U. S. SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 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 June 30, 2008

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 Principal Executive Offices, including zip code)

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

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, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o   Accelerated filer x   Non-accelerated filer o   Smaller reporting company o

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

As of July 31, 2008, there were 49,940,765 shares of common stock outstanding.

Prestige Brands Holdings, Inc.
Form 10-Q
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PART I FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

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

(In thousands, except share data)	Three Months Ended June 30 2008	2007
Revenues		
Net sales	$ 72,916	$ 78,041
Other revenues	618	570
Total revenues	73,534	78,611
Costs of Sales		
Costs of sales	34,272	37,322
Gross profit	39,262	41,289
Operating Expenses		
Advertising and promotion	7,319	7,786
General and administrative	7,973	7,646
Depreciation and amortization	2,756	2,751
Total operating expenses	18,048	18,183
Operating income	21,214	23,106
Other (income) expense		
Interest income	(73)	(187)
Interest expense	8,756	9,874
Total other (income) expense	8,683	9,687
Income before income taxes	12,531	13,419
Provision for income taxes	4,750	5,099
Net income	$ 7,781	$ 8,320
Basic earnings per share	$ 0.16	$ 0.17
Diluted earnings per share	$ 0.16	$ 0.17
Weighted average shares outstanding:		
Basic	49,880	49,660
Diluted	50,035	50,038

See accompanying notes.

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

(In thousands)

Assets	**June 30, 2008**	**March 31, 2008**
Current assets		
Cash and cash equivalents	$ 6,370	$ 6,078
Accounts receivable	38,325	44,219
Inventories	28,811	29,696
Deferred income tax assets	3,006	3,066
Prepaid expenses and other current assets	4,004	2,316
Total current assets	80,516	85,375
Property and equipment	1,365	1,433
Goodwill	308,915	308,915
Intangible assets	644,056	646,683
Other long-term assets	7,316	6,750
Total Assets	$ 1,042,168	$ 1,049,156
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 17,935	$ 20,539
Accrued interest payable	2,604	5,772
Income taxes payable	1,762	--
Other accrued liabilities	6,328	8,030
Current portion of long-term debt	3,550	3,550
Total current liabilities	32,179	37,891
Long-term debt	392,675	407,675
Other long-term liabilities	2,377	2,377
Deferred income tax liabilities	125,781	122,140
Total Liabilities	553,012	570,083
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 June 30 and March 31, 2008	501	501
Additional paid-in capital	380,993	380,364
Treasury stock, at cost – 101 shares and 59 shares at June 30 and March 31, 2008, respectively	(57)	(47)
Accumulated other comprehensive income	684	(999)
Retained earnings	107,035	99,254
Total stockholders' equity	489,156	479,073
Total Liabilities and Stockholders' Equity	$ 1,042,168	$ 1,049,156

See accompanying notes.

Prestige Brands Holdings, Inc.
Consolidated Statement of Changes in Stockholders' Equity
and Comprehensive Income
Three Months Ended June 30, 2008
(Unaudited)

	Common Stock			Treasury Stock				
(In thousands)	**Shares**	**Par Value**	**Additional Paid-in Capital**	**Shares**	**Amount**	**Accumulated Other Comprehensive Income**	**Retained Earnings**	**Totals**
Balances - March 31, 2008	50,060	$ 501	$ 380,364	59	$ (47)	$ (999)	$ 99,254	$ 479,073
Stock-based compensation	--	--	629	--	--	--	--	629
Purchase of common stock for treasury	--	--	--	42	(10)	--	--	(10)
Components of comprehensive income:								
Net income	--	--	--	--	--	--	7,781	7,781
Amortization of interest rate caps reclassified into earnings, net of income tax expense of $32	--	--	--	--	--	53	--	53
Unrealized gain on interest rate caps, net of income tax expense of $1,000	--	--	--	--	--	1,630	--	1,630
Total comprehensive income	--	--	--	--	--	--	--	9,464
Balances – June 30, 2008	50,060	$ 501	$ 380,993	101	$ (57)	$ 684	$ 107,035	$ 489,156

See accompanying notes.

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

(In thousands)	Three Months Ended June 30 2008	2007
Operating Activities		
Net income	$ 7,781	$ 8,320
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,756	2,751
Deferred income taxes	2,669	2,934
Amortization of deferred financing costs	622	780
Stock-based compensation	629	460
Changes in operating assets and liabilities		
Accounts receivable	5,894	(1,948)
Inventories	885	1,663
Prepaid expenses and other current assets	(1,688)	(483)
Accounts payable	(1,077)	(2,911)
Income taxes payable	1,762	1,144
Accrued liabilities	(4,870)	(4,302)
Net cash provided by operating activities	15,363	8,408
Investing Activities		
Purchases of equipment	(61)	(111)
Net cash used for investing activities	(61)	(111)
Financing Activities		
Repayment of long-term debt	(15,000)	(15,887)
Purchase of common stock for treasury	(10)	(4)
Net cash used for financing activities	(15,010)	(15,891)
Increase (Decrease) in cash	292	(7,594)
Cash - beginning of period	6,078	13,758
Cash - end of period	$ 6,370	$ 6,164
Interest paid	$ 11,302	$ 12,036
Income taxes paid	$ 440	$ 551

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 healthcare, personal care and household cleaning brands to mass merchandisers, drug stores, supermarkets and club stores primarily in the United States, Canada and certain international markets. Prestige Brands Holdings, Inc. is a holding company with no assets or operations and is also the parent guarantor of the senior secured credit facility and the senior subordinated notes more fully described in Note 8 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 United States generally accepted accounting principles ("GAAP") for complete financial statements. All significant intercompany transactions and balances have been eliminated. 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 month period ended June 30, 2008 are not necessarily indicative of results that may be expected for the year ending March 31, 2009. 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, 2008.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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 a large regional bank with headquarters in California. 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 origination costs in connection with the issuance of long-term debt. These costs are capitalized as deferred financing costs and amortized using the straight-line method, which approximates the effective interest method, over the term of the related debt.

Revenue Recognition

Revenues are recognized in accordance with Securities and Exchange Commission (“SEC”) Staff Accounting Bulletin 104, “Revenue Recognition,” when the following criteria are met: (i) persuasive evidence of an arrangement exists; (ii) the product has been shipped and the customer takes ownership and assumes risk of loss; (iii) the selling price is fixed or determinable; and (iv) 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 $5.5 million and $5.6 million for the three months ended June 30, 2008 and 2007, 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 recognizes stock-based compensation in accordance with FASB, Statement No. 123(R), "Share-Based Payment" ("Statement No. 123(R)"). 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 stock-based compensation charges of $629,000 and $460,000 during the three month periods ended June 30, 2008 and 2007, respectively.

Income Taxes

Income taxes are recorded in accordance with the provisions of FASB Statement No. 109, "Accounting for Income Taxes" ("Statement No. 109") and FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes--an interpretation of FASB Statement 109" ("FIN 48"). 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.

FIN 48 clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements in accordance with Statement No. 109 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. As a result, the Company has applied a more-likely-than-not recognition threshold for all tax uncertainties. FIN 48 only allows the recognition of those tax benefits that have a greater than 50% likelihood of being sustained upon examination by the various taxing authorities. The adoption of FIN 48, effective April 1, 2007, did not

result in a cumulative effect adjustment to the opening balance of retained earnings or adjustment to any of the components of assets, liabilities or equity in the consolidated balance sheet.

The Company is subject to taxation in the US, various state and foreign jurisdictions. The Company remains subject to examination by tax authorities for years after 2003.

The Company classifies penalties and interest related to unrecognized tax benefits as income tax expense in the Statement of Operations.

Derivative Instruments

FASB Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended ("Statement No. 133"), requires companies to recognize derivative instruments as either assets or liabilities in the consolidated 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. Cash flows from these instruments are classified as operating activities.

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, stock appreciation rights 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 both June 30, 2008 and March 31, 2008 approximates fair value due to the short-term nature of these instruments. The carrying value of long-term debt at both June 30, 2008 and March 31, 2008 approximates fair value based on interest rates for instruments with similar terms and maturities.

Recently Issued Accounting Standards

In March 2008, the FASB issued SFAS No. 161 "Disclosures about Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133" ("Statement No. 161") that requires a company with derivative instruments to disclose information to enable users of the financial statements to understand (i) how and why the company uses derivative instruments, (ii) how derivative instruments and related hedged items are accounted for, and (iii) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. Accordingly, Statement No. 161 requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of and gains and losses on derivative instruments, and disclosures about credit-risk-related contingent features in derivative agreements. Statement No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. The implementation of Statement No. 161 is not expected to have a material effect on the Company's consolidated financial statements.

In December 2007, the FASB ratified Emerging Issues Task Force 07-01, "Accounting for Collaborative Arrangements" ("EITF 07-01"). EITF 07-01 provides guidance for determining if a collaborative arrangement

exists and establishes procedures for reporting revenues and costs generated from transactions with third parties, as well as between the parties within the collaborative arrangement, and provides guidance for financial statement disclosures of collaborative arrangements. EITF 07-01 is effective for fiscal years beginning after December 15, 2008 and is required to be applied retrospectively to all prior periods where collaborative arrangements existed as of the effective date. The Company currently is assessing the impact of EITF 07-01 on its consolidated financial position and results of operations.

In December 2007, the FASB issued SFAS No. 141 (Revised 2007), "Business Combinations" ("Statement No. 141(R)") to improve consistency and comparability in the accounting and financial reporting of business combinations. Accordingly, Statement 141(R) requires the acquiring entity in a business combination to (i) recognize all assets acquired and liabilities assumed in the transaction, (ii) establishes acquisition-date fair value as the amount to be ascribed to the acquired assets and liabilities and (iii) requires certain disclosures to enable users of the financial statements to evaluate the nature, as well as the financial aspects of the business combination. Statement 141(R) is effective for business combinations consummated by the Company on or after April 1, 2009. The impact to the Company of adopting this standard will depend on the nature, terms and size of any business combinations completed after the effective date.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities - Including an amendment of FASB Statement No. 115" ("Statement No. 159"). Statement No. 159 permits companies to choose to measure certain financial instruments and certain other items at fair value. Unrealized gains and losses on items for which the fair value option has been elected will be recognized in earnings at each subsequent reporting date. The implementation of Statement No. 159, effective April 1, 2008, did not have a material effect on the Company's consolidated financial statements.

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 the Company's interim financial statements issued after April 1, 2008. However, on November 14, 2007, the FASB deferred the effective date of Statement No. 157 for one year for nonfinancial assets and nonfinancial liabilities that are recognized or disclosed at fair value in the financial statements on a nonrecurring basis. The implementation of Statement No. 157, effective April 1, 2008, did not have a material effect on financial assets and liabilities included in the Company's consolidated financial statements as fair value is based on readily available market prices. The Company is currently evaluating the impact that the application of Statement No. 157 will have on its consolidated financial statements as it relates to the non-financial assets and liabilities.

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. Accounts Receivable

Accounts receivable consist of the following (in thousands):

	June 30, 2008	March 31, 2008
Accounts receivable	$ 37,430	$ 44,918
Other receivables	2,508	1,378
	39,938	46,296
Less allowances for discounts, returns and uncollectible accounts	(1,613)	(2,077)
	$ 38,325	$ 44,219

3. Inventories

Inventories consist of the following (in thousands):

	June 30, 2008	March 31, 2008
Packaging and raw materials	$ 2,134	$ 2,463
Finished goods	26,677	27,233
	$ 28,811	$ 29,696

Inventories are shown net of allowances for obsolete and slow moving inventory of $1.2 million and $1.4 million at June 30, 2008 and March 31, 2008, respectively.

4. Property and Equipment

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

	June 30, 2008	March 31, 2008
Machinery	$ 1,538	$ 1,516
Computer equipment	666	627
Furniture and fixtures	205	205
Leasehold improvements	344	344
	2,753	2,692
Accumulated depreciation	(1,388)	(1,259)
	$ 1,365	$ 1,433

5. Goodwill

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

	Over-the-Counter Healthcare	Household Cleaning	Personal Care	Consolidated
Balance – March 31, 2008	$ 233,615	$ 72,549	$ 2,751	$ 308,915
Period Activity	--	--	--	--
Balance – June 30, 2008	$ 233,615	$ 72,549	$ 2,751	$ 308,915

6. Intangible Assets

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

	Indefinite Lived Trademarks	Finite Lived Trademarks	Non Compete Agreement	Totals
Carrying Amounts				
Balance – March 31, 2008	$ 544,963	$ 139,503	$ 196	$ 684,662
Period Activity	--	--	--	--
Balance – June 30, 2008	$ 544,963	$ 139,503	$ 196	$ 684,662
Accumulated Amortization				
Balance – March 31, 2008	$ --	$ 37,838	$ 141	$ 37,979
Period Activity	--	2,616	11	2,627
Balance – June 30, 2008	$ --	$ 40,454	$ 152	$ 40,606

At June 30, 2008, intangible assets are expected to be amortized over a period of five to 30 years as follows (in thousands):

Year Ending June 30	
2009	$ 10,145
2010	9,089
2011	9,073
2012	9,073
2013	9,073
Thereafter	52,640
	$ 99,093

7. Other Accrued Liabilities

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

	June 30, 2008	March 31, 2008
Accrued marketing costs	$ 3,999	$ 4,136
Accrued payroll	1,423	2,845
Accrued commissions	307	464
Other	599	585
	$ 6,328	$ 8,030

8. Long-Term Debt

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

	June 30, 2008	March 31, 2008
Senior revolving credit facility (“Revolving Credit Facility”), which expires on April 6, 2009 and 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 June 30, 2008, the interest rate on the Revolving Credit Facility was 6.0% per annum. The Company is also required to pay a variable commitment fee on the unused portion of the Revolving Credit Facility. At June 30, 2008, the commitment fee was 0.50% of the unused line. The Revolving Credit Facility is collateralized by substantially all of the Company’s assets.	$ --	$ --
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 June 30, 2008, the average interest rate on the Tranche B Term Loan Facility was 6.89%. Principal payments of $887,500 plus accrued interest are payable quarterly. Current amounts outstanding under the Tranche B Term Loan Facility mature on April 6, 2011 and are collateralized by substantially all of the Company’s assets.	270,225	285,225
Senior Subordinated Notes that bear interest at 9.25% which is payable on April 15th and October 15th of each year. The Senior Subordinated Notes mature on April 15, 2012; however, the Company may redeem some or all of the Senior Subordinated Notes at redemption prices set forth in the indenture governing the Senior Subordinated Notes prior thereto. The Senior Subordinated 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
	396,225	411,225
Current portion of long-term debt	(3,550)	(3,550)
	$ 392,675	$ 407,675

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 Subordinated Notes also contain provisions that restrict the Company from undertaking specified corporate actions, such as asset dispositions, acquisitions, dividend payments, repurchases 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 Subordinated 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 June 30, 2008, 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 Subordinated Notes are as follows (in thousands):

Year Ending June 30		
2009	$	3,550
2010		3,550
2011		263,125
2012		126,000
	$	396,225

9. Fair Value Measurements

As deemed appropriate, the Company uses derivative financial instruments to mitigate the impact of changing interest rates associated with its long-term debt obligations. While the Company does not enter into derivative financial instruments for trading purposes, all of these derivatives are over-the-counter instruments with liquid markets. The notional, or contractual, amount of the Company's derivative financial instruments is used to measure the amount of interest to be paid or received and does not represent an exposure to credit risk. The Company is accounting for the interest rate cap and swap agreements as cash flow hedges.

