiary Guarantor would otherwise have paid if such Subsidiary Guarantor had paid the aggregate amount of the Obligations (excluding the amount thereof repaid by the Borrower and Parent) in the same proportion as such Subsidiary Guarantor's net worth at the date enforcement is sought hereunder bears to the aggregate net worth of all the Subsidiary Guarantors at the date enforcement is sought hereunder, then such Guarantor shall be reimbursed by such other Subsidiary Guarantors for the amount of such excess, pro rata, based on the respective net worths of such other Subsidiary Guarantors at the date enforcement hereunder is sought.

Section 4 Authorization; Other Agreements

The Guarantied Parties are hereby authorized, without notice to, or demand upon, any Guarantor, which notice and demand requirements each are expressly waived hereby (to the extent permitted by law), and without discharging or otherwise affecting the obligations of any Guarantor hereunder (which obligations shall remain absolute and unconditional notwithstanding any such action or omission to act), from time to time, to do each of the following:

(a) supplement, renew, extend, accelerate or otherwise change the time for payment of, or other terms relating to, the Obligations, or any part of them, or otherwise modify, amend or change the terms of any promissory note or other agreement, document or instrument (including the other Loan Documents) now or hereafter executed by the Borrower and delivered to the Guarantied Parties or any of them, including any increase or decrease of principal or the rate of interest thereon;

(b) waive or otherwise consent to noncompliance with any provision of any instrument evidencing the Obligations, or any part thereof, or any other instrument or agreement in respect of the Obligations (including the other Loan Documents) now or hereafter executed by the Borrower and delivered to the Guarantied Parties or any of them;

(c) accept partial payments on the Obligations;

(d) receive, take and hold additional security or collateral for the payment of the Obligations or any part of them and exchange, enforce, waive, substitute, liquidate, terminate, abandon, fail to perfect, subordinate, transfer, otherwise alter and release any such additional security or collateral;

(e) settle, release, compromise, collect or otherwise liquidate the Obligations or accept, substitute, release, exchange or otherwise alter, affect or impair any security or collateral for the Obligations or any part of them or any other guaranty therefor, in any manner;

(f) add, release or substitute any one or more other guarantors, makers or endorsers of the Obligations or any part of them and otherwise deal with the Borrower or any other guarantor, maker or endorser;

(g) apply to the Obligations any payment or recovery (x) from the Borrower, from any other guarantor, maker or endorser of the Obligations or any part of them or (y) from any Guarantor in such order as provided herein, in each case whether such Obligations are secured or unsecured or guaranteed or not guaranteed by others;

(h) apply to the Obligations any payment or recovery from any Guarantor of the Obligations or any sum realized from security furnished by such Guarantor upon its indebtedness or obligations to the Guarantied Parties or any of them, in each case whether or not such indebtedness or obligations relate to the Obligations; and

(i) refund at any time any payment received by any Guarantied Party in respect of any Obligation, and payment to such Guarantied Party of the amount so refunded shall be fully guaranteed hereby even though prior thereto this Guaranty shall have been cancelled or surrendered (or any release or termination of any Collateral by virtue thereof), and such prior cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligations of any Guarantor hereunder in respect of the amount so refunded (and any Collateral so released or terminated shall be reinstated with respect to such obligations);

even if any right of reimbursement or subrogation or other right or remedy of any Guarantor is extinguished, affected or impaired by any of the foregoing (including any election of remedies by reason of any judicial, non-judicial or other proceeding in respect of the Obligations that impairs any subrogation, reimbursement or other right of such Guarantor).

Section 5 Guaranty Absolute and Unconditional

Each Guarantor hereby waives any defense (other than payment in full) of a surety or guarantor or any other obligor on any obligations arising in connection with or in respect of any of the following and hereby agrees that its obligations under this Guaranty are absolute and unconditional and shall not be discharged or otherwise affected as a result of any of the following:

(a) the invalidity or unenforceability of any of the Borrower’s obligations under the Credit Agreement or any other Loan Document or any other agreement or instrument relating thereto, or any security for, or other guaranty of the Obligations or any part of them, or the lack of perfection or continuing perfection or failure of priority of any security for the Obligations or any part of them;

(b) the absence of any attempt to collect the Obligations or any part of them from the Borrower or other action to enforce the same;

(c) failure by any Guarantied Party to take any steps to perfect and maintain any Lien on, or to preserve any rights to, any Collateral;

(d) any Guarantied Party’s election, in any proceeding instituted under chapter 11 of the Bankruptcy Code, of the application of Section 1111(b)(2) of the Bankruptcy Code;

(e) any borrowing or grant of a Lien by the Borrower, as debtor-in-possession, or extension of credit, under Section 364 of the Bankruptcy Code;

(f) the disallowance, under Section 502 of the Bankruptcy Code, of all or any portion of any Guarantied Party’s claim (or claims) for repayment of the Obligations ;

(g) any use of cash collateral under Section 363 of the Bankruptcy Code;

(h) any agreement or stipulation as to the provision of adequate protection in any bankruptcy proceeding;

(i) the avoidance of any Lien in favor of the Guarantied Parties or any of them for any reason;

(j) any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against the Borrower, any Guarantor or any of the Borrower's other Subsidiaries, including any discharge of, or bar or stay against collecting, any Obligation (or any part of them or interest thereon) in or as a result of any such proceeding;

(k) failure by any Guarantied Party to file or enforce a claim against the Borrower or its estate in any bankruptcy or insolvency case or proceeding;

(l) any action taken by any Guarantied Party if such action is authorized hereby;

(m) any election following the occurrence of an Event of Default by any Guarantied Party to proceed separately against the personal property Collateral in accordance with such Guarantied Party's rights under the UCC or, if the Collateral consists of both personal and real property, to proceed against such personal and real property in accordance with such Guarantied Party's rights with respect to such real property; or

(n) any other circumstance that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor or any other obligor on any obligations, other than the payment in full of the Obligations.

Section 6 Waivers

Each Guarantor hereby waives diligence, promptness, presentment, demand for payment or performance and protest and notice of protest, notice of acceptance and any other notice in respect of the Obligations or any part of them, and any defense arising by reason of any disability or other defense of the Borrower. Each Guarantor shall not, until the Obligations are irrevocably paid in full and all Commitments have been terminated, assert any claim or counterclaim it may have against the Borrower or set off any of its obligations to the Borrower against any obligations of the Borrower to it. In connection with the foregoing, each Guarantor covenants that its obligations hereunder shall not be discharged, except by complete performance.

Section 7 Reliance

Each Guarantor hereby assumes responsibility for keeping itself informed of the financial condition of the Borrower and any endorser and other guarantor of all or any part of the Obligations, and of all other circumstances bearing upon the risk of nonpayment of the Obligations, or any part thereof, that diligent inquiry would reveal, and each Guarantor hereby agrees that no Guarantied Party shall have any duty to advise any Guarantor of information known to it regarding such condition or any such circumstances. In the event any Guarantied Party, in its sole discretion, undertakes at any time or from time to time to provide any such information to any Guarantor, such Guarantied Party shall be under no obligation (a) to undertake any investigation not a part of its regular business routine, (b) to disclose any information that such Guarantied Party, pursuant to accepted or reasonable commercial finance or banking practices, wishes to maintain confidential or (c) to make any other or future disclosures of such information or any other information to any Guarantor.

Section 8 Non-Enforcement of Subrogation and Contribution Rights

Until the Obligations have been irrevocably paid in full and all Commitments have been terminated, the Guarantors shall not enforce or otherwise exercise any right of subrogation to any of the rights of the Guarantied Parties or any part of them against the Borrower or any right of reimbursement or contribution or similar right against the Borrower by reason of this Agreement or by any payment made by any Guarantor in respect of the Obligations.

Section 9 Subordination

Each Guarantor hereby agrees that any Indebtedness of the Borrower now or hereafter owing to any Guarantor, whether heretofore, now or hereafter created (the "*Guarantor Subordinated Debt*"), is hereby subordinated to all of the Obligations and that, except as permitted under *Section 8.6 (Prepayment and Cancellation of Indebtedness)* of the Credit Agreement, the Guarantor Subordinated Debt shall not be paid in whole or in part until the Obligations have been paid in full and this Guaranty is terminated and of no further force or effect. No Guarantor shall accept any payment of or on account of any Guarantor Subordinated Debt at any time in contravention of the foregoing. Upon the occurrence and during the continuance of an Event of Default, the Borrower shall pay to the Administrative Agent any payment of all or any part of the Guarantor Subordinated Debt and any amount so paid to the Administrative Agent shall be applied to payment of the Obligations as provided in *Section 3 (Enforcement; Application of Proceeds of Collateral and Other Payments)* of the Intercreditor Agreement. Each payment on the Guarantor Subordinated Debt received in violation of any of the provisions hereof shall be deemed to have been received by such Guarantor as trustee for the Guarantied Parties and shall be paid over to the Administrative Agent immediately on account of the Obligations, but without otherwise affecting in any manner such Guarantor's liability hereof. Each Guarantor agrees to file all claims against the Borrower in any bankruptcy or other proceeding in which the filing of claims is required by law in respect of any Guarantor Subordinated Debt, and the Administrative Agent shall be entitled to all of such Guarantor's rights thereunder. If for any reason a Guarantor fails to file such claim at least ten Business Days prior to the last date on which such claim should be filed, such Guarantor hereby irrevocably appoints the Administrative Agent as its true and lawful attorney-in-fact and is hereby authorized to act as attorney-in-fact in such Guarantor's name to file such claim or, in the Administrative Agent's discretion, to assign such claim to and cause proof of claim to be filed in the name of the Administrative Agent or its nominee. In all such cases, whether in administration, bankruptcy or otherwise, the person or persons authorized to pay such claim shall pay to the Administrative Agent the full amount payable on the claim in the proceeding, and, to the full extent necessary for that purpose, each Guarantor hereby assigns to the Administrative Agent all of such Guarantor's rights to any payments or distributions to which such Guarantor otherwise would be entitled. If the amount so paid is greater than such Guarantor's liability hereunder, the Administrative Agent shall pay the excess amount to the party entitled thereto. In addition, each Guarantor hereby irrevocably appoints the Administrative Agent as its attorney-in-fact to exercise all of such Guarantor's voting rights in connection with any bankruptcy proceeding or any plan for the reorganization of the Borrower.

