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 September 30, 2009

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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes ☐ No ☐

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 November 3, 2009, there were 50,029,890 shares of common stock outstanding.

Prestige Brands Holdings, Inc.
Form 10-Q
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Trademarks and Trade Names

Trademarks and trade names used in this Quarterly Report on Form 10-Q are the property of Prestige Brands Holdings, Inc. or its subsidiaries, as the case may be. We have utilized the ® and TM symbols the first time each trademark or trade name appears in this Quarterly Report on Form 10-Q.

PART I FINANCIAL INFORMATION

Item 1. CONSOLIDATED FINANCIAL STATEMENTS

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

(In thousands, except share data)	Three Months Ended September 30 2009	Three Months Ended September 30 2008	Six Months Ended September 30 2009	Six Months Ended September 30 2008
Revenues				
Net sales	$ 83,737	$ 84,858	$ 154,133	$ 155,237
Other revenues	444	682	1,060	1,300
Total revenues	84,181	85,540	155,193	156,537
Cost of Sales				
Cost of sales	39,847	40,402	73,029	73,309
Gross profit	44,334	45,138	82,164	83,228
Operating Expenses				
Advertising and promotion	9,782	13,543	18,547	20,780
General and administrative	10,481	9,363	18,675	17,336
Depreciation and amortization	2,841	2,308	5,186	4,615
Total operating expenses	23,104	25,214	42,408	42,731
Operating income	21,230	19,924	39,756	40,497
Other (income) expense				
Interest income	-	(56)	-	(129)
Interest expense	5,642	6,835	11,295	15,591
Total other (income) expense	5,642	6,779	11,295	15,462
Income from continuing operations before income taxes	15,588	13,145	28,461	25,035
Provision for income taxes	5,908	4,982	10,787	9,488
Income from continuing operations	9,680	8,163	17,674	15,547
Discontinued Operations				
Income from operations of assets held for sale, net of income tax	243	359	574	756
Net income	$ 9,923	$ 8,522	$ 18,248	$ 16,303
Basic earnings per share:				
Income from continuing operations	$ 0.19	$ 0.16	$ 0.35	$ 0.31
Net income	$ 0.20	$ 0.17	$ 0.36	$ 0.33
Diluted earnings per share:				
Income from continuing operations	$ 0.19	$ 0.16	$ 0.35	$ 0.31
Net income	$ 0.20	$ 0.17	$ 0.36	$ 0.33
Weighted average shares outstanding:				
Basic	50,012	49,924	49,997	49,902
Diluted	50,055	50,037	50,080	50,036

See accompanying notes.

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

(In thousands) **Assets**	**September 30, 2009**	**March 31, 2009**
Current assets		
Cash and cash equivalents	$ 34,829	$ 35,181
Accounts receivable	39,152	36,025
Inventories	24,955	25,939
Deferred income tax assets	5,362	4,022
Prepaid expenses and other current assets	2,460	1,358
Inventories of operations held for sale	1,535	1,038
Total current assets	108,293	103,563
Property and equipment	1,291	1,367
Goodwill	114,240	114,240
Intangible assets	564,259	569,137
Other long-term assets	3,646	4,602
Intangible assets of operations held for sale	7,574	8,472
Total Assets	$ 799,303	$ 801,381
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 21,444	$ 15,898
Accrued interest payable	5,360	5,371
Other accrued liabilities	17,951	9,407
Current portion of long-term debt	3,550	3,550
Total current liabilities	48,305	34,226
Long-term debt	334,787	374,787
Deferred income tax liabilities	103,231	97,983
Total Liabilities	486,323	506,996
Commitments and Contingencies – Note 16		
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 - 50,154 shares at September 30, 2009 and 50,060 shares at March 31, 2009	502	501
Additional paid-in capital	382,790	382,803
Treasury stock, at cost - 124 shares at September 30, 2009 and March 31, 2009	(63)	(63)
Accumulated other comprehensive loss	(975)	(1,334)
Retained deficit	(69,274)	(87,522)
Total Stockholders' Equity	312,980	294,385
Total Liabilities and Stockholders' Equity	$ 799,303	$ 801,381

See accompanying notes.

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

(In thousands)	Six Months Ended September 30	
	2009	2008
Operating Activities		
Net income	$ 18,248	$ 16,303
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	6,084	5,513
Deferred income taxes	3,687	5,042
Amortization of deferred financing costs	956	1,159
Stock-based compensation	848	1,577
Changes in operating assets and liabilities		
Accounts receivable	(3,127)	1,725
Inventories	984	4,011
Inventories held for sale	(497)	313
Prepaid expenses and other current assets	(1,102)	(828)
Accounts payable	5,546	(1,582)
Accrued liabilities	8,253	3,443
Net cash provided by operating activities	39,880	36,676
Investing Activities		
Purchases of equipment	(232)	(109)
Business acquisition purchase price adjustments	-	(4,000)
Net cash used for investing activities	(232)	(4,109)
Financing Activities		
Repayment of long-term debt	(40,000)	(26,000)
Purchase of common stock for treasury	-	(15)
Net cash used for financing activities	(40,000)	(26,015)
Increase (Decrease) in cash	(352)	6,552
Cash - beginning of period	35,181	6,078
Cash - end of period	$ 34,829	$ 12,630
Interest paid	$ 10,350	$ 14,775
Income taxes paid	$ 6,307	$ 4,761

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 other international markets. Prestige Brands Holdings, Inc. is a holding company with no assets or operations and is also the parent guarantor of the senior credit facility and the senior subordinated notes more fully described in Note 9 to the consolidated financial statements.

Basis of Presentation

The unaudited consolidated financial statements presented herein have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") 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 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 six month period ended September 30, 2009 are not necessarily indicative of results that may be expected for the year ending March 31, 2010. 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, 2009.

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 the Company’s expectations, 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 goodwill and 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, with cost 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 are amortized over the lesser of the term of the lease or 5 years.

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. 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 reporting unit "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 3 to 30 years.

Indefinite-lived intangible assets are tested for impairment at least annually; however, at each reporting period an evaluation is made to determine whether events and circumstances continue to support an indefinite useful life. Intangible assets with finite lives are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their fair values and 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 effective interest method, over the term of the related debt.

Revenue Recognition

Revenues are recognized when the following criteria are met: (i) persuasive evidence of an arrangement exists; (ii) the selling price is fixed or determinable; (iii) the product has been shipped and the customer takes ownership and assumes the risk of loss; and (iv) collection of the resulting receivable is reasonably assured. The Company has determined that these criteria are met and the transfer of the 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.

Cost of Sales

Cost of sales includes product costs, warehousing costs, inbound and outbound shipping costs, and handling and storage costs. Shipping, warehousing and handling costs were $5.5 million and $10.0 million for the three and six month periods ended September 30, 2009, respectively. During the three and six month periods ended September 30, 2008, such costs were $6.5 million and $11.8 million, 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 employee stock-based compensation by measuring 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.

Income Taxes

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.

The Taxes Topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 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. The guidance 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 Company is subject to taxation in the United States and various state and foreign jurisdictions. The Company remains subject to examination by tax authorities for years after 2004.

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

Derivative Instruments

Companies are required 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.

Reclassifications
Certain prior year financial statements amounts have been reclassified to conform to the current year presentation.

Recently Issued Accounting Standards
In August 2009, the FASB issued authoritative guidance to provide clarification on measuring liabilities at fair value when a quoted price in an active market is not available. In these circumstances, a valuation technique should be applied that uses either the quote of the liability when traded as an asset, the quoted prices for similar liabilities or similar liabilities when traded as assets, or another valuation technique consistent with existing fair value measurement guidance, such as an income approach or a market approach. The new guidance also clarifies that when estimating the fair value of a liability, a reporting entity is not required to include a separate input or adjustment to other inputs relating to the existence of a restriction that prevents the transfer of the liability. This guidance is effective with the Company's fiscal 2010 third quarter. The Company does not anticipate this guidance will have a material impact on the Company’s consolidated financial statements.