In March 2005, the Company purchased interest rate cap agreements with a total notional amount of $180.0 million the terms of which are as follows:

Notional Amount (In millions)	**Interest Rate Cap Percentage**	**Expiration Date**
$ 50.0	3.25%	May 31, 2006
80.0	3.50	May 30, 2007
50.0	3.75	May 30, 2008

The Company entered into an interest rate swap agreement, effective March 26, 2008, in the notional amount of $175.0 million, decreasing to $125.0 million at March 26, 2009 to replace and supplement an interest rate cap agreement that expired on May 30, 2008. The Company has agreed to pay a fixed rate of 2.83% while receiving a variable rate based on LIBOR. The agreement terminates on March 26, 2010.

Effective April 1, 2008, the Company adopted Statement No. 157, "Fair Value Measurements", for all financial instruments accounted for at fair value. Statement No. 157 established a new framework for measuring fair value and provides for expanded disclosures. Accordingly, Statement No. 157 requires fair value to be determined based on the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market assuming an orderly transaction between market participants. Statement No. 157 established market (observable inputs) as the preferred source of fair value to be followed by the Company's assumptions of fair value based on hypothetical transactions (unobservable inputs) in the absence of observable market inputs.

Based upon the above, the following fair value hierarchy was created:

Level 1 -- Quoted market prices for identical instruments in active markets,

Level 2 -- Quoted prices for similar instruments in active markets, as well as quoted prices for identical or similar instruments in markets that are not considered active, and

Level 3 -- Unobservable inputs developed by the Company using estimates and assumptions reflective of those that would be utilized by a market participant.

Quantitative disclosures about the fair value of the Company's derivative hedging instruments are as follows:

(In Thousands) Description	June 30, 2008	Fair Value Measurements at June 30, 2008 — Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest Rate Swap	$ 1,100.0	$ --	$ 1,100.0	$ --

At June 30, 2008, the fair value of the interest rate swap of $1.1 million was included in other assets, while at March 31, 2008, the fair value of $1.5 million was included in other current liabilities. The determination of fair value is based on closing prices from liquid over-the-counters markets.

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 June 30, 2008.

11. Earnings Per Share

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

	Three Months Ended June 30	
	2008	2007
Numerator		
Net income	$ 7,781	$ 8,320
Denominator		
Denominator for basic earnings per share – weighted average shares	49,880	49,660
Dilutive effect of unvested restricted common stock, options and stock appreciation rights issued to employees and directors	155	378
Denominator for diluted earnings per share	50,035	50,038
Earnings per Common Share:		
Basic	$ 0.16	$ 0.17
Diluted	$ 0.16	$ 0.17

At June 30, 2008, 309,000 shares of restricted stock issued to management and employees, subject only to time-vesting, were unvested and excluded from the calculation of basic earnings per share; however, such shares were included in the calculation of diluted earnings per share. Additionally, 567,000 shares of restricted stock granted to management and employees, as well as 15,000 stock appreciation rights have been excluded from the calculation of both basic and diluted earnings per share since vesting of such shares is subject to contingencies. Lastly, at June 30, 2008, there were options to purchase 667,000 shares of common stock outstanding that were not included in the computation of diluted earnings per share because their inclusion would be antidilutive.

At June 30, 2007, 446,000 shares of restricted stock issued to management and employees, subject only to time-vesting, were unvested and excluded from the calculation of basic earnings per share; however, such shares were included in the calculation of diluted earnings per share. Additionally, 382,000 shares of restricted stock granted to management and employees, as well as 16,000 stock appreciation rights have been excluded from the calculation of both basic and diluted earnings per share since vesting of such shares is subject to contingencies. Lastly, at June 30, 2007, there were options to purchase 255,000 shares of common stock outstanding that were not included in the computation of diluted earnings per share because their inclusion would be antidilutive.

12. Share-Based Compensation

In connection with the Company’s initial public offering, the Board of Directors adopted the 2005 Long-Term Equity Incentive Plan (“Plan”) which provides for the grant, to a maximum of 5.0 million shares, of stock options, 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.

During the three month period ended June 30, 2008, the Company recorded stock-based compensation costs and related tax benefits of $629,000 and $238,000, respectively, while during the three month period ended June 30, 2007, the Company recorded stock-based compensation costs and related tax benefits of $460,000 and $175,000, respectively.

Restricted Shares
A summary of the Company’s restricted shares granted under the Plan is presented below:

Restricted shares granted under the Plan generally vest in 3 years, contingent on attainment of Company performance goals, including both revenue and earnings, or time vesting, as determined by the Compensation Committee of the Board of Directors. 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. The weighted-average grant-date fair value of restricted shares granted during the three month periods ended June 30, 2008 and 2007 were $10.91 and $12.52, respectively.

A summary of the Company's restricted shares granted under the Plan is presented below:

Restricted Shares	Shares (000)	Weighted-Average Grant-Date Fair Value
Nonvested at March 31, 2007	294.4	$ 11.05
Granted	264.0	12.52
Vested	--	--
Forfeited	(17.2)	11.19
Nonvested at June 30, 2007	541.2	$ 11.76
Nonvested at March 31, 2008	484.7	$ 11.78
Granted	269.7	10.91
Vested	--	--
Forfeited	(1.4)	10.91
Nonvested at June 30, 2008	753.0	$ 11.47

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 over a 3 year period. Certain option awards provide for accelerated vesting in the event of a change in control.

The fair value of each option award is estimated on the date of grant using the Black-Scholes Option Pricing Model ("Black-Scholes Model") that uses the assumptions noted in the following table. Expected volatilities are based on the historical volatility of the Company's common stock and other factors, including the historical volatilities of comparable companies. The Company uses appropriate historical data, as well as current data, to estimate option exercise and employee termination behaviors. Employees that are expected to exhibit similar exercise or termination behaviors are grouped together for the purposes of valuation. The expected terms of the options granted are derived from management's estimates and information derived from the public filings of companies similar to the Company and represent the period of time that options granted are expected to be outstanding. The risk-free rate represents the yield on U.S. Treasury bonds with a maturity equal to the expected term of the granted option. The weighted-average exercise price of the options granted during the three month periods ended June 30, 2008 and 2007 were $10.91 and $12.86, respectively.

	Three Month Period Ended June 30	
	2008	2007
Expected volatility	43.3%	33.2%
Expected dividends	--	--
Expected term in years	6.0	6.0
Risk-free rate	3.2%	4.5%

A summary of option activity under the Plan is as follows:

Options	Shares (000)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value (000)
Outstanding at March 31, 2007	--	$ --	--	$ --
Granted	255.1	12.86	10.0	30.6
Exercised	--	--	--	--
Forfeited or expired	--	--	--	--
Outstanding at June 30, 2007	255.1	$ 12.86	10.0	$ 30.6
Outstanding at March 31, 2008	253.5	12.86	9.2	$ --
Granted	413.3	10.91	10.0	--
Exercised	--		--	--
Forfeited or expired	--		--	--
Outstanding at June 30, 2008	666.8	$ 11.65	9.4	$ --
Exercisable at June 30, 2008	--	$ --	--	$ --

Stock Appreciation Rights ("SARS")
During July 2006, the Board of Directors granted SARS to a group of selected executives; however, there were no SARS granted subsequent thereto. The terms of the SARS provide that on the vesting date, the executive will receive the excess of the market price of the stock award over the market price of the stock award on the date of issuance. The Board of Directors, in its sole discretion, may settle the Company's obligation to the executive in shares of the Company's common stock, cash, other securities of the Company or any combination thereof.

The Plan provides that the issuance price of a SAR shall be no less than the market price of the Company's common stock on the date the SAR is granted. SARS may be granted with a term of no greater than 10 years from the date of grant and will vest in accordance with a schedule determined at the time the SAR is granted, generally 3 to 5 years. The fair value of each SAR award was estimated on the date of grant using the Black-Scholes Model.

A summary of SARS activity under the Plan is as follows:

SARS	Shares (000)	Grant Date Stock Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value (000)
Outstanding at March 31, 2007	16.1	$ 9.97	2.0	$ 30.3
Granted	--	--	--	--
Forfeited or expired	--	--	--	--
Outstanding at June 30, 2007	16.1	$ 9.97	1.75	$ 48.5
Outstanding at March 31, 2008	16.1	$ 9.97	1.0	$ --
Granted	--	--	--	--
Forfeited or expired	(1.2)	9.97	1.0	--
Outstanding at June 30, 2008	14.9	$ 9.97	0.75	$ 10.3
Exercisable at March 31, 2008	--	$ --	--	$ --

At June 30, 2008, there was $6.7 million of unrecognized compensation costs 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 3.0 years. However, certain of the restricted shares vest upon the attainment of Company performance goals and if such goals are not met, no compensation costs would ultimately be recognized and any previously recognized compensation cost would be reversed. The total fair value of shares vested during the three months ended June 30, 2008 and 2007 was $0. There were no options exercised during the three month periods ended June 30, 2008 and 2007; hence, there were no tax benefits realized during these periods. At June 30, 2008, there were 3.5 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 37.9% and 38.0%, respectively.

At June 30, 2008, Medtech Products Inc., a wholly-owned subsidiary of the Company, had a net operating loss carryforward of approximately $2.4 million which may be used to offset future taxable income of the consolidated group and which begins to expire in 2020. The net operating loss carryforward is subject to an annual limitation as to usage under Internal Revenue Code Section 382 of approximately $240,000.

14. Commitments and Contingencies

The legal proceedings in which we are involved have been disclosed previously in our Annual Report on Form 10-K for the fiscal year ended March 31, 2008. There have been no material developments in our pending legal proceedings since March 31, 2008.

Securities Class Action Litigation

The Company and certain of its officers and directors are defendants in a consolidated 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.

On June 1, 2007, a hearing before the Court was held regarding Plaintiffs' pending motion for class certification in the Consolidated Action. On September 4, 2007, the United States District Court for the Southern District of New York issued an Order certifying a class consisting of all persons who purchased the common stock of the Company pursuant to, or traceable to, the Company's initial public offering on or about February 9, 2005 through November 15, 2005 and were damaged thereby.

On January 8, 2008, the parties to the action engaged in mediation to explore the terms of a potential settlement of the pending litigation; however, no settlement agreement was reached during mediation. While discovery in the action has commenced and is continuing, the Company's management continues to believe that the remaining claims in the case are legally deficient and that it has meritorious defenses to the claims that remain. The

Company intends to vigorously defend against the claims remaining in the case; however, the Company cannot, at this time, reasonably estimate the potential range of loss, if any.

DenTek Litigation

In April 2007, the Company filed a lawsuit in the U.S. District Court in the Southern District of New York against DenTek Oral Care, Inc. ("DenTek") alleging (i) infringement of intellectual property associated with *The Doctor's® NightGuard™* dental protector which is used for the protection of teeth from nighttime teeth grinding; and (ii) the violation of unfair competition and consumer protection laws. On October 4, 2007, the Company filed a Second Amended Complaint in which it named Kelly M. Kaplan, Raymond Duane and C.D.S. Associates, Inc. as additional defendants in the action against DenTek and added other claims to the previously filed complaint. Ms. Kaplan and Mr. Duane were formerly employed by the Company and C.D.S. Associates, Inc. is a corporation controlled by Mr. Duane. In the Second Amended Complaint, the Company has alleged patent, trademark and copyright infringement, unfair competition, unjust enrichment, violation of New York's Consumer Protection Act, breach of contract, tortuous interference with contractual and business relations, civil conspiracy and trade secret misappropriation. On October 19, 2007, the Company filed a motion for preliminary injunction with the Court in which the Company has asked the Court to enjoin the defendants from (i) continuing to improperly use the Company's trade secrets; (ii) continuing to breach any contractual agreements with the Company; and (iii) marketing and selling any dental protector products or other products in which Ray Duane or Kelly Kaplan has had any involvement or provided any assistance to DenTek. A hearing date for the motion for preliminary injunction has not yet been set by the Court. Discovery requests have been served by the parties and discovery is ongoing.

In November 2007, the defendants in the action each filed a motion to dismiss which is pending before the Court. The Company has filed responses to the motions to dismiss and is awaiting a decision by the Court regarding such motions. The Court has ordered the Company's motion for a preliminary injunction to be held in abeyance pending a determination of the motions to dismiss.

In addition to the matters described above, the Company is 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 and amount of potential loss. These assessments are re-evaluated at each reporting period 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 GAAP 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, results from operations or cash flows.