Section 10 Default; Remedies

The obligations of each Guarantor hereunder are independent of and separate from the Obligations. If any Obligation is not paid when due, or upon any Event of Default hereunder or upon any default by the Borrower as provided in any other instrument or document evidencing all or any part of the Obligations, the Administrative Agent may, at its sole election, proceed directly and at once, without notice, against any Guarantor to collect and recover the full amount or any portion of the Obligations then due, without first proceeding against the Borrower or any other guarantor of the Obligations, or against any Collateral under the Loan Documents or joining the Borrower or any other guarantor in any proceeding against any Guarantor. At any time after maturity of the Obligations, the Administrative Agent may (unless the Obligations have been irrevocably paid in full), without notice to any Guarantor and regardless of the acceptance of any Collateral for the payment hereof, appropriate and apply toward the payment of the Obligations (a) any indebtedness due or to become due from any Guarantied Party to such Guarantor and (b) any moneys, credits or other property belonging to such Guarantor at any time held by or coming into the possession of any Guarantied Party or any of its respective Affiliates.

Section 11 Irrevocability

This Guaranty shall be irrevocable as to the Obligations (or any part thereof) until the Commitments have been terminated and all monetary Obligations then outstanding have been paid in full, at which time this Guaranty shall automatically terminate and be cancelled. Upon such termination or cancellation and at the written request of any Guarantor or its successors or assigns, and at the cost and expense of such Guarantor or its successors or assigns, the Administrative Agent shall execute in a timely manner a satisfaction of this Guaranty and such instruments, documents or agreements as are necessary or desirable to evidence the termination of this Guaranty.

Section 12 Setoff

Upon the occurrence and during the continuance of an Event of Default, each Guarantied Party and each Affiliate of a Guarantied Party may, without notice to any Guarantor and regardless of the acceptance of any security or collateral for the payment hereof, appropriate and apply toward the payment of all or any part of the Obligations (a) any indebtedness due or to become due from such Guarantied Party or Affiliate to such Guarantor and (b) any moneys, credits or other property belonging to such Guarantor, at any time held by, or coming into, the possession of such Guarantied Party or Affiliate.

Section 13 No Marshalling

Each Guarantor consents and agrees that no Guarantied Party or Person acting for or on behalf of any Guarantied Party shall be under any obligation to marshal any assets in favor of any Guarantor or against or in payment of any or all of the Obligations.

Section 14 Enforcement; Amendments; Waivers

No delay on the part of any Guarantied Party in the exercise of any right or remedy arising under this Guaranty, the Credit Agreement, any other Loan Document or otherwise with respect to all or any part of the Obligations, the Collateral or any other guaranty of or security for all or any part of the Obligations shall operate as a waiver thereof, and no single or partial exercise by any such Person of any such right or remedy shall preclude any further exercise thereof. No modification or waiver of any provision of this Guaranty shall be binding upon any Guarantied Party, except as expressly set forth in a writing duly signed and delivered by the party making such modification or waiver. Failure by any Guarantied Party at any time or times hereafter to require strict performance by the Borrower, any Guarantor, any other guarantor of all or any part of the Obligations or any other Person of any provision, warranty, term or condition contained in any Loan Document now or at any time hereafter executed by any such Persons and delivered to any Guarantied Party shall not waive, affect or diminish any right of any Guarantied Party at any time or times hereafter to demand strict performance thereof and such right shall not be deemed to have been waived by any act or knowledge of any Guarantied Party, or its respective agents, officers or employees, unless such waiver is contained in an instrument in writing, directed and delivered to the Borrower or such Guarantor, as applicable, specifying such waiver, and is signed by the party or parties necessary to give such waiver under the Credit Agreement. No waiver of any Event of Default by any Guarantied Party shall operate as a waiver of any other Event of Default or the same Event of Default on a future occasion, and no action by any Guarantied Party permitted hereunder shall in any way affect or impair any Guarantied Party's rights and remedies or the obligations of any Guarantor under this Guaranty. Any final, non-appealable determination by a court of competent jurisdiction of the amount of any principal or interest owing by the Borrower to a Guarantied Party shall be conclusive and binding on each Guarantor irrespective of whether such Guarantor was a party to the suit or action in which such determination was made.

Section 15 Successors and Assigns

This Guaranty shall be binding upon each Guarantor and upon the successors and assigns of such Guarantors and shall inure to the benefit of the Guarantied Parties and their respective successors and assigns; all references herein to the Borrower and to the Guarantors shall be deemed to include their respective successors and assigns. The successors and assigns of the Guarantors and the Borrower shall include, without limitation, their respective receivers, trustees and debtors-in-possession. All references to the singular shall be deemed to include the plural where the context so requires.

Section 16 Representations and Warranties; Covenants

Each Guarantor hereby (a) represents and warrants that the representations and warranties as to such Guarantor made by the Borrower in *Article IV (Representations and Warranties)* of the Credit Agreement are true and correct on each date as required by *Section 3.2(b)(i) (Conditions Precedent to Each Loan and Letter of Credit)* of the Credit Agreement and (b) agrees to take, or refrain from taking, as the case may be, each action necessary to be taken or not taken, as the case may be, so that no Default or Event of Default is caused by the failure to take such action or to refrain from taking such action by such Guarantor.

Section 17 Governing Law

This Guaranty and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

Section 18 Submission to Jurisdiction; Service of Process

(a) Any legal action or proceeding with respect to this Guaranty, and any other Loan Document, may be brought in the courts of the State of New York or of the United States of America for the Southern District of New York, and, by execution and delivery of this Agreement, each Guarantor hereby accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. The parties hereto hereby irrevocably waive any objection, including any objection to the laying of venue or based on the grounds of *forum non conveniens*, that any of them may now or hereafter have to the bringing of any such action or proceeding in such respective jurisdictions.

(b) Each Guarantor hereby irrevocably consents to the service of any and all legal process, summons, notices and documents in any suit, action or proceeding brought in the United States of America arising out of or in connection with this Guaranty or any other Loan Document by the mailing (by registered or certified mail, postage prepaid) or delivering of a copy of such process to such Guarantor care of the Borrower at the Borrower's address specified in *Section 11.8 (Notices, Etc.)* of the Credit Agreement. Each such Guarantor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(c) Nothing contained in this *Section 18 (Submission to Jurisdiction; Service of Process)* shall affect the right of the Administrative Agent or any other Guarantied Party to serve process in any other manner permitted by law or commence legal proceedings or otherwise proceed against a Guarantor in any other jurisdiction.

(d) If for the purposes of obtaining judgment in any court it is necessary to convert a sum due hereunder in Dollars into another currency, the parties hereto agree, to the fullest extent they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase Dollars with such other currency at the spot rate of exchange quoted by the Administrative Agent at 11:00 a.m. (New York time) on the Business Day preceding that on which final judgment is given, for the purchase of Dollars, for delivery two Business Days thereafter.

Section 19 Certain Terms

The following rules of interpretation shall apply to this Guaranty: (a) the terms "*herein*," "*hereof*," "*hereto*" and "*hereunder*" and similar terms refer to this Guaranty as a whole and not to any particular Article, Section, subsection or clause in this Guaranty, (b) unless otherwise indicated, references herein to an Exhibit, Article, Section, subsection or clause refer to the appropriate Exhibit to, or Article, Section, subsection or clause in this Guaranty and (c) the term "*including*" means "*including without limitation*" except when used in the computation of time periods.

Section 20 Waiver of Jury Trial

Each of the Administrative Agent, the other Guarantied Parties and each Guarantor irrevocably waives trial by jury in any action or proceeding with respect to this Guaranty and any other Loan Document.

Section 21 Notices

Any notice or other communication herein required or permitted shall be given as provided in *Section 11.8 (Notices, Etc.)* of the Credit Agreement and, in the case of any Guarantor, to such Guarantor in care of the Borrower.

Section 22 Severability

Wherever possible, each provision of this Guaranty shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Guaranty shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Guaranty.

Section 23 Additional Guarantors

Each of the Guarantors agrees that, if, pursuant to *Section 7.11(b) (Additional Collateral and Guaranties)* of the Credit Agreement, the Borrower shall be required to cause any of their respective Subsidiaries that is not a Guarantor to become a Guarantor hereunder, or if for any reason the Borrower or the Parent desires any such Subsidiary to become a Guarantor hereunder, such Subsidiary shall execute and deliver to the Administrative Agent a Guaranty Supplement in substantially the form of *Exhibit A (Guaranty Supplement)* attached hereto and shall thereafter for all purposes be a party hereto and have the same rights, benefits and obligations as a Guarantor party hereto on the Closing Date.

Section 24 Collateral

Each Guarantor hereby acknowledges and agrees that its obligations under this Guaranty are secured pursuant to the terms and provisions of the Collateral Documents executed by it in favor of the Administrative Agent, for the benefit of the Secured Parties, and covenants that it shall not grant any Lien (other than Liens permitted under *Section 8.2 (Liens, Etc.)* of the Credit Agreement) with respect to its Property in favor, or for the benefit, of any Person other than the Administrative Agent, for the benefit of the Secured Parties.

