**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**

# FORM 8-K

## CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): February 6, 2014

**PRESTIGE BRANDS HOLDINGS, INC.**
(Exact name of registrant as specified in its charter)

| Delaware | 001-32433 | 20-1297589 |
| --- | --- | --- |
| (State or other jurisdiction of incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

660 White Plains Road, Tarrytown, New York 10591
(Address of principal executive offices, including Zip Code)

(914) 524-6800
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02 Results of Operations and Financial Condition.**

On February 6, 2014, Prestige Brands Holdings, Inc. (the "Company") announced financial results for the fiscal quarter ended December 31, 2013. A copy of the press release announcing the Company's earnings results for the fiscal quarter ended December 31, 2013 is attached hereto as Exhibit 99.1 and incorporated herein by reference.

**Item 7.01. Regulation FD Disclosure.**

The information set forth in Item 2.02 above is incorporated by reference as if fully set forth herein.

On February 6, 2014, representatives of the Company began making presentations to investors regarding the Company's financial results for the quarter and nine months ended December 31, 2013 using slides containing the information attached to this Current Report on Form 8-K as Exhibit 99.2 (the "Investor Presentation") and incorporated herein by reference. The Company expects to use the Investor Presentation, in whole or in part, and possibly with modifications, in connection with presentations to investors, analysts and others during the fiscal year ended March 31, 2014.

By filing this Current Report on Form 8-K and furnishing the information contained herein, the Company makes no admission as to the materiality of any information in this report that is required to be disclosed solely by reason of Regulation FD.

The information contained in the Investor Presentation is summary information that is intended to be considered in the context of the Company's Securities and Exchange Commission ("SEC") filings and other public announcements that the Company may make, by press release or otherwise, from time to time. The Company undertakes no duty or obligation to publicly update or revise the information contained in this report, although it may do so from time to time as its management believes is warranted. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure.

The information presented in Items 2.02 and 7.01 of this Current Report on Form 8-K and Exhibits 99.1 and 99.2 shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, unless the Company specifically states that the information is to be considered "filed" under the Exchange Act or specifically incorporates it by reference into a filing under the Securities Act of 1933, as amended, or the Exchange Act.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

See Exhibit Index immediately following the 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 hereunto duly authorized.

| | |
|---|---|
| Dated: February 6, 2014 | PRESTIGE BRANDS HOLDINGS, INC. |
| | By: /s/ Ronald M. Lombardi |
| | Name: Ronald M. Lombardi |
| | Title: Chief Financial Officer |

EXHIBIT INDEX

| Exhibit | Description |
|---|---|
| 99.1 | Press Release dated February 6, 2014 announcing the Company's financial results for the fiscal quarter ended December 31, 2013 (furnished only). |
| 99.2 | Investor Relations Slideshow in use beginning February 6, 2014 (furnished only). |

Exhibit 99.1

**Prestige Brands Holdings, Inc. Reports Fiscal Third Quarter & Nine Month Results;**
**Results Impacted by Retailer Inventory Reductions, Return of Competing Products & Soft Cough/Cold Season**

Tarrytown, NY-(Business Wire)-February 6, 2014-Prestige Brands Holdings, Inc. (NYSE-PBH) today announced results for the third quarter and nine month periods of fiscal year 2014, which ended on December 31, 2013.

In addition to financial results reported in accordance with generally accepted accounting principles (GAAP), we have provided certain non-GAAP financial information in this release to aid investors in understanding the Company's performance. This includes free cash flow, a non-GAAP financial measure indicative of cash available for debt repayment and acquisitions. Each non-GAAP financial measure is defined and reconciled to its most closely related GAAP financial measure in the “About Non-GAAP Financial Measures” section at the end of this earnings release.

The results include reported third fiscal quarter revenues of $146.2 million, a decrease of 8.7% over the prior year comparable period’s revenues of $160.2 million. Reported revenues for the nine month period totaled $457.6 million, a decrease of 2.5% over the prior year nine month period’s revenues of $469.1 million. The Company previously indicated that fiscal 2014 would be a transitional year; however, results for the third quarter were impacted by a combination of three factors: retailer inventory reductions as a result of soft foot traffic, the return of several competing brands to the marketplace, and a weak cough/cold season.

Reported net income for the third fiscal quarter was $3.1 million, or $0.06 per diluted share, 74.5% lower than the prior year comparable quarter’s net income of $12.3 million, or $0.24 per diluted share. Adjusted earnings per share for the quarter were $0.30 compared to the prior year’s adjusted earnings per share of $0.37, a decrease of 18.9%. The current quarter’s adjusted earnings per share excludes items related to the Company’s recent bond offering. The prior year quarter’s adjusted earnings per share excludes items related to the integration of the GSK brands and accelerated amortization of finance costs.

Reported net income for the first nine months of fiscal 2014 was $56.6 million, or $1.08 per diluted share, 22.7% higher than the prior year’s comparable period net income of $46.2 million, or $0.90 per diluted share. Adjusted earnings per share for the nine month period of fiscal 2014 were $1.17, compared to adjusted earnings per share of $1.14 in the prior year's comparable period, excluding items detailed in the schedules attached.

Reported revenues for the Over-The-Counter Healthcare segment (OTC) were $125.6 million for the third fiscal quarter, 9.6% lower than the prior year comparable period's revenues of $139.0 million. For the nine month period of the current fiscal year, reported revenues for the OTC segment were $391.1 million, a decrease of 3.0% over the prior year comparable period's revenues of $403.2 million. Reported revenues for the Household Cleaning segment were $20.6 million in the third fiscal quarter, a decrease of 2.8% over the prior year's third quarter results of $21.2 million. For the nine month period, reported revenues for this segment were slightly higher at $66.5 million compared to $65.9 million in the prior year's comparable period.

**Free Cash Flow and Debt**

The Company's free cash flow ("FCF") for the third fiscal quarter was $41.2 million, an increase of 11.8% over the prior year comparable period's FCF of $36.8 million. For the nine month period, FCF was $94.5 million, an increase of approximately 2.8% over the prior year comparable period's FCF of $92.0 million. The increase in FCF for both the three month and nine month periods is a result of a reduction in fixed asset additions. On a per share basis, FCF for the three months ended December 31, 2013 translates to $0.78, compared to $0.72 in the prior year. For the nine month period, FCF per share translates to $1.81, compared to $1.79 for the nine month period ended December 31, 2012. This non-GAAP financial measure excludes items related to the December 2013 debt refinancing of approximately $16.3 million, as detailed in the schedules attached.

At December 31, 2013, the Company's net debt was approximately $938.9 million and its covenant-defined leverage ratio was approximately 4.30.

**Commentary & Outlook**

According to Matthew M. Mannelly, President and CEO, "Recognizing the current environment, we continue to be focused on our long-term, three-prong value creation strategy which has been key to our success over the last five years. We are committed to innovating and driving growth in our core OTC brands, delivering strong and consistent free cash flow and aggressively pursuing M&A in the OTC space in a disciplined way. Our strong free cash flow of $41.2 million in the third quarter continues to provide flexibility for investing in brands for the long term," he said.

Mr. Mannelly continued, “Moving forward, we will leverage the strength of our business model which revolves around strong and consistent free cash flow. We continue to expect free cash flow of approximately $125 million for the fiscal year ending March 31, 2014. Regarding earnings per share, given the three factors that impacted this quarter and their potential impact on full year results, the Company now expects earnings per share for fiscal 2014 to be in the range of $1.48 to $1.52,” he said.

**Q3 Conference Call & Accompanying Slide Presentation**

The Company will host a conference call to review its third quarter results on February 6, 2014 at 8:30 am EDT. The toll-free dial-in numbers are 877-546-5021 within North America and 857-244-7553 outside of North America. The conference pass code is "prestige". The Company will provide a live Internet webcast, a slide presentation to accompany the call, as well as an archived replay, all of which can be accessed from the Investor Relations page of the Company's website at http://prestigebrands.com. The slide presentation can be accessed just before the call from the Investor Relations page of the website by clicking on Webcasts and Presentations. Telephonic replays will be available for two weeks following the completion of the call and can be accessed at 888-286-8010 within North America and at 617-801-6888 from outside North America. The pass code is 14345309.

**About Prestige Brands Holdings, Inc.**

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

**Note Regarding Forward-Looking Statements**

This news release contains "forward-looking statements" within the meaning of the federal securities laws that are intended to qualify for the Safe Harbor from liability established by the Private Securities Litigation Reform Act of 1995. "Forward-looking statements" generally can be identified by the use of forward-looking terminology such as "will," "expect," or "continue" (or the negative or other derivatives of each of these terms) or similar terminology. The "forward-looking statements" include, without limitation, statements regarding our expected future operating results including earnings per share and free cash flow, our strategy and focus, our intention to invest in our core brands, development of innovative products, and aggressive and disciplined M&A. These statements are based on management's estimates and assumptions with respect to future events and financial performance and are believed to be reasonable, though are inherently uncertain and difficult to predict. Actual results could differ materially from those expected as a result of a variety of factors, including the impact of our advertising and promotional initiatives, competition in our industry, the strength of the cough/cold season, and the success of our new product introductions and integration of newly acquired products. A discussion of other factors that could cause results to vary is included in the Company's Annual Report on Form 10-K for the year ended March 31, 2013, Quarterly Report on Form 10-Q for the quarter ended December 31, 2013, and other periodic reports filed with the Securities and Exchange Commission.