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 2014.

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

Year Ending June 30,	Facilities	Equipment	Total
2009	$ 598	$ 95	$ 693
2010	572	82	654
2011	542	43	585
2012	559	24	583
2013	577	--	577
Thereafter	646	--	646
	$ 3,494	$ 244	$ 3,738

Rent expense for the three month periods ended June 30, 2008 and 2007 were $158,000 and $152,000, respectively.

15. Concentrations of Risk

The Company's sales are concentrated in the areas of over-the-counter healthcare, household cleaning and personal care products. The Company sells its products to mass merchandisers, food and drug accounts, and dollar and club stores. During the three month periods ended June 30, 2008 and 2007, approximately 59.4% and 56.5%, respectively, of the Company's total sales were derived from its four major brands. During the three month periods ended June 30, 2008 and 2007, approximately 27.1% and 24.9%, respectively, of the Company's sales were made to one customer. At June 30, 2008, approximately 22.1% 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 could 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 affect 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 80% of the Company's gross sales during the three month period ended June 30, 2008. The Company does not have long-term contracts with 4 of these manufacturers and certain manufacturers of various smaller brands, which collectively, represented approximately 23.0% of the Company's gross sales for the three months ended June 30, 2008. 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. In addition, the Company's manufacturers could impose price increases that the Company is unable to pass through to its customers. Such a price increase could adversely affect a product's gross profit and ultimately the Company's profitability.

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 Healthcare, (ii) Household Cleaning and (iii) Personal Care.

There were no inter-segment sales or transfers during any of the periods presented. 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 June 30, 2008			
	Over-the-Counter Healthcare	**Household Cleaning**	**Personal Care**	**Consolidated**
Net sales	$ 39,246	$ 28,404	$ 5,266	$ 72,916
Other revenues	--	618	--	618
Total revenues	39,246	29,022	5,266	73,534
Cost of sales	13,208	17,923	3,141	34,272
Gross profit	26,038	11,099	2,125	39,262
Advertising and promotion	5,037	2,070	212	7,319
Contribution margin	$ 21,001	$ 9,029	$ 1,913	31,943
Other operating expenses				10,729
Operating income				21,214
Other (income) expense				8,683
Provision for income taxes				4,750
Net income				$ 7,781

	Three Months Ended June 30, 2007			
	Over-the-Counter Healthcare	**Household Cleaning**	**Personal Care**	**Consolidated**
Net sales	$ 42,426	$ 29,345	$ 6,270	$ 78,041
Other revenues	--	542	28	570
Total revenues	42,426	29,887	6,298	78,611
Cost of sales	15,386	18,393	3,543	37,322
Gross profit	27,040	11,494	2,755	41,289
Advertising and promotion	5,881	1,628	277	7,786
Contribution margin	$ 21,159	$ 9,866	$ 2,478	33,503
Other operating expenses				10,397
Operating income				23,106
Other (income) expense				9,687
Provision for income taxes				5,099
Net income				$ 8,320

During the three month periods ended June 30, 2008 and 2007, approximately 95.8% and 95.3%, respectively, of the Company's sales were made to customers in the United States and Canada. At June 30, 2008, 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 (in thousands):

	Over-the-Counter Healthcare	Household Cleaning	Personal Care	Consolidated
Goodwill	$ 233,615	$ 72,549	$ 2,751	$ 308,915
Intangible assets				
Indefinite lived	374,070	170,893	--	544,963
Finite lived	85,337	4	13,752	99,093
	459,407	170,897	13,752	644,056
	$ 693,022	$ 243,446	$ 16,503	$ 952,971

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

The following discussion of our financial condition and results of operations should be read together with the consolidated financial statements and the related notes included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2008. This discussion and analysis may contain forward-looking statements that involve certain risks, assumptions and uncertainties. Future results could differ materially from the discussion that follows for many reasons, including the factors described in Part I, Item 1A., "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2008, as well as those described in future reports filed with the SEC. See also "Cautionary Statement Regarding Forward-Looking Statements" on page 37 of this Quarterly Report on Form 10-Q.

General

We are engaged in the marketing, sales and distribution of brand name over-the-counter healthcare, 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.

Three Month Period Ended June 30, 2008 compared to the Three Month Period Ended June 30, 2007

Revenues

	2008 Revenues	%	2007 Revenues	%	Increase (Decrease)	%
OTC Healthcare	$ 39,246	53.3	$ 42,426	54.0	$ (3,180)	(7.5)
Household Cleaning	29,022	39.5	29,887	38.0	(865)	(2.9)
Personal Care	5,266	7.2	6,298	8.0	(1,032)	(16.4)
	$ 73,534	100.0	$ 78,611	100.0	$ (5,077)	(6.5)

Revenues for the three month period ended June 30, 2008 were $73.5 million, a decrease of $5.1 million, or 6.5%, versus the three month period ended June 30, 2007. Revenues decreased across all reporting segments during the period. Revenues from customers outside of the United States, which represent 11.5% of total revenues, also decreased 6.5% in 2008 versus the comparable period in 2007. The decrease in international revenues is primarily attributed to our actions, initiated in June 2007, to eliminate shipments to specific customers outside North America that were diverting product back to the US market.

Over-the-Counter Healthcare Segment
Revenues of the Over-the-Counter Healthcare segment decreased $3.2 million, or 7.5%, during 2008 versus 2007. Revenue increases for Murine, Clear eyes, New Skin, Chloraseptic, as well as the initial shipments of the new Allergen Block products, marketed under the Chloraseptic and Little Allergies trademarks were more than offset by revenue decreases on the wart care brands, Little Remedies and The Doctor's® brands. Murine's revenue increase was primarily due to increased sales of Murine™ Earigate® which was launched in the latter part of the same period last year. Clear eyes revenue increased as a result of unit volume increases in consumption and a price increase taken in March 2008. New Skin revenue increased primarily as a result of new distribution while Chloraseptic's revenue increase was driven primarily by customer replenishment orders as a result of the last year's late developing cough/cold season. Allergen Block is a new innovative, non-medicated allergy product targeted toward allergy sufferers looking for an alternative to medicated products. Revenues of the wart care brands, Compound W and Wartner, decreased primarily due to a price reduction taken on the cryogenic products. This pricing reduction, along with a down-sizing of Compound W Freeze-off, was in response to improving the value proposition to consumers and consistent with price reductions taken by a major competitor in the category. Little Remedies' revenues were adversely impacted by the voluntary withdrawal of two medicated pediatric cough and cold products in October 2007. Increased competition in the bruxism category resulted in lower sales of The Doctor's® NightGuard™ dental protector.

Household Cleaning Segment
Revenues of the Household Cleaning segment decreased $865,000, or 2.9%, during 2008 versus 2007. Revenues of the Comet® brand increased during the period primarily as a result of Comet Mildew Spray Gel. Comet's revenue increase was partially offset by lower revenues for the other two brands in this segment – Spic and Span and Chore Boy. The decline in Spic and Span's revenue reflected a decline in consumer consumption while Chore Boy sales declined as a result of weaker consumption and lower shipments to small grocery wholesale accounts.

Personal Care Segment
Revenues of the Personal Care segment declined $1.0 million, or 16.4%, during 2008 versus 2007. All major brands in this segment experienced revenue declines during the period. The decrease in revenue of Cutex®, Prell and Denorex® was in line with consumption.

Gross Profit

	2008 Gross Profit	%	2007 Gross Profit	%	Increase (Decrease)	%
OTC Healthcare	$ 26,038	66.3	$ 27,040	63.7	$ (1,002)	(3.7)
Household Cleaning	11,099	38.2	11,494	38.5	(395)	(3.4)
Personal Care	2,125	40.4	2,755	43.7	(630)	(22.9)
	$ 39,262	53.4	$ 41,289	52.5	$ (2,027)	(4.9)

Gross profit for the three month period ended June 30, 2008 decreased $2.0 million, or 4.9%, versus the three month period ended June 30, 2007. As a percent of total revenue, gross profit increased from 52.5% in 2007 to 53.4% in 2008. The increase in gross profit as a percent of revenues was primarily the result of favorable product mix, price increases taken on select items and the benefits of our cost reduction program started last year, partially offset by an increase in promotional allowances.

Over-the-Counter Healthcare Segment
Gross profit for the Over-the-Counter Healthcare segment decreased $1.0 million, or 3.7%, during 2008 versus 2007. As a percent of Over-the-Counter revenue, gross profit increased from 63.7% during 2007 to 66.3% during 2008. The increase in gross profit as a percent of revenues was the result of favorable product mix toward higher gross margin brands, selling price increases implemented at the end of March 2008 and cost reductions. Compound W Freeze-off experienced the most significant cost savings as a result of the migration of production to a new supplier in early 2008.

Household Cleaning Segment
Gross profit for the Household Cleaning segment decreased by $395,000, or 3.4%, during 2008 versus 2007. As a percent of household cleaning revenue, gross profit decreased from 38.5% during 2007 to 38.2% during 2008. The slight decrease in gross profit percentage was a result of higher product costs related to Spic and Span.

Personal Care Segment
Gross profit for the Personal Care segment decreased $630,000, or 22.9%, during 2008 versus 2007. As a percent of personal care revenue, gross profit decreased from 43.7% during 2007 to 40.4% during 2008. The decrease in gross profit percentage was the result of modest increase in promotional allowances and increased inventory obsolescence costs related to Cutex.

Contribution Margin

	2008 Contribution Margin	%	2007 Contribution Margin	%	Increase (Decrease)	%
OTC Healthcare	$ 21,001	53.5	$ 21,159	49.9	$ (158)	(0.7)
Household Cleaning	9,029	31.1	9,866	33.0	(837)	(8.5)
Personal Care	1,913	36.3	2,478	39.3	(565)	(22.8)
	$ 31,943	43.4	$ 33,503	42.6	$ (1,560)	(4.7)

Contribution margin, defined as gross profit less advertising and promotional expenses, for the three month period ended June 30, 2008 decreased $1.6 million, or 4.7%, versus the three month period ended June 30, 2007. The contribution margin decrease was the result of the changes in sales and gross profit as previously discussed, partially offset by a $467,000, or a 6.0%, decrease in advertising and promotional spending. The decreased advertising and promotional spending was primarily attributable to decreases in spending for the Over-the-Counter Healthcare and Personal Care segments, partially offset by an increase in support in the Household Cleaning segment.

Over-the-Counter Healthcare Segment
Contribution margin for the Over-the-Counter Healthcare segment decreased $158,000, or 0.7%, during 2008 versus 2007. The contribution margin decrease was the result of the decrease in sales and gross profit as previously discussed, partially offset with a decrease in advertising and promotional of $800,000, or 16.8%. An increase in television media support behind Murine Earigate® ear wax remover was offset with decreases in support behind Clear eyes eye care products, The Doctor's® NightGuard™ dental protector and Compound W wart remover.

Household Cleaning Segment
Contribution margin for the Household Cleaning segment decreased $837,000, or 8.5%, during 2008 versus 2007. The contribution margin decrease was the result of the decrease in sales and gross profit as previously discussed, and an increase in advertising and promotional spending of $400,000 or 27.2%. The A&P increase was the result of increased television media support behind Comet Mildew SprayGel.

Personal Care Segment
Contribution margin for the Personal Care segment decreased $565,000, or 22.8%, during 2008 versus 2007. The contribution margin decrease was primarily the result of the sales and gross profit decrease previously discussed slightly offset by a modest decrease in advertising and promotional expenses.

General and Administrative
General and administrative expenses were $8.0 million for the three month period ended June 30, 2008 versus $7.6 million for the three month period ended June 30, 2007. The increase in G&A is primarily related to an increase in long-term stock-based compensation.

Depreciation and Amortization
Depreciation and amortization expense was essentially flat at $2.8 million for both the three month periods ended June 30, 2008 and 2007.

Interest Expense
Net interest expense was $8.7 million during the three month period ended June 30, 2008 versus $9.7 million during the three month period ended June 30, 2007. The reduction in interest expense was primarily the result of a lower level of indebtedness outstanding under our Senior Credit Facility. The average cost of funds increased from 8.5% for 2007 to 8.6% for 2008 while the average indebtedness decreased from $455.4 million during 2007 to $403.7 million during 2008.

Income Taxes
The provision for income taxes during the three month period ended June 30, 2008 was $4.7 million versus $5.1 million during the three month period ended June 30, 2007. The effective income tax rates were 37.9% and 38.0% for 2008 and 2007, respectively.

Liquidity and Capital Resources

Liquidity
We have financed and expect to continue to finance our operations with a combination of borrowings and funds generated from operations. Our principal uses of cash are for operating expenses, debt service, brand acquisitions, working capital and capital expenditures.

	Three Months Ended June 30	
(In thousands)	**2008**	**2007**
Cash provided by (used for):		
Operating Activities	$ 15,363	$ 8,408
Investing Activities	(61)	(111)
Financing Activities	(15,010)	(15,891)

Operating Activities
Net cash provided by operating activities was $15.4 million for the three month period ended June 30, 2008 compared to $8.4 million for the three month period ended June 30, 2007. The $7.0 million increase in cash provided by operating activities was primarily the result of a decrease in the components of working capital caused primarily by a $5.9 million decrease in accounts receivable at June 30, 2008 versus March 31, 2008, compared to a $1.9 million increase in accounts receivable at June 30, 2007 versus March 31, 2007.

Investing Activities
Net cash used for investing activities was $61,000 for the three month period ended June 30, 2008 compared to $111,000 for the three month period ended June 30, 2007. The net cash used for investing activities during both periods was used for the acquisition of machinery, computers and office equipment.

Financing Activities
Net cash used for financing activities was $15.0 million for the three month period ended June 30, 2008 compared to $15.9 million for the three month period ended June 30, 2007. During the three month period ended June 30, 2008, the Company repaid $14.1 million of the Tranche B Term Loan Facility in excess of required amortization payments with cash generated from operations. This reduced our outstanding indebtedness to $396.2 million from $411.2 million at March 31, 2008.