Section 25 Costs and Expenses

Each Guarantor agrees to pay or reimburse the Administrative Agent and each of the other Guarantied Parties upon demand for all reasonable out-of-pocket costs and expenses, including reasonable attorneys' fees (including allocated costs of internal counsel and costs of settlement), incurred by the Administrative Agent or such other Guarantied Parties in enforcing this Guaranty or any security therefor or exercising or enforcing any other right or remedy available in connection herewith or therewith.

Section 26 Waiver of Consequential Damages

Each Guarantor, to the maximum extent not prohibited by law, hereby irrevocably and unconditionally waives, releases and agrees not to sue upon any claim, whether or not accrued and whether or not suspected to exist in its favor, for any special, consequential or punitive damages (including, without limitation, any loss or profits, business or anticipated savings) in respect of this Guaranty or any other Loan Document. Each Guarantor also agrees to be bound by the provision of Section 11.5 (Limitation of Liability) of the Credit Agreement.

Section 27 Entire Agreement

This Guaranty, taken together with all of the other Loan Documents executed and delivered by the Guarantors, represents the entire agreement and understanding of the parties hereto and supersedes all prior understandings, written and oral, relating to the subject matter hereof.

Section 28 Termination

This Guaranty (other than the reinstatement provisions of *Section 1(b) (Guaranty)*, *Section 18 (Submission to Jurisdiction; Service of Process)*, *Section 20 (Waiver of Jury Trial)*, *Section 25 (Costs and Expenses)*, and *Section 26 (Waiver of Consequential Damages)*) shall terminate upon the “payment in full” (as defined in the Credit Agreement) of the “Secured Obligations” (as defined in the Credit Agreement).

[Signature Pages Follow]

In witness whereof, this Guaranty has been duly executed by the Guarantors as of the day and year first set forth above.

PRESTIGE BRANDS INTERNATIONAL LLC
As Parent

By: /s/ Peter J. Anderson
Name: Peter J. Anderson
Title: Secretary, CFO and Vice President

PRESTIGE PRODUCTS HOLDINGS, INC.

By: /s/ Peter J. Anderson
Name: Peter J. Anderson
Title: Secretary, Treasurer and Vice President

Subsidiary Guarantors:

BONITA BAY HOLDINGS, INC.

By: /s/ Peter J. Anderson
Name: Peter J. Anderson
Title: Secretary, Treasurer and Vice President

MEDTECH HOLDINGS, INC.

By: /s/ Peter J. Anderson
Name: Peter J. Anderson
Title: Secretary, Treasurer and Vice President

MEDTECH PRODUCTS, INC.

By: /s/ Peter J. Anderson
Name: Peter J. Anderson
Title: Secretary, Treasurer and Vice President

PECOS PHARMACEUTICAL, INC.

By: /s/ Peter J. Anderson
Name: Peter J. Anderson
Title: Secretary, Treasurer and Vice President

PRESTIGE ACQUISITION HOLDINGS, LLC

By: /s/ Peter J. Anderson
Name: Peter J. Anderson
Title: Secretary, Treasurer and Vice President

PRESTIGE BRANDS FINANCIAL CORPORATION

By: /s/ Peter J. Anderson
Name: Peter J. Anderson
Title: Secretary, Treasurer and Vice President

PRESTIGE BRANDS HOLDINGS, INC.

By: /s/ Peter J. Anderson
Name: Peter J. Anderson
Title: Secretary, Treasurer and Vice President

PRESTIGE BRANDS INTERNATIONAL, LLC

By: /s/ Peter J. Anderson
Name: Peter J. Anderson
Title: Secretary, Treasurer and Vice President

PRESTIGE HOUSEHOLD BRANDS, INC.

By: /s/ Peter J. Anderson
Name: Peter J. Anderson
Title: Secretary, Treasurer and Vice President

PRESTIGE HOUSEHOLD HOLDINGS, INC.

By: /s/ Peter J. Anderson
Name: Peter J. Anderson
Title: Secretary, Treasurer and Vice President

PRESTIGE PERSONAL CARE, INC.

By: /s/ Peter J. Anderson
Name: Peter J. Anderson
Title: Secretary, Treasurer and Vice President

PRESTIGE PERSONAL CARE HOLDINGS, INC.

By: /s/ Peter J. Anderson
Name: Peter J. Anderson
Title: Secretary, Treasurer and Vice President

THE COMET PRODUCTS CORPORATION

By: /s/ Peter J. Anderson
Name: Peter J. Anderson
Title: Secretary, Treasurer and Vice President

THE CUTEX COMPANY

By: /s/ Peter J. Anderson
Name: Peter J. Anderson
Title: Secretary, Treasurer and Vice President

THE DENOREX COMPANY

By: /s/ Peter J. Anderson
Name: Peter J. Anderson
Title: Secretary, Treasurer and Vice President

THE SPIC AND SPAN COMPANY

By: /s/ Peter J. Anderson
Name: Peter J. Anderson
Title: Secretary, Treasurer and Vice President

Acknowledged and Agreed
as of the date first above written:

CITICORP NORTH AMERICA, INC.
as Administrative Agent

By: /s/ Steven R. Sellhausen
Name: Steven R. Sellhausen
Title: Vice President

GUARANTY SUPPLEMENT

The undersigned hereby agrees to be bound as a Guarantor for purposes of the Guaranty, dated as of April 6, 2004 (the "*Guaranty*"), among Prestige Brands International, LLC and certain subsidiaries and affiliates of Prestige Brands, Inc. listed on the signature pages thereof and acknowledged by Citicorp North America, Inc., as Administrative Agent, and the undersigned hereby acknowledges receipt of a copy of the Guaranty. The undersigned hereby represents and warrants that each of the representations and warranties contained in *Section 16 (Representations and Warranties; Covenants)* of the Guaranty applicable to it is true and correct on and as the date hereof as if made on and as of such date. Capitalized terms used herein but not defined herein are used with the meanings given them in the Guaranty.

In witness whereof, the undersigned has caused this Guaranty Supplement to be duly executed and delivered as of December 19, 2006.

PRESTIGE BRANDS HOLDINGS, INC.
PRESTIGE INTERNATIONAL HOLDINGS, LLC

By: /s/ Peter J. Anderson
Name: Peter J. Anderson
Title: Chief Financial Officer

DENTAL CONCEPTS LLC

By: /s/ Peter J. Anderson
Name: Peter J. Anderson
Title: Treasurer

ACKNOLWLEDGED AND AGREED
as of the date first above written:

CITICORP NORTH AMERICA, INC.
as Administrative Agent

By: /s/ C.P. Mahon
Name: C.P. Mahon
Title: Vice President

December 22, 2006

CONFIDENTIAL

Mr. Gerard F. Butler
54 Lyons Road
Cold Spring, New York 10516

Dear Mr. Butler:

The purpose of this letter is to confirm the terms of an offer to you that has been authorized by the Boards of Directors of Prestige Brands Holdings, Inc., and Prestige Brands, Inc. (collectively, “Prestige” or “Company”). After you have read this offer, the Board suggests that you obtain counsel to review the terms of this offer and then discuss the matter with your spouse prior to formally responding. If you should decide to accept the following offer, upon your signature and pursuant to the terms set forth below, this offer shall become a binding Agreement between you and the Company (hereinafter, the “Agreement”).

First, I wish to express the concern that the Board has for your medical condition. The Board understands the seriousness of your condition and wants to accommodate your wish to spend more time with your family. This offer is also in recognition of the unique and valuable contribution made by you to the public company that Prestige has become and your willingness to cooperate in transitioning your responsibilities to your successor.

As you know, to date, your employment with Prestige has been governed by an Amended and Restated Senior Management Agreement (“SMA”) dated February 4, 2005. From time to time, you may be referred to as “you” or “Employee” in the following offer.

The components of the offer, which will become the Agreement in the event that you accept it, are as follows:

1. Incorporation by Reference. Except as modified by the terms of this Agreement, Sections 1, 2, 3, 5, 6, 7(b), 8, 9, 10, 11, and 12 (but not Section 12(g) thereof, concerning choice of law) of the Amended and Restated Senior Management Agreement between and among Prestige International Holdings, LLC; Prestige Brands Holdings, Inc.; Prestige Brands, Inc.; and Gerard F. Butler, dated February 4, 2005 (the “SMA”), as they may heretofore from time to time have been amended by the Board of Directors of the Company and the Compensation Committee thereof, are reaffirmed and are incorporated herein by reference.

2. Work at Home. Effective on a date to be chosen by the Company, but in any event prior to January 31, 2007, you will resign as an officer of Prestige by means of a written instrument that is substantially similar to the model letter of resignation that is annexed hereto as Exhibit A. Thereafter, until March 31, 2007, your efforts will be primarily in the area of transitioning your responsibilities to your replacement. Effective April 1, 2007, you will become a “Work At Home” employee with no specific daily responsibilities that would require your presence at Prestige’s offices for a period of one year. During this “Work At Home” period, you will be called upon from time to time to provide advice, information or guidance to Prestige, but only with ample advance notice and response time built in. You may be invited to come to the Prestige offices, from time to time, at the Company’s initiation. Notwithstanding the foregoing, you will be under no obligation to travel or provide services according to a predetermined schedule. All company property, including but not limited to your blackberry, your mobile phone, company files and other property will be returned to the Company prior to the “Work At Home” period. Notwithstanding the

foregoing, you will have the option of purchasing your laptop at its net book value at the commencement of your "Work At Home" period.