Contact: Dean Siegal
914-524-6819

## Prestige Brands Holdings, Inc.
### Consolidated Statements of Income and Comprehensive Income
*(Unaudited)*

| *(In thousands, except per share data)* | Three Months Ended December 31, 2013 | Three Months Ended December 31, 2012 | Nine Months Ended December 31, 2013 | Nine Months Ended December 31, 2012 |
|---|---|---|---|---|
| **Revenues** | | | | |
| Net sales | $ 145,054 | $ 159,492 | $ 454,159 | $ 466,735 |
| Other revenues | 1,158 | 740 | 3,466 | 2,349 |
| Total revenues | 146,212 | 160,232 | 457,625 | 469,084 |
| **Cost of Sales** | | | | |
| Cost of sales (exclusive of depreciation shown below) | 64,403 | 75,235 | 197,614 | 209,938 |
| Gross profit | 81,809 | 84,997 | 260,011 | 259,146 |
| **Operating Expenses** | | | | |
| Advertising and promotion | 25,570 | 23,538 | 70,754 | 67,371 |
| General and administrative | 12,137 | 11,378 | 35,390 | 40,114 |
| Depreciation and amortization | 3,644 | 3,359 | 10,206 | 9,950 |
| Total operating expenses | 41,351 | 38,275 | 116,350 | 117,435 |
| Operating income | 40,458 | 46,722 | 143,661 | 141,711 |
| **Other (income) expense** | | | | |
| Interest income | (16) | (4) | (44) | (9) |
| Interest expense | 21,276 | 26,665 | 53,648 | 66,178 |
| Loss on extinguishment of debt | 15,012 | — | 15,012 | — |
| Total other expense | 36,272 | 26,661 | 68,616 | 66,169 |
| Income before income taxes | 4,186 | 20,061 | 75,045 | 75,542 |
| Provision for income taxes | 1,056 | 7,804 | 18,431 | 29,386 |
| Net income | $ 3,130 | $ 12,257 | $ 56,614 | $ 46,156 |
| Earnings per share: | | | | |
| Basic | $ 0.06 | $ 0.24 | $ 1.10 | $ 0.91 |
| Diluted | $ 0.06 | $ 0.24 | $ 1.08 | $ 0.90 |
| Weighted average shares outstanding: | | | | |
| Basic | 51,806 | 50,686 | 51,498 | 50,465 |
| Diluted | 52,445 | 51,523 | 52,236 | 51,285 |
| Comprehensive (loss) income, net of tax: | | | | |
| Currency translation adjustments | (2,694) | (1) | (1,571) | 23 |
| Total other comprehensive (loss) income | (2,694) | (1) | (1,571) | 23 |
| Comprehensive income | $ 436 | $ 12,256 | $ 55,043 | $ 46,179 |

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

| ***(In thousands)*** **Assets** | **December 31, 2013** | **March 31, 2013** |
|---|---|---|
| Current assets | | |
| Cash and cash equivalents | $ 94,353 | $ 15,670 |
| Accounts receivable, net | 66,188 | 73,053 |
| Inventories | 64,798 | 60,201 |
| Deferred income tax assets | 6,836 | 6,349 |
| Prepaid expenses and other current assets | 12,326 | 8,900 |
| Total current assets | 244,501 | 164,173 |
| Property and equipment, net | 10,528 | 9,896 |
| Goodwill | 189,955 | 167,546 |
| Intangible assets, net | 1,395,755 | 1,373,240 |
| Other long-term assets | 24,107 | 24,944 |
| Total Assets | $ 1,864,846 | $ 1,739,799 |
| **Liabilities and Stockholders' Equity** | | |
| Current liabilities | | |
| Current portion of long-term debt | $ 48,290 | $ — |
| Accounts payable | 51,547 | 51,376 |
| Accrued interest payable | 10,781 | 13,894 |
| Other accrued liabilities | 23,445 | 31,398 |
| Total current liabilities | 134,063 | 96,668 |
| Long-term debt | | |
| Principal amount | 985,000 | 978,000 |
| Less unamortized discount | (3,489) | (7,100) |
| Long-term debt, net of unamortized discount | 981,511 | 970,900 |
| Deferred income tax liabilities | 205,036 | 194,288 |
| Other long-term liabilities | 302 | — |
| Total Liabilities | 1,320,912 | 1,261,856 |
| **Stockholders' Equity** | | |
| Preferred stock - $0.01 par value | | |
| Authorized - 5,000 shares | | |
| Issued and outstanding - None | — | — |
| Preferred share rights | 283 | 283 |
| Common stock - $0.01 par value | | |
| Authorized - 250,000 shares | | |
| Issued - 51,961 shares at December 31, 2013 and 51,311 shares at March 31, 2013 | 520 | 513 |
| Additional paid-in capital | 412,910 | 401,691 |
| Treasury stock, at cost - 194 shares at December 31, 2013 and 181 shares March 31, 2013 | (965) | (687) |
| Accumulated other comprehensive loss, net of tax | (1,675) | (104) |
| Retained earnings | 132,861 | 76,247 |
| Total Stockholders' Equity | 543,934 | 477,943 |
| Total Liabilities and Stockholders' Equity | $ 1,864,846 | $ 1,739,799 |

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

| *(In thousands)* | Nine Months Ended December 31, 2013 | 2012 |
|---|---|---|
| **Operating Activities** | | |
| Net income | $ 56,614 | $ 46,156 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 10,209 | 9,950 |
| Deferred income taxes | 10,261 | 15,979 |
| Amortization of deferred financing costs | 6,023 | 8,220 |
| Stock-based compensation costs | 3,763 | 2,965 |
| Loss on extinguishment of debt | 15,012 | — |
| Premium payment on 2010 Senior Notes | (12,768) | — |
| Amortization of debt discount | 3,115 | 3,892 |
| Lease termination costs | — | 975 |
| (Gain) loss on sale or disposal of equipment | (3) | 51 |
| Changes in operating assets and liabilities, net of effects of acquisitions | | |
| Accounts receivable | 8,495 | (13,518) |
| Inventories | (2,262) | (3,351) |
| Prepaid expenses and other current assets | (2,783) | 5,801 |
| Accounts payable | (1,285) | 14,125 |
| Accrued liabilities | (13,531) | 9,631 |
| Net cash provided by operating activities | 80,860 | 100,876 |
| **Investing Activities** | | |
| Purchases of property and equipment | (2,658) | (8,922) |
| Proceeds from sale of property and equipment | 3 | 15 |
| Proceeds from the sale of the Phazyme brand | — | 21,700 |
| Acquisition of brands from GSK purchase price adjustments | — | (226) |
| Acquisition of Care Pharmaceuticals, less cash acquired | (55,215) | — |
| Net cash (used in) provided by investing activities | (57,870) | 12,567 |
| **Financing Activities** | | |
| Proceeds from issuance of 2013 Senior Notes | 400,000 | — |
| Repayment of 2010 Senior Notes | (201,710) | — |
| Repayments of long-term debt | (147,500) | (167,500) |
| Repayments under revolving credit agreement | (45,500) | (8,000) |
| Borrowings under revolving credit agreement | 50,000 | 48,000 |
| Payment of deferred financing costs | (6,933) | — |
| Proceeds from exercise of stock options | 5,738 | 5,460 |
| Excess tax benefits from share-based awards | 1,725 | — |
| Fair value of shares surrendered as payment of tax withholding | (278) | — |
| Net cash provided by (used in) financing activities | 55,542 | (122,040) |
| Effects of exchange rate changes on cash and cash equivalents | 151 | 13 |
| Increase (decrease) in cash and cash equivalents | 78,683 | (8,584) |
| Cash and cash equivalents - beginning of year | 15,670 | 19,015 |
| Cash and cash equivalents - end of year | $ 94,353 | $ 10,431 |
| Interest paid | $ 47,586 | $ 54,149 |
| Income taxes paid | $ 9,761 | $ 7,183 |

## Prestige Brands Holdings, Inc.
**Consolidated Statements of Income**
**Business Segments**
***(Unaudited)***

| | Three Months Ended December 31, 2013 | | | Nine Months Ended December 31, 2013 | | |
|---|---|---|---|---|---|---|
| ***(In thousands)*** | **OTC Healthcare** | **Household Cleaning** | **Consolidated** | **OTC Healthcare** | **Household Cleaning** | **Consolidated** |
| Net sales | $ 125,448 | $ 19,606 | $ 145,054 | $ 390,670 | $ 63,489 | $ 454,159 |
| Other revenues | 150 | 1,008 | 1,158 | 462 | 3,004 | 3,466 |
| Total revenues | 125,598 | 20,614 | 146,212 | 391,132 | 66,493 | 457,625 |
| Cost of sales | 49,042 | 15,361 | 64,403 | 149,378 | 48,236 | 197,614 |
| Gross profit | 76,556 | 5,253 | 81,809 | 241,754 | 18,257 | 260,011 |
| Advertising and promotion | 24,830 | 740 | 25,570 | 68,375 | 2,379 | 70,754 |
| Contribution margin | $ 51,726 | $ 4,513 | 56,239 | $ 173,379 | $ 15,878 | 189,257 |
| Other operating expenses | | | 15,781 | | | 45,596 |
| Operating income | | | 40,458 | | | 143,661 |
| Other expense | | | 36,272 | | | 68,616 |
| Income before income taxes | | | 4,186 | | | 75,045 |
| Provision for income taxes | | | 1,056 | | | 18,431 |
| Net income | | | $ 3,130 | | | $ 56,614 |

| | Three Months Ended December 31, 2012 | | | Nine Months Ended December 31, 2012 | | |
|---|---|---|---|---|---|---|
| ***(In thousands)*** | **OTC Healthcare** | **Household Cleaning** | **Consolidated** | **OTC Healthcare** | **Household Cleaning** | **Consolidated** |
| Net sales | $ 138,858 | $ 20,634 | $ 159,492 | $ 402,633 | $ 64,102 | $ 466,735 |
| Other revenues | 175 | 565 | 740 | 520 | 1,829 | 2,349 |
| Total revenues | 139,033 | 21,199 | 160,232 | 403,153 | 65,931 | 469,084 |
| Cost of sales | 59,381 | 15,854 | 75,235 | 160,249 | 49,689 | 209,938 |
| Gross profit | 79,652 | 5,345 | 84,997 | 242,904 | 16,242 | 259,146 |
| Advertising and promotion | 22,410 | 1,128 | 23,538 | 62,309 | 5,062 | 67,371 |
| Contribution margin | $ 57,242 | $ 4,217 | 61,459 | $ 180,595 | $ 11,180 | 191,775 |
| Other operating expenses | | | 14,737 | | | 50,064 |
| Operating income | | | 46,722 | | | 141,711 |
| Other expense | | | 26,661 | | | 66,169 |
| Income before income taxes | | | 20,061 | | | 75,542 |
| Provision for income taxes | | | 7,804 | | | 29,386 |
| Net income | | | $ 12,257 | | | $ 46,156 |