In June 2009, the FASB issued authoritative guidance to eliminate the exception to consolidate a qualifying special-purpose entity, change the approach to determining the primary beneficiary of a variable interest entity and require companies to more frequently re-assess whether they must consolidate variable interest entities. Under the new guidance, the primary beneficiary of a variable interest entity is identified qualitatively as the enterprise that has both (a) the power to direct the activities of a variable interest entity that most significantly impact the entity’s economic performance, and (b) the obligation to absorb losses of the entity that could potentially be significant to the variable interest entity or the right to receive benefits from the entity that could potentially be significant to the variable interest entity. This guidance becomes effective for the Company’s fiscal 2011 year-end and interim reporting periods thereafter. The Company does not expect this guidance to have a material impact on its consolidated financial statements

In June 2009, the FASB established the FASB ASC as the source of authoritative accounting principles recognized by the FASB to be applied in the preparation of financial statements in conformity with generally accepted accounting principles. The new guidance explicitly recognizes rules and interpretive releases of the SEC under federal securities laws as authoritative GAAP for SEC registrants. The new guidance became effective for our financial statements issued for the three and six month periods ending on September 30, 2009; however, the adoption of the new guidance did not have a material impact on the Company’s financial position, results from operations or cash flows.

In May 2009, guidance was issued under the topic Subsequent Events related to the accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued or are available to be issued. Additionally, the new guidance requires the Company to disclose the date through which subsequent

events have been evaluated, as well as whether that date is the date the financial statements were issued or the date the financial statements were available to be issued. For the three and six month periods ended September 30, 2009, the Company evaluated, for potential recognition and disclosure, events that occurred prior to the filing of the Company's Quarterly Report on Form 10-Q for the three and six month periods ended September 30, 2009 on November 6, 2009. As discussed in Note 2, subsequent to the period end the Company sold certain personal care products to an unrelated third party. The related assets and operating results were reclassified accordingly.

The Financial Instruments Topic of the FASB ASC requires disclosures about the fair values of financial instruments at interim reporting periods in addition to annual financial statements. Effective April 1, 2009, the new guidance involves in regard to the fair values of financial instruments only enhanced disclosures and did not have any impact on the Company's financial position, results from operations or cash flows.

The Investments-Debt and Equity Securities topic of the FASB ASC modified the threshold a company must meet to avoid recognizing other-than-temporary impairments of debt securities purchased as investments. Effective April 1, 2009, the implementation of the new guidance did not have any impact on the Company's financial position, results from operations or cash flows.

The Derivatives and Hedging Topic of the FASB ASC 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, the Derivatives and Hedging Topic 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. The Derivatives and Hedging Topic is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. The implementation of the Derivatives and Hedging guidance involves enhanced disclosures of derivative instruments and the Company's hedging activities and did not have any impact on the Company's financial position, results from operations or cash flows.

In September 2006, the FASB issued guidance on Fair Value Measurements and Disclosures to address inconsistencies in the definition and determination of fair value pursuant to GAAP. The guidance 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. The Fair Value Measurements and Disclosures guidance was 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 the guidance 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 the guidance, 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. Additionally, the implementation of the guidance did not have a material effect as it relates to non-financial assets and non-financial liabilities that are recognized or disclosed at fair value in the Company's financial statements on a non-recurring basis.

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. Discontinued Operations and Assets Held for Sale

In October 2009, the Company sold certain assets previously included in its Personal Care products segment to an unrelated third party. In accordance with the Discontinued Operations Topic of the ASC, the Company classified the related assets as held for sale in the consolidated balance sheets as of September 30, and March 31, 2009 and classified the related operating results as discontinued in the consolidated financial statements and related notes for all periods presented. The Company will recognize a gain of approximately $150,000, net of tax effects, on the sale in the quarter ended December 31, 2009.

The following table presents the assets related to the discontinued operations as of September 30, 2009 and March 31, 2009 (in thousands):

	September 30, 2009	March 31, 2009
Inventory	$ 1,535	$ 1,038
Intangible assets	7,574	8,472
Total assets held for sale	$ 9,109	$ 9,510

The following table summarizes the results of discontinued operations (in thousands):

	Three Months Ended September 30		Six Months Ended September 30	
	2009	2008	2009	2008
Components of Income				
Revenues	$ 2,135	$ 2,511	$ 4,347	$ 5,048
Income before income taxes	391	577	924	1,218

The total purchase price for the assets was $9 million, subject to adjustments for inventory, as defined, with $8 million received upon closing, and the remaining $1 million to be paid on the first anniversary of the closing.

3. Accounts Receivable

Accounts receivable consist of the following (in thousands):

	September 30, 2009	March 31, 2009
Accounts receivable	$ 41,672	$ 37,521
Other receivables	486	1,081
	42,158	38,602
Less allowances for discounts, returns and uncollectible accounts	(3,006)	(2,577)
	$ 39,152	$ 36,025

4. Inventories

Inventories consist of the following (in thousands):

	September 30, 2009	March 31, 2009
Packaging and raw materials	$ 1,858	$ 1,955
Finished goods	23,097	23,984
	$ 24,955	$ 25,939

Inventories are shown net of allowances for obsolete and slow moving inventory of $2.7 million and $1.4 million at September 30, 2009 and March 31, 2009, respectively.

5. Property and Equipment

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

	September 30, 2009	March 31, 2009
Machinery	$ 1,610	$ 1,556
Computer equipment	1,189	1,021
Furniture and fixtures	239	239
Leasehold improvements	367	357
	3,405	3,173
Accumulated depreciation	(2,114)	(1,806)
	$ 1,291	$ 1,367

6. 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, 2009				
Goodwill	$ 229,627	$ 72,549	$ 2,751	$ 304,927
Accumulated impairment losses	(125,527)	(65,160)	--	(190,687)
	104,100	7,389	2,751	114,240
Net adjustments	--	--	--	--
Balance – September 30, 2009				
Goodwill	229,627	72,549	2,751	304,927
Accumulated impairment losses	(125,527)	(65,160)	--	(190,687)
	$ 104,100	$ 7,389	$ 2,751	$ 114,240

At March 31, 2009, in conjunction with the annual test for goodwill impairment, the Company recorded an impairment charge aggregating $190.7 million to adjust the carrying amounts of goodwill related to several reporting units within the Over-the-Counter Healthcare and Household Cleaning segments to their respective fair values. These charges were a consequence of the challenging economic environment experienced in during our fiscal year ended March 31, 2009, the dislocation of the debt and equity markets, and contracting consumer demand for the Company's product offerings. Although the impairment charges represent management's best estimate, the estimates and assumptions made in assessing the fair value of the Company's reporting units and the valuation of the underlying assets and liabilities are inherently subject to significant uncertainties. Consequently, changing rates of interest and inflation, declining sales or margins, increases in competition, changing consumer preferences, technical advances or reductions in advertising and promotion may require additional impairments in the future.

7. Intangible Assets

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

	Six Months Ended September 30, 2009			
	Indefinite Lived Trademarks	Finite Lived Trademarks	Non Compete Agreement	Totals
Carrying Amounts				
Balance – March 31, 2009	$ 500,176	$ 106,773	$ 158	$ 607,107
Reclassifications	(45,605)	45,605	--	--
Balance – September 30, 2009	$ 454,571	$ 152,378	$ 158	$ 607,107
Accumulated Amortization				
Balance – March 31, 2009	$ --	$ 37,828	$ 142	$ 37,970
Additions	--	4,862	16	4,878
Balance – September 30, 2009	$ --	$ 42,690	$ 158	$ 42,848

At March 31, 2009, in a manner similar to goodwill, the Company completed a test for impairment of its intangible assets. Accordingly, the Company recorded an impairment charge aggregating $58.9 million during the three month period ended March 31, 2009 to the Over-the-Counter Healthcare and Household Cleaning segments as facts and circumstances indicated that the carrying values of the assets exceeded their fair values and may not be recoverable.