3. Salary Continuation. After your resignation as an officer of the Company and until March 31, 2007, your current salary and benefits, including bonus eligibility, will continue. For the year beginning on April 1, 2007, your annual salary shall be $236,000 and shall be paid bi-weekly, consistent with the Company's normal payroll practices. During the "Work At Home" period, your health, dental, death and disability insurance benefits shall continue; but your 401(k), vacation and cafeteria plans will not continue. Your salary shall be paid notwithstanding any consulting or other non-company employment you may choose to undertake, so long as you are not in breach of the terms set forth in this offer. Notwithstanding the foregoing, to the extent that the salary payments required by this Section 3 may be deemed part of a nonqualified deferred compensation plan described in Section 409A of the Internal Revenue Code (the "Code"), *see* 26 U.S.C. § 409A (2006), those payments may be deferred as may be required to avoid adverse tax consequences to the Employee; if any such deferral is made, however, the payment of all accrued unpaid salary shall be made in one lump sum not more than two weeks after the earliest date permitted for that purpose by Section 409A(a)(2)(B)(i) of the Code; and all further payments shall be made bi-weekly, consistent with the Company's normal payroll practices.

4. Continued Vesting of Carried Shares. For the balance of the fiscal year ending March 31, 2007, and during the "Work At Home" period, the Carried Shares (as defined in the SMA) held by you will continue to vest pursuant to the time schedule set forth in Section 2 of the SMA. Provided that you are not in breach of this Agreement on the last day of the "Work At Home" period, any remaining Unvested Carried Shares shall be repurchased by the Company on the last day of said period pursuant to Section 3 of the SMA. Your sale of any Vested Carried or Co-invest shares will continue to be subject to the terms and conditions set forth in Sections 5 and 6 of the SMA.

5. Bonus Eligibility. During the fiscal year ending on March 31, 2007, you will be eligible for an annual bonus, as determined by the Compensation Committee and the Board of Directors and also subject to the performance of the Company against the established bonus objectives. You will not be eligible to receive a bonus for the fiscal year beginning on April 1, 2007. Notwithstanding the foregoing, on or about May 1, 2008, you will receive a payment equivalent to the greater of (i) the bonus paid to you for the fiscal year ending on March 31, 2007 (if any), or (ii) a target bonus of 45% of your entire day-to-day salary set forth in Section 3 of this Agreement.

6. Vacation. Any accrued but unused vacation time for calendar year 2006 will be paid to you, subject to applicable withholdings, promptly after beginning your "Work At Home" period. You will not accrue vacation during your "Work At Home" period.

7. Accelerated Vesting. Effective immediately and throughout the term of this Agreement, if there should be a Sale of the Company (defined at Section 10 of the SMA) or if you should you die or become disabled, all of your Carried Shares shall become fully vested immediately upon the closing of the Sale of the Company or upon your death or the commencement of your disability.

8. Non-Disparagement. Effective immediately, and throughout the term of this Agreement, you agree not to disparage, criticize, defame, or make critical comment regarding Prestige or any of the directors, officers, or employees of Prestige in any writing, statement, or other written or oral communication. During the same period of time, the Company and its directors, officers and

employees agree not to disparage, criticize, defame or make critical comment regarding you in any writing, statement, or other written or oral communication.

9. Confidentiality. You agree to maintain confidentiality of all non-public, trade secret or commercially sensitive information that has been revealed to you during the course of your employment, whether such information was first obtained during your “Work At Home” period or at any time prior thereto. You agree that you will not disclose to any third parties, directly or indirectly (except to the extent required by law, or if requested by the Company), any such confidential or proprietary information (a) which has not been disclosed publicly by the Company, (b) which is otherwise not a matter of public knowledge or your personal knowledge from sources unrelated to the Company, or (c) which is a matter of public knowledge but you know that such information became a matter of public knowledge through an unauthorized disclosure. You further agree to treat this Agreement as confidential and will disclose its terms to no one other than your family members and your personal legal and financial advisors, with the understanding that such disclosures will be treated as confidential. Notwithstanding the foregoing, you will be permitted to disclose that this Agreement imposes upon you the duties set forth in Sections 8, 9 and 14 hereof.

10. Agreed Communication. You and Prestige mutually agree and consent to the text of the communication attached hereto as Exhibit A, which may not and shall not be used for any purposes prior to the date upon which Employee resigns as an officer of the Company.

11. Termination of Employment. On April 1, 2008, your employment with Prestige shall cease altogether. As of that date, you will be afforded all customary and usual termination benefits, including but not limited to the option to purchase COBRA health insurance. In the event that any compensation to be paid to Employee pursuant to the terms of Section 3 above is deemed to be a part of a nonqualified deferred compensation plan under Section 409A of the Code, and if such treatment for tax purposes causes Employee to become ineligible for COBRA benefits for anything less than the full term of such benefits to which he would otherwise be entitled, then the Company shall continue to provide full health benefits to Employee, at the Company’s sole expense, until October 1, 2009.

12. Release of Claims. As a condition precedent to this Agreement, you agree to execute a release in the form of Exhibit C hereto. You further acknowledge by your initials appearing at the end of this Section 12 that Prestige has encouraged you to obtain counsel and to review this Agreement prior to execution. /s/ GFB.

13. Restriction on Sale of Restricted Stock. You acknowledge that you have been advised of the possibility that the Company will participate in a registered offering of the Company’s common stock (the “Offering”). In the event that the Offering is consummated, and as a condition of this Agreement, you agree that you will limit your participation in the Offering to not more than twenty-five percent (25%) of the total number of Common Shares that you will own as of April 1, 2008 (calculated as though you had fully performed all of your obligations under this Agreement through that date). Notwithstanding anything to the contrary herein or in the SMA, including Section 5(b) thereof, you will retain the right to Transfer, at any future date, the difference between the number of shares (i) that, but for the limitations set forth in the immediately preceding sentence, you would otherwise be entitled to sell and (ii) the amount that you actually do sell, provided that you may Transfer up to that entire difference in a single transaction or a series of transactions, occurring either on a single date or on several dates, at your sole election; and further provided that no such Transfer may take place that would violate the usual and customary underwriting restrictions

associated with the Offering. Otherwise, the sale restrictions imposed by the SMA will remain in full force and effect. You also agree to cooperate in this or other similar Company activities, as requested, to the extent that it is reasonably possible to do so.

14. Non-Compete. So long as the Company is not in breach of its obligations under this Agreement and the release that is annexed hereto as Exhibit C, during the two-year period beginning on April 1, 2007, you agree not to compete with the Company in the areas of: (a) OTC cryogenic wart treatment products, (b) Devices for treatment or management of bruxism, (c) Liquid OTC sore throat treatment products and lozenges, (d) Inter-proximal devices, (e) Copper scrubbers, (f) powdered cleansers and (g) pediatric OTC medicinal products, except with the express written consent of the Company (which consent shall not be unreasonably withheld).

15. Lawful Process. Nothing set forth herein shall preclude you from responding to any subpoena or other lawful process or order, nor shall anything herein preclude you from discussing the terms of this Agreement or the release that is annexed hereto as Exhibit C with your spouse, your attorney, your tax advisor, or your accountant. You may also disclose the terms of this Agreement as necessary to enforce your rights under this Agreement.

16. Death. In the event of your death or disability, all amounts payable to you hereunder shall be paid to your estate or, if you are still living, to you, as though you had fully performed all of your obligations hereunder through April 1, 2008.

17. Indemnity. The Company agrees to indemnify, defend and hold you harmless against any judgments, expenses, costs, attorneys' fees, fines, or other amounts that you may incur for liabilities that arise out of any proceedings, class action suits, lawsuits, mediations, arbitrations, depositions, or litigation of any kind or nature whatsoever, now pending or that may later be brought or threatened against you by reason of the fact that you were an employee of the Company, in accordance with the Company's indemnification provisions existing on the date of execution of this Agreement. These rights are in addition to any other rights that you may have under the Company's bylaws, the laws of the State of New York, the Delaware General Corporation Law, and any other applicable laws or regulations.

18. Forfeiture of Restricted Stock Grant. In consideration of the benefits conferred herein, you agree to surrender and forfeit the grant of 4,734 shares of restricted stock made as of July 1, 2006.

19. Maturation of Performance Shares. The 1,184 Performance Shares that were awarded to you as of July 1, 2006, shall mature pursuant to the terms of the award; and the valuation of the same shall be determined as of the close of business on March 31, 2008. You should contact the Company shortly after that date to discuss your entitlements (if any) under that award.

20. No Future Long Term Incentive Awards. In consideration of the benefits conferred herein, you acknowledge that you will receive no additional Long Term Incentive Awards, either in calendar year 2007 or 2008, or at any time subsequent thereto.

21. Attorney's Fees. The Company will reimburse any reasonable attorney's fees incurred by you in connection with the review and negotiation of this document in an amount not to exceed $2,500.

22. Amendment and Waiver. Nothing in this Agreement abrogates or otherwise amends Section 12(k) of the SMA.

If the terms of this offer are acceptable to you, please supply the appropriate date and then execute this offer in the presence of a witness, who must also sign this offer. Then return two copies of the signed offer to us so that it may be countersigned by Peter C. Mann. Upon Mr. Mann's signature, this offer will become the Agreement retroactive to the date on which you executed it.

Agreed to and accepted this 22nd day of December, 2006.

/s/ Gerry Butler
Gerry Butler

/s/ Peter Anderson
By: Peter Anderson
Chief Financial Officer of the Company

/s/ J.E. Rogers
Witness

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“Agreement”), effective as of January 19, 2007 (“Effective Date”), is made and entered into by and between **PRESTIGE BRANDS HOLDINGS, INC.** (the “Company”) and **MARK PETTIE** (“Executive”).