***About Non-GAAP Financial Measures***

We define Non-GAAP Adjusted Total Revenues excluding additional transition sales costs associated with acquisitions. We define Non-GAAP Total Revenues excluding acquisitions and divestitures as Total Revenues excluding revenues associated with products acquired or divested in the periods presented. We define Non-GAAP Total Revenues excluding sales to mass channel customers Total Revenues excluding revenues for products sold to our mass channel customers. We define Non-GAAP EBITDA as earnings before interest expense (income), income taxes, depreciation and amortization, income or loss from discontinued operations or the sale thereof and Non-GAAP Adjusted EBITDA as earnings before interest expense (income), income taxes, depreciation and amortization, income or loss from discontinued operations and the sale thereof, gain on settlement, loss on extinguishment of debt, certain other legal and professional fees, and acquisition-related costs. . We define Non-GAAP Adjusted Gross Margin as Gross Profit before certain acquisition and integration-related costs.We define Non-GAAP Adjusted Operating Income as Operating Income minus certain other legal and professional fees, acquisition and other integration costs. We define Non-GAAP Adjusted Net Income as Net Income before gain on settlement, loss on extinguishment of debt, accelerated amortization of debt discount and debt issue costs, certain other legal and professional fees, acquisition and integration-related costs, income or loss from discontinued operations and sale thereof, the applicable tax impacts associated with these items and the tax impacts of state tax rate adjustments and other non-deductible items. Non-GAAP Adjusted EPS is calculated based on Non-GAAP Adjusted Net Income, divided by the weighted average number of common and potential common shares outstanding during the period. We define Non-GAAP Operating Cash Flow as net cash provided by operating activities less premium payments to extinguish debt and accelerated interest payments due to debt refinancing. We define Non-GAAP Free Cash Flow as Net Cash provided by operating activities less premium payments to extinguish debt, accelerated interest payments due to debt refinancing and cash paid for capital expenditures. Non-GAAP Free Cash Flow per Share is calculated based on Non-GAAP Free Cash Flow, divided by the weighted average number of common and potential common shares outstanding during the period. Non-GAAP EBITDA, Non-GAAP Adjusted EBITDA, Non-GAAP Adjusted Operating Income, Non-GAAP Adjusted Net Income, Non-GAAP Adjusted EPS, Non-GAAP Operating Cash Flow, Non-GAAP Free Cash Flow and Non-GAAP Free Cash Flow per Share may not be comparable to similarly titled measures reported by other companies.

We are presenting Non-GAAP Adjusted Total Revenues, Non-GAAP Total Revenues excluding acquisitions and divestitures, Non-GAAP Total Revenues excluding sales to mass channel customers, Non-GAAP EBITDA, Non-GAAP Adjusted EBITDA, Non-GAAP Adjusted Gross Margin, Non-GAAP Adjusted Operating Income, Non-GAAP Adjusted Net Income, Non-GAAP Adjusted EPS, Non-GAAP Operating Cash Flow, Non-GAAP Free Cash Flow and Non-GAAP Free Cash Flow per Share because they provide additional ways to view our operations, when considered with both our GAAP results and the reconciliation to net income and net cash provided by operating activities, respectively, which we believe provide a more complete understanding of our business than could be obtained absent this disclosure. Each of Non-GAAP Adjusted Total Revenues, Non-GAAP Total Revenues excluding acquisitions and divestitures, Non-GAAP Total Revenues excluding sales to mass channel customers, Non-GAAP EBITDA, Non-GAAP Adjusted EBITDA, Non-GAAP Adjusted Gross Margin, Non-GAAP Adjusted Operating Income, Non-GAAP Adjusted Net Income, Non-GAAP Adjusted EPS, Non-GAAP Operating Cash Flow, Non-GAAP Free Cash Flow and Non-GAAP Free Cash Flow per Share is presented solely as a supplemental disclosure because (i) we believe it is a useful tool for investors to assess the operating performance of the business without the effect of these items; (ii) we believe that investors will find this data useful in assessing shareholder value; and (iii) we use Non-GAAP Adjusted Total Revenues, Non-GAAP Total Revenues excluding acquisitions and divestitures, Non-GAAP Total Revenues excluding sales to mass channel customers, Non-GAAP EBITDA, Non-GAAP Adjusted EBITDA, Non-GAAP Adjusted Gross Margin, Non-GAAP Adjusted Operating Income, Non-GAAP Adjusted Net Income and

Non-GAAP Adjusted EPS internally to evaluate the performance of our personnel and also as a benchmark to evaluate our operating performance or compare our performance to that of our competitors. The use of Non-GAAP Adjusted Total Revenues, Non-GAAP Total Revenues excluding acquisitions and divestitures, Non-GAAP Total Revenues excluding sales to mass channel customers, Non-GAAP EBITDA, Non-GAAP Adjusted EBITDA, Non-GAAP Adjusted Gross Margin, Non-GAAP Adjusted Operating Income, Non-GAAP Adjusted Net Income, Non-GAAP Adjusted EPS, Non-GAAP Operating Cash Flow, Non-GAAP Free Cash Flow and Non-GAAP Free Cash Flow per Share has limitations, and you should not consider these measures in isolation from or as an alternative to GAAP measures such as Operating income, Net income, and Net cash flow provided by operating activities, or cash flow statement data prepared in accordance with GAAP, or as a measure of profitability or liquidity.

The following tables set forth the reconciliation of Non-GAAP Adjusted Total Revenues, Non-GAAP Total Revenues excluding acquisitions and divestitures, Non-GAAP Total Revenues excluding sales to mass channel customers, Non-GAAP EBITDA, Non-GAAP Adjusted EBITDA, Non-GAAP Adjusted Gross Margin, Non-GAAP Adjusted Operating Income, Non-GAAP Adjusted Net Income, Non-GAAP Adjusted EPS, Non-GAAP Operating Cash Flow, Non-GAAP Free Cash Flow and Non-GAAP Free Cash Flow per Share, all of which are non-GAAP financial measures, to GAAP Gross Profit, GAAP Operating Income, GAAP Net Income, GAAP Diluted EPS and GAAP Net cash provided by operating activities, our most directly comparable financial measures presented in accordance with GAAP.

**Reconciliation of GAAP Total Revenues to Non-GAAP Total Revenues excluding acquisitions and divestitures:**

| | Three Months Ended December 31, | | Nine Months Ended December 31, | |
|---|---|---|---|---|
| | **2013** | **2012** | **2013** | **2012** |
| ***(In thousands)*** | | | | |
| GAAP Total Revenues | $ 146,212 | $ 160,232 | $ 457,625 | $ 469,084 |
| Adjustments: [1] | | | | |
| Care revenues | (5,069) | — | (10,498) | — |
| Phazyme revenues | — | (524) | — | (3,568) |
| Total adjustments | (5,069) | (524) | (10,498) | (3,568) |
| Non-GAAP Total Revenues excluding acquisitions and divestitures | $ 141,143 | $ 159,708 | $ 447,127 | $ 465,516 |

(1) Revenue adjustments relate to our OTC Healthcare segment

**Reconciliation of GAAP Total Revenues to Non-GAAP Total Revenues excluding sales to mass channel customers:**

| | Three Months Ended June 30, 2013 | Three Months Ended June 30, 2012 | % Change | Three Months Ended September 30, 2013 | Three Months Ended September 30, 2012 | % Change |
|---|---|---|---|---|---|---|
| ***(In thousands)*** | | | | | | |
| GAAP Total Revenues | $ 142,971 | $ 146,997 | (2.7) | $ 168,442 | $ 161,855 | 4.1 |
| Adjustments: | | | | | | |
| Sales to mass channel customers | (38,081) | (43,082) | | (43,430) | (44,182) | |
| Total adjustments | (38,081) | (43,082) | | (43,430) | (44,182) | |
| Non-GAAP Total Revenues excluding sales to mass channel customers | $ 104,890 | $ 103,915 | 0.9 | $ 125,012 | $ 117,673 | 6.2 |

| | Three Months Ended December 31, 2013 | Three Months Ended December 31, 2012 | % Change | Nine Months Ended December 31, 2013 | Nine Months Ended December 31, 2012 | % Change |
|---|---|---|---|---|---|---|
| ***(In thousands)*** | | | | | | |
| GAAP Total Revenues | $ 146,212 | $ 160,232 | (8.7) | $ 457,625 | $ 469,084 | (2.4) |
| Adjustments: | | | | | | |
| Sales to mass channel customers | (36,627) | (44,678) | | (118,138) | (131,942) | |
| Total adjustments | (36,627) | (44,678) | | (118,138) | (131,942) | |
| Non-GAAP Total Revenues excluding sales to mass channel customers | $ 109,586 | $ 115,554 | (5.2) | $ 339,488 | $ 337,142 | 0.7 |