The economic events experienced during the fiscal year ended March 31, 2009, as well as the Company's plans and projections for its brands indicated that several of such brands can no longer support indefinite useful lives. Each of these brands incurred an impairment charge during the three month period ended March 31, 2009 and has been adversely affected by increased competition and the macroeconomic environment in the United States. Consequently, at April 1, 2009, management reclassified $45.6 million of previously indefinite lived intangibles to intangibles with definite lives. Management estimates the useful lives of these intangibles to be 20 years.

The fair values and the annual amortization charges of the reclassified intangibles are as follows (in thousands):

Intangible	Fair Value as of March 31, 2009	Annual Amortization
Household Trademarks	$ 34,888	$ 1,745
OTC Healthcare Trademark	10,717	536
	$ 45,605	$ 2,281

At September 30, 2009, intangible assets are expected to be amortized over a period of 3 to 30 years as follows (in thousands):

Year Ending September 30	
2010	$ 9,725
2011	9,513
2012	9,017
2013	8,167
2014	6,807
Thereafter	66,459
	$ 109,688

8. Other Accrued Liabilities

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

	September 30, 2009	March 31, 2009
Accrued marketing costs	$ 6,510	$ 3,519
Accrued payroll	2,969	750
Accrued commissions	331	312
Accrued income taxes	1,819	679
Accrued professional fees	2,678	1,906
Interest rate swap obligation	1,572	2,152
Severance	2,067	-
Other	5	89
	$ 17,951	$ 9,407

During the second quarter of 2009, the Company completed a staff reduction program to eliminate approximately 10% of its workforce. The accrued severance balance as of September 30, 2009 is related to this reduction in workforce and consists primarily of salaries, bonuses and other benefits.

The Company has reclassified the interest rate swap liability of $2.2 million as of March 31, 2009 from accounts payable to accrued liabilities.

9. Long-Term Debt

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

	September 30, 2009	March 31, 2009
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 September 30, 2009, the average interest rate on the Tranche B Term Loan Facility was 2.51%. The interest rate is adjusted either monthly or quarterly at the Company's option. 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.	$ 212,337	$ 252,337
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. 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
	338,337	378,337
Current portion of long-term debt	(3,550)	(3,550)
	$ 334,787	$ 374,787

The Tranche B Term Loan Facility contains various financial covenants, including provisions that require the Company to maintain certain leverage ratios, interest coverage ratios and fixed charge coverage ratios. The Tranche B Term Loan Facility and the Senior Subordinated Notes also contain provisions that restrict the Company from undertaking certain specified corporate actions, such as asset dispositions, acquisitions, dividend payments, repurchase of common shares outstanding, changes of control, incurrence of indebtedness, creation of liens, making of loans and transactions with affiliates. Additionally, the Tranche B Term Loan 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 September 30, 2009, the Company was in compliance with its applicable financial and other covenants under the Tranche B Term Loan Facility and the Senior Subordinated Notes.

Future principal payments required in accordance with the terms of the Tranche B Term Loan Facility and the Senior Subordinated Notes are as follows (in thousands):

Year Ending September 30	
2010	$ 3,550
2011	208,787
2012	126,000
	$ 338,337

10. 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. At September 30, 2009, the outstanding obligation under the Company's variable rate Tranche B Term Loan Facility was $212.3 million. Although the Company does not enter into derivative financial instruments for trading purposes, all of the Company's 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 actual liability. The Company is accounting for the interest rate cap and swap agreements as cash flow hedges.

The Company entered into an interest rate swap agreement, effective March 26, 2008, in the notional amount of $175.0 million that decreased to $125.0 million at March 26, 2009. The Company has agreed to pay a fixed rate of 2.88% while receiving a variable rate based on LIBOR. The agreement terminates on March 26, 2010.

As more fully described in Note 1, the Company adopted fair value accounting for all financial instruments. The Fair Value Measurements and Disclosures Topic of the FASB ASC 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. The Fair Value Measurements and Disclosures Topic 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):

		Fair Value Measurements at September 30, 2009		
Description	September 30, 2009	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest Rate Swap Liability	$ 1,572	$ --	$ 1,572	$ --

		Fair Value Measurements at March 31, 2009		
Description	March 31, 2009	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest Rate Swap Liability	$ 2,152	$ --	$ 2,152	$ --

A summary of the fair value of the Company's derivative instruments, their impact on the consolidated statements of operations and comprehensive income and the amounts reclassified from other comprehensive income is as follows (in thousands):

	September 30, 2009			For the Three Months Ended September 30, 2009		
Cash Flow Hedging Instruments	**Balance Sheet Location**	**Notional Amount**	**Fair Value Asset/ (Liability)**	**Income Statement Account Gains/ Losses Charged**	**Amount Income (Expense) Recognized In Income**	**Amount Gains (Losses) Recognized In OCI**
Interest Rate Swap	Other Accrued Liabilities	$ 125,000	$ (1,572)	Interest Expense	$ (729)	$ 444

	September 30, 2009			For the Six Months Ended September 30, 2009		
Cash Flow Hedging Instruments	**Balance Sheet Location**	**Notional Amount**	**Fair Value Asset/ (Liability)**	**Income Statement Account Gains/ Losses Charged**	**Amount Income (Expense) Recognized In Income**	**Amount Gains (Losses) Recognized In OCI**
Interest Rate Swap	Other Accrued Liabilities	$ 125,000	$ (1,572)	Interest Expense	$ (1,260)	$ 580

	September 30, 2008			For the Three Months Ended September 30, 2008		
Cash Flow Hedging Instruments	**Balance Sheet Location**	**Notional Amount**	**Fair Value Asset/ (Liability)**	**Income Statement Account Gains/ Losses Charged**	**Amount Income (Expense) Recognized In Income**	**Amount Gains (Losses) Recognized In OCI**
Interest Rate Swap	Prepaid expenses	$ 175,000	$ 775	Interest Expense	$ (19)	$ (329)

	September 30, 2008			For the Six Months Ended September 30, 2008		
Cash Flow Hedging Instruments	**Balance Sheet Location**	**Notional Amount**	**Fair Value Asset/ (Liability)**	**Income Statement Account Gains/ Losses Charged**	**Amount Income (Expense) Recognized In Income**	**Amount Gains (Losses) Recognized In OCI**
Interest Rate Swap	Prepaid expenses	$ 175,000	$ 775	Interest Expense	$ (136)	$ 2,302

The Company recorded charges to interest expense of $729,000 and $19,000 during the three month periods ended September 30, 2009 and 2008, respectively, and $1.3 million and $136,000 during the six month periods ended September 30, 2009 and 2008, respectively, in connection with this interest rate swap agreement. Assuming that the LIBOR rate does not fluctuate subsequent to September 30, 2009, the Company estimates that it will recognize approximately $1.6 million in additional interest expense during the remaining six months of its fiscal year ending March 31, 2010.

At September 30, 2009 and March 31, 2009, the fair values of the interest rate swap were $1.6 million and $2.2 million, respectively. Such amounts were included in other accrued liabilities. The determination of fair value is based on closing prices for similar instruments traded in liquid over-the-counter markets. The changes in the fair value of this interest rate swap are recorded in Accumulated Other Comprehensive Income in the balance sheet due to its designation as a cash flow hedge.

For certain of our financial instruments, including cash, accounts receivable, accounts payable and other current liabilities, the carrying amounts approximate their respective fair values due to the relatively short maturity of these amounts.