W I T N E S S E T H:

WHEREAS, the Company desires to employ Executive upon the terms and subject to the conditions hereinafter set forth, and Executive desires to accept such employment;

NOW, THEREFORE, for and in consideration of the premises, the mutual promises, covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. EMPLOYMENT.

Subject to the terms and conditions of this Agreement, the Company hereby employs Executive as its Chief Executive Officer, reporting to the Board of Directors of the Company (the” Board”). During the term of this Agreement, subject to Section 3.1, Executive also shall serve as Chairman of the Board.

2. DURATION OF AGREEMENT.

2.1 Initial Term. This employment shall begin as of the Effective Date, and shall continue until it terminates pursuant to this Agreement. Unless extended pursuant to Section 2.2, or earlier terminated pursuant to any of Sections 5, 6, 7, 8 or 9, this Agreement will terminate on March 31, 2008. The specified period during which this Agreement is in effect is the “Term.”

2.2 Extensions of Term.

2.2.1 By Agreement. The Term may be extended to a specified future date at any time by the specific written agreement of the parties signed prior to the original expiration date specified in Section 2.1, or any subsequent expiration date established pursuant to Section 2.2.2.

2.2.2 Annual Extension. For purposes of this Agreement, April 1, 2008 and each April 1 thereafter shall be referred to as an “Anniversary Date,” and the one-year period from each Anniversary Date to the next shall be referred to as a “Contract Year.” On each Anniversary Date, beginning April 1, 2008, unless either party to this Agreement has notified the other in writing not less than three (3) months prior to such Anniversary Date of that party’s intention to allow this Agreement to expire and not be renewed at the end of the then current Term, the Term shall automatically be extended for one Contract Year on and from each Anniversary Date.

3. POSITION AND DUTIES.

3.1 Position. Executive shall serve as the Company's Chief Executive Officer. Executive shall perform such duties and responsibilities as may be prescribed from time-to-time by the Board, which shall be consistent with the responsibilities of similarly situated executives of comparable companies in similar lines of business. So long as Executive is serving as Chief Executive Officer, the Company shall nominate Executive for election as a member of the Board at each meeting of the Company's shareholders at which the election of Executive is subject to a vote by the Company's shareholders and to recommend that the shareholders of the Company vote to elect Executive as a member of the Board, and the Company shall designate Executive as Chairman of the Board in each Term. From time to time, Executive also may be designated to such other offices within the Company or its subsidiaries as may be necessary or appropriate for the convenience of the businesses of the Company and its subsidiaries; provided, however, during the Term, he shall, in addition to the title of Chief Executive Officer, also continue to hold the title of Chairman.

3.2 Full-Time Efforts. Executive shall perform and discharge faithfully, diligently and to the best of his ability such duties and responsibilities and shall devote his full-time efforts to the business and affairs of the Company. Executive agrees to promote the best interests of the Company and to take no action that in any way damages the public image or reputation of the Company, its subsidiaries or its affiliates.

3.3 No Interference With Duties. Executive shall not (i) engage in any activities, or render services to or become associated with any other business that in the reasonable judgment of the Board violates Article 11 of this Agreement; or (ii) devote time to other activities which would inhibit or otherwise interfere with the proper performance of his duties, provided, however, that it shall not be a violation of this Agreement for Executive to (i) devote reasonable periods of time to charitable and community activities and industry or professional activities, or (ii) manage personal business interests and investments, so long as such activities do not interfere with the performance of Executive’s responsibilities under this Agreement. Executive may, with the prior approval of the Board (or applicable committee), serve on the boards of directors (or other governing body) of other for profit corporations or entities, consistent with this Agreement and the Company's policies.

3.4 Work Standard. Executive hereby agrees that he shall at all times comply with and abide by all terms and conditions set forth in this Agreement, and all applicable work policies, procedures and rules as may be issued by Company. Executive also agrees that he shall comply with all federal, state and local statutes, regulations and public ordinances governing the performance of his duties hereunder.

4. COMPENSATION AND BENEFITS.

4.1 Base Salary. Subject to the terms and conditions set forth in this Agreement, the Company shall pay Executive, and Executive shall accept an annual salary (“Base Salary”) in the amount of Four Hundred Twenty-five Thousand and No/100 Dollars ($425,000). The Base Salary shall be paid in accordance with the Company’s normal payroll practices. The Executive shall be entitled to periodic reviews (no less frequently than annually) for increases in Base Salary during each Contract Year, as shall be determined and approved by the Board, taking into account the performance of the Company and the Executive, and other factors that the Board considers relevant to the salaries of executives holding similar positions with enterprises comparable to the Company. The first such review shall take place during or before April 2008.

4.2 Incentive, Savings and Retirement Plans. During the Term, Executive shall be entitled to participate in all incentive (including, without limitation, long term incentive plans), savings and retirement plans, practices, policies and programs applicable generally to senior executive officers of the Company ("Senior Executives"), and on the same basis as such Senior Executives, except as to benefits that are specifically applicable to Executive pursuant to this Agreement. Without limiting the foregoing, the following provisions shall apply with respect to Executive:

4.2.1 Annual Bonus Plan. Executive shall be entitled to an annual bonus (including a guaranteed prorated target bonus of no less than Sixty Two Thousand Eight Hundred and Seventy Seven dollars ($62,877) for the fiscal year ended March 31, 2007 based upon days of service from the Effective Date through March 31, 2007), the amount of which shall be determined by the Compensation Committee of the Board (the "Committee"). The amount of and performance criteria with respect to any bonus in any fiscal year subsequent to March 31, 2007 shall be determined not later than the date or time prescribed by Treas. Reg. § 1.162-27(e) in accordance with a formula to be agreed upon by the Company and Executive and approved by the Committee that reflects the financial and other performance of the Company and the Executive's contributions thereto. Throughout the Term, the Executive's annual target (subject to such performance and other criteria as may be established by the Committee) bonus shall be no less than seventy-five percent (75%) of the Base Salary and the maximum bonus shall be no less than one hundred fifty percent (150%) of the Base Salary. Executive's bonus for the fiscal year ended March 31, 2008 shall be reduced by any amounts paid to Executive pursuant to Section 4.2.6.

4.2.2 Welfare Benefit Plans. During the Term, Executive and Executive's eligible dependents shall be eligible for participation in, and shall receive all benefits under, the welfare benefit plans, practices, policies and programs provided by the Company (including, without limitation, medical, prescription, dental, disability, executive life, group life, accidental death and travel accident insurance plans and programs) ("Welfare Plans") to the extent applicable generally to Senior Executives.

4.2.3 Vacation. From the Effective Date through March 31, 2008 and during each Contract Year thereafter through the Term, Executive shall be granted four (4) weeks' paid vacation in accordance with the Company's vacation policy as in effect and as approved by the Committee from time to time. The timing of paid vacations shall be scheduled in a reasonable manner by the Executive.

4.2.4 Business Expenses. Executive shall be reimbursed for all reasonable business expenses incurred in carrying out the work hereunder. Executive shall follow the Company's expense procedures that generally apply to other Senior Executives in accordance with the policies, practices and procedures of the Company to the extent applicable generally to such Senior Executives.

4.2.5 Perquisites. Executive shall be entitled to receive such executive perquisites, fringe and other benefits as are provided to the senior most executives and their families under any of the Company's plans and/or programs in effect from time to time and such other benefits as are customarily available to Senior Executives.

4.2.6 Signing and Retention Bonus. Provided that Executive continues to be employed by the Company at the dates established hereafter in this section for payment, he shall be paid a bonus of Seventy-five thousand and 00/100 dollars ($75,000) on April 1, 2007 and Seventy-five thousand and 00/100 dollars ($75,000) on April 1, 2008.

4.2.7 LTIP. Beginning April 2007, Executive shall participate to the same extent as other Senior Executives in awards under the Company's 2005 Long-Term Equity Incentive Plan (the "LTIP Plan"). Executive's LTIP Award shall have at the time of grant a value of 150% of the Executive's total cash compensation during the fiscal year immediately preceding the date of the LTIP Award. Executive will be granted an LTIP Award, consisting of restricted stock, in April 2007 with a value of $1,125,000, subject to all of the other terms and provisions of the LTIP Plan. The composition of future LTIP Awards beginning April 1, 2008 shall be determined in accordance with the prevailing practice applicable to Senior Executives. The Company confirms that upon a "Change in Control" (as defined in the LTIP Plan), all awards to the Executive thereunder fully vest with no requirement that the Executive's employment with the Company have terminated.

4.3 Legal Fees. Within, ten (10) days following receipt of appropriate written documentation, the Company will reimburse Executive up to $15,000 for reasonable and customary legal fees and expenses incurred by Employee with respect to the negotiation and execution of this Agreement.

5. TERMINATION FOR CAUSE.

This Agreement may be terminated immediately at any time by the Company without any liability owing to Executive or Executive's beneficiaries under this Agreement, except Base Salary through the date of termination and benefits under any plan or agreement covering Executive which shall be governed by the terms of such plan or agreement, under the following conditions, each of which shall constitute "Cause" or "Termination for Cause":

(a) Any willful act by Executive involving fraud and any willful breach by Executive of applicable regulations of competent authorities in relation to trading or dealing with stocks, securities, investments, regulation of the Company's business and the like or any willful act by Executive resulting in an investigation by applicable regulatory authorities which, in each case, a majority of the Board determines in its sole and absolute discretion materially adversely affects the Company or Executive's ability to perform his duties under this Agreement;

(b) Attendance at work in a state of intoxication or otherwise being found in possession at his place of work of any prohibited drug or substance, possession of which would amount to a criminal offense;

(c) Executive's personal dishonesty or willful misconduct in connection with his duties to the Company;

(d) Breach of fiduciary duty to the Company involving personal profit by the Executive;

(e) Assault or other act of violence against any employee of the Company or other person during the course of his employment;

(f) Conviction of the Executive for any felony or crime involving moral turpitude;

(g) Material intentional breach by the Executive of any provision of this Agreement or of any Company policy adopted by the Board;

(h) The willful continued failure of Executive to perform substantially Executive's duties with the Company (other than any such failure resulting from incapacity due to Disability, and specifically excluding any failure by Executive, after good faith, reasonable and demonstrable efforts, to meet performance expectations for any reason), after a written demand for substantial performance is delivered to Executive by a majority of the Board that specifically identifies the manner in which such Board believes that Executive has not substantially performed Executive's duties.