**Reconciliation of GAAP Total Revenues to Non-GAAP Adjusted Total Revenues and GAAP Gross Profit to Non-GAAP Adjusted Gross Margin:**

| | Three Months Ended December 31, 2013 | Three Months Ended December 31, 2012 | Nine Months Ended December 31, 2013 | Nine Months Ended December 31, 2012 |
|---|---|---|---|---|
| ***(In thousands)*** | | | | |
| GAAP Total Revenues | $ 146,212 | $ 160,232 | $ 457,625 | $ 469,084 |
| Adjustments: (1) | | | | |
| Additional sales costs associated with GSK | — | — | — | 411 |
| Total adjustments | — | — | — | 411 |
| Non-GAAP Adjusted Total Revenues | $ 146,212 | $ 160,232 | $ 457,625 | $ 469,495 |
| | | | | |
| GAAP Gross Profit | $ 81,809 | $ 84,997 | $ 260,011 | $ 259,146 |
| Adjustments: | | | | |
| Additional sales costs associated with GSK | — | — | — | 411 |
| Inventory step-up charge associated with acquisitions | — | — | 577 | 23 |
| Care acquisition related inventory costs | — | — | 407 | — |
| Additional product testing costs associated with GSK | — | — | — | 220 |
| Additional supplier transaction costs associated with GSK | — | 3,765 | — | 5,426 |
| Total adjustments | — | 3,765 | 984 | 6,080 |
| Non-GAAP Adjusted Gross Margin | $ 81,809 | $ 88,762 | $ 260,995 | $ 265,226 |
| Non-GAAP Adjusted Gross Margin % | 56.0% | 55.4% | 57.0% | 56.5% |

(1) Revenue adjustments relate to our OTC Healthcare segment

**Reconciliation of GAAP Operating Income to Non-GAAP Adjusted Operating Income:**

| | Three Months Ended December 31, | | Nine Months Ended December 31, | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| ***(In thousands)*** | | | | |
| GAAP Operating Income | $ 40,458 | $ 46,722 | $ 143,661 | $ 141,711 |
| Adjustments: | | | | |
| Additional sales costs associated with GSK (1) | — | — | — | 411 |
| Inventory step-up charge associated with acquisitions (1) | — | — | 577 | 23 |
| Care acquisition related inventory costs (1) | — | — | 407 | — |
| Additional product testing costs associated with GSK (1) | — | — | — | 220 |
| Additional supplier transition costs associated with GSK (1) | — | 3,765 | — | 5,426 |
| Legal and professional fees associated with acquisitions (2) | — | — | 668 | 98 |
| Unsolicited proposal costs (2) | — | — | — | 534 |
| Transition and integration costs associated with GSK (2) | — | — | — | 5,811 |
| Total adjustments | — | 3,765 | 1,652 | 12,523 |
| Non-GAAP Adjusted Operating Income | $ 40,458 | $ 50,487 | $ 145,313 | $ 154,234 |

(1) Adjustments relate to our OTC Healthcare segment
(2) Adjustments relate to G&A expenses

**Reconciliation of GAAP Net Income to Non-GAAP Adjusted EBITDA:**

| | Three Months Ended December 31, | | Nine Months Ended December 31, | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| ***(In thousands)*** | | | | |
| GAAP Net Income | $ 3,130 | $ 12,257 | $ 56,614 | $ 46,156 |
| Interest expense, net | 21,260 | 26,661 | 53,604 | 66,169 |
| Income tax provision | 1,056 | 7,804 | 18,431 | 29,386 |
| Depreciation and amortization | 3,644 | 3,359 | 10,206 | 9,950 |
| Non-GAAP EBITDA: | 29,090 | 50,081 | 138,855 | 151,661 |
| Adjustments: | | | | |
| Additional sales costs associated with GSK (1) | — | — | — | 411 |
| Inventory step-up charge associated with acquisitions (1) | — | — | 577 | 23 |
| Care acquisition related inventory costs (1) | — | — | 407 | — |
| Additional product testing costs associated with GSK (1) | — | — | — | 220 |
| Additional supplier transaction costs associated with GSK (1) | — | 3,765 | — | 5,426 |
| Legal and professional fees associated with acquisitions (2) | — | — | 668 | 98 |
| Unsolicited proposal costs (2) | — | — | — | 534 |
| Transition and integration costs associated with GSK(2) | — | — | — | 5,811 |
| Loss on extinguishment of debt | 15,012 | — | 15,012 | — |
| Total adjustments | 15,012 | 3,765 | 16,664 | 12,523 |
| Non-GAAP Adjusted EBITDA | $ 44,102 | $ 53,846 | $ 155,519 | $ 164,184 |

(1) Adjustments relate to our OTC Healthcare segment
(2) Adjustments relate to G&A expenses

**Reconciliation of GAAP Net Income to Non-GAAP Adjusted Net Income and related Adjusted Earnings Per Share:**

| | Three Months Ended December 31, | | | | Nine Months Ended December 31, | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **2013** | **2013 Adjusted EPS** | **2012** | **2012 Adjusted EPS** | **2013** | **2013 Adjusted EPS** | | **2012** | **2012 Adjusted EPS** |
| ***(In thousands)*** | | | | | | | | | |
| GAAP Net Income | $ 3,130 | $ 0.06 | $ 12,257 | $ 0.24 | $ 56,614 | $ 1.08 | | $ 46,156 | $ 0.90 |
| Adjustments: | | | | | | | | | |
| Additional sales costs associated with GSK [1] | — | — | — | — | — | — | | 411 | 0.01 |
| Inventory step-up charge associated with acquisitions [1] | — | — | — | — | 577 | 0.01 | | 23 | — |
| Care acquisition related inventory costs [1] | — | — | — | — | 407 | 0.01 | | — | — |
| Additional product testing costs associated with GSK [1] | — | — | — | — | — | — | | 220 | — |
| Additional supplier transition costs associated with GSK [1] | — | — | 3,765 | 0.07 | — | — | | 5,426 | 0.11 |
| Legal and professional fees associated with acquisitions [2] | — | — | — | — | 668 | 0.01 | 13,907 | 98 | — |
| Unsolicited proposal costs [2] | — | — | — | — | — | — | | 534 | 0.01 |
| Transition and integration costs associated with GSK [2] | — | — | — | — | — | — | | 5,811 | 0.11 |
| Accelerated amortization of debt discount and debt issue costs | 5,112 | 0.10 | 7,746 | 0.15 | 5,112 | 0.10 | | 7,746 | 0.15 |
| Loss on extinguishment of debt | 15,012 | 0.29 | — | — | 15,012 | 0.29 | | — | — |
| Tax impact of adjustments | (7,285) | (0.14) | (4,513) | (0.09) | (7,641) | (0.15) | | (7,920) | (0.15) |
| Impact of state tax adjustments | (380) | (0.01) | — | — | (9,465) | (0.18) | | — | — |
| Total adjustments | 12,459 | 0.24 | 6,998 | 0.13 | 4,670 | 0.09 | | 12,349 | 0.24 |
| Non-GAAP Adjusted Net Income and Adjusted EPS | $ 15,589 | $ 0.30 | $ 19,255 | $ 0.37 | $ 61,284 | $ 1.17 | | $ 58,505 | $ 1.14 |

(1) Adjustments relate to our OTC Healthcare segment
(2) Adjustments relate to G&A expenses

**Reconciliation of GAAP Net Cash Provided by Operating Activities to Non-GAAP Free Cash Flow:**

| | Three Months Ended December 31, | | Nine Months Ended December 31, | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| *(In thousands)* | | | | |
| GAAP Net cash provided by operating activities | $ 25,262 | $ 40,502 | $ 80,860 | $ 100,876 |
| Premium payment on 2010 Senior Notes | 12,768 | — | 12,768 | — |
| Accelerated interest payments due to debt refinancing | 3,513 | — | 3,513 | — |
| Non-GAAP Operating Cash Flow | 41,543 | 40,502 | 97,141 | 100,876 |
| Additions to property and equipment for cash | (339) | (3,656) | (2,658) | (8,922) |
| Non-GAAP Free Cash Flow | $ 41,204 | $ 36,846 | $ 94,483 | $ 91,954 |
| Non-GAAP Free Cash Flow per Share | $ 0.78 | $ 0.72 | $ 1.81 | $ 1.79 |

**Reconciliation of GAAP Net Income and EPS to Non-GAAP Free Cash Flow and Non-GAAP Free Cash Flow per Share:**

| | Three Months Ended December 31, | | | | Nine Months Ended December 31, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2013 | 2013 Free Cash Flow per Share | 2012 | 2012 Free Cash Flow per Share | 2013 | 2013 Free Cash Flow per Share | 2012 | 2012 Free Cash Flow per Share |
| *(In thousands)* | | | | | | | | |
| GAAP Net Income | $ 3,130 | $ 0.06 | $ 12,257 | $ 0.24 | $ 56,614 | $ 1.08 | $ 46,156 | $ 0.90 |
| Adjustments: | | | | | | | | |
| Adjustments to reconcile net income to net cash provided by operating activities as shown in the Statement of Cash Flows | 19,438 | 0.37 | 17,179 | 0.33 | 35,612 | 0.68 | 42,032 | 0.82 |
| Changes in operating assets and liabilities, net of effects from acquisitions as shown in the Statement of Cash Flows | 2,694 | 0.05 | 11,066 | 0.22 | (11,366) | (0.22) | 12,688 | 0.25 |
| Total adjustments | 22,132 | 0.42 | 28,245 | 0.55 | 24,246 | 0.46 | 54,720 | 1.07 |
| GAAP Net cash provided by operating activities | 25,262 | 0.48 | 40,502 | 0.79 | 80,860 | 1.54 | 100,876 | 1.97 |
| Premium payment on 2010 Senior Notes | 12,768 | 0.24 | — | — | 12,768 | 0.25 | — | — |
| Accelerated interest payments due to debt refinancing | 3,513 | 0.07 | — | — | 3,513 | 0.07 | — | — |
| Non-GAAP Operating Cash Flow | 41,543 | 0.79 | 40,502 | 0.79 | 97,141 | 1.86 | 100,876 | 1.97 |
| Additions to property and equipment for cash | (339) | (0.01) | (3,656) | (0.07) | (2,658) | (0.05) | (8,922) | (0.18) |
| Non-GAAP Free Cash Flow | $ 41,204 | $ 0.78 | $ 36,846 | $ 0.72 | $ 94,483 | $ 1.81 | $ 91,954 | $ 1.79 |