The Company's cash flow from operations is normally expected to exceed net income due to the substantial non-cash charges related to depreciation and amortization of intangibles, increases in deferred income tax liabilities resulting from differences in the amortization of intangible assets and goodwill for income tax and financial reporting purposes, the amortization of certain deferred financing costs and stock-based compensation.

Capital Resources

At June 30, 2008, we had an aggregate of $396.2 million of outstanding indebtedness, which consisted of the following:

- $270.2 million of borrowings under the Tranche B Term Loan Facility, and

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

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. At June 30, 2008, an aggregate of $270.2 million was outstanding under the Senior Credit Facility at a weighted average interest rate of 6.89%.

As deemed appropriate, the Company uses derivative financial instruments to mitigate the impact of changing interest rates associated with its long-term debt obligations. While the Company does not enter into derivative financial instruments for trading purposes, all of these derivatives are straightforward over-the-counter instruments with liquid markets. The notional, or contractual, amount of the Company's derivative financial instruments is used to measure the amount of interest to be paid or received and does not represent an exposure to credit risk. The Company accounts for these financial instruments as cash flow hedges.

In March 2005, the Company purchased interest rate cap agreements with a total notional amount of $180.0 million the terms of which are as follows:

Notional Amount (In millions)	Interest Rate Cap Percentage	Expiration Date
$ 50.0	3.25%	May 31, 2006
80.0	3.50	May 30, 2007
50.0	3.75	May 30, 2008

In February 2008, the Company entered into an interest rate swap agreement in the notional amount of $175.0 million, decreasing to $125.0 million at March 26, 2009 to replace and supplement an interest rate cap agreement that expired on May 30, 2008. The Company has agreed to pay a fixed rate of 2.83% while receiving a variable rate based on LIBOR. The agreement terminates on March 26, 2010. The fair value of the interest rate swap agreement is included in either other assets or current liabilities at the balance sheet date. At June 30, 2008, the fair value of the interest rate swap of $1.1 million was included in other assets, while at March 31, 2008 the fair value of $1.5 million was included in other current liabilities.

At June 30, 2008, we had $60.0 million of borrowing capacity available under the Revolving Credit Facility to support our operating activities. The Revolving Credit Facility matures in April 2009. We also have $270.2 million outstanding under the Tranche B Term Loan Facility which matures in April 2011. We must make quarterly principal payments on the Tranche B Term Loan Facility equal to $887,500, representing 0.25% of the initial principal amount of the term loan. Our ability to borrow an additional $200.0 million under our Senior Credit Facility under the Tranche B Term Loan Facility expired during the three month period ended June 30, 2008. Management intends to replace these credit facilities during the period ending March 31, 2009.

The Senior Credit Facility contains various financial covenants, including provisions that require us to maintain certain leverage ratios, interest coverage ratios and fixed charge coverage ratios. The Senior Credit Facility, as well as the Indenture governing the Senior Subordinated 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 4.5 to 1.0 for the quarter ended June 30, 2008, 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 June 30, 2008, increasing over time to 3.25 to 1.0 for the quarter ending March 31, 2010, and remaining level thereafter, and

- Have a fixed charge coverage ratio of greater than 1.5 to 1.0 for the quarter ended June 30, 2008, and for each quarter thereafter until the quarter ending March 31, 2011.

At June 30, 2008, we were in compliance with the applicable financial and restrictive covenants under the Senior Credit Facility and the Indenture governing the Senior Subordinated Notes.

Our principal sources of funds are anticipated to be cash flows from operating activities and available borrowings under the Revolving Credit 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 through June 30, 2009. While management intends to replace these credit facilities during the ensuing year, we can give no assurances that financing 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

Due to the execution of the Old Fitzpatrick agreement for the future production of certain Comet® products, we are updating our commitment disclosures. As of June 30, 2008, 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	$ 396.2	$ 3.6	$ 266.6	$ 126.0	$ --
Interest on long-term debt (1)	95.0	30.4	55.3	9.3	--
Purchase obligations(2)	70.6	39.5	19.7	4.3	7.1
Operating leases	3.7	0.7	1.2	1.2	0.6
Total contractual cash obligations	$ 565.5	$ 74.2	$ 342.8	$ 140.8	$ 7.7

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(1) Represents the estimated interest obligations on the outstanding balances of the Revolving Credit Facility, Tranche B Term Loan Facility and Senior Subordinated Notes, together, assuming scheduled principal payments (based on the terms of the loan agreements) were made and assuming a weighted average interest rate of 7.64%. 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 $2.7 million in the first year. However, given the protection afforded by the interest rate swap agreement, the impact of a one percentage point increase would be limited to $1.2 million.

(2) Purchase obligations consist of legally binding commitments for inventory requirements and marketing and advertising expenditures to be utilized during the normal course of our operations. Activity costs for molds and equipment to be paid, based solely on a per unit basis without any deadlines for final payment, have been excluded from the table because we are unable to determine the time period over which such activity costs will be paid.

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, fuel, 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 increase in crude oil prices has had an adverse impact on transportation costs, as well as, certain petroleum based raw materials and packaging material. 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 continue to have an adverse effect on our operating results.

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, 2008. 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 SEC Staff Accounting Bulletin No. 104 "Revenue Recognition," which states that revenue should be recognized when the following revenue recognition criteria are met: (i) persuasive evidence of an arrangement exists; (ii) the product has been shipped and the customer takes ownership and assumes the risk of loss; (iii) the selling price is fixed or determinable; and (iv) 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 is recorded in accordance with Emerging Issues Task Force 01-09, *"Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)"* as either advertising and promotional expenses or as a reduction of sales. Such costs vary from period-to-period 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, 2008 was $18.8 million, we participated in 4,800 promotional campaigns, resulting in an average cost of $3,000 per campaign. Of such amount, only 663 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 year ended March 31, 2008, our sales and operating income would have been adversely affected by approximately $1.9 million. Similarly, had we underestimated the promotional program rate by 10% for the three month period ended June 30, 2008, our sales and operating would have been adversely affected by approximately $545,000. Net income would have been adversely affected by approximately $1.2 million during the year ended March 31, 2008 and approximately $338,000 for the three month period ended June 30, 2008.

We also periodically run coupon 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, 2008, we had 29 coupon events. The amount recorded against revenues and accrued for these events during the year was $2.1 million, of which $1.9 million was redeemed during the year. During the three month period ended June 30, 2008, we had 7 coupon events. The amount recorded against revenue and accrued for the events was $301,000, of which $51,000 was redeemed during the 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, 2008, 2007 and 2006, returns represented 4.6%, 3.7% and 3.5%, respectively, of gross sales. While the returns rate increased 0.9% from 2007 to 2008, such amount exclusive of the voluntary withdrawal from the marketplace of *Little Remedies* medicated pediatric cough and cold products in October 2007, would have been 4.1%. At June 30, 2008 and March 31, 2008, the allowance for sales returns was $1.7 million and $1.8 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 in a manner similar to the *Little Remedies* voluntary withdrawal discussed above. Based upon the methodology described above and our actual returns' experience, management believes the likelihood of such an event remains remote. As noted, over the last three years, our actual product return rate has stayed within a range of 4.6% to 3.5% 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 year ended March 31, 2008 and the three month period ended June 30, 2008 by approximately $380,000 and $88,000, respectively. Net income would have been adversely affected by approximately $236,000 and $55,000 for the year ended March 31, 2008 and the three month period ended June 30, 2008, 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 June 30, 2008 and March 31, 2008, the allowance for obsolete and slow moving inventory represented 4.1% and 4.6%, respectively, of total inventory. Inventory obsolescence costs charged to operations were $1.4 million for the year ended March 31, 2008, while for the three month period ended June 30, 2008 the Company recorded a credit of $39,000 due to the discounted sale of certain short-dated inventory. A 1.0% increase in our allowance for obsolescence at March 31, 2008 would have adversely affected our reported operating income and net income for the year ended March 31, 2008 by approximately $311,000 and $193,000, respectively. Similarly, a 1.0% increase in our allowance for obsolescence at June 30, 2008 would have adversely affected our reported operating income and net income for the three month period ended June 30, 2008 by approximately $300,000 and $186,000, respectively.

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 amounted to 0.1% of accounts receivable at June 30, 2008 and March 31, 2008. Bad debt expense for the year ended March 31, 2008 was $124,000 while during the three month period ended June 30, 2008 the Company recorded bad debt expense of $4,000.

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 sales for the year ended March 31, 2008 would have resulted in a decrease in reported operating income of approximately $325,000, and a decrease in our reported net income of approximately $202,000. Similarly, a 0.1% increase in our bad debt expense as a percentage of sales for the three month period ended June 30, 2008 would have resulted in a decrease in reported operating income of approximately $74,000, and a decrease in our reported net income of approximately $46,000.

Valuation of Intangible Assets and Goodwill

Goodwill and intangible assets amounted to $953.0 million and $955.6 million at June 30, 2008 and March 31, 2008, respectively. At June 30, 2008, goodwill and intangible assets were apportioned among our three operating segments as follows (in thousands):

	Over-the-Counter Healthcare	Household Cleaning	Personal Care	Consolidated
Goodwill	$ 233,615	$ 72,549	$ 2,751	$ 308,915
Intangible assets				
Indefinite lived	374,070	170,893	--	544,963
Finite lived	85,337	4	13,752	99,093
	459,407	170,897	13,752	644,056
	$ 693,022	$ 243,446	$ 16,503	$ 952,971

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

Denorex, Cutex and *Prell* comprised substantially all of the intangible asset value within the Personal Care 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, which 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".

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 Financial Accounting Standards Board ("FASB") Statement of Financial Accounting Standards ("Statement") No. 141, "Business Combinations" and Statement No. 142, "Goodwill and Other Intangible Assets" ("Statement 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, 2008, management applied a discount rate of 9.1%, 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. However, we have not been required to record any additional asset impairment charges since March 2006.

Stock-Based Compensation

We recognize stock-based compensation in accordance with FASB Statement No. 123(R), “Share-Based Payment” (“Statement No. 123(R)”) which 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 net non-cash compensation expense of $1.1 million and $655,000 during the years ended March 31, 2008 and 2007, respectively. However, during the year ended March 31, 2008, management was required to reverse previously recorded stock-based compensation costs of $538,000, $394,000 and $166,000 related to the October 2005, July 2006 and May 2007 grants, respectively, as it determined that the Company would not meet the performance goals associated with such grants of restricted stock. The Company recorded non-cash compensation expense of $629,000 and $460,000 during the three month periods ended June 30, 2008 and 2007, respectively.

Loss Contingencies

Loss contingencies are recorded as liabilities when it is probable that a liability has been incurred and the amount of such loss is reasonably estimable. Contingent losses are often resolved over longer periods of time and involve many factors including:

- Rules and regulations promulgated by regulatory agencies,
- Sufficiency of the evidence in support of our position,
- Anticipated costs to support our position, and
- Likelihood of a positive outcome.

Recent Accounting Pronouncements

In March 2008, the FASB issued SFAS No. 161 “Disclosures about Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133” (“Statement No. 161”) that requires a company with derivative instruments to disclose information to enable users of the financial statements to understand (i) how and why the company uses derivative instruments, (ii) how derivative instruments and related hedged items are

accounted for, and (iii) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. Accordingly, Statement No. 161 requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of and gains and losses on derivative instruments, and disclosures about credit-risk-related contingent features in derivative agreements. Statement No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. The implementation of Statement No. 161 is not expected to have a material effect on the Company's consolidated financial statements.

In December 2007, the FASB ratified Emerging Issues Task Force 07-01, "Accounting for Collaborative Arrangements" ("EITF 07-01"). EITF 07-01 provides guidance for determining if a collaborative arrangement exists and establishes procedures for reporting revenues and costs generated from transactions with third parties, as well as between the parties within the collaborative arrangement, and provides guidance for financial statement disclosures of collaborative arrangements. EITF 07-01 is effective for fiscal years beginning after December 15, 2008 and is required to be applied retrospectively to all prior periods where collaborative arrangements existed as of the effective date. The Company currently is assessing the impact of EITF 07-01 on its consolidated financial position and results of operations.

In December 2007, the FASB issued SFAS No. 141 (Revised 2007), "Business Combinations" ("Statement No. 141(R)") to improve consistency and comparability in the accounting and financial reporting of business combinations. Accordingly, Statement 141(R) requires the acquiring entity in a business combination to (i) recognize all assets acquired and liabilities assumed in the transaction, (ii) establishes acquisition-date fair value as the amount to be ascribed to the acquired assets and liabilities and (iii) requires certain disclosures to enable users of the financial statements to evaluate the nature, as well as the financial aspects of the business combination. Statement 141(R) is effective for business combinations consummated by the Company on or after April 1, 2009. The impact to the Company of adopting this standard will depend on the nature, terms and size of any business combinations completed after the effective date.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities - Including an amendment of FASB Statement No. 115" ("Statement No. 159"). Statement No. 159 permits companies to choose to measure certain financial instruments and certain other items at fair value. Unrealized gains and losses on items for which the fair value option has been elected will be recognized in earnings at each subsequent reporting date. The implementation of Statement No. 159, effective April 1, 2008, did not have a material effect on the Company's consolidated financial statements.

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 the Company's interim financial statements issued after April 1, 2008. However, on February 12, 2008, the FASB deferred the effective date of Statement No. 157 for one year for non-financial assets and non-financial liabilities that are recognized or disclosed at fair value in the financial statements on a nonrecurring basis. The implementation of Statement No. 157, effective April 1, 2008, did not have a material effect on financial assets and liabilities included in the Company's consolidated financial statements as fair value is based on readily available market prices. The Company is currently evaluating the impact that the application of Statement No. 157 will have on its consolidated financial statements as it relates to the non-financial assets and liabilities.

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.

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.