For purposes of this provision, no act or failure to act, on the part of the Executive, shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interest of the Company. Any act, or failure to act, based upon and performed in accordance with authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interest of the Company. The cessation of employment of Executive shall not be deemed to be for Cause unless and until there shall have been delivered to Executive a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to Executive and Executive is given an opportunity to be heard before the Board), finding that, in the good faith opinion of such Board, Executive is guilty of the conduct described in any one or more of subparagraphs (a) through (h) above, and specifying the particulars thereof in detail.

6. TERMINATION UPON DEATH.

Notwithstanding anything herein to the contrary, this Agreement shall terminate immediately upon Executive’s death, and the Company shall have no further liability to Executive or his beneficiaries under this Agreement, other than for payment of Accrued Obligations (as defined in Section 9(a)(1)), and the timely payment or provision of Other Benefits (as defined in Section 9(c)), including without limitation benefits under such plans, programs, practices and policies relating to death benefits, if any, as are applicable to Executive on the date of his death. This payment shall be paid in a lump sum to the Executive’s estate within 90 days after the Company is given notice of the Executive’s death. The rights of the Executive’s estate with respect to stock options and restricted stock, and all other benefit plans, shall be determined in accordance with the specific terms, conditions and provisions of the applicable agreements and plans; provided, however, that any LTIP Award granted under Section 4.2.7 of this Agreement shall immediately vest and become distributable as soon as practicable after the death of the Executive.

7. DISABILITY.

If the Company determines in good faith that the Disability of Executive has occurred during the Term (pursuant to the definition of Disability set forth below), it may give to Executive written notice of its intention to terminate Executive’s employment. In such event, Executive’s employment with the Company shall terminate effective on the 30th day after receipt of such written notice by Executive (the “Disability Effective Date”), provided that, within the 30 days after such receipt, Executive shall not have returned to full-time performance of Executive’s duties. If Executive’s employment is terminated by reason of his Disability, this Agreement shall terminate without further obligations to Executive, other than for payment of Accrued Obligations (as defined in Section 9(a)(1)) and the timely payment or provision of Other Benefits (as defined in Section 9(c), including without limitation benefits under such plans, programs, practices and policies relating to disability benefits, if any, as are applicable to Executive on the Disability Effective Date. The rights of the Executive with respect to stock options and restricted stock, and all other benefit plans, shall be determined in accordance with the specific terms, conditions and provisions of the applicable agreements and plans; provided, however, that any LTIP Award granted under Section 4.2.7 of this Agreement shall immediately vest and become distributable upon the Disability Effective Date.

For purposes of this Agreement, “Disability” shall mean: (i) a long-term disability entitling Executive to receive benefits under the Company’s long-term disability plan as then in effect; or (ii) if no such plan is then in effect or the plan does not apply to Executive, the inability of Executive, as determined by the Board, to perform the essential functions of his regular duties and responsibilities, with or without reasonable accommodation, due to a medically determinable physical or mental illness which has lasted (or can reasonably be expected to last) for a period of six consecutive months. At the request of Executive or his personal representative, the Board's determination that the Disability of Executive has occurred shall be certified by two physicians mutually agreed upon by Executive, or his personal representative, and the Company. Without such independent certification (if so requested by Executive), Executive’s termination shall be deemed a termination by the Company without Cause and not a termination by reason of his Disability.

8. EXECUTIVE'S TERMINATION OF EMPLOYMENT.

Executive's employment may be terminated at any time by Executive for Good Reason or no reason. For purposes of this Agreement, "Good Reason" shall mean:

(a) Other than his removal for Cause pursuant to Section 5, without the written consent of Executive, the assignment to Executive of any duties inconsistent in any material respect with Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as in effect on the Effective Date, or any other action by the Company which results in a demonstrable diminution in such position, authority, duties or responsibilities (including without limitation the designation of another person as Chairman); but excluding, for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by Executive;

(b) A reduction by the Company in Executive's Base Salary as in effect on the Effective Date or as the same may be increased from time to time;

(c) A reduction by the Company in Executive's annual target bonus (expressed as a percentage of Base Salary) unless such reduction is a part of an across-the-board decrease in target bonuses affecting all other Senior Executives; provided, however that in any event, the Company may not reduce Executive's annual target bonus (expressed as a percentage of Base Salary) below seventy-five percent (75%) of the Base Salary;

(d) The Company's giving notice under Section 2.2.2 of its intention not to renew this Agreement unless at that time, the Company could terminate this Agreement and Executive's employment for "Cause."

(e) The failure by the Company to continue in effect any "pension plan or arrangement" or any "compensation plan or arrangement" in which Executive participates or the elimination of Executive's participation in any such plan (except for across the board plan changes or terminations similarly affecting other Senior Executives); provided however that nothing in this provision shall have the effect of impairing Executive's entitlement to an annual target bonus in the amount set forth in Section 8(c) above;

(f) The Company's requiring Executive, without his consent, to be based at any office or location more than thirty (30) miles from the Company's current headquarters in Irvington, New York;

(g) The material breach by the Company of any provision of this Agreement; or

(h) A “Change in Control” (as defined in the LTIP Plan) occurs and either the Company repudiates this Agreement or a successor (if any and applicable) (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company fails to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

Good Reason shall not include Executive’s death or Disability. Executive’s continued employment shall not constitute consent to, or a waiver of rights with respect to, any circumstance constituting Good Reason hereunder, provided that Executive raises to the attention of the Board any circumstance he believes in good faith constitutes Good Reason within ninety (90) days after occurrence or be foreclosed from raising such circumstance thereafter. The Company shall have an opportunity to cure any claimed event of Good Reason (other than under subparagraph (h) above) within 30 days of notice from Executive.

If Executive terminates his employment for Good Reason, upon the execution and effectiveness of a mutually agreeable release of the Company from all liability (a “Release”), he shall be entitled to the same benefits he would be entitled to under Section 9 as if terminated without Cause. If Executive terminates his employment without Good Reason, this Agreement shall terminate without further obligations to Executive, other than for payment of Accrued Obligations (as defined in Section 9(a)(1)) and the timely payment or provision of Other Benefits (as defined in Section 9(c).

Unless otherwise permitted by Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), with regard to any payment or benefit under this Section 8 which is nonqualified deferred compensation covered by Section 409A of the Code, no such payment or benefit (other than Accrued Obligations and Other Benefits) shall be provided to Executive pursuant to this Section if a Release is not provided to the Company, without revocation thereof, no later than forty-five (45) days after Executive’s termination date; and no payment or benefit hereunder shall be provided to Executive prior to the Company’s receipt of a Release and the expiration of any period of revocation provided for in the Release.

9. TERMINATION WITHOUT CAUSE.

If Executive’s employment is terminated by the Company without Cause prior to the expiration of the Term (it being understood by the parties that termination by death or Disability shall not constitute termination without Cause), then Executive shall be entitled to the following benefits upon the execution and effectiveness of a Release:

(a) The Company shall pay to Executive commencing after the later of the date of termination or the execution and effectiveness of a Release, the aggregate of the following amounts:

(1) in a lump sum in cash within 30 days, the sum of (i) Executive's Base Salary through the date of termination to the extent not theretofore paid, (ii) any accrued expenses and vacation pay to the extent not theretofore paid, and (iii) unless Executive has elected a different payout date in a prior deferral election, any compensation previously deferred by Executive (together with any accrued interest or earnings thereon) to the extent not theretofore paid (the sum of the amounts described in subparagraphs (i), (ii) and (iii) shall be referred to in this Agreement as the "Accrued Obligations");

(2) in installments ratably over twelve (12) months in accordance with the Company's normal payroll cycle and procedures, the amount equal to the sum of: (i) Executive's annual Base Salary in effect as of the date of termination; *plus* (ii) Executive's Applicable Annual Bonus (as defined below). For purposes of this Agreement, "Applicable Annual Bonus" means the greater of Executive's actual annual incentive bonus from the Company earned in the fiscal year immediately preceding the fiscal year in which Executive's termination date falls or Executive's target annual incentive bonus (e.g., 75% of Base Salary as of the Effective Date) for the year in which Executive's termination date falls; and

(3) in the event the termination of employment occurs prior to March 31, 2010, for each LTIP Award granted prior to the date of termination pursuant to Section 4.2.7, a lump sum in cash equal to the product of: (i) a fraction, the numerator of which shall be the number "one (1)" if the Executive has been employed for twelve months or less from the applicable date of the grant of the LTIP Award in question (the "Grant Date"), the number "two (2)" if the Executive has been employed for more than twelve but less than twenty four months from the Grant Date and the number "three (3)" if the Executive has been employed for more than twenty four months from the Grant Date and the denominator of which shall be the number "three (3)" *multiplied by* (ii) the value (based, in the case of restricted stock, upon the closing market price of the Company's common stock on the day prior to the date of termination of employment) of the unvested portion of each LTIP Award; and

(4) With respect to Section 9(a)(2), the Company, with the consent of the Executive, may make a lump sum payment of all amounts, or all remaining amounts, due to Executive; and

(b) The Executive's participation in the life, medical and disability insurance programs in effect on the date of termination of employment shall on the same basis as an active employee of the Company for up to twelve (12) months after Executive's date of termination. Executive shall thereafter be entitled to continuation of benefits pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act, as from time to time amended.