Exhibit 99.2

# Review of Third Quarter F'14 Results

Matt Mannelly, CEO & President

Ron Lombardi, CFO

February 6, 2014

# Safe Harbor Disclosure

This presentation contains certain "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements about the Company's growth strategies, investments in marketing, advertising and promotion, competitive position and strategies, product development and acquisitions, product distribution strategies, leverage, capital expenditures, creation of shareholder value, successful integration of acquired brands, debt reduction, growth and future financial performance including free cash flow and E.P.S. Words such as "continue," "will," "believe," "intend," "expect," "anticipate," "plan," "potential," "estimate," "may," "should," "could," "would," and similar expressions identify forward-looking statements. Such forward-looking statements represent the Company's expectations and beliefs and involve a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied by such forward-looking statements. These factors include, among others, the failure to successfully integrate the Care Pharma business or other future acquisitions, the failure to successfully commercialize new and enhanced products, the Company's inability to rapidly deleverage, the effectiveness of the Company's advertising and promotions investments, the severity of the cold/cough season, the effectiveness of the Company's marketing and distribution infrastructure, and other risks set forth in Part I, Item 1A. Risk Factors in the Company's Annual Report on Form 10-K for the year ended March 31, 2013 and Part II, Item 1A in the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2013. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Except to the extent required by applicable securities laws, the Company undertakes no obligation to update any forward-looking statement contained herein, whether as a result of new information, future events, or otherwise.

# Agenda for Today's Discussion

1. Perspective on Current Environment
2. Q3 FY2014: Performance Highlights
3. Q3 FY2014:  Financial Overview
4. FY2014 Outlook and The Road Ahead

# Perspective on Current Environment

# Current Environment

- **Anticipated near-term transitional marketplace…combination of factors resulted in significant impact**

1. Soft retail foot traffic has led to significant retail inventory reductions

+

2. Returning competitive pediatric brands to the marketplace

+

3. Weak cough/cold season and competitive dynamics in the GI category

= **Significant Impact**

# Three Primary Environmental Factors Are Impacting Current and Near-Term Performance

## 1 Retailer Dynamics

"The **retail environment, both in-stores and online, remains competitive**. At the same time, some **customers feel uncertainty about the economy, government, job stability and their need to take care of their families** through the holidays."

Walmart – *Nov 2013*

"**We continue to see a cautious consumer.** We did see some **pullback in consumer spending** that began in the spring time frame. It's manifesting itself in **fewer trips**. At the same time, we have seen the **promotional environment intensify in both the drug and mass channels**."

CVS – *Nov 2013*

## 2 Pediatric Product Returns

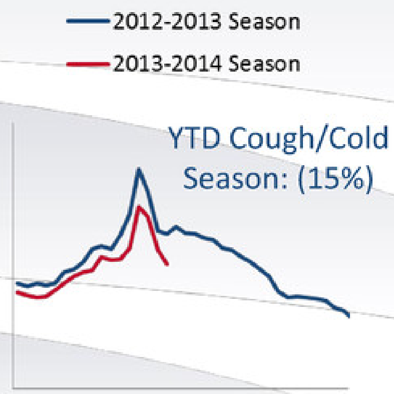
Johnson & Johnson

Q4 2013 U.S. OTC: +22%

NOVARTIS

Q4 2013 Global Consumer Health: +10%(1)

## 3 Cough/Cold & Other Category Dynamics(2)




Notes:
(1) Includes Animal Health.
(2) Seasonal cough, cold, flu data levels from October 2012 through Calendar 2013.

# Q3 FY2014:
# Performance Highlights

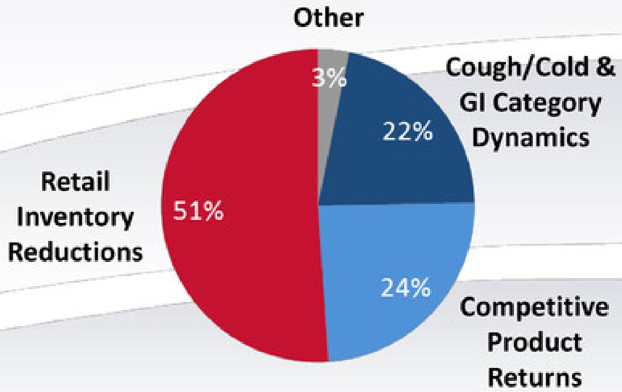
# Third Quarter Performance Highlights

- **Q3 Performance Highlights**
  - Strong Free Cash Flow of $41.2[1] million, up 11.8% versus the prior year
  - Q3 consolidated net revenue of $146.2 million was down 8.7% versus the prior year
  - Gross margin of 56.0% improved versus the prior year
  - A&P spending increased by 8.6% versus prior year to continue to support core OTC brands and new product development
  - Adjusted E.P.S.[2] of $0.30, down 18.9% versus the prior year corresponding quarter
- **Continue to stay the course of our long-term value creation model**
  - Generated strong free cash flow, driving further deleveraging and increasing M&A capacity
  - Appropriate investment behind brand-building initiatives in support of launches in upcoming quarters
  - Completed integration of Care Pharma; performance exceeding expectations

Notes:
(1) This non-GAAP financial measure is reconciled to its most closely related GAAP financial measure in our earnings release in the "About Non-GAAP Financial Measures" section. Free cash flow is reconciled to reported Net Income on slide 22.
(2) This non-GAAP financial measure is reconciled to its most closely related GAAP financial measure in our earnings release in the "About Non-GAAP Financial Measures" section. Adjusted E.P.S. is also reconciled to reported E.P.S. on slide 21.

# Q3 Results Impacted by Combination of Events

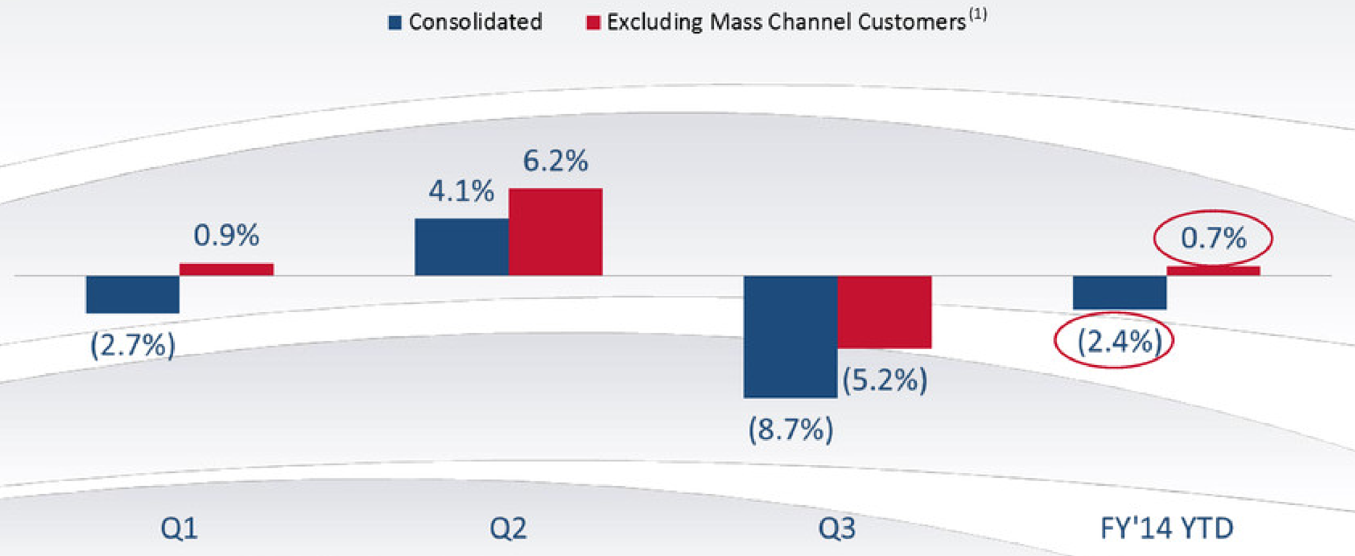
## Sources of Y/Y Net Revenue Decline




- Greater than anticipated trade inventory reduction due to soft retail foot traffic
  - ~$10M
- Return of recalled pediatric products
- Slow start to the cough/cold season further impacted declines
  - YTD incidence levels down >15%
- GI category competitive dynamics
  - Probiotic and private label

# Impact of Retail Inventory Reductions Concentrated in the Mass Channel

## Consolidated Total Revenue Growth

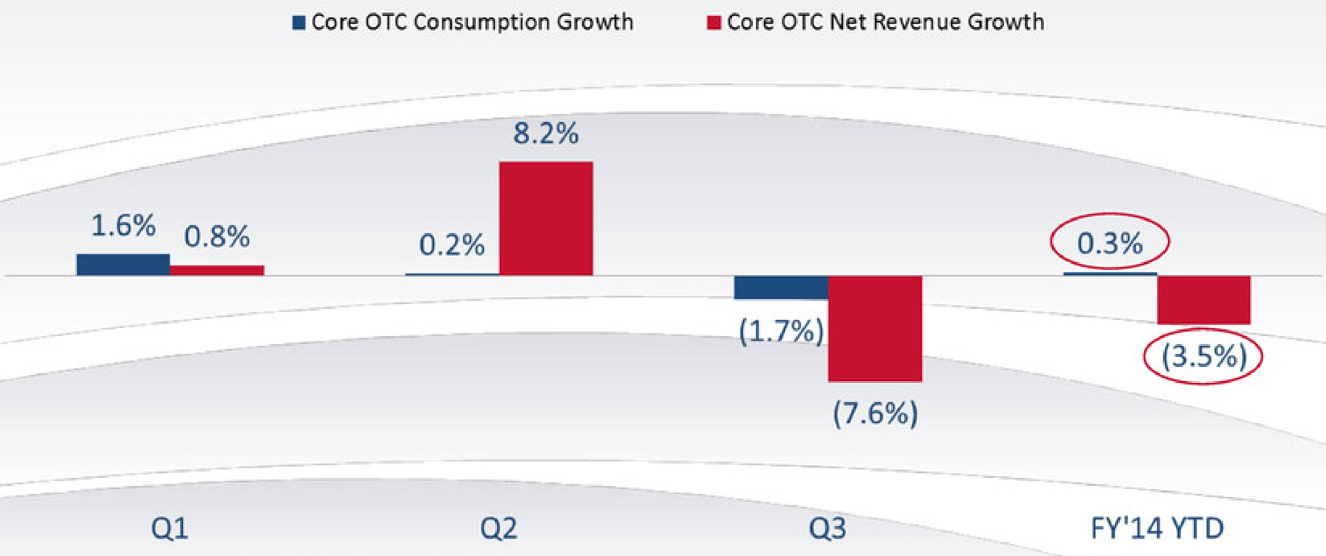



Note: Represents year-over-year Revenue growth.