At September 30, 2009, the carrying value of the Tranche B Term Loan Facility was $212.3 million. The terms of the facility provide that the interest rate is adjusted, at the Company's option, on either a monthly or quarterly basis, to the prime rate plus a margin of 1.25% or LIBOR plus a margin of 2.25%. The market value of the Company's Tranche B Term Loan Facility was approximately $207.5 million and $244.8 million at September 30, 2009 and March 31, 2009, respectively. At September 30, 2009 and March 31, 2009, the carrying value of the Company's 9.25% Senior Subordinated Notes was $126.0 million. The market value of these notes was approximately $128.5 million and $119.7 million at September 30, 2009 and March 31, 2009, respectively. The market values of the notes have been determined from market transactions in the Company's debt securities.

11. 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 September 30, 2009.

During the year ended March 31, 2009, the Company repurchased 65,000 shares of restricted common stock from former employees pursuant to the provisions of the various employee stock purchase agreements. All of such shares have been recorded as treasury stock. There were no share repurchases during the three or six month periods ended September 30, 2009.

12. Earnings Per Share

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

	Three Months Ended September 30		Six Months Ended September 30	
	2009	2008	2009	2008
Numerator				
Income from continuing operations	$ 9,680	$ 8,163	$ 17,674	$ 15,547
Income from discontinued operations	243	359	574	756
Net income	$ 9,923	$ 8,522	$ 18,248	$ 16,303
Denominator				
Denominator for basic earnings per share – weighted average shares	50,012	49,924	49,997	49,902
Dilutive effect of unvested restricted common stock, options and stock appreciation rights issued to employees and directors	43	113	83	134
Denominator for diluted earnings per share	50,055	50,037	50,080	50,036
Earnings per Common Share:				
Basic earnings per share from continuing operations	$ 0.19	$ 0.16	$ 0.35	$ 0.31
Basic earnings per share from discontinued operations	0.01	0.01	0.01	0.02
Basic net earnings per share	$ 0.20	$ 0.17	$ 0.36	$ 0.33
Diluted earnings per share from continuing operations	$ 0.19	$ 0.16	$ 0.35	$ 0.31
Diluted earnings per share from discontinued operations	0.01	0.01	0.01	0.02
Diluted net earnings per share	$ 0.20	$ 0.17	$ 0.36	$ 0.33

At September 30, 2009, 209,952 shares of restricted stock granted to 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, 101,802 shares of restricted stock granted to employees have been excluded from the calculation of both basic and diluted earnings per share because vesting of such shares is subject to contingencies which have not been met as of the Balance Sheet date. Lastly, at September 30, 2009, there were options to purchase 1,391,172 shares of common stock outstanding that were not included in the computation of diluted earnings per share because their exercise price was greater than the average market price of the common stock, and therefore, their inclusion would be antidilutive.

At September 30, 2008, 226,000 shares of restricted stock granted to 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, 442,000 shares of restricted stock granted to employees, as well as 15,000 stock appreciation rights have been excluded from the calculation of both basic and diluted earnings per share because vesting of such shares is subject to contingencies. Lastly, at September 30, 2008, there were options to purchase 667,000 shares of common stock outstanding that were not included in the computation of diluted earnings because their exercise price was greater than the average market price of the common stock, and therefore, their inclusion would be antidilutive.

13. Comprehensive Income

The following table describes the components of comprehensive income for each of the three and six month periods ended September 30, 2009 and 2008 (in thousands):

	Three Months Ended September 30	
	2009	2008
Components of Comprehensive Income		
Net income	$ 9,923	$ 8,522
Unrealized gain/(loss) on interest rate caps, net of income tax of $168 (2009) and ($125) (2008)	276	(204)
Comprehensive Income	$ 10,199	$ 8,318

	Six Months Ended September 30	
	2009	2008
Components of Comprehensive Income		
Net income	$ 18,248	$ 16,303
Amortization of interest rate caps reclassified into earnings, net of income tax of $32	--	53
Unrealized gain on interest rate caps, net of income tax of $220 (2009) and $876 (2008)	360	1,426
Comprehensive Income	$ 18,608	$ 17,782

14. 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 restricted stock, 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 six month period ended September 30, 2009, net compensation costs charged against income and the related income tax benefit recognized were $848,000 and $321,000, respectively. During the six month period ended September 30, 2008, net compensation costs charged against income, and the related tax benefits recognized were $1.6 million and $591,000, respectively.

Restricted Shares
Restricted shares granted to employees under the Plan generally vest in 3 to 5 years, contingent on attainment by the Company of revenue and earnings before income taxes, depreciation and amortization growth targets, or the attainment of certain time vesting thresholds. Certain restricted share awards provide for automatic 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 fair values of restricted shares granted during the six month periods ended September 30, 2009 and 2008 were $7.16 and $10.85, respectively.

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

Restricted Shares	Shares (in thousands)	Weighted-Average Grant-Date Fair Value
Nonvested at March 31, 2009	342.4	$ 11.31
Granted	171.6	7.16
Vested	(47.8)	10.97
Forfeited	(152.2)	11.54
Nonvested at September 30, 2009	314.0	8.94
Nonvested at March 31, 2008	484.7	11.78
Granted	303.5	10.85
Vested	(29.9)	10.88
Forfeited	(128.0)	12.30
Nonvested at September 30, 2008	630.3	11.27

Options

The Plan provides that the exercise price of the option granted shall be no less than the fair market value of the Company's common stock on the date the option is granted. Options granted have a term of no greater than 10 years from the date of grant and vest in accordance with a schedule determined at the time the option is granted, generally 3 to 5 years. Certain option awards provide for automatic accelerated vesting if there is 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 both historical and 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 consideration of 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 grant-date fair value of the options granted during the six month period ended September 30, 2009 and 2008 was $3.64 and $5.04, respectively.

	Six Month Period Ended September 30	
	2009	**2008**
Expected volatility	45.6%	43.3%
Expected dividends	--	--
Expected term in years	7.0	6.0
Risk-free rate	2.8%	3.2%

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

Options	**Shares (in thousands)**	**Weighted-Average Exercise Price**	**Weighted-Average Remaining Contractual Term**	**Aggregate Intrinsic Value (in thousands)**
Outstanding at March 31, 2008	253.5	$ 12.86	9.2	$ --
Granted	413.3	10.91	10.0	--
Exercised	--	--	--	--
Forfeited or expired	--	--	--	--
Outstanding at September 30, 2008	666.8	11.65	9.3	--
Outstanding at March 31, 2009	662.6	11.65	8.8	--
Granted	1,125.0	7.16	10.0	--
Exercised	--	--	--	--
Forfeited or expired	(142.6)	11.26	1.5	--
Outstanding at September 30, 2009	1,645.0	8.61	9.4	--
Exercisable at September 30, 2009	304.7	11.98	8.1	--

Stock Appreciation Rights ("SARs")
In July 2006, the Board of Directors granted SARs to a group of selected executives; however, no SARs have been granted since that date. The terms of the SARs provided that on the vesting date, the executive would receive for each SAR awarded to an executive the excess of the market price of the Company's common stock on such date over the market price of the Company's common stock 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 weighted-average grant date fair value of the SARs granted was $3.68. The fair value of each SAR award was estimated on the date of grant using the Black-Scholes Model. The SARs vested on March 31, 2009; however, no compensation was paid because the grant-date market price of the Company's common stock exceeded the market value of the Company's common stock on the vesting date.