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. 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. For more information, see "Risk Factors" contained in Part I, Item 1A of our Annual Report on Form 10-K for the year ended March 31, 2008. 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,
- Our ability to increase organic growth via new product introductions or line extensions,
- The high level of competition in our industry and markets,
- Our ability to invest in research and development,
- 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 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 our senior secured financing, but do impact the amount of our interest payments and, therefore, our future earnings and cash flows, assuming other factors are held constant. At June 30, 2008, we had variable rate debt of approximately $270.2 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 March 2005, the Company purchased interest rate cap agreements with a total notional amount of $180.0 million the terms of which are as follows:

Notional Amount (In millions)	Interest Rate Cap Percentage	Expiration Date
$ 50.0	3.25%	May 31, 2006
80.0	3.50	May 30, 2007
50.0	3.75	May 30, 2008

In February 2008, the Company entered into an interest rate swap agreement, effective March 26, 2008, in the notional amount of $175.0 million, decreasing to $125.0 million at March 26, 2009 to replace and supplement an interest rate cap agreement that expired on May 30, 2008. The Company has agreed to pay a fixed rate of 2.83% while receiving a variable rate based on LIBOR. The agreement terminates on March 26, 2010.

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 the twelve month period ending June 30, 2009 of approximately $2.7 million. However, given the protection afforded by the interest rate cap agreements, the impact of a one percentage point increase would be limited to $1.2 million for the twelve month period ending June 30, 2009. The fair value of the interest rate swap agreement was $1.1 million at June 30, 2008.

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”), as of June 30, 2008. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of June 30, 2008, the Company’s disclosure controls and procedures were effective to ensure that 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 SEC’s rules and forms, and that such information is accumulated and communicated to the Company’s management, including the Company’s Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting
There have been no changes during the quarter ended June 30, 2008 in the Company's internal control over financial reporting 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 legal proceedings in which we are involved have been disclosed previously in our Annual Report on Form 10-K for the fiscal year ended March 31, 2008. There have been no material developments in our pending legal proceedings since March 31, 2008. For more information regarding our pending legal proceedings which we deem to be material to the Company, please see the legal proceedings disclosure contained in Part I, Item 3 of our Annual Report on Form 10-K for the fiscal year ended March 31, 2008.

In addition, the Company is 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 and amount of potential loss. These assessments are re-evaluated at each reporting period 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 GAAP 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, results from operations or cash flows.

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, 2008.

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

The following table sets forth information with respect to purchases of shares of the Company's common stock made during the quarter ended June 30, 2008, by or on behalf of the Company or any "affiliated purchaser," as defined by Rule 10b-18(a)(3) of the Exchange Act:

Company Purchases of Equity Securities

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid Per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or approximate dollar value) of Shares that May Yet Be Purchased Under the Plans or Programs
4/1/08 - 4/30/08	41,964	$ 0.24	--	--
5/1/08 - 5/31/08	--	--	--	--
6/1/08 - 6/30/08	--	--	--	--
Total	41,964	$ 0.24	--	--

Note:
Activity consists of one (1) transaction whereby the Company exercised its separation repurchase option set forth in a securities purchase agreement between the Company and a former employee.

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

See Exhibit Index immediately following signature page.

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: August 11, 2008

By: /s/ **PETER J. ANDERSON**
Peter J. Anderson
Chief Financial Officer
(Principal Financial Officer and
Duly Authorized Officer)

Exhibit Index

10.1	Supply Agreement, dated May 15, 2008, by and between Fitzpatrick Bros., Inc. and The Spic and Span Company.*
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.

* Certain confidential portions have been omitted pursuant to a confidential treatment request separately filed with the Securities and Exchange Commission.

Exhibit 10.1

EXECUTION COPY

SUPPLY AGREEMENT

This Agreement (this "Agreement") is entered into on this 15th day of May, 2008 (the "Effective Date"), by and between Fitzpatrick Bros., Inc., an Illinois corporation with its corporate headquarters at 625 North Sacramento Boulevard, Chicago, Illinois 60612 (hereinafter referred to as "Supplier"), and The Spic and Span Company, a Delaware corporation, with offices at 90 North Broadway, Irvington, New York 10533 (hereinafter referred to as "Buyer"), each a "Party" and collectively the "Parties."

WHEREAS, Supplier desires to supply the Products (as defined below) to Buyer subject to the terms of this Agreement;

WHEREAS, Buyer desires to purchase the Products from Supplier subject to the terms of this Agreement; and

WHEREAS, each of Supplier and Buyer desires to execute this Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement and for other good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1 - DEFINITIONS

1. "Affiliates" with respect to any Person, shall mean any other Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Person specified.

2. "Annual Tolling Fee" shall be the "Tolling Fee" multiplied by the pounds of the Product produced during each Production Year, except for Production Years 1 and 2.

3. "Applicable Laws" means, with respect to a Party, all applicable laws (including, without limitation, the Federal Insecticide, Fungicide, and Rodenticide Act), rules, regulations and requirements of any governmental or administrative body.

4. "Base Volume" means ******* pounds of Product.

5. "Base Volume Production Date" shall mean the date mutually agreed by Supplier and Buyer in writing for the complete transfer of production of the Products by Supplier at the Facility from Buyer's existing Supplier of the Products. The Base Volume Production Date shall be a date on or after the date on which Supplier is fully capable of providing at a minimum the

***Indicates a portion of this Exhibit that has been omitted and filed separately with the Secretary of the United States Securities and Exchange Commission pursuant to Prestige Brands Holdings, Inc.'s application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

Base Volume to Buyer; provided that Supplier and Buyer shall determine such date, which shall be as soon as reasonably possible, based on good-faith discussions by Supplier and Buyer.

6. "Capital Recovery Amount" shall mean approximately, but not limited to, $*** utilized as expenditures for land, building, equipment, set up and training and other items necessary to produce the Base Volume of Product plus annual finance charges established at the beginning of each Production Year at the prime rate of interest then in effect as indicated in The Wall Street Journal during the ten (10) year period commencing on the Base Volume Production Date. For each Production Year after Production Year 1 (which will use the Base Volume) during the ten (10) year period commencing on the Base Volume Production Date, the appropriate allocation of the Capital Recovery Amount per SKU of Product shall be determined by dividing that Production Year's Capital Recovery Amount by the prior year's total production weight. The Parties understand that $*** is only an estimate and that the final Capital Recovery Amount is subject to change. Supplier shall seek Buyer's prior written consent (which consent shall not be unreasonably withheld, delayed and conditioned by Buyer) on a monthly basis to any necessary capital expenses to be incurred by Supplier in order to construct the Facility that are not set forth on Exhibit A.

7. "Costed Bill of Materials" shall mean the actual cost of each raw material and each component packaging needed per SKU.

8. "Facility" means a manufacturing, packaging and testing facility located within 120 miles of the St. Louis, Missouri area that is capable of manufacturing at a minimum the Base Volume.

9. "Intellectual Property Rights" means all patents, copyrights, trademarks, trade secrets and other intellectual property rights including applications therefore, now or hereafter protectable by law in any jurisdiction in the world.

10. "Invention" means any new or improved apparatus, process, composition, formula, information, product, discovery, idea, suggestion, material, data, equipment, design, drawing, prototype, report, computer software, documentation or other intellectual property or know-how invented, discovered, produced, conceived, or reduced to practice by Supplier, other than any such information provided to Supplier by Buyer or its Representatives; provided, if Buyer wishes installation of specific equipment or fixtures that Buyer desires to retain as Buyer's equipment or fixtures, that shall be done by a separate mutual agreement of Buyer and Supplier.

11. "Permit" shall mean any license, approval, certificate and/or registration required by any Applicable Law or the governmental authorities of the Territory with respect to the Products in the Territory.

12. "Person" shall mean any individual, corporation, general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, labor union or other entity or governmental body.

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13. “Production Year” shall mean the twelve month period starting on the Base Volume Production Date and each twelve-month period thereafter.

14. “Product Specifications” means the specification(s), functionality, performance criteria, packaging schematic(s) and design(s) and/or descriptions of the Products and all components thereof set forth in Exhibit B utilized in the manufacturing and packaging of the Products and as may be further provided by Buyer to Supplier from time to time.

15. “Products” shall mean the products set forth on Exhibit C.

16. “Proprietary Marks” means the trademarks, service marks, trade names, copyrights and related trade dress, designs and symbols identified in Exhibit D. Buyer may, in its sole discretion, amend Exhibit D from time to time to add or delete Proprietary Marks.

17. “Representatives” shall mean, with respect to a Party, such Party’s directors, officers, employees, Affiliates, consultants, advisors, agents and representatives.

18. “Supplier Intellectual Property” shall mean all patents, copyrights, trade secrets, know-how, trademarks, processes, formulas, Inventions and other Intellectual Property Rights owned by Supplier anywhere in the world.

19. “Territory” shall mean the United States and Canada and their respective possessions, as well as Mexico until such time as Mexico can be outsourced by Buyer at Buyer’s sole discretion.

20. “Tolling Fee” shall mean the fee charged by Supplier to Buyer on a per pound basis for each SKU of the Products which shall include, among other things, labor, costs, utilities and fixed overhead (including real property leasing obligations, if any). The Tolling Fee expressly excludes raw materials, packaging components (including, without limitation, pallets), the Capital Recovery Amount on a per SKU basis of the Products and the purchase price allocation for any land purchased by Supplier.

ARTICLE 2 - PRODUCT SUPPLY AND OBLIGATIONS

1. Purchase and Sale.

(a) Pursuant to the terms and conditions of this Agreement, Supplier agrees to use commercially reasonable efforts to manufacture and package sufficient Products to meet Buyer’s requirements set forth in the Forecast (as defined below). Supplier may subcontract with third parties for the manufacture and/or packaging of Products to fulfill its obligations hereunder; provided that Buyer provides written consent to Supplier’s subcontracting with such third-party supplier, which may be withheld for any reason whatsoever.

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(b) Pursuant to the terms and conditions of this Agreement, Supplier agrees to exclusively supply Buyer with the Products in accordance with the Product Specifications.

(c) Pursuant to the terms and conditions of this Agreement, Buyer agrees to exclusively purchase the Products from Supplier.

2. Forecast and Updates. On the Base Volume Production Date and prior to each succeeding anniversary of the Base Volume Production Date during the Term (as defined below), Buyer shall submit to Supplier a forecast of quantities of Products that Buyer intends to have delivered during the following calendar year (the “Forecast”). Buyer shall update the forecast for the following twelve (12) month period on a monthly basis. Supplier acknowledges and agrees that any Forecast attached hereto or delivered pursuant to this paragraph is non-binding with respect to Buyer.

3. Inventory Management by Supplier. Supplier shall institute a Vendor Managed Inventory System that will maintain inventory buffer targets (including minimums and maximums) for each SKU of the Products as mutually agreed by the Parties. Supplier shall use Buyer’s rolling Forecasts (provided monthly) and the agreed-upon inventory buffer targets (including minimums and maximums) to determine Supplier’s rolling production schedule (provided weekly) of the Products for the following twelve (12) week period (the “Production Schedule”). Supplier shall submit the Production Schedule to Buyer on a weekly basis based upon the applicable monthly rolling Forecast for future production of the Products. The first two (2) weeks of each Production Schedule will become binding purchase commitments on Buyer and will constitute a firm written purchase order, unless Buyer responds to a Production Schedule and notifies Supplier otherwise in writing no more than two (2) days after receipt of such Production Schedule from Supplier. Based on the Production Schedule so established, Supplier will manufacture and deliver the Products to Buyer so as to enable Buyer to maintain the inventory buffer targets at Buyer’s warehouse at any given time.

4. Delivery; Risk of Loss. Delivery of Products from Supplier to Buyer shall take place FOB the Facility. Title and risk of loss shall pass from Supplier to Buyer upon transfer of the Products by Supplier to Buyer’s private carriage or a commercial carrier for shipment to Buyer. Buyer shall be solely responsible for all cargo claims and filing and processing of all cargo and other claims.

5. Responsibility for Labeling. Buyer shall be responsible for creating the labeling and package design for the Products and for compliance with all Applicable Laws relating to labeling and packaging, except to the extent Buyer has relied on information provided by Supplier as part of Buyer’s compliance efforts.

6. Shortages/Rejected Goods.

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(a) Shortages. Buyer shall notify Supplier in writing of any shortage in quantity of any shipment of any Product within forty-five (45) business days after becoming aware of any such shortage. In the event of such shortage, Supplier shall make up the shortage as soon as reasonably practicable after receiving such notice. If Supplier is rendered
unable for a prolonged and uncured period from supplying any Product, Buyer shall have the right to purchase Products from a third-party manufacturer unless Supplier is able to subcontract such production to the reasonable satisfaction of Buyer; provided, however, Buyer shall resume purchasing the Products from Supplier once Supplier is able to resume production of the Products in the quantities required by Buyer.

(b) Rejected Product. Buyer may reject a Product if such Product does not conform to the Product Specifications. In the event of a conflict regarding whether any Product conforms to the Product Specifications, Buyer shall submit a representative number of samples of such Product to an independent laboratory acceptable to Supplier and Buyer for testing. The fees and expenses of such laboratory testing shall be borne entirely by the Party against whom such laboratory's findings are made. In the event that the test results indicate that a Product in question does not conform to the Product Specifications, Supplier shall replace the Product at no additional cost to Buyer and shall pay all additional destruction and/or shipping and transportation costs for said non-conforming Product.

(c) Capacity Allocation. In the event Supplier, upon receiving a Forecast, is, or anticipates that it will be, unable to meet such Forecast, either in whole or in part, then Supplier shall give Buyer prompt written notice of such inability or potential inability within ten (10) business days of receipt of such Forecast. Supplier and Buyer shall meet within ten (10) business days of written notice by Supplier to Buyer to consider alternatives for meeting Buyer's requirements for Products, including, but not limited to, outsourcing to third-party manufacturers and expanding Supplier's manufacturing capacity. Notwithstanding anything to contrary set forth herein, from and after the date on which Supplier notifies Buyer in writing of its inability to manufacture or subcontract the manufacture (to the reasonable satisfaction of Buyer) in accordance with a Forecast, Buyer shall have the right to purchase Products from a third-party manufacturer in the amount that Supplier has indicated it is unable or may be unable to manufacture and package or subcontract the manufacturing and packaging thereof (to the reasonable satisfaction of Buyer) in such notice.