(1) These Non-GAAP financial measures are reconciled to their most closely related GAAP financial measures in our Earnings Release in the "About Non-GAAP Financial Measures" section.

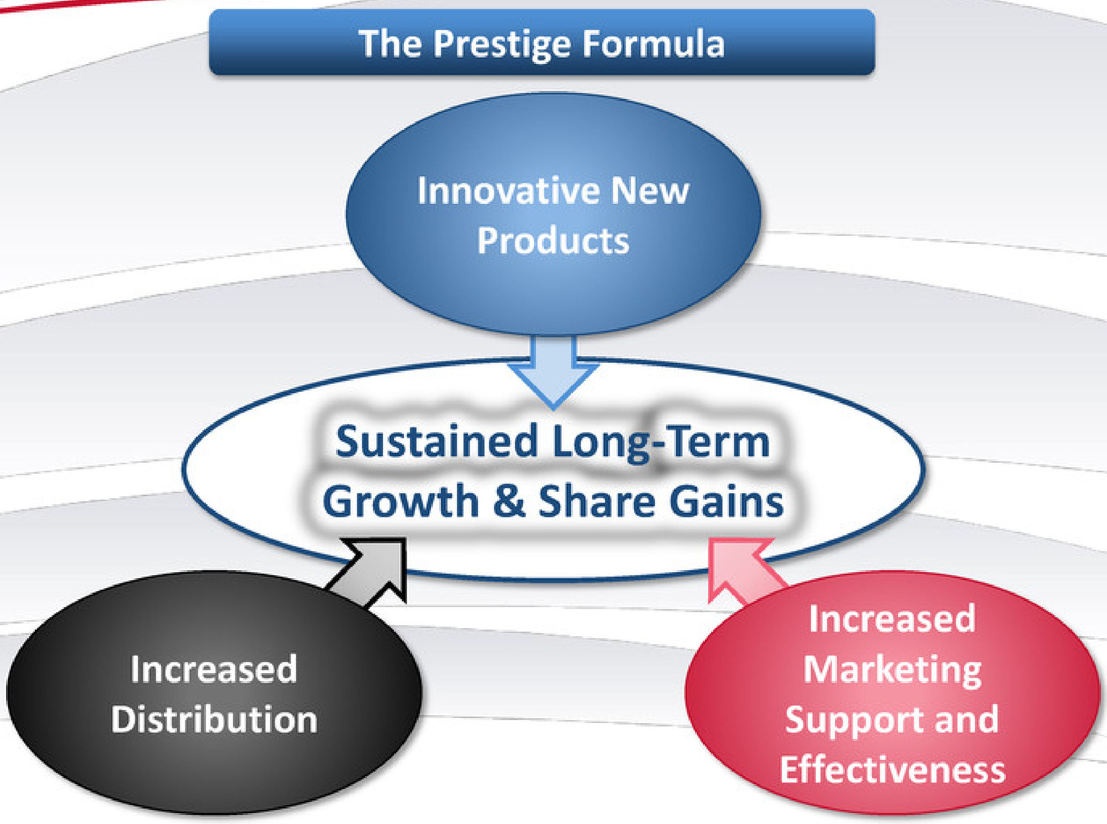
# Core OTC Consumption Growth Outpacing Reported Revenue Growth Due to Retailer Dynamics

## Core OTC Consumption vs. Revenue Growth(1)




Source: Latest 12-week IRI multi-outlet retail dollar sales growth for relevant quarter.
Note: Data reflects retail dollar sales percentage growth versus prior period.
(1) Excludes PediaCare, Little Remedies and Beano.

# "It's A Marathon Not A Sprint", Maintain Emphasis on Appropriate Long-Term Brand Building Strategies



# Remain Focused on Drivers of Growth Over Time

## Core OTC Consumption Growth


Source: Latest 12-week IRI multi-outlet retail dollar sales growth for relevant quarter.
Note: Data reflects retail dollar sales percentage growth versus prior period.
(1) Blacksmith Bands added middle of Q3 '11.
(2) Dramamine added beginning in Q4 '11.
(3) Acquired GSK brands added in Q4 '12.
(4) Excludes PediaCare, Little Remedies and Beano.

# Introducing *New* Fresh Guard by Efferdent


## New Fresh Guard Addresses Unmet Consumer Needs


**"For a deep clean, ideal for use at home"**


**"Convenient for on-the-go cleaning"**

- Kills 99.9% of odor causing bacteria
- Specially formulated for removable dental appliances
- Prevents mouth film build-up, reduces yellowing, and helps remove stains

## Layered Marketing Plan for a Successful Launch

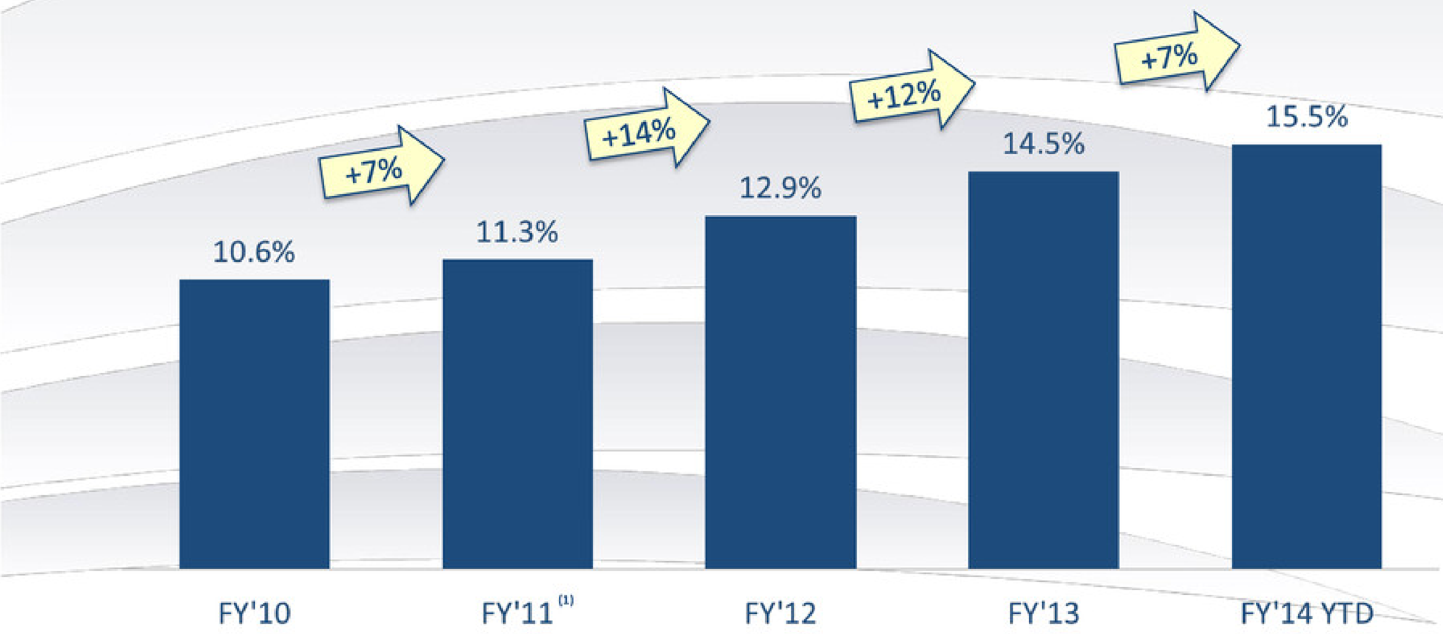
- Gain Professional Endorsement

- Drive awareness to generate demand

- Drive trial and purchase at shelf

# Continue to Invest Appropriately Behind Brand Building to Support Long-Term Growth


## A&P % of Net Revenue

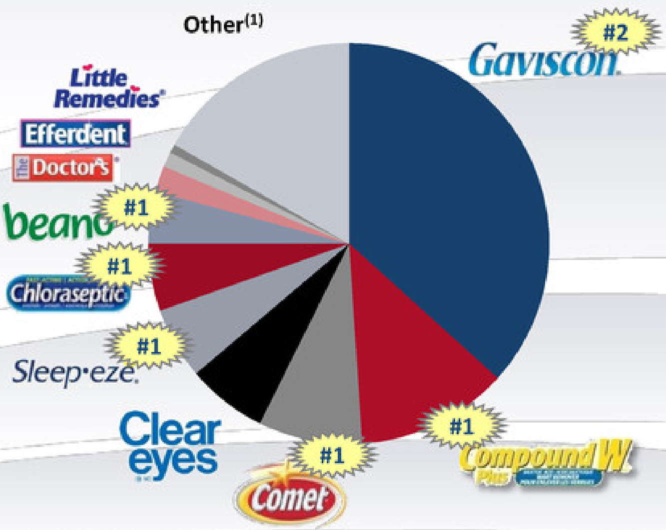



(1) Adjusted in FY'11 to reflect normalized level of A&P spending for PediaCare.