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

SARs	Shares (in thousands)	Grant Date Stock Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value (in thousands)
Outstanding at March 31, 2008	16.1	$ 9.97	1.00	$ --
Granted	--	--	--	--
Forfeited or expired	(1.2)	9.97	0.25	--
Outstanding at September 30, 2008	14.9	9.97	0.25	--
Outstanding at March 31, 2009	--	--	--	--
Granted	--	--	--	--
Forfeited or expired	--	--	--	--
Outstanding at September 30, 2009	--	--	--	--
Exercisable at September 30, 2009	--	--	--	--

At September 30, 2009, there was $6.3 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 4.4 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 six months ended September 30, 2009 and 2008 was $525,000 and $300,000, respectively. There were no options exercised during either of the six month periods ended September 30, 2009 and 2008; hence, there were no tax benefits realized during these periods. At September 30, 2009, there were 2.9 million shares available for issuance under the Plan.

15. Income Taxes

Income taxes are recorded in the Company's quarterly financial statements based on the Company's estimated annual effective income tax rate subject to adjustments for discrete events should they occur. The effective tax rates used in the calculation of income taxes were 37.9% for the three and six month period ended September 30, 2009 and 2008.

At September 30, 2009, Medtech Products Inc., a wholly-owned subsidiary of the Company, had a net operating loss carryforward of approximately $2.0 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 pursuant to Internal Revenue Code Section 382 of approximately $240,000.

Uncertain tax liability activity is as follows:

(In thousands)	2009	2008
Balance - March 31	$ 225	$ --
Adjustments based on tax positions related to the current year	--	--
Balance - September 30	$ 225	$ --

The Company recognizes interest and penalties related to uncertain tax positions as a component of income tax expense. The Company does not anticipate any significant events or circumstances that would cause a change to these uncertainties during the ensuing year.

16. Commitments and Contingencies

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 from February 9, 2005 through November 15, 2005 (the "Class Period"). 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 Company's common stock pursuant, or traceable to, the Company's initial public offering during the Class Period and were damaged thereby.

On January 16, 2009, the Court ordered that notice of the pending class action lawsuit be sent to all persons who purchased the Company's common stock during the Class Period pursuant or traceable to the Company's initial public offering. In March 2009, the notice of class action law suit was mailed. The defendants and the lead plaintiffs have reached an agreement in principle to settle the class action lawsuit without any admission of liability by the defendants, subject to the execution of appropriate settlement documents and court approval. It is expected that the settlement funds will come entirely out of insurance proceeds. The settlement has received preliminary fairness approval by the Court and class members have been notified. The settlement is expected to be presented to the Court for a final fairness determination at a hearing scheduled for December 4, 2009. If final approval of the settlement is obtained from the Court, the settlement would result in dismissal of all claims against the Company, our officers and directors and the other defendants in the action with prejudice. If the settlement is not completed, then the parties may attempt to reach agreement on another settlement or resume the litigation.

DenTek Litigation

In April 2007, the Company filed a lawsuit in the United States 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. ("CDS") as additional defendants in this action and added other claims to the previously filed complaint. Kaplan and Duane were formerly employed by the Company, and CDS is a corporation controlled by Duane through which Duane provided services to the Company. In the Second Amended Complaint, the Company has asserted claims for patent, trademark and copyright infringement, unfair competition, unjust enrichment, violation of New York's Consumer Protection Act, breach of contract, tortious interference with contractual and business relations, civil conspiracy and trade secret misappropriation. On October 19, 2007, the Company filed a motion for preliminary injunction, asking 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 Duane or 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.

On September 30, 2008, after considering the defendants' motions to dismiss, the Company's responses (including a motion to strike the motions to dismiss) and the Magistrate's Report and Recommendations, the Court granted in part and denied in part the defendants' Motions to Dismiss, with the following claims being dismissed without prejudice: (1) breach of the Proprietary Information and Inventions Agreement ("PIIA") against Duane; (2) breach of the PIIA against Kaplan; (3) tortious interference with contractual relations against DenTek; (4) tortious interference with contractual relations against Duane; and (5) tortious interference with advantageous business relationship/economic advantage against all defendants. The Court denied the Company's Motions to Strike the Motions to Dismiss filed by DenTek and CDS. The following claims included in the Company's Second Amended Complaint remain in the action: (1) patent, trademark and copyright infringement against DenTek; (2) unjust enrichment against DenTek; (3) violation of a New York consumer protection statute against DenTek; (4) breach of the consulting agreement against Duane; (5) breach of the PIIA against CDS; (6) breach of the release against Kaplan and Duane; and (7) trade secret misappropriation against DenTek, Kaplan, Duane and CDS.

In October 2008, DenTek, Kaplan, Duane and CDS filed Answers to the Second Amended Complaint. In their Answers, each of DenTek, Duane and CDS has asserted counterclaims against the Company. DenTek's counterclaims allege false advertising, violation of New York consumer protection statutes and unfair competition relating to *The Doctor's® NightGuard™ Classic™* dental protector. Duane's counterclaim is a contractual indemnity claim seeking to recover attorneys' fees pursuant to the release between Duane and Dental Concepts LLC ("Dental Concepts"), a predecessor-in-interest to Medtech Products Inc., plaintiff in the DenTek litigation and another wholly-owned subsidiary of Prestige Brands Holdings, Inc. CDS's counterclaim alleges a breach of the consulting agreement between CDS and Dental Concepts.

In November 2008, in response to the counterclaims filed against the Company by DenTek, Duane and CDS, the Company filed a Motion to Dismiss and Strike the counterclaims made by DenTek, which motion is currently pending before the Court. In addition, in November 2008, the Company filed an Answer to the counterclaims asserted by Duane and CDS.

On March 24, 2009, Duane submitted a petition for a Chapter 7 bankruptcy with the United States Bankruptcy Court for the District of Nevada (the "Nevada Bankruptcy Court") which automatically stayed the DenTek litigation in which Duane is a defendant. On July 21, 2009, the Nevada Bankruptcy Court granted the Company's motion for relief from automatic stay with respect to the DenTek litigation against DenTek, Kaplan, Duane and CDS. Accordingly, the DenTek litigation has resumed although the Nevada Bankruptcy Court retains exclusive jurisdiction over any damage claims and other issues which may affect Duane's bankruptcy proceeding, except for orders of injunctive relief that may be issued in the DenTek litigation.

On November 5, 2009, the Court issued an Opinion and Order construing one of the claims of the Company's U.S. Patent No. 6,830,051, which forms the basis for the patent infringement claims in the DenTek litigation. The Company believes the Opinion and Order issued by the Court is favorable to the Company's patent infringement claim against DenTek.

The Company's management believes that the counterclaims asserted by DenTek, Duane and CDS are legally deficient and that it has meritorious defenses to the counterclaims. The Company intends to vigorously defend against the counterclaims; however, the Company cannot, at this time, reasonably estimate the potential range of loss, if any.

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 or results from operations.

Lease Commitments

The Company has operating leases for office facilities and equipment in New York 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 September 30	Facilities	Equipment	Total
2010	$ 694	$ 83	$ 777
2011	591	80	671
2012	568	54	622
2013	587	36	623
2014	348	--	348
	$ 2,788	$ 253	$ 3,041

Rent expense for the three and six month periods ended September 30, 2009 was $158,000 and $348,000, respectively, while rent expense for the three and six month periods ended September 30, 2008 was $148,000 and $306,000, respectively.

Purchase Commitments

The Company has entered into a 10 year supply agreement for the exclusive manufacture of a portion of one of its household cleaning products. Although the Company is committed under the supply agreement to pay the minimum amounts set forth in the table below, the Company estimates that it will purchase in excess of $270.0 million of the product during the term of the agreement.