(d) Consequential Damages. In no event will either Party be responsible for any incidental or consequential damages whether foreseeable or not, even if advised of the possibility of such damages; provided, that recovery of the fixed annual Tolling Fee in the amount of $*** for each of the first two Production Years shall not be deemed an incidental or consequential damage.

7. Permits. As a condition precedent to the sale of the Product by Supplier to Buyer, (i) Supplier shall obtain at its sole cost all Permits required in connection with the manufacture and

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packaging of the Products by any applicable governmental agency in the Territory; and (ii) Buyer shall obtain at is sole cost any necessary Permits required in connection with the sale and distribution of the Products from the relevant governmental authorities of the Territory.

ARTICLE 3 - PRICE

1. Price. Prior to the Base Volume Production Date but after the date on which the Facility is able to manufacture and package the Products, Buyer shall purchase the Products from Supplier at a mutually agreed upon price based on good-faith discussions by Supplier and Buyer. On and after the Base Volume Production Date, the price for each SKU of the Products (the "Price") shall be as set forth in the form of Exhibit E, as amended from time to time in accordance with the terms hereof, and be comprised of (i) Costed Bill of Materials; (ii) the Tolling Fee; and (iii) the Capital Recovery Amount; provided, however, to the extent Supplier or Buyer is able to negotiate lower unit costs for the raw materials and component packaging needed to manufacture and package the Products, the Price shall be reduced entirely by such unit cost savings (including, without limitation, any applicable rebates, promotions and off-invoice allowances or discounts), except for any discounts Supplier may only obtain from its suppliers for early payment of such suppliers' invoices. Buyer and Supplier agree that in the event raw materials and component packaging costs fluctuate, Supplier will provide Buyer with thirty (30) days advance written notice of any change in the raw materials and component packaging costs, which notice will include documentation of such cost changes in a form reasonably satisfactory to Buyer. The Price shall not include any taxes (except value added taxes if any are enacted) and outbound freight and insurance charges.

2. Costed Bill of Materials. The Costed Bill of Materials shall include all allocated pallet costs and inbound freight charges to the Facility. Supplier shall not mark-up the cost of the raw materials and component packaging costs to Buyer. If requested by Buyer, Supplier shall provide Buyer with quarterly written reports on the costs of raw materials and packing materials.

3. Tolling Fee.

(a) Initial Fixed Annual Tolling Fees. The aggregate Tolling Fee for each of the first two (2) years commencing on the Base Volume Production Date shall be fixed in the amount of $*** per year. If the Base Volume in each of Production Years 1 and 2 is not reached, Buyer shall promptly, within thirty (30) days, pay the difference between the fixed annual $*** tolling fee and the actual tolling fees previously paid by Buyer for such year.

(b) Variable Annual Tolling Fees.

(i) After the two-year period commencing on the Base Volume Production Date, the Annual Tolling Fee to be paid by Buyer to Supplier will be variable based on pounds of Products actually produced in any Production Year and there will be no minimum or maximum Annual Tolling Fee per Production Year. The Tolling Fee

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for Production Year 3 shall be calculated by dividing $*** by the actual number of pounds of Product produced by Supplier for Buyer during Production Year 2.

(ii) For purposes of determining whether the Tolling Fee shall be adjusted for Production Year 3 or any subsequent year thereafter, the Parties shall calculate the percentage change in pounds of Products actually produced on a year over year basis (the "Annual Percentage Change of Products Produced"). The Parties agree that in order to calculate the Annual Percentage Change of Products Produced at the end of Production Year 1 the Base Volume shall be used as the benchmark for calculating such percentage change for such year. In subsequent years, the Annual Percentage Change of Products Produced for any Production Year shall be calculated by comparing such Production Year's actual pounds of Products produced with the prior Production Year's actual pounds of Products produced as the benchmark. So long as the aggregate net total of the prior years' Annual Percentage Change of Products Produced is less than *** percent (***%), the Tolling Fee shall remain the same as in effect from the prior Production Year, except for any Index (as defined below) adjustment permitted hereunder. If the aggregate net total of each year's Annual Percentage Change of Products Produced equals or exceeds ***%, the Tolling Fee shall be increased or decreased by ***% for the following Production Year depending upon whether the ***% threshold is reached due to an aggregate decrease or increase, respectively, in the pounds of Products produced over time; provided, that an Index-based adjustment shall also be permitted in accordance with the terms hereof. For example purposes only, should the Annual Percentage Change of Products Produced in years 1, 2 and 3 equal ***%, ***% and ***%, respectively, the Tolling Fee in year 4 would remain the same as the Tolling Fee in effect during Production Year 3 except for the Index-based adjustment permitted hereunder. Alternatively, should the Annual Percentage Change of Products Produced in Production Years 1 and 2 equal ***% and ***%, respectively, the Tolling Fee in Production Year 3 would be increased by ***% from the Production Year 2 Tolling Fee as well as the Index-based adjustment in accordance with the terms hereof. Once the Tolling Fee reset takes place, the revised Tolling Fee shall be set forth in a revised schedule in the form of Exhibit E and shall not be changed, other than for an Index-based adjustment, until the aggregate net total of Annual Percentage Change of Products Produced equals or exceeds ***% again.

(iii) If the volume of pounds of the Product declines or increases *** percent (***%) or more from the Base Volume during the five-year period commencing on the Base Volume Production Date, Supplier and Buyer shall agree to negotiate in good faith a new Tolling Fee which shall be set forth in a revised schedule agreed to by the Parties.

(c) Index-based Adjustments to the Tolling Fee. Beginning in Production Year 3 and for each Production Year thereafter, an adjustment equal to ******* (***%) of the percentage

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increase or decrease of the Consumer Price Index – Urban Wage Earners and Clerical Workers (CPI-W), as published by the U.S. Department of Labor, Bureau of Statistics (the “Index”), shall be applied to the Tolling Fee.

4. Capital Recovery Amount. The Capital Recovery Amount shall be determined in accordance with the provisions of Section 2 of Article 4 hereof.

5. Price and Payment. Buyer shall settle invoices within thirty (30) calendar days following the date of invoice by electronic funds transfer.

6. Cost Savings Program. Buyer and Supplier shall cooperate in good-faith to establish a cost improvement program in order to review, optimize and reduce the Prices of the Products through the improvement of the efficiency of the manufacturing, packaging and logistics processes.

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ARTICLE 4 - CONSTRUCTION OF THE FACILITY AND CAPITAL RECOVERY

1. Construction of the Facility. Supplier will use its best efforts to construct the Facility by August 31, 2009 that is capable of producing at least the Base Volume. A copy of the estimated construction timeline is attached hereto as Exhibit F.

2. Capital Recovery. The Capital Recovery Amount shall be paid by Buyer to Supplier based on a ten (10) year straight line amortization schedule that shall be updated annually to reflect the prime rate of interest in effect as of the date on which a Production Year during the ten (10) year period commencing on the Base Volume Production Date begins. At the beginning of each Production Year, the Capital Recovery Amount will be set on a per pound basis for such Production Year based upon the volume of Products produced during the immediately preceding Production Year. Actual payments of the Capital Recovery Amount shall be paid by Buyer to Supplier on a per SKU by weight basis as a charge included in the Price of the Products. Depending on the volume of the Products ordered by Buyer through the end of each Production Year, Supplier and Buyer agree to reconcile any underpayment or overpayment of the Capital Recovery Amount for such Production Year. If the volume set for a Production Year is not reached in that Production Year, the unamortized Capital Recovery Amount shall be promptly paid within thirty (30) days to Supplier. If the volume set for a Production Year is exceeded in that Production Year, the Supplier shall promptly, within thirty (30) days, provide a credit to the Buyer in the amount of the overpayment of the Capital Recovery Amount for such Production Year to be applied in the following Production Year.

3. Non-Product Use of the Facility. If Supplier uses the Facility for any purposes other than to manufacture and package the Products for Buyer, Supplier shall provide Buyer with a credit in an amount equal to *** percent (***%) of the unamortized Capital Recovery Amount for the applicable Production Year (the “Capital Recovery Credit”). The Capital Recovery Credit may be adjusted if Buyer and Supplier mutually agree that bringing in the non-Product business into the Facility provides synergies that benefit Buyer.

ARTICLE 5 - MANUFACTURING, SPECIFICATIONS AND INSPECTION

1. Compliance. Supplier shall manufacture Product in accordance with the Product Specifications and Applicable Laws in the Territory.

2. Quality Agreement. Each of the Parties hereto have executed or shall execute on the date hereof a Quality Agreement substantially in the form of Exhibit G hereto (the “Quality Agreement”). In the event of a conflict between this Agreement and the Quality Agreement, this Agreement shall be paramount and shall control.

3. Required Regulatory Changes. Should either Party learn or receive notice of any changes that are required by Applicable Law or regulatory authorities within the Territory with respect to the quality and/or manufacture of Product, said Party shall promptly notify the other Party of

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such required changes. Supplier shall implement such changes within the time frame required by Applicable Law or regulatory authorities within the Territory.

4.   Regulatory Actions. Supplier and Buyer shall promptly inform each other in writing of any inspection, application for inspection and other regulatory action by any regulatory agency within the Territory relating to any Product or the manufacture of any Product. Should the inspection involve a Party, that Party shall be allowed to participate, at its sole expense, in the inspection as its interests may appear.

5.   Storage. Each Party shall adhere to any and all Applicable Laws relative to the storage of Products and any material used to manufacture Products. In no event shall either Party manufacture, process, package, use or store any other product that may present a potential hazard to any Product or the material used to manufacture any Product in the same facilities and/or with equipment used for manufacturing Product. No Party shall dispose of and/or destroy any waste product, waste material, or labeling materials in a manner contrary to all Applicable Laws.

6.   Storage Conditions. Each Party agrees to store Product and Product labeling material under appropriate controlled and secured conditions.

7.   Inspection. Notwithstanding the provisions of Section 10.0 of the Quality Agreement between the Parties, Buyer shall be entitled at any time (either acting on its own behalf or through Representatives) to conduct at reasonable intervals, and upon reasonable notice being given to Supplier, an audit of the manufacturing, assembly, analysis and testing, quality control and packaging facilities used by Supplier in order to manufacture and package the Products under this Agreement. Supplier shall respond promptly, fully and accurately to all requests made by Buyer whenever Buyer requires answers to such requests in order to comply with Applicable Law. The fact that Buyer may have carried out any inspection or audit, or made any requests to Supplier hereunder, and the fact that Buyer may have stated the results of such inspection, audit or requests to be satisfactory, shall not relieve Supplier from any of its obligations under this Agreement.

ARTICLE 6 - PRODUCT RECALLS/INQUIRIES AND COMPLAINTS

1.   Product Recalls. In the event that (a) any government authority issues a request, directive or order that a Product be recalled, (b) a court of competent jurisdiction orders such a recall, or (c) Supplier or Buyer shall reasonably determine that a Product should be recalled, the Parties shall take all appropriate corrective actions, and shall cooperate in the investigations surrounding the recall.

(i)   In the event that Supplier or Buyer determines that a Product should be recalled, the Parties shall consult with each other prior to taking any corrective actions.

(ii)   In the event that such recall results from any cause or event arising from the manufacturing, packaging and/or storing of the recalled Product by Supplier or any third-

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party subcontractor or the negligence of Supplier or such third-party subcontractor, Supplier shall be responsible for all of the expenses incurred by Supplier and Buyer in connection therewith.

(iii) In the event that such recall results from any cause or event arising from the storage, distribution or handling of the recalled Product by Buyer or the negligence, such as negligence in the provision of the Product Specifications, of Buyer, Buyer shall be responsible for all of the expenses incurred by Supplier and Buyer in connection therewith.

(iv) For purposes of this Agreement, the expenses of recall shall include the expenses of notification and destruction or return of the recalled Product and replacement thereof and all other costs incurred in connection with such recall.

2. Inquiries and Customer Complaints. Except as otherwise required by Applicable Law, Buyer will be responsible for investigating and responding to all inquiries, complaints and adverse events regarding a Product. Supplier agrees to provide assistance on the non-medical evaluation by providing manufacturing or test results-related information or any other information as Buyer may reasonably request.

3. Disputes. If there is any dispute concerning which Party's acts or omissions gave rise to such recall of a Product, such dispute shall be referred for decision to an independent expert to be appointed by agreement between Buyer and Supplier. The costs of such independent expert shall be borne equally between Buyer and Supplier. The decision of such independent expert shall be in writing and, except for manifest error on the face of the decision, shall be binding on both Buyer and Supplier. If Buyer and Supplier can not agree on an independent expert, this matter shall be handled by arbitration as provided in this Agreement.

4. Claims; Other Actions. As soon as it becomes aware, each Party will give the other prompt written notice of any defect or alleged defect in a Product, any injury alleged to have occurred as a result of the use or application of a Product, and any circumstances that may reasonably be expected to give rise to litigation or recall of a Product or regulatory action that may affect the sale, manufacture or packaging of a Product, specifying, to the extent the party has such information, the time, place and circumstances thereof and the names and addresses of the Persons involved. Each party will also furnish promptly to the other copies of all papers received in respect of any claim, action or suit arising out of such alleged defect, injury, recall or regulatory action.

5. Survival. The Sections of this Article shall survive the expiration or termination of this Agreement, subject to any Applicable Laws in the State of New York.