(c) To the extent not theretofore paid or provided, the Company shall timely pay or provide to Executive any other accrued amounts or accrued benefits required to be paid or provided or which Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company (such other amounts and benefits shall be referred to in this Agreement as the "Other Benefits").

Unless otherwise permitted by Section 409A of the Code, with regard to any payment or benefit under this Section 9 which is nonqualified deferred compensation covered by Section 409A of the Code, no such payment or benefit (other than Accrued Obligations and Other Benefits) shall be provided to Executive pursuant to this Section if a Release is not provided to the Company, without revocation thereof, no later than forty-five (45) days after Executive's termination date; and no payment or benefit hereunder shall be provided to Executive prior to the Company's receipt of a Release and the expiration of any period of revocation provided in the Release. In addition, unless otherwise permitted by Section 409A of the Code, the Company shall not be entitled to make a lump sum payment of all amounts, or all remaining amounts, due to Executive under Section 9(a)(2) if such exercise would cause any such payment which is nonqualified deferred compensation covered by Section 409A of the Code to be in non-compliance with Section 409A of the Code, provided however, that nothing in this provision or the Agreement to the contrary, Executive shall not incur a diminution in value of any payment to which he is entitled pursuant to this Agreement, nor shall the application of Section 409A relieve the Company of any obligation under this Agreement to make payments to Executive to which he is entitled.

10. PUBLICITY; NO DISPARAGING STATEMENT.

Executive and the Company covenant and agree that they shall not engage in any communications which shall disparage one another or interfere with their existing or prospective business relationships.

11. BUSINESS PROTECTION PROVISIONS.

11.1 Preamble. As a material inducement to the Company to enter into this Agreement, and its recognition of the valuable experience, knowledge and proprietary information Executive will gain from his employment with the Company, Executive warrants and agrees he will abide by and adhere to the following business protection provisions in this Article 11 and all sections and subsections thereof.

11.2 Definitions. For purposes of this Article 11 and all sections and subsections thereof, the following terms shall have the following meanings:

(a) "Competitive Position" shall mean any employment, consulting, advisory, directorship, agency, promotional or independent contractor arrangement between the Executive and any person or Entity engaged in a line of business that competes directly with any brand of the Company or any of its affiliates or subsidiaries (collectively the "PBH Entities") whereby

Executive is required to or does perform services on behalf of or for the benefit of such person or Entity which are substantially similar to the services in which Executive participated or that he directed or oversaw while employed by the Company. For the purposes of this Section 11.2, it is expressly understood and agreed that Executive shall not be precluded from employment with an Entity that competes with the Company so long as Executive does not participate, directly or indirectly, in the business operations of any subsidiary, division or portion thereof that manufactures, distributes or sells such competing brands so long as Executive does not violate either Section 11.3 or Section 11.4.

(b) "Confidential Information" shall mean the proprietary or confidential data, information, documents or materials (whether oral, written, electronic or otherwise) belonging to or pertaining to the PBH Entities, other than "Trade Secrets" (as defined below), which is of tangible or intangible value to any of the PBH Entities and the details of which are not generally known to the competitors of the PBH Entities. Confidential Information shall also include: any items that any of the PBH Entities have marked "CONFIDENTIAL" or some similar designation or are otherwise identified as being confidential.

(c) "Entity" or "Entities" shall mean any business, individual, partnership, joint venture, agency, governmental agency, body or subdivision, association, firm, corporation, limited liability company or other entity of any kind.

(d) "Restricted Period" shall mean one (1) year following termination of Executive's employment hereunder; provided, however that the Restricted Period shall be extended for a period of time equal to any period(s) of time within the one (1) year period following termination of Executive's employment hereunder that Executive is determined by a final non-appealable judgment from a court of competent jurisdiction to have engaged in any conduct that violates this Article 12 or any sections or subsections thereof, the purpose of this provision being to secure for the benefit of the Company the entire Restricted Period being bargained for by the Company for the restrictions upon the Executive's activities.

(e) "Territory" shall mean each of the United States of America or any country other than the United States of America in which the Company shall transact business during the Term.

(f) "Trade Secrets" shall mean information or data of or about any of the PBH Entities, including, but not limited to, technical or non-technical data, customer lists, pricing models, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans or lists of actual or potential suppliers that: (1) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy; and (3) any other information which is defined as a "trade secret" under applicable law.

(g) "Work Product" shall mean all tangible work product, property, data, documentation, "know-how," concepts or plans, inventions, improvements, techniques and processes relating to the PBH Entities that were conceived, discovered, created, written, revised or developed by Executive during the term of his employment with the Company.

11.3 Nondisclosure; Ownership of Proprietary Property.

(a) In recognition of the need of the PBH Entities to protect their legitimate business interests, Confidential Information and Trade Secrets, Executive hereby covenants and agrees that Executive shall regard and treat Trade Secrets and all Confidential Information as strictly confidential and wholly-owned by the PBH Entities and shall not, for any reason, in any fashion, either directly or indirectly, use, sell, lend, lease, distribute, license, give, transfer, assign, show, disclose, disseminate, reproduce, copy, misappropriate or otherwise communicate any such item or information to any third party or Entity for any purpose other than in accordance with this Agreement or as required by applicable law, court order or other legal process: (i) with regard to each item constituting a Trade Secret, at all times such information remains a "trade secret" under applicable law, and (ii) with regard to any Confidential Information, for the Restricted Period.

(b) Executive shall exercise best efforts to ensure the continued confidentiality of all Trade Secrets and Confidential Information, and he shall immediately notify the Company of any unauthorized disclosure or use of any Trade Secrets or Confidential Information of which Executive becomes aware. Executive shall assist the PBH Entities, to the extent necessary, in the protection of or procurement of any intellectual property protection or other rights in any of the Trade Secrets or Confidential Information.

(c) All Work Product shall be owned exclusively by the PBH Entities. To the greatest extent possible, any Work Product shall be deemed to be "work made for hire" (as defined in the Copyright Act, 17 U.S.C.A. §101 *et seq*., as amended), and Executive hereby unconditionally and irrevocably transfers and assigns to applicable PBH Entity all right, title and interest Executive currently has or may have by operation of law or otherwise in or to any Work Product, including, without limitation, all patents, copyrights, trademarks (and the goodwill associated therewith), trade secrets, service marks (and the goodwill associated therewith) and other intellectual property rights. Executive agrees to execute and deliver to the applicable PBH Entity any transfers, assignments, documents or other instruments which the Company may deem necessary or appropriate, from time to time, to protect the rights granted herein or to vest complete title and ownership of any and all Work Product, and all associated intellectual property and other rights therein, exclusively in the applicable PBH Entity.

11.4 Non-Interference With Executives.

Executive recognizes and acknowledges that, as a result of his employment by Company; he will become familiar with and acquire knowledge of confidential information and certain other information regarding the other executives and employees of the PBH Entities. Therefore, Executive agrees that, during the Restricted Period, Executive shall not encourage, solicit or otherwise attempt to persuade any person in the employment of the PBH Entities to end his/her employment with a PBH Entity or to violate any confidentiality, non-competition or employment agreement that such person may have with a PBH Entity or any policy of any PBH Entity.

Furthermore, neither Executive nor any person acting in concert with the Executive nor any of Executive's affiliates shall, during the Restricted Period, employ any person who has been an executive or management employee of any PBH Entity unless that person has ceased to be an employee of the PBH Entities for at least six (6) months.

11.5 Non-competition.

Executive covenants and agrees to not obtain or work in a Competitive Position within the Territory during the Term or during the Restricted Period. Executive and Company recognize and acknowledge that the scope, area and time limitations contained in this Agreement are reasonable and are properly required for the protection of the business interests of Company due to Executive's status and reputation in the industry and the knowledge to be acquired by Executive through his association with Company's business and the public's close identification of Executive with Company and Company with Executive. Further, Executive acknowledges that his skills are such that he could easily find alternative, commensurate employment or consulting work in his field that would not violate any of the provisions of this Agreement. Executive acknowledges and understands that, as consideration for his execution of this Agreement and his agreement with the terms of this covenant not to compete, Executive will receive employment with and other benefits from the Company in accordance with this Agreement.

11.6 Remedies.

Executive understands and acknowledges that his violation of this Article 11 or any section or subsection thereof would cause irreparable harm to Company and Company would be entitled to an injunction by any court of competent jurisdiction enjoining and restraining Executive from any employment, service, or other act prohibited by this Agreement The parties agree that nothing in this Agreement shall be construed as prohibiting Company from pursuing any remedies available to it for any breach or threatened breach of this Article 11 or any section or subsection thereof, including, without limitation, the recovery of damages from Executive or any person or entity acting in concert with Executive. If any part of this Article 11 or any section or subsection thereof is found to be unreasonable, then it may be amended by appropriate order of a court of competent jurisdiction to the extent deemed reasonable. Furthermore and in recognition that certain severance payments are being agreed to in reliance upon Executive’s compliance with this Article 11 after termination of his employment, in the event Executive breaches any of such business protection provisions of this Agreement, any unpaid amounts (e.g., those provided under Section 8 or Section 9(a)) shall be forfeited and Company shall not be obligated to make any further payments or provide any further benefits to Executive following any such breach.