(In thousands)

Year Ending September 30	
2010	$ 10,753
2011	9,921
2012	1,192
2013	1,148
2014	1,105
Thereafter	4,801
	$ 28,920

17. 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 and six month periods ended September 30, 2009, approximately 63.2% and 63.1%, respectively, of the Company's total sales were derived from its four major brands, while during the three and six month periods ended September 30, 2008 approximately 59.5% and 60.4%, respectively, of the Company's total sales were derived from its four major brands. During the three and six month periods ended September 30, 2009, approximately 24.4% and 25.0%, respectively, of the Company's sales were made to one customer, while during the three and six month periods ended September 30, 2008, 24.5% and 25.6%,

respectively, of sales were to this customer. At September 30, 2009, approximately 22.6% of accounts receivable were owed by the same customer.

The Company manages product distribution in the continental United States through a main distribution center in St. Louis, Missouri. A serious disruption, such as a flood or fire, to the main distribution center could damage the Company's inventories and 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 36 third-party manufacturers. Of those, the top 10 manufacturers produced items that accounted for approximately 79% of the Company's gross sales for the six months ended September 30, 2009 compared to 75% during the six months ended September 30, 2008. The Company did not have long-term contracts with manufacturers of product of approximately 20% of our gross sales for the six months ended September 30, 2009 compared to 20% during the six months ended September 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, increase the cost we are charged for our products, or fail to provide the Company with the level of products the Company needs to meet its customers' demands. Should one or more of our manufacturers stop producing product on our behalf or increase our costs in excess of our ability to increase our sales price, it could have a material adverse effect on our business, financial condition and results from operations.

18. Business Segments

Segment information has been prepared in accordance with the Segment Topic of the FASB ASC. 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.

	Three Months Ended September 30, 2009			
(In thousands)	Over-the-Counter Healthcare	Household Cleaning	Personal Care	Consolidated
Net sales	$ 51,368	$ 28,602	$ 3,767	$ 83,737
Other revenues	9	411	24	444
Total revenues	51,377	29,013	3,791	84,181
Cost of sales	19,217	18,483	2,147	39,847
Gross profit	32,160	10,530	1,644	44,334
Advertising and promotion	7,378	2,285	119	9,782
Contribution margin	$ 24,782	$ 8,245	$ 1,525	34,552
Other operating expenses				13,322
Operating income				21,230
Other (income) expense				5,642
Provision for income taxes				5,908
Income from continuing operations				9,680
Income from discontinued operations (assets held for sale), net of income tax				243
Net income				$ 9,923

	Six Months Ended September 30, 2009			
(In thousands)	Over-the-Counter Healthcare	Household Cleaning	Personal Care	Consolidated
Net sales	$ 91,640	$ 55,443	$ 7,050	$ 154,133
Other revenues	20	1,017	23	1,060
Total revenues	91,660	56,460	7,073	155,193
Cost of sales	32,745	36,284	4,000	73,029
Gross profit	58,915	20,176	3,073	82,164
Advertising and promotion	14,118	4,204	225	18,547
Contribution margin	$ 44,797	$ 15,972	$ 2,848	63,617
Other operating expenses				23,861
Operating income				39,756
Other (income) expense				11,295
Provision for income taxes				10,787
Income from continuing operations				17,674
Income from discontinued operations (assets held for sale), net of income tax				574

Net income	$ 18,248

(In thousands)	Three Months Ended September 30, 2008			
	Over-the-Counter Healthcare	Household Cleaning	Personal Care	Consolidated
Net sales	$ 50,318	$ 31,482	$ 3,058	$ 84,858
Other revenues	24	658	--	682
Total revenues	50,342	32,140	3,058	85,540
Cost of sales	17,567	20,937	1,898	40,402
Gross profit	32,775	11,203	1,160	45,138
Advertising and promotion	10,654	2,731	158	13,543
Contribution margin	$ 22,121	$ 8,472	$ 1,002	31,595
Other operating expenses				11,671
Operating income				19,924
Other (income) expense				6,779
Provision for income taxes				4,982
Income from continuing operations				8,163
Income from discontinued operations (assets held for sale), net of income tax				359
Net income				$ 8,522

(In thousands)	Six Months Ended September 30, 2008			
	Over-the-Counter Healthcare	Household Cleaning	Personal Care	Consolidated
Net sales	$ 89,564	$ 59,886	$ 5,787	$ 155,237
Other revenues	24	1,276	--	1,300
Total revenues	89,588	61,162	5,787	156,537
Cost of sales	30,775	38,860	3,674	73,309
Gross profit	58,813	22,302	2,113	83,228
Advertising and promotion	15,691	4,801	288	20,780
Contribution margin	$ 43,122	$ 17,501	$ 1,825	62,448
Other operating expenses				21,951
Operating income				40,497
Other (income) expense				15,462
Provision for income taxes				9,488
Income from continuing operations				15,547
Income from discontinued operations (assets held for sale), net of income tax				756
Net income				$ 16,303

During the three and six month periods ended September 30, 2009, approximately 94.9% and 95.9%, respectively, of the Company's sales were made to customers in the United States and Canada while during the three and six month periods ended September 30, 2008, approximately 97.0% and 96.4%, respectively, of sales were made to customers in the United States and Canada. Other than the United States, no individual geographical area accounted for more than 10% of net sales in any of the periods presented.

At September 30, 2009, 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	$ 104,100	$ 7,389	$ 2,751	$ 114,240
Intangible assets				
Indefinite-lived	334,750	119,821	--	454,571
Finite-lived	69,572	34,016	6,100	109,688
	404,322	153,837	6,100	564,259
	$ 508,422	$ 161,226	$ 8,851	$ 678,499

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

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 this Quarterly Report on Form 10-Q, as well as our Annual Report on Form 10-K for the fiscal year ended March 31, 2009. 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, 2009, as well as those described in future reports filed with the SEC. See also “Cautionary Statement Regarding Forward-Looking Statements” on page 44 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 continue to 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.

Discontinued Operations and Assets Held for Sale

In October 2009, the Company sold certain assets previously included in its Personal Care products segment to an unrelated third party. In accordance with the Discontinued Operations Topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"), the Company classified the related assets as held for sale in the consolidated balance sheets as of September 30, and March 31, 2009 and classified the related operating results as discontinued in the consolidated financial statements and related notes for all periods presented. The Company will recognize a gain of approximately $150,000, net of tax effects, on the sale in the quarter ended December 31, 2009.

The following table presents the assets related to the discontinued operations as of September 30, 2009 and March 31, 2009 (in thousands):

	September 30, 2009	March 31, 2009
Inventory	$ 1,535	$ 1,038
Intangible assets	7,574	8,472
Total assets held for sale	$ 9,109	$ 9,510

The following table summarizes the results of discontinued operations (in thousands):

	Three Months Ended September 30		Six Months Ended September 30	
	2009	2008	2009	2008
Components of Comprehensive Income				
Revenues	$ 2,135	$ 2,511	$ 4,347	$ 5,048
Income before income taxes	391	577	924	1,218

The total purchase price for the assets was $9 million, subject to adjustments for inventory, as defined, with $8 million received upon closing, and the remaining $1 million to be paid on the first anniversary of the closing.

Three Month Period Ended September 30, 2009 compared to the Three Month Period Ended September 30, 2008

Revenues (in thousands)

	2009 Revenues	%	2008 Revenues	%	Increase (Decrease)	%
OTC Healthcare	$ 51,377	61.0	$ 50,342	58.8	$ 1,035	2.1
Household Cleaning	29,013	34.5	32,140	37.6	(3,127)	(9.7)
Personal Care	3,791	4.5	3,058	3.6	733	24.0
	$ 84,181	100.0	$ 85,540	100.0	$ (1,359)	(1.6)

Revenues for the three month period ended September 30, 2009 were $84.2 million, a decrease of $1.4 million, or 1.6%, versus the three month period ended September 30, 2008. Revenues for both the Over-the-Counter and Personal Care segments increased versus the comparable period in the prior year. Revenues for the Household Cleaning segment declined during the period. Revenues from customers outside of North America, which represent 5.2% of total revenues, increased by $1.7 million or 64.5% during 2009 compared to 2008 due to timing of eye care shipments to our Australian distributor and stronger sales of *Chloraseptic* in the United Kingdom.