ARTICLE 7 - CONFIDENTIALITY

1. Confidentiality of Exchanged Information. In connection with the transactions contemplated by this Agreement, each Party will obtain or have access to Confidential Information (as defined below) of the other Party. Each Party will hold the Confidential Information in strict confidence and will take all reasonable precautions to prevent unauthorized disclosure of the Confidential Information. Each Party will institute and maintain appropriate security measures in order to maintain the confidentiality of the Confidential Information, including, without limitation, limiting the disclosure of the Confidential Information to those employees in such Party's organization who have a need to know. Each Party will (i) not use the other Party's Confidential Information for any purpose other than the performance of this Agreement; (ii) unless required by Applicable Law, not disclose any Confidential Information of the other Party to any third-party without the other Party's prior written consent; and (iii) return all of the other Party's Confidential Information, including all copies thereof, promptly upon the expiration or termination of this Agreement, or upon the other Party's earlier request. Any analyses prepared by a Party based on the Confidential Information of the other Party shall be destroyed by the Party that prepared such analyses; such destruction to be certified in writing by the destroying Party to the other Party. The duration of the covenants in this paragraph shall be the Term plus a period of two (2) years after the end of the Term. The obligations in this paragraph are not intended to abrogate, lessen or supersede any more extensive protection available to the Parties under Applicable Law.

2. Confidential Information Defined. "Confidential Information" means information in any form, including but not limited to all oral, written, visual and digital information concerning a Party's business, finance or operations, which is not known to the public at the time of its disclosure. Examples of Confidential Information include, but are not limited to, any information relating to each of the Parties' financial statements, budgets, forecasts, products, business plans, trade secrets, raw material ordering and usage, marketing, research and development, technology, data, know-how, intellectual property, sales, customer lists, customer requirements, internally-developed methods of customer solicitation, the identity of and other facts relating to existing or prospective customers, arrangements with customers or suppliers, price quotations, invoices, quantitative reports and quality assurance reports. Confidential Information does not include information which the receiving Party demonstrates: (i) was known to the public at the time of its disclosure, or becomes known to the public after the disclosure through no action of the receiving Party and/or its Representatives; (ii) was in the possession of the receiving Party and/or its Representatives prior to the time of the disclosure and the receiving Party has evidence of such prior possession; (iii) was received by the receiving Party and/or its Representatives after disclosure thereof by the disclosing party from a third-party which disclosure by such third-party was not in contravention of any obligation of confidentiality owed to the disclosing Party; or (iv) was developed by the receiving Party independent of the disclosure by the disclosing Party and the receiving Party has evidence of such independent development.

3. Survival. The Sections of this Article shall survive the expiration or termination of this Agreement, subject to any Applicable Laws in the State of New York.

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ARTICLE 8 - PROPRIETARY RIGHTS

1. Pre-existing Intellectual Property and Intellectual Property Developed During Term of Agreement. Supplier shall retain ownership of all right, title, and interest in and to the Supplier Intellectual Property, including all proprietary rights therein, owned by it as of the date of execution of this Agreement or developed solely by it during the Term independent of this Agreement.

2. Joint Development of Intellectual Property and Inventions. Buyer shall own all Intellectual Property Rights and Inventions that relate to the Products, as well as all improvements thereto, developed by the Parties during the Term of this Agreement; provided, such Intellectual Property Rights and Inventions do not incorporate in whole or in part Supplier Intellectual Property.

3. Buyer Proprietary Rights. Supplier acknowledges that Buyer or its Affiliate, as applicable, owns all right, title and interest in and to the Proprietary Marks, and that no right, title or interest in the Proprietary Marks shall vest in Supplier by virtue of its performance under this Agreement. To the extent any right, title or interest in the Proprietary Marks vests in Supplier, Supplier hereby assigns to Buyer or its Affiliate, as applicable, all of its right, title and interest in and to the same and shall promptly execute any and all documents in such form as Buyer or its Affiliate, as applicable, shall request to effect such assignment in such right, title or interest to Buyer or its Affiliate, as applicable. Supplier will not, during the Term of this Agreement or thereafter, assert any claim adverse to Buyer's or its Affiliate's right, title or interest in or to the Proprietary Marks. Solely for purposes of Supplier's performance hereunder, Buyer hereby grants during the Term a limited, non-exclusive, non-transferable and royalty-free license to use the Proprietary Marks in the packaging of the Products by Supplier for Buyer.

4. Protection. Supplier shall immediately notify Buyer of any unauthorized, non-licensed, counterfeit or otherwise illegal merchandise or other products of which it becomes aware that bear the Proprietary Marks or appear to infringe upon the Proprietary Marks. Supplier agrees that it shall not (except as otherwise contemplated or permitted in this Agreement) (a) manufacture, distribute, promote, advertise, market or sell any products or merchandise utilizing any of the Proprietary Marks; or (b) grant sublicenses in, subcontract, delegate or assign any of the rights or duties granted or imposed herein without obtaining the prior written consent of Buyer.

ARTICLE 9 - FORCE MAJEURE

To the extent any situations beyond the reasonable control of a Party (including but not limited to war, terrorism, fire, strike, governmental actions, etc.) prevent a Party from properly executing its obligations under this Agreement, such Party shall be excused to such extent. However, after such force majeure situation is resolved, the Parties hereto shall resume their obligations hereunder. To the extent a force majeure event prohibits Supplier from fulfilling its obligations hereunder, during the term of such force majeure event, Buyer shall not be required to purchase the Products from Supplier. If, after sixty (60) calendar days of delay as a result of force majeure, either Party is still unable to perform its obligations hereunder and it does not appear that such force majeure condition is likely to be corrected during the next thirty (30) calendar days, then Supplier may subcontract the manufacturing of the Products (to the reasonable satisfaction of Buyer) to a third party until Supplier can resume the manufacturing of the Products. In the event subcontracting the manufacture of the Products (to the reasonable satisfaction of Buyer) is not feasible, then either Party shall have the option to terminate this Agreement in writing as though the Term had expired.

ARTICLE 10 - REPRESENTATIONS AND WARRANTIES

1. Supplier represents and warrants to Buyer that:

(a) Products.

(i) the Products will be delivered to Buyer free and clear of all liens and encumbrances;

(ii) the Products will be manufactured in accordance with the Product Specifications and will be merchantable, of good material and workmanship and free from defect;

(iii) the manufacture, production, workmanship and quality of the Products shall conform in all respects with all Applicable Laws; and

(iv) the Products shall not include any substance that is banned by any Applicable Law.

If any of the Products or a part thereof fails to meet the foregoing warranties, Supplier shall promptly replace the Products in a commercially reasonable manner with Products of like quality. To the extent that Supplier cannot replace the Products which fail to meet the foregoing warranties in a commercially reasonable manner, Supplier shall refund amounts paid by Buyer for such Products within thirty (30) days of such payment.

(b) No Conflict. The execution, delivery and performance of this Agreement by Supplier does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it may be bound, and does not violate any Applicable Law. Supplier and its Affiliates are not currently a party to, and during the Term of this Agreement will not enter into, any agreements, oral or written, that are inconsistent with the obligations set forth herein. Supplier currently makes competing products with the Products.

(c) Authority. Supplier is validly existing and in good standing under the laws of the state of its organization and has the corporate power and authority to enter into this Agreement. The execution, delivery and performance of this Agreement have been duly authorized by all necessary action on the part of Supplier. This Agreement has been duly executed and delivered by Supplier and constitutes the valid and binding obligation of Supplier, enforceable against it in accordance with its terms except as enforceability may be limited by bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and by general equitable principles.

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(d) Supplier Intellectual Property. The Supplier Intellectual Property is valid, subsisting and in full force and effect. Supplier has no knowledge of the existence of any patent, trademark, trade secret, know-how or other Intellectual Property Right owned or controlled by a third-party that would prevent in any material way Supplier from manufacturing in the Territory and/or Buyer from marketing, selling, and distributing Products throughout the Territory. To Supplier's knowledge, the Products and the technology used to manufacture them will not infringe, misappropriate, dilute or violate valid patent rights of third-parties. There are no pending claims or, to the knowledge of Supplier, threatened claims relating to the Supplier Intellectual Property.

2. Buyer represents and warrants to Supplier that:

(a) Labeling and Marketing. Product Specifications are in accordance with Applicable Laws and Products shall be labeled and marketed in accordance with Applicable Laws.

(b) No Conflict. The execution, delivery and performance of this Agreement by Buyer does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it may be bound, and does not violate any Applicable Law. Buyer and its Affiliates are not currently a party to, and during the Term of this Agreement will not enter into, any agreements, oral or written, that are inconsistent with the obligations set forth herein.

(c) Authority. Buyer is validly existing and in good standing under the laws of the state of its incorporation and has the corporate power and authority to enter into this Agreement. The execution, delivery and performance of this Agreement have been duly authorized by all necessary action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer and constitutes the valid and binding obligation of Buyer, enforceable against it in accordance with its terms except as enforceability may be limited by bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and by general equitable principles.

ARTICLE 11 - INDEMNIFICATION

1. Indemnification by Supplier. Subject to the terms of this Article 11, Supplier will defend, indemnify and hold harmless Buyer, its Representatives and their permitted assigns and successors-in-interest (collectively, the "Buyer Indemnitees") from and against any and all liabilities, damages, losses, claims, demands, assessments, actions, causes of action and costs (including reasonable attorneys' fees and court costs) (collectively, "Losses") arising out of or relating to the following indemnification events (the "Supplier Indemnification Events"):

(a) any material breach by Supplier of this Agreement and/or the Quality Agreement that is not cured within any applicable cure period set forth herein and/or therein; and

(b) the manufacturing, packaging and/or storing of the Products for Buyer.

Notwithstanding the foregoing, Supplier shall not be obligated to indemnify a Buyer Indemnitee for any Losses incurred by a Buyer Indemnitee due to its negligence or willful misconduct.

2. Indemnification by Buyer. Subject to the terms of this Article 11, Buyer will defend, indemnify and hold harmless Supplier, its Representatives and their permitted assigns and successors-in-interest (collectively, the "Supplier Indemnitees") from and against any and all Losses (including, without limitation, reasonable attorneys' fees and court costs) arising out of or relating to the following indemnification events (the "Buyer Indemnification Events"; and together with the Supplier Indemnification Events, the "Indemnification Events"):

(a) any material breach by Buyer of this Agreement that is not cured within any applicable cure period set forth herein;

(b) the storage, distribution, handling or sale of any Product after such Product is made available for pick-up at Supplier's facility;

Notwithstanding the foregoing, Buyer shall not be obligated to indemnify a Supplier Indemnitee for any Losses incurred by a Supplier Indemnitee due to its negligence or willful misconduct.

3. Conditions to Indemnification. The indemnification remedy set forth in this Article 11 shall be the sole and exclusive remedy of the indemnified Parties for the Indemnification Events specified herein. A Party's right to indemnification shall be offset by any insurance or other recovery received by the Party claiming a right to indemnification. Moreover, each Party agrees to make reasonable efforts to mitigate damages claimed under this Article 11. A Party's right to indemnification shall be premised on the indemnified Party's providing prompt written notice of the occurrence of the Indemnification Event to the indemnifying Party and all associated details (to the extent then available), including proof of any claimed Losses; provided, however, failure to provide prompt written notice of an Indemnification Event shall not preclude the indemnitee from asserting and pursuing an indemnification claim made hereunder so long as the indemnitor is not irreversibly prejudiced by the indemnitee's failure to provide prompt written notice of such indemnification claim.

4. Survival. The Sections of this Article 11 shall survive the expiration or termination of this Agreement, subject to any applicable laws in the State of New York.

ARTICLE 12 - TERM AND TERMINATION

1. Term. The term of this Agreement shall commence as of the Effective Date and shall continue until ten (10) years from the Base Volume Production Date (the "Expiration Date") or until otherwise terminated pursuant to the terms hereof (the "Term"). Within ninety (90) days prior to the Expiration Date, Buyer shall have the right, upon written notice to Supplier, to extend this Agreement for additional one (1) year periods commencing on the day immediately following the Expiration Date as may be extended hereunder; provided that Buyer and Supplier agree on the Prices for the Products during the term of any such extensions.

2. Termination.

(a) If either Party shall breach any material obligation required under this Agreement and/or the Quality Agreement, the other Party may give written notice of its intention to terminate this Agreement, describing in reasonable detail the breach. If the breaching Party fails to remedy such material breach within sixty (60) days following such written notice, or if such breach is not capable of cure within such period, then the non-breaching Party may, in addition to all other remedies available at law or in equity, terminate this Agreement immediately upon written notice.

(b) Either Party may terminate this Agreement immediately upon written notice thereof to the other Party if the other Party makes an involuntary assignment of its assets for the benefit of its creditors, files a voluntary petition under federal or state bankruptcy or insolvency laws, a receiver or custodian is appointed for the other Party's business, or proceedings are instituted against the other Party under federal or state bankruptcy or insolvency laws.

3. Performance on Termination. Upon termination of this Agreement for any reason: (a) Products being manufactured and packaged shall be delivered by Supplier on the scheduled delivery dates and Buyer shall pay Supplier not later than thirty (30) calendar days after the date of the invoice relating to such Products (provided, that Buyer makes advance payment prior to shipment in the event of termination by Supplier due to payment default by Buyer); and (b) all raw materials, labels and packaging used solely for the Products shall be forwarded to Buyer by Supplier upon receipt of payment of the Costed Bill of Materials for such items. Buyer shall have the right, but not the obligation, to purchase any finished Products being held in Supplier's inventory in excess of the agreed-up inventory buffer targets. In addition, Buyer shall pay to the Supplier an amount equal to the unrecovered Capital Recovery Amount through the date of termination not later than thirty (30) calendar days after any early termination of this Agreement prior to the ten (10) year anniversary of the Base Volume Production Date; provided, however, Buyer shall not be obligated to pay such unrecovered Capital Recovery Amount in the event Supplier terminates the Agreement for any reason other than as set forth in Article 12 hereof.