# Oh Canada! Growing Share & Expanding the Reach

Innovative New Products
Increased Distribution
Increased Marketing Support and Effectiveness

## 10 Core Brands with Leading Positions



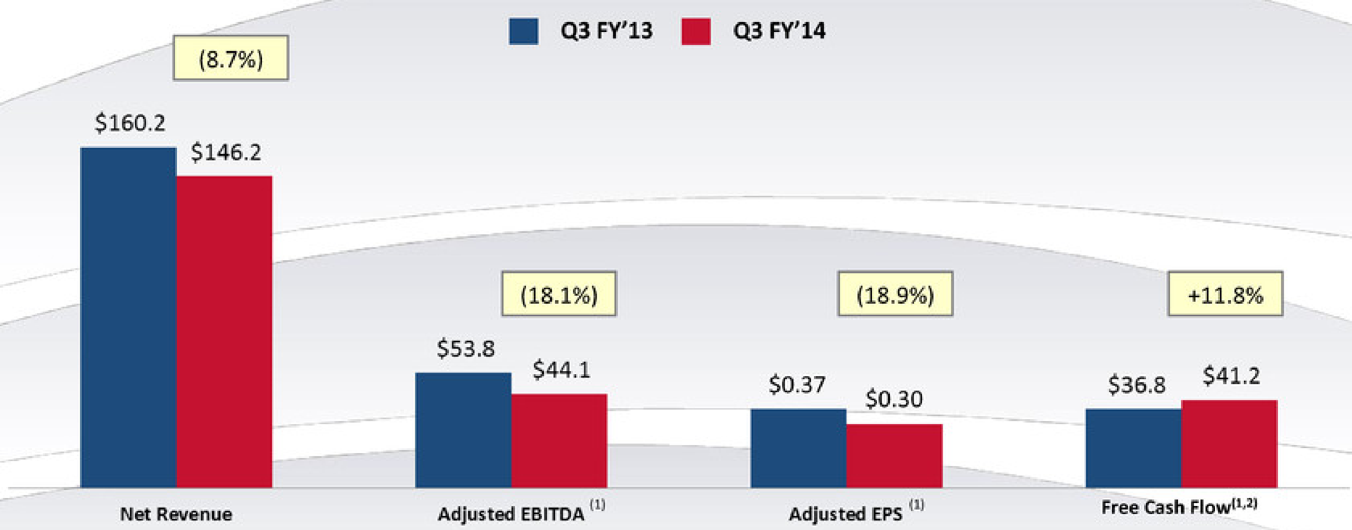

## Supported by Focused Marketing for All Core OTC Brands


***Goal:* Outperform category growth & introduce selected US products to Canadian market**

(1) Other includes: Kwellada-P, R&C, Nytol, New Skin, Luden's, Murine, Wartner, Ezo, Freezone, Massengill, and Chore Boy

# Q3 FY2014: Financial Overview

# Summary Financial Performance




Dollar values in millions, except per share data

Notes:

(1) These non-GAAP financial measures are reconciled to their most closely related GAAP financial measures in our earnings release in the "About Non-GAAP Financial Measures" section.

(2) Free cash flow is a non-GAAP financial measure and is also reconciled to reported net income on slide 22.

# Q3 Consolidated Financial Summary

## Q3 FY'14

| | Q3 FY'14 | Q3 FY'13 | % Chg |
|---|---|---|---|
| **Net Revenue** | **$ 146.2** | **$ 160.2** | ***(8.7%)*** |
| Adj. Gross Margin[1] | 81.8 | 88.7 | *(7.8%)* |
| *% Margin* | *56.0%* | *55.4%* | |
| A&P | 25.6 | 23.5 | *8.6%* |
| *% Net Revenue* | *17.5%* | *14.7%* | |
| G&A | 12.1 | 11.4 | *6.7%* |
| *% Net Revenue* | *8.3%* | *7.1%* | |
| **Adjusted EBITDA[1]** | **$ 44.1** | **$ 53.8** | ***(18.1%)*** |
| *% Margin* | *30.2%* | *33.6%* | |
| D&A | 3.6 | 3.4 | *8.5%* |
| *% Net Revenue* | *2.5%* | *2.1%* | |
| Adj. Operating Income[1] | 40.5 | 50.4 | *(19.9%)* |
| *% Net Revenue* | *27.7%* | *31.5%* | |
| **Adjusted Net Income[1]** | **$ 15.6** | **$ 19.3** | ***(19.0%)*** |
| **Adjusted Earnings Per Share[1]** | **$ 0.30** | **$ 0.37** | ***(18.9%)*** |
| **Earnings Per Share - As Reported** | **$ 0.06** | **$ 0.24** | ***(75.0%)*** |
| **Net Income - As Reported** | **$ 3.1** | **$ 12.3** | ***(74.5%)*** |

Dollar values in millions, except per share data

Notes:

(1) These Non-GAAP financial measures are reconciled to their most closely related GAAP financial measures in our Earnings Release in the "About Non-GAAP Financial Measures" section.

## Comments

- Net Revenue declined $14.0 million, or 8.7%, due to retail inventory reductions, lowered cough / cold incidence levels, the return of competitive products (e.g. Children's Tylenol and Children's Motrin), and GI category dynamics (beano)
- Gross margin increased 0.6 pts. to 56.0% of Net Revenue
- A&P growth of 8.6% consistent with stated investment levels to drive core OTC growth
- G&A as a percentage of Net Revenue increased 1.2 pts. to 8.3% as a result of lower sales
- Adjusted Net Income declined 19.0%
- Adjusted earnings per share decline of 18.9%
- Reported EPS of $0.06 includes $0.25 of loss due to early extinguishment of debt

# YTD Consolidated Financial Summary

## YTD FY'14 YTD

| | FY'14 | FY'13 | % Chg |
|---|---|---|---|
| **Adjusted Net Revenue[1,2]** | **$ 457.6** | **$ 469.5** | ***(2.5%)*** |
| Adj. Gross Margin[2] | 261.0 | 265.2 | *(1.6%)* |
| *% Revenue* | *57.0%* | *56.5%* | |
| A&P | 70.8 | 67.4 | *5.0%* |
| *% Adj. Net Revenue* | *15.5%* | *14.4%* | |
| Adj. G&A[2] | 34.7 | 33.7 | *3.1%* |
| *% Adj. Net Revenue* | *7.6%* | *7.2%* | |
| **Adjusted EBITDA[2]** | **$ 155.5** | **$ 164.2** | ***(5.3%)*** |
| *% Margin* | *34.0%* | *35.0%* | |
| D&A | 10.2 | 10.0 | *2.6%* |
| *% Adj. Net Revenue* | *2.2%* | *2.1%* | |
| Adj. Operating Income[2] | 145.3 | 154.2 | *(5.8%)* |
| *% Adj. Net Revenue* | *31.8%* | *32.9%* | |
| **Adjusted Net Income[2]** | **$ 61.3** | **$ 58.5** | ***4.8%*** |
| **Adjusted Earnings Per Share[2]** | **$ 1.17** | **$ 1.14** | ***2.6%*** |
| **Earnings Per Share - As Reported** | **$ 1.08** | **$ 0.90** | ***20.0%*** |
| **Net Income - As Reported** | **$ 56.6** | **$ 46.2** | ***22.7%*** |

Dollar values in millions, except per share data

Notes:

(1) Reported net revenue for Q1 FY'13 was $147.0 million. Adjusted net revenue for Q1 FY'13 was $147.4 million and excludes transition related costs of ~$400k.

(2) These Non-GAAP financial measures are reconciled to their most closely related GAAP financial measures in our Earnings Release in the "About Non-GAAP Financial Measures" section.

## Comments

- Adjusted Net Revenue declined 2.5% over the prior year
- Adjusted gross margin expanded by 0.5 pts. to 57.0%
- A&P spend increased by 1.1 pts. to 15.5% of Adjusted Net Revenue
- Adjusted G&A as a percentage of Adjusted Net Revenue increased modestly to 7.6%
- Adjusted Net Income growth of 4.8%
- Adjusted earnings per share growth of 2.6%

# Net Income and E.P.S. Reconciliation

| | Q3 | | | | YTD | | | |
|---|---|---|---|---|---|---|---|---|
| | 3 Months Ended Q3 FY'14 | | 3 Months Ended Q3 FY'13 | | 9 Months Ended Q3 FY'14 | | 9 Months Ended Q3 FY'13 | |
| | Net Income | EPS | Net Income | EPS | Net Income | EPS | Net Income | EPS |
| **As Reported** | **$ 3.1** | **$ 0.06** | **$ 12.3** | **$ 0.24** | **$ 56.6** | **$ 1.08** | **$ 46.2** | **$ 0.90** |
| Adjustments: | | | | | | | | |
| Acquisition Costs Associated with Care | - | - | - | - | 1.0 | 0.02 | - | - |
| Legal & Professional Fees | - | - | - | - | 0.7 | 0.01 | 0.6 | 0.01 |
| Transition Costs Associated with GSK | - | - | 3.8 | 0.07 | - | - | 11.9 | 0.23 |
| Accelerated Amortization of Debt Costs(2) | 5.1 | 0.10 | 7.7 | 0.15 | 5.1 | 0.10 | 7.7 | 0.15 |
| Loss on Extinguishment of Debt(3) | 15.0 | 0.29 | - | - | 15.0 | 0.29 | - | - |
| Tax Impact of Adjustments | (7.3) | (0.14) | (4.5) | (0.09) | (7.6) | (0.15) | (7.9) | (0.15) |
| Tax Impact of State Rate Adjustments | (0.4) | (0.01) | - | - | (9.5) | (0.18) | | |
| **Total Adjustments** | **12.5** | **0.24** | **7.0** | **0.13** | **4.7** | **0.09** | **12.3** | **0.24** |
| **Adjusted(1)** | **$ 15.6** | **$ 0.30** | **$ 19.3** | **$ 0.37** | **$ 61.3** | **$ 1.17** | **$ 58.5** | **$ 1.14** |

Dollar values in millions, except per share data

(1) These Non-GAAP financial measures are reconciled to their reported GAAP amounts in our Earnings Release in the "About Non-GAAP Financial Measures" section.