Over-the-Counter Healthcare Segment
Revenues of the Over-the-Counter Healthcare segment increased $1.0 million, or 2.1%, during 2009 versus 2008. Revenue increases for *Clear Eyes*, *Murine Tears*, *Chloraseptic* and *Compound W* were partially offset by revenue decreases on *Murine Ear*, *Allergen Block* and *Wartner*. The increase in revenues for *Clear Eyes* is primarily the result of an increase in consumer consumption. The increase in revenues for *Murine Tears* was primarily the result of higher shipments to markets outside North America. *Chloraseptic* revenues increased as a result of stronger shipments to customers in advance of the anticipated strong Fall cough/cold flu season. *Compound W* revenues increased due to strong consumer consumption particularly in the Salicylic acid product line. *Murine Ear*'s revenues decreased primarily as the result of slowing consumer consumption, particularly on *Earigate*. *Allergen Block* revenues decreased due to the anniversary of pipeline shipments from the introduction in the same period last year. The *Wartner* revenues decrease was primarily due to distribution losses.

Household Cleaning Segment
Revenues for the Household Cleaning segment decreased $3.1 million, or 9.7%, during 2009 versus 2008. *Comet's* revenues decreased primarily due to softer consumer consumption of bathroom spray. *Chore Boy* revenues declined in line with weaker consumer consumption and distribution losses due to heavy competitor activity. *Spic and Span*'s revenues decreased primarily due to softer consumer consumption in traditional

channels of trade and timing of promotional shipments to the dollar store class of trade.

Personal Care Segment
Revenues of the Personal Care segment increased $733,000, or 24.0%, during 2009 versus 2008. Increased revenues for *Cutex* were partially offset by declines on other brands in this segment. The revenue increase was driven by *Cutex* and was primarily due to increased consumer consumption in the nail polish remover category.

Gross Profit (in thousands)

	2009 Gross Profit	%	2008 Gross Profit	%	Increase (Decrease)	%
OTC Healthcare	$ 32,160	62.6	$ 32,775	65.1	$ (615)	(1.9)
Household Cleaning	10,530	36.3	11,203	34.9	(673)	(6.0)
Personal Care	1,644	43.4	1,160	37.9	484	41.7
	$ 44,334	52.7	$ 45,138	52.8	$ (804)	(1.8)

Gross profit from the three month period ended September 30, 2009 decreased $804,000, or 1.8%, versus the three month period ended September 30, 2008. As a percent of total revenues, gross profit decreased from 52.8% in 2008 to 52.7% in 2009. The decrease in gross profit as a percent of revenues was primarily due to increased obsolescence costs and costs associated with the transition to the new *Comet* powder supplier, offset by decreases in product and distribution costs.

Over-the-Counter Healthcare Segment
Gross profit for the Over-the-Counter Healthcare segment decreased $615,000, or 1.9%, during 2009 versus 2008. The decrease in gross profit percentage was the result of higher promotional and obsolescence costs and unfavorable sales mix. The increase in promotional costs was primarily the result of an increase in trade promotion activity behind *Chloraseptic*, *Little Remedies*, *Clear Eyes* and *Allergen Block* products. The increase in obsolescence costs was a result of short dated and slow moving eye care and *Allergen Block* inventory. As a percent of Over-the-Counter Healthcare revenue, gross profit decreased from 65.1% during 2008 to 62.6% during 2009.

Household Cleaning Segment
Gross profit for the Household Cleaning segment decreased by $673,000, or 6.0%, during 2009 versus 2008. As a percent of Household Cleaning revenue, gross profit increased from 34.9% during 2008 to 36.3% during 2009. The increase in gross profit percentage was the result of decreased product costs for *Chore Boy* and *Comet*, lower distribution costs for *Comet* and *Spic and Span* partially offset by costs associated with the transition to a new *Comet* powder supplier.

Personal Care Segment
Gross profit for the Personal Care segment increased $484,000, or 41.7%, during 2009 versus 2008. As a percent of Personal Care revenues, gross profit increased from 37.9% during 2008 to 43.4% during 2009. The increase in gross profit percentage was due to lower promotional allowances and lower distribution and obsolescence costs for *Cutex*.

Contribution Margin (in thousands)

	2009 Contribution Margin	%	2008 Contribution Margin	%	Increase (Decrease)	%
OTC Healthcare	$ 24,782	48.2	$ 22,121	43.9	$ 2,661	12.0
Household Cleaning	8,245	28.4	8,472	26.4	(227)	(2.7)
Personal Care	1,525	40.2	1,002	32.8	523	52.2
	$ 34,552	41.0	$ 31,595	36.9	$ 2,957	9.4

Contribution Margin, defined as gross profit less advertising and promotional expenses, for the three month period ended September 30, 2009 increased $3.0 million, or 9.4%, versus the three month period ended September 30, 2008. The contribution margin increase was the result of a $3.8 million, or 27.8%, decrease in advertising and promotional spending, partially offset by the decrease in gross profit as previously discussed. The decrease in advertising and promotional spending was primarily attributable to decreases in media support and market research expenditures in the Over-the-Counter and Household Segments.

Over-the-Counter Healthcare Segment

Contribution margin for the Over-the-Counter Healthcare segment increased $2.7 or 12.0%, during 2009 versus 2008. The contribution margin increase was the result of a $3.3 million, or 30.7%, decrease in advertising and promotional spending, partially offset by the decrease in gross margin as previously discussed. The decrease in advertising and promotional spending was primarily attributable to a decrease in media support for the *Allergen Block* products from introductory levels in the prior year and *Murine Earigate* products, as well as decreased market research expenditures for *Clear Eyes* and *Compound W*.

Household Cleaning Segment

Contribution margin for the Household Cleaning segment decreased $227,000 million, or 2.7%, during 2009 versus 2008. The contribution margin decrease was the result of the decrease in gross profit as previously discussed, partially offset by a decrease in media support for *Comet Mildew Spray Gel*.

Personal Care Segment

Contribution margin for the Personal Care segment increased $523,000, or 52.2%, during 2009 versus 2008. The contribution margin increase was the result of the increase in gross profit as previously discussed and a modest reduction in trade promotion and market research for *Cutex*.

General and Administrative

General and administrative expenses were $10.5 million for the three month period ended September 30, 2009 versus $9.4 million for the three month period ended September 30, 2008. The increase in expense was due to a $2.5 million net charge associated with the reduction in workforce and the CEO change, partially offset by favorable currency translation costs and a reduction in legal expenses.

Depreciation and Amortization

Depreciation and amortization expense was $2.8 million for the three month period ended September 30, 2009 versus $2.3 million the three month period ended September 30, 2008. Amortization was impacted by the transfer of two trademarks in the Household Cleaning segment and one trademark in the Over-the-Counter segment, aggregating $45.6 million, from indefinite-lived status to intangibles with finite lives. Commencing April 1, 2009, these intangibles are being amortized to operations over a 20 year estimated useful life. This increase in amortization expense was partially offset by a reduction in amortization resulting from a trademark that became fully amortized at March 31, 2009, resulting in a net increase in depreciation and amortization expense of $533,000 for the period.

Interest Expense

Net interest expense was $5.6 million during the three month period ended September 30, 2009 versus $6.8 million during the three month period ended September 30, 2008. The reduction in interest expense was primarily the result of a lower level of indebtedness combined with a reduction of variable interest rates on our senior debt. The

average cost of funds decreased from 6.9% for 2008 to 6.4% for 2009 while the average indebtedness decreased from $392.6 million during 2008 to $347.7 million during 2009.