4. Post-Termination Rights. Termination or expiration of this Agreement for any reason whatsoever shall not affect the rights of a Party hereto arising hereunder or thereunder which have arisen prior to the termination or expiration of this Agreement. The expiration or termination of this Agreement shall not affect any provision of this Agreement which survives according to the terms hereof or thereof, and any and all remedies available to each of the Parties hereto under the terms hereof or thereof or available in law or equity shall be preserved and survive the termination or expiration of this Agreement.

5. Survival. Sections 3, 4 and 5 of this Article 12 shall survive the expiration or termination of this Agreement, subject to any Applicable Laws in the State of New York.

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ARTICLE 13 - INSURANCE

1. Maintenance. During the Term, Supplier shall maintain, from an insurance company reasonably acceptable to Buyer, appropriate commercial product liability and blanket contractual liability insurance coverage for the mutual benefit of Supplier and Buyer, in the Territory with limits not less than $2,000,000.00 per occurrence and in the aggregate annually for bodily injury and property damage, and subject to the standard retentions adopted for similar products.

2. Insurance Certificates. Within ten (10) business days after the Effective Date, Supplier shall furnish Buyer with certificate(s) of insurance evidencing the required insurance coverage, naming Buyer as an additional insured, and providing for at least thirty (30) days' prior written notice to Buyer of cancellation or modification. Supplier shall furnish certificate(s) of insurance to Buyer upon each renewal or procurement of insurance coverage for so long as Supplier is required to maintain insurance under this Agreement.

ARTICLE 14 - MISCELLANEOUS

1. Compliance with Laws. Each Party shall comply in all material respects with all Applicable Laws including, but not limited to, those concerning drugs or drug manufacture regulatory requirements, the Products, protection of the environment and health and safety of its workers.

2. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to its conflicts of law principles
thereof.

3. Arbitration.

(a) Should any claim arise between the Parties hereto with respect to this Agreement (the "Claim"), the Parties shall first attempt to resolve such Claim by entering into good faith negotiations by or among their appropriate employees or officers. The negotiations will commence as soon as practicable after either Party has received notice from the other Party of such Claim, but no later than ten (10) calendar days after such receipt, and will terminate thirty (30) calendar days after such commencement. During the negotiations, the Parties will not have the right to any discovery.

(b) Any Claim which has not been resolved pursuant to good faith negotiations contemplated above will be determined by arbitration. Any controversy, dispute or Claim arising from or relating to this Agreement that cannot be settled amicably shall be determined by arbitration in accordance with Section 3 of this Article 14. The rules of the American Arbitration Association ("AAA") for arbitration of commercial disputes, as such rules may be in effect at the time of the arbitration, shall apply except where the subject matter of such rules are provided in this Agreement and where such occurs this

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Agreement shall be paramount and apply. The laws of the State of New York shall govern the arbitration of any Claim pursuant to Section 3 of this Article 14.

(c) Prior to the initiation of arbitration, the aggrieved Party shall give the other Party a written notice, in accordance with this Agreement, describing the Claim and the amount as to which it intends to initiate action. A demand for arbitration may be initiated only if the Parties have not amicably resolved the Claim as set forth in Section 3(a) of this Article 14.

(d) Where the Claim is for an amount equal to at least Five Hundred Thousand Dollars ($500,000), the Claim shall be resolved by an oral hearing in the Borough of Manhattan in the City of New York before a panel of three (3) arbitrators. There shall be a stenographic record of the proceedings held before the arbitrators.

(e) Where a Claim exists requiring three (3) arbitrators, Supplier shall appoint one (1) arbitrator and Buyer will appoint one (1) arbitrator within thirty (30) days following service of the written demand for arbitration. The two arbitrators shall select a third arbitrator within forty-five (45) days after their appointment. If the arbitrators selected by the Parties are unable or fail to agree on a third arbitrator, the AAA shall, in its sole discretion, designate the arbitrator. At least one (1) of the arbitrators shall be an attorney actively engaged in the practice of law for at least ten (10) years and familiar with procurement agreements.

(f) Where the Claim requires three (3) arbitrators, the decision of the arbitrators shall be made by majority vote and be accompanied by a reasoned opinion.

(g) Where the Claim involves a controversy of Fifty Thousand Dollars ($50,000) or less, Supplier and Buyer shall mutually select a single arbitrator within fifteen (15) days after service of a demand for arbitration subject to the following: (a) in the event an arbitrator cannot be mutually selected, then the arbitrator shall be selected by the AAA; (b) the parties shall submit their positions in writing on the Claim within thirty (30) days after the appointment of the arbitrator; (c) the arbitrator shall issue a decision that shall be reasoned and shall be served as a final order within thirty (30) days after the written submission.

(h) Where the Claim involves a controversy of more than Fifty Thousand Dollars ($50,000), but less than Five Hundred Thousand Dollars ($500,000), Supplier and Buyer shall mutually select a single arbitrator within fifteen (15) days after service of a demand for arbitration subject to the following: (a) in the event an arbitrator cannot be mutually selected, then the arbitrator shall be selected by the AAA within thirty (30) days; (b) the parties shall submit their positions in writing and include a list of witnesses within thirty (30) days; (c) there shall be an oral hearing by phone or a hearing by mutual agreement including a video conference hearing or an oral hearing attended by the Parties within thirty (30) days of the written submissions; and (d) the arbitrator shall issue a decision

that shall be reasoned and that shall be served as a final order within thirty (30) days after the hearing.

(i) Either Supplier or Buyer, before or during arbitration, may apply to a court having jurisdiction of the subject matter and the Parties for a temporary restraining order or preliminary injunction where such emergency relief is necessary to protect its interests prior to institution of, or pending completion of, arbitration proceedings. Either Party may seek such emergency relief, and not by way of limitation, in order to: (a) compel the other Party to continue to perform under the terms of this Agreement, both prior to and during any arbitration procedure in accordance with this Agreement; (b) compel the other Party to arbitrate any dispute as provided in this Section 3 of Article 14; or (c) to require specific performance of any provision of this Agreement. Such obligations may be specifically enforced in any court having jurisdiction of the subject matter and the Parties.

(j) Unless otherwise agreed by the parties, no arbitration shall be consolidated with any other proceeding, nor shall it include parties other than Supplier and Buyer except for other Persons substantially involved in a common question of law or fact and whose presence is necessary to resolve the controversy or dispute. Reasonable expenses of the arbitration shall be borne equally by the Parties. Each Party shall bear the expenses of its counsel and other experts.

(k) The arbitrators shall have no power to consider or award consequential, punitive or exemplary damages, whether statutory or under common law.

(l) The decision of the arbitrator(s) shall be final and binding upon the Parties and shall be accompanied by a reasoned opinion. Judgment upon an arbitrator or arbitrators' award may be entered in any competent court. Unless otherwise agreed, the Parties shall continue to perform under this Agreement before and/or during any arbitration proceeding.

4. Severability. In case any one or more of the provisions of this Agreement should be invalid, illegal, or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

5. Independent Contractors. The relationship between Buyer and Supplier is that of independent contractors, and nothing herein shall be deemed to constitute the relationship of partners, joint venturers, or principal and agent between Buyer and Supplier. Neither Party shall have any express or implied right or authority to assume or create any obligations on behalf of or, in the name of, the other Party or to bind the other Party to any contract, agreement or undertaking with any third-party.

6. Assignment. None of the Parties hereto may assign any of its rights or delegate any of its duties or obligations under this Agreement without the prior written consent of the other Party hereto and any such attempted assignment without such prior written consent shall be void and

of no force and effect; provided, however, Buyer shall have the right to assign this Agreement and its rights and obligations hereunder to any of its Affiliates or any successor-in-interest (via merger, consolidation, reorganization or otherwise) without obtaining the prior consent of Supplier so long as Buyer provides Supplier with a written guarantee of the repayment of the Capital Recovery Amount. For purposes of this paragraph, any (i) sale of a majority of Supplier's assets; or (ii) merger, consolidation, recapitalization, stock sale or any similar transaction involving Supplier shall be deemed an assignment of this Agreement requiring the prior written consent of Buyer. Subject to the foregoing, this Agreement will be binding upon and will inure to the benefit of the Parties and their respective successors and permitted assigns, and no assignment permitted hereunder (including an assignment by Buyer to any of its Affiliates) shall relieve any such assignor from its duties and obligations set forth herein and such assignor shall remain jointly and fully liable for any breach of this Agreement by its assignee.

7. Continuing Obligations. Any and all provisions, promises and warranties contained herein which by their nature or effect are required or intended to be observed, kept or performed after termination or expiration of this Agreement will survive the termination or expiration of this Agreement and remain binding upon and for the benefit of the Parties hereto.

8. Notices. All notices or other communications which shall or may be given pursuant to this Agreement shall be in writing and shall be deemed to be effective when delivered by facsimile transmission AND (a) when delivered if sent by registered or certified mail, return receipt requested, or (b) on the next business day, if sent by overnight courier, in each case to the Parties hereto at the following addresses (or at such other addresses as shall be specified by like notice) with postage or delivery charges prepaid:

If to Supplier: Fitzpatrick Bros., Inc.
625 North Sacramento Boulevard
Chicago, Illinois 60612
Fax: (773) 722-5133
Attention: William J. O'Connor

If to Buyer: The Spic and Span Company
90 North Broadway
Irvington, New York 10533
Fax: (914) 524-6814
Attention: Senior Vice President - Operations

With a copy to: The Spic and Span Company
90 North Broadway
Irvington, New York 10533
Fax: (914) 524-7488
Attention: Legal Department

***Indicates a portion of this Exhibit that has been omitted and filed separately with the Secretary of the United States Securities and Exchange Commission pursuant to Prestige Brands Holdings, Inc.'s application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

9. Entire Agreement. This Agreement and any confidentiality agreement between the Parties hereto contain the entire agreement between the Parties hereto concerning the subject matter hereof and thereof and supersede any prior or contemporaneous agreements or understandings (whether oral or written) between the Parties with respect to the subject matter hereof and thereof. No course of dealing or usage of trade shall be used to modify the terms hereof.

10. Amendment, Modification and Waiver. No amendment, modification or addendum will be effective unless reduced to a writing signed by a duly authorized officer of both Parties. No term or provision hereof will be deemed waived and no breach excused unless such waiver or consent will be in writing and signed by an authorized officer of the Party claimed to have waived or consented. Failure of either Party hereto to insist upon strict conformance to any term herein in the event of a breach or default shall not be construed as a consent or waiver of that breach or default or any subsequent breach or default of the same or of any other term contained herein or therein.

11. Third-Party Beneficiaries. Except as otherwise set forth in Article 11, this Agreement is entered into solely between, and may be enforced only by, Buyer and Supplier, and this Agreement will not be deemed to create any rights in third-parties, including suppliers, customers or subcontractors of a Party, or to create any obligations of a Party to any such third-parties.

12. Counterparts; Facsimile Signatures. This Agreement may be executed in two counterparts, each of which will constitute an original but all of which together constitute a single document. Faxed signatures shall have the same legal effect as original signatures.

13. Equitable Relief. Both Parties agree that, because breach or threatened breach of any of the terms of Article 7 and 8 of this Agreement by a Party will result in immediate and irreparable injury to the other Party, such other Party shall be entitled to an injunction restraining the breaching Party from any such breach to the fullest extent allowed by Applicable Law. Any such right of equitable relief granted to the non-breaching Party shall not be deemed to preclude such Party from seeking money damages or any other remedy from the breaching Party and/or its Affiliates and agents in the event of such a breach.

14. Announcements. Neither Party shall, without the prior written consent of the other Party (which consent shall not be unreasonably delayed, conditioned or withheld), make any announcement or public statement, or make any other form of public disclosure (including, without limitation, the issuing of a press release) relating to or concerning this Agreement or any of the provisions hereof; provided, however, that any Party may make any announcement or public disclosure required by Applicable Law (including, without limitation, federal and state securities laws) or the rules and regulations of any applicable securities exchange on which the securities of such Party or its Affiliates may then be traded.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

***Indicates a portion of this Exhibit that has been omitted and filed separately with the Secretary of the United States Securities and Exchange Commission pursuant to Prestige Brands Holdings, Inc.’s application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

IN WITNESS WHEREOF, each of the Parties hereto has each caused this Agreement to be executed by its duly authorized representative as of the date first written above.

THE SPIC AND SPAN COMPANY

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

FITZPATRICK BROS., INC.

By: /s/ Robert O. Remien
Name: Robert O. Remien
Title: President

EXHIBIT A***

Estimated Capital Requirements

***Exhibit A has been omitted and filed separately with the Secretary of the United States Securities and Exchange Commission pursuant to Prestige Brands Holdings, Inc.'s application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

EXHIBIT B

Product Specifications

The Product Specifications shall be as set forth in the finished product monograph, document MN-016 provided by Buyer to Supplier prior to the date hereof, and as updated from time to time by Buyer and provided to Supplier.

EXHIBIT C ***

Products

Comet®
Comet® Powder
Comet® Lemon Powder
Comet® Orange Powder
Comet® Lavender Powder

***The customer sizing and SKU information has been omitted from Exhibit C and filed separately with the Secretary of the United States Securities and Exchange Commission pursuant to Prestige Brands Holdings, Inc.'s application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

EXHIBIT D

Proprietary Marks

Comet® and any foreign translations thereof
Chlorinol® and any foreign translations thereof

EXHIBIT E

Form of Pricing Sheet

Exhibit E has been omitted from this filing because it contains no information that is material to an investment decision and which is not otherwise disclosed in the agreement or the filing to which this document is an exhibit.

EXHIBIT F ***

Facility Construction Timeline

***Exhibit F has been omitted and filed separately with the Secretary of the United States Securities and Exchange Commission pursuant to Prestige Brands Holdings, Inc.'s application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934.

EXHIBIT G

Quality Agreement

Exhibit G has been omitted from this filing because it contains no information that is material to an investment decision and which is not otherwise disclosed in the agreement or the filing to which this document is an exhibit.

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 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-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: August 11, 2008

/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 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-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: August 11, 2008

/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 June 30, 2008, 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: August 11, 2008

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 June 30, 2008, 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: August 11, 2008