12. RETURN OF MATERIALS; BOARD RESIGNATION.

Upon Executive’s termination, or at any point after that time upon the specific request of the Company, Executive shall return to the Company all written or descriptive materials of any kind belonging or relating to the Company or its affiliates, including, without limitation, any originals, copies and abstracts containing any Work Product, intellectual property, Confidential Information and Trade Secrets in Executive’s possession or control. In addition, upon the termination of Executive’s employment with the Company, upon the request of the Board, Executive shall submit, and upon the failure to do so, shall be deemed to have submitted his resignation as a member of the Board effective upon the termination of employment.

13. GENERAL PROVISIONS.

13.1 Amendment. This Agreement may be amended or modified only by a writing signed by both of the parties hereto.

13.2 Binding Agreement. This Agreement shall inure to the benefit of and be binding upon Executive, his heirs and personal representatives, and the Company and its successors and assigns.

13.3 Waiver Of Breach; Specific Performance. The waiver of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other breach. Each of the parties to this Agreement will be entitled to enforce its or his rights under this Agreement, specifically, to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights existing in its or his favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its or his sole discretion apply to any court of law or equity of competent jurisdiction for specific performance or injunctive relief in order to enforce or prevent any violations of the provisions of this Agreement.

13.4 Indemnification and Insurance. The Company shall indemnify and hold the Executive harmless to the maximum extent permitted by law against judgments, fines, amounts paid in settlement and reasonable expenses, including reasonable attorneys' fees incurred by the Executive, in connection with the defense of, or as a result of any action or proceeding (or any appeal from any action or proceeding) in which the Executive is made or is threatened to be made a party by reason of the fact that he is or was an officer of the Company or any affiliate. In addition, the Company agrees that the Executive is and shall continue to be covered and insured up to the maximum limits provided by all insurance which the Company maintains to indemnify its directors and officers (as well as any insurance that it maintains to indemnify the Company for any obligations which it incurs as a result of its undertaking to indemnify its officers and directors) and that the Company will exert its best efforts to maintain such insurance, in not less than its present limits, in effect throughout the term of the Executive's employment.

13.5 No Effect On Other Arrangements. It is expressly understood and agreed that the payments made in accordance with this Agreement are in addition to any other benefits or compensation to which Executive may be entitled or for which he may be eligible, whether funded or unfunded, by reason of his employment with the Company. Notwithstanding the foregoing, the provisions in Section 5 through Section 9 regarding benefits that the Executive will receive upon his employment being terminated supersede and are expressly in lieu of any other severance program or policy that may be offered by the Company, except with regard to any rights the Executive may have pursuant to COBRA.

13.6 **Tax Withholding.** There shall be deducted from each payment under this Agreement the amount of any tax required by any govern-mental authority to be withheld and paid over by the Company to such governmental authority for the account of Executive.

13.7 **Notices.**

All notices and all other communications provided for herein shall be in writing and delivered personally to the other designated party, or mailed by certified or registered mail, return receipt requested, or delivered by a recognized national overnight courier service, or sent by facsimile, as follows:

If to Company to: Prestige Brands Holdings, Inc.
Attn: General Counsel's Office
90 North Broadway
Irvington, NY 10533
Facsimile: (914) 524-7488

If to Executive to: Mark Pettie
25 Anderson Court
Woodcliff Lake, NJ 07677

All notices sent under this Agreement shall be deemed given twenty-four (24) hours after sent by facsimile or courier, seventy-two (72) hours after sent by certified or registered mail and when delivered if personal delivery. Either party hereto may change the address to which notice is to be sent hereunder by written notice to the other party in accordance with the provisions of this Section.

13.8 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (without giving effect to conflict of laws).

13.9 **Entire Agreement.** This Agreement contains the full and complete understanding of the parties hereto with respect to the subject matter contained herein and this Agreement supersedes and replaces any prior agreement, either oral or written, which Executive may have with Company that relates generally to the same subject matter including, as of the Effective Date, the Prior Agreements.

13.10 **Assignment.** This Agreement may not be assigned by Executive without the prior written consent of Company, and any attempted assignment not in accordance herewith shall be null and void and of no force or effect.

13.11 **Severability.** If any one or more of the terms, provisions, covenants or restrictions of this Agreement shall be determined by a court of competent jurisdiction to be invalid, void or unenforceable, then the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect, and to that end the provisions hereof shall be deemed severable.

13.12 **Section and Paragraph Headings.** The Section and paragraph headings set forth herein are for convenience of reference only and shall not affect the meaning or interpretation of this Agreement whatsoever.

13.13 **Interpretation.**Should a provision of this Agreement require judicial interpretation, it is agreed that the judicial body interpreting or construing the Agreement shall not apply the assumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that an instrument is to be construed more strictly against the party which itself or through its agents prepared the agreement, it being agreed that all parties and/or their agents have participated in the preparation hereof.

13.14 **Mediation; Arbitration.**

(a) Except as provided in subsection (d) of this Section 13.14, the following provisions shall apply to disputes between Company and Executive arising out of or related to either: (i) this Agreement (including any claim that any part of this agreement is invalid, illegal or otherwise void or voidable), or (ii) the employment relationship that exists between Company and Executive:

(1) The parties shall first use their best efforts to discuss and negotiate a resolution of the dispute.

(2) If efforts to negotiate a resolution do not succeed within 5 business days after a written request for negotiation has been made, a party may submit to the dispute to mediation by sending a letter to the other party requesting mediation. The dispute shall be mediated by a mediator agreeable to the parties or, if the parties cannot agree, by a mediator selected by the American Arbitration Association. If the parties cannot agree to a mediator within 5 business days, either party may submit the dispute to the American Arbitration Association for the appointment of a mediator. Mediation shall commence within 10 business days after the mediator has been named.

(b) In the event that a dispute between Company and Executive that has been submitted to mediation pursuant to subsection (a) of this section 13.14 is not resolved within sixty (60) days after a written request for negotiation has been made, then, except as provided in subsection (d) of this Section 13.14, any such dispute shall be resolved timely and exclusively by final and binding arbitration pursuant to the American Arbitration Association (“AAA”) National Rules for the Resolution of Employment Disputes (the “AAA Rules”). Arbitration must be demanded within ten (10) calendar days after the expiration of the sixty (60) day period referred to above. The arbitration opinion and award shall be final and binding on the Company and the Executive and shall be enforceable by any court sitting within Westchester County, New York. Company and Executive shall share equally all costs of arbitration excepting their own attorney’s fees unless and to the extent ordered by the arbitrator(s) to pay the attorneys’ fees of the prevailing party.

(c) The parties recognize that this Section 13.14 means that certain claims will be reviewed and decided only before an impartial arbitrator or panel of arbitrators instead of before a court of law and/or a jury, but desire the many benefits of the arbitration process over court proceedings, including speed of resolution, lower costs and fees, and more flexible rules of evidence. The arbitrator or arbitrators duly selected pursuant to the AAA's Rules shall have the same power and authority to order any remedy for violation of a statute, regulation, or ordinance as a court would have; and shall have the same power to order discovery as a federal district court has under the Federal Rule of Civil Procedure.

(d) The provisions of this Section 13.14 shall not apply to any action by the Company seeking to enforce its rights arising out of or related to the provisions of Article 12 of this Agreement.

(e) This Section 13.14 is intended by the Company and the Executive to be enforceable under the Federal Arbitration Act. Should it be determined by any court that the Act does not apply, then this Section 13.14 shall be enforceable under the applicable arbitration statutes of the State of Delaware.

13.15 **Voluntary Agreement.** Executive and Company represent and agree that each has reviewed all aspects of this Agreement, has carefully read and fully understands all provisions of this Agreement, and is voluntarily entering into this Agreement. Each party represents and agrees that such party has had the opportunity to review any and all aspects of this Agreement with legal, tax or other adviser(s) of such party's choice before executing this Agreement.

13.16 **Nonqualified Deferred Compensation Omnibus Provision.** It is intended that any compensation provided under this Agreement be administered and paid in a manner which will not result in the imposition of additional federal income taxes on the Executive under Code Section 409A. The provisions of this Agreement relating to amounts which constitute deferred compensation under Code Section 409A are intended to be construed accordingly. If any compensation or benefits provided by this Agreement may result in the application of Section 409A of the Code, the Company shall, in consultation with the Executive, modify the Agreement (which could include, without limitation a "gross up") in the least restrictive manner necessary in order to exclude such compensation from the definition of "deferred compensation" within the meaning of such Section 409A or in order to comply with the provisions of Section 409A and/or any rules, regulations or other regulatory guidance issued under such statutory provision and without any diminution in the value of the payments to the Executive.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have executed, or caused their duly authorized representative to execute, this Agreement as of this 19th day of January, 2007.

PRESTIGE BRANDS HOLDINGS, INC.

By: /s/ Peter J. Anderson
Title: Chief Financial Officer

"EXECUTIVE"

/s/ Mark Pettie
Mark Pettie

Exhibit 31.1

CERTIFICATIONS

I, Mark Pettie, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Prestige Brands Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(d)-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 9, 2007

/s/ Mark Pettie
Mark Pettie
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Peter J. Anderson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Prestige Brands Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(d)-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 9, 2007

/s/ Peter J. Anderson
Peter J. Anderson
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark Pettie, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Prestige Brands Holdings, Inc. on Form 10-Q for the quarter ended December 31, 2006 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as applicable, and that information contained in such Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of Prestige Brands Holdings, Inc.

/s/ Mark Pettie
Name: Mark Pettie
Title: Chief Executive Officer
Date: February 9, 2007

EXHIBIT 32.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Peter J. Anderson, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Prestige Brands Holdings, Inc. on Form 10-Q for the quarter ended December 31, 2006 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as applicable, and that information contained in such Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of Prestige Brands Holdings, Inc.

/s/ Peter J. Anderson

Name: Peter J. Anderson
Title: Chief Financial Officer
Date: February 9, 2007