(2) Relates to incremental amortization of non-cash deferred debt issue costs and debt discount resulting from the accelerated paydown of our term loan.

(3) Related to the portion of our refinancing completed in December 2013.

# Strong Free Cash Flow

## Cash Flow

| | Q3 FY'14 | Q3 FY'13 | YTD FY'14 | YTD FY'13 |
|---|---|---|---|---|
| **Net Income - As Reported** | $ 3.1 | $ 12.3 | $ 56.6 | $ 46.2 |
| Depreciation & Amortization | 3.6 | 3.4 | 10.2 | 10.0 |
| Other Non-Cash Operating Items | 15.8 | 13.8 | 25.4 | 32.1 |
| Working Capital | 2.7 | 11.1 | (11.4) | 12.7 |
| Premium Payment on Notes | 12.8 | - | 12.8 | - |
| Accelerated Interest due to Refinancing | 3.5 | - | 3.5 | - |
| **Adjusted Operating Cash Flow(1)** | **$ 41.5** | **$ 40.5** | **$ 97.1** | **$ 100.9** |
| Additions to Property and Equipment | (0.3) | (3.7) | (2.6) | (8.9) |
| **Free Cash Flow** | **$ 41.2** | **$ 36.8** | **$ 94.5** | **$ 92.0** |

## Comments

Debt Profile & Financial Compliance:

- Total Net Debt at 12/31/13 of $939 million comprised of:
  - Cash on hand of $94 million
  - $298 million of term loan
  - $698 million of bonds
  - $37 million of revolver
- Leverage ratio(2) of 4.30x
- Continue to expect full year cash flow of $125 million

Dollar values in millions

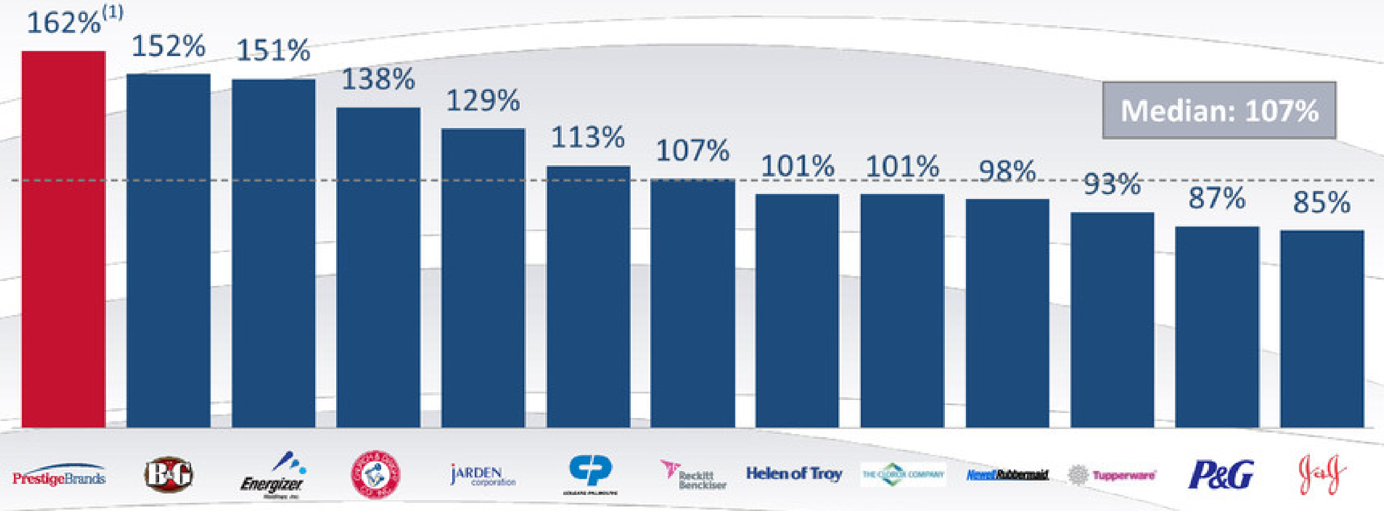
Note:

(1) Adjusted operating cash flow is a Non-GAAP financial measure and is reconciled to GAAP net cash provided by operating activities in our earnings release in the "About Non-GAAP Financial Measures" section.

(2) Leverage ratio reflects net debt / covenant defined EBITDA.

# Prestige Continues to Have Leading Free Cash Flow Conversion

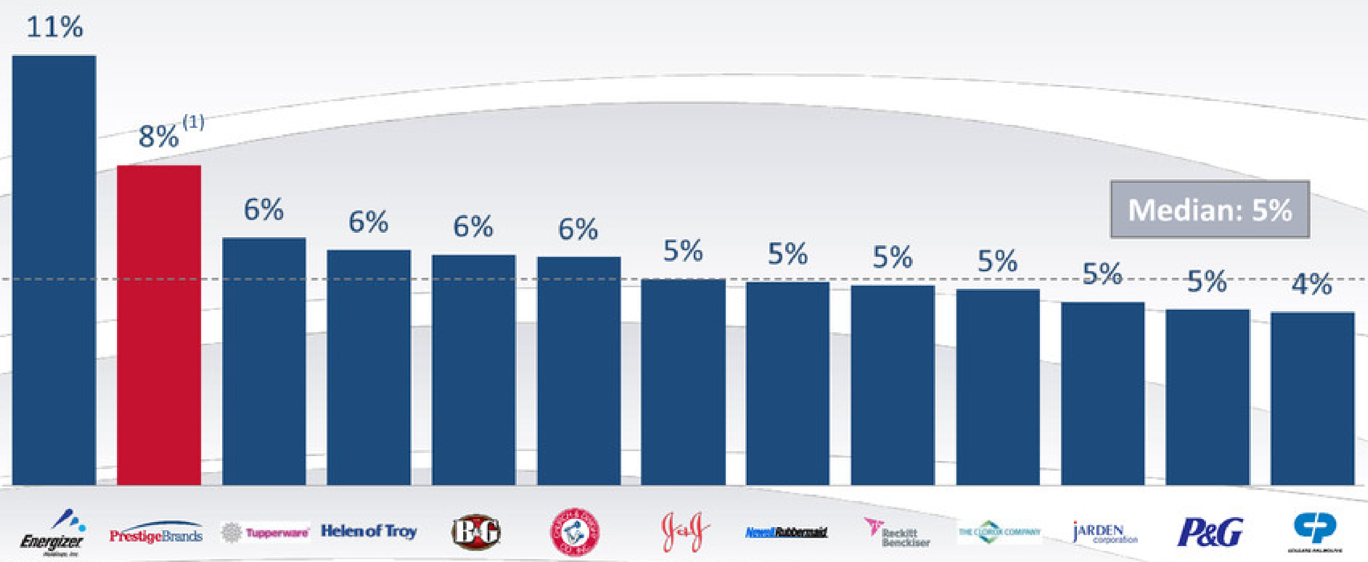
## Free Cash Flow Conversion




Source: Capital IQ
Notes: For the latest twelve month period.
Free Cash Flow Conversion is a non GAAP financial measure and is defined as Non-GAAP Operating Cash Flow less Capital Expenditures over Adjusted Net Income.
Operating Cash Flow and Adjusted Net Income are reconciled to their reported GAAP amounts in our earnings release in the "About Non-GAAP Financial Measures" section.
(1) PBH free cash flow conversion is calculated using non GAAP free cash flow. This non GAAP financial measure is reconciled to net income on page 22.

# Leading Free Cash Flow Yield Supports Attractive Valuation

## Free Cash Flow Yield




Source: Capital IQ

Note: For the latest twelve month period.
Free Cash Flow Yield is a non GAAP financial measure and is defined as Cash Provided by Operating Activities divided by Market Capitalization.

(1) PBH Free Cash Flow yield is calculated using non GAAP Free Cash Flow. This non GAAP financial measure is reconciled to net income on page 22. Free Cash Flow is reconciled to GAAP cash flow provided by operating activities in our earnings release in the "About Non-GAAP Financial Measures" section.

# FY2014 Outlook and Road Ahead

# Outlook for Q4 FY'2014 and Beyond

**Q4 Considerations: Remain Cautious**

- Potential for continued soft retail and foot traffic and retailer inventory reductions
- Seasonal cough/cold incidences remain well below prior year
- Expect returning competitive brands will settle over time
- Appropriate investment in brand building behind core brands through A&P support and new product introductions

**FY 14 Full Year**

- Continue to expect $125 million of full year free cash flow[1]
- In light of combination of three factors impacting short term, expect FY'2014 Adjusted E.P.S. of $1.48 to $1.52

**Long-Term Outlook**

- Stay the strategic course: Invest in Core OTC growth; continue to deliver cash flow to de-lever, remain aggressive and disciplined in M&A market
- Expect 10%+ long-term E.P.S growth

(1) Free cash flow is a non-GAAP financial measure.

# Our Corporate Mission

**To be the Best Mid-Sized, Public Company in the Consumer Health Care Market**

*The following principles guide us in this endeavor:*

- **DELIVER** outstanding shareholder value through superior growth in sales, profits, and cash flow
- **CREATE** innovative products that exceed our consumers' expectations
- **ENGAGE** in true partnerships with our suppliers and customers
- **BUILD** a company culture founded on leadership, trust, change and execution

# PrestigeBrands