Income Taxes
The provision for income taxes during 2009 was $5.9 million versus $5.0 million during 2008. The effective tax rate of 37.9% was unchanged period-to-period.

Six Month Period Ended September 30, 2009 compared to the
Six Month Period Ended September 30, 2008

Revenues (in thousands)

	2009 Revenues	%	2008 Revenues	%	Increase (Decrease)	%
OTC Healthcare	$ 91,660	59.1	$ 89,588	57.2	$ 2,072	2.3
Household Cleaning	56,460	36.4	61,162	39.1	(4,702)	(7.7)
Personal Care	7,073	4.5	5,787	3.7	1,286	22.2
	$ 155,193	100.0	$ 156,537	100.0	$ (1,344)	(0.9)

Revenues for the six month period ended September 30, 2009 were $155.2 million, a decrease of $1.3 million, or 0.9%, versus the six month period ended September 30, 2008. Revenues for both the Over-the-Counter and Personal Care segments increased versus the comparable period. Revenues for the Household Cleaning segment declined during the period. Revenues from customers outside of North America, which represent 4.2% of total revenues, increased by $727,000 or 12.7% during 2009 versus 2008.

Over-the-Counter Healthcare Segment
Revenues for the Over-the-Counter Healthcare segment increased $2.1 million, or 2.3%, during 2009 versus 2008. Revenue increases for *Clear Eyes*, *Chloraseptic*, *Compound W*, *Little Remedies* and *The Doctor*'s were partially offset by revenue decreases on *Murine Ear* and *Wartner*. *Clear Eyes* revenues increased primarily due to the launch of a new line of *Clear Eyes Tears* products and stronger shipments of the smaller convenience size item. *Chloraseptic* revenues increased as the result of a stronger Spring cough/cold season driving consumer consumption and strong orders in advance of the Fall cough/cold season. *Compound W* revenues increased due to increased consumer consumption, particularly behind the non-cryogenic products. *Little Remedies* revenues increased as the result of distribution gains and increased consumer consumption of its non-medicated pediatric products. *The Doctor*'s revenues increased due to an increase in advertising and the absence of promotional allowances related to the restage of *The Advanced Comfort NightGuard* dental protector in 2008. *Murine Ear*'s revenues decreased primarily as the result of slowing consumer consumption, particularly on *Earigate*. *Wartner*'s revenues decreased as the result of lost distribution and softness in the cryogenic segment of the wart treatment category. *Allergen Block* revenues decreased as current year sales did not equal the pipeline orders during the fiscal year ended March 31, 2009 introductory period.

Household Cleaning Segment
Revenues for the Household Cleaning segment decreased $4.7 million, or 7.7%, during 2009 versus 2008. *Comet*'s revenues decreased primarily due to softer consumer consumption of bathroom spray. *Chore Boy* and *Spic and Span* revenues declined as a result of weaker consumer consumption.

Personal Care Segment
Revenues for the Personal Care segment increased $1.3 million, or 22.2%, during 2009 versus 2008. The revenue increase was driven by *Cutex* and was due to improving consumption across most classes of trade.

Gross Profit (in thousands)

	2009 Gross Profit	%	2008 Gross Profit	%	Increase (Decrease)	%
OTC Healthcare	$ 58,915	64.3	$ 58,813	65.6	$ 102	0.2
Household Cleaning	20,176	35.7	22,302	36.5	(2,126)	(9.5)
Personal Care	3,073	43.4	2,113	36.5	960	45.4
	$ 82,164	52.9	$ 83,228	53.2	$ (1,064)	(1.3)

Gross profit from the six month period ended September 30, 2009 decreased $1.1 million, or 1.3%, versus the six month period ended September 30, 2008. As a percent of total revenue, gross profit decreased from 53.2% in 2008 to 52.9% in 2009. The decrease in gross profit as a percent of revenues was primarily due to increased obsolescence costs and supplier transitional costs, partially offset by decreases in distribution costs.

Over-the-Counter Healthcare Segment
Gross profit for the Over-the-Counter Healthcare segment increased $102,000, or 0.2%, during 2009 versus 2008. As a percent of Over-the-Counter Healthcare revenue, gross profit decreased from 65.6% during 2008 to 64.3% during 2009. The decrease in gross profit percentage was primarily the result of increased obsolescence costs partially offset by lower distribution costs. The increase in obsolescence costs is a result of short dated and slow moving eye care and *Allergen Block* inventory.

Household Cleaning Segment
Gross profit for the Household Cleaning segment decreased $2.1 million, or 9.5%, during 2009 versus 2008. As a percent of Household Cleaning revenue, gross profit decreased from 36.5% during 2008 to 35.7% during 2009. The decrease in gross profit percentage was the result of increased product costs for *Comet* and *Spic and Span* and costs associated with the transition to a new *Comet* powder supplier, partially offset by decreased product costs for *Chore Boy* and lower distribution costs for *Comet* and *Spic and Span*.

Personal Care Segment
Gross profit for the Personal Care segment increased $960,000, or 45.4%, during 2009 versus 2008. As a percent of Personal Care revenues, gross profit increased from 36.5% during 2008 to 43.4% during 2009. The increase in gross profit percentage was due to lower promotional allowances, lower distribution costs, and absence of obsolescence costs for *Cutex*.

Contribution Margin (in thousands)

	2009 Contribution Margin	%	2008 Contribution Margin	%	Increase (Decrease)	%
OTC Healthcare	$ 44,797	48.9	$ 43,122	48.1	$ 1,675	3.9
Household Cleaning	15,972	28.3	17,501	28.6	(1,529)	(8.7)
Personal Care	2,848	40.3	1,825	31.5	1,023	56.1
	$ 63,617	41.0	$ 62,448	39.9	$ 1,169	1.9

Contribution Margin, defined as gross profit less advertising and promotional expenses, for the six month period ended September 30, 2009 increased $1.2 million, or 1.9%, versus the six month period ended September 30, 2008. The contribution margin increase was the result of a $2.2 million, or 10.7%, decrease in advertising and promotional spending, partially offset by the decrease in gross profit as previously discussed. The decrease in advertising and promotional spending was primarily attributable to decreases in media support for both the Over-the-Counter and Household Cleaning segments, and market research for the Over-the-Counter segment.

Over-the-Counter Healthcare Segment
Contribution margin for the Over-the-Counter Healthcare segment increased $1.7 million, or 3.9%, during 2009 versus 2008. The contribution margin increase was the result of a $1.6 million, or 10.0%, decrease in advertising and promotional spending and the increase in gross margin as previously discussed. The decrease in advertising and promotional spending was primarily attributable to a decrease in media support and consumer promotion for the *Murine Earigate* product, which was partially offset by an increase in media support for the *Allergen Block* products and a decrease in market research for *Clear Eyes* and *Compound W*.

Household Cleaning Segment
Contribution margin for the Household Cleaning segment decreased $1.5 million, or 8.7%, during 2009 versus 2008. The contribution margin decrease was the result of the decrease in gross profit as previously discussed, partially offset by a decrease in media support for *Comet Mildew Spray Gel*.

Personal Care Segment
Contribution margin for the Personal Care segment increased $1.0 million, or 56.1%, during 2009 versus 2008. The contribution margin increase was the result of the increase in gross profit as previously discussed and a modest reduction in trade promotion and market research for *Cutex*.

General and Administrative
General and administrative expenses were $18.7 million for the six month period ended September 30, 2009 versus $17.3 million for the six month period ended September 30, 2008. The increase in expense was due to a $2.5 million net charge associated with the reduction in workforce and the CEO change, partially offset by favorable currency translation costs and a reduction in legal expenses.

Depreciation and Amortization
Depreciation and amortization expense was $5.2 million for the six month period ended September 30, 2009 versus $4.6 million for the six month period ended September 30, 2008. Amortization was impacted by the transfer of two trademarks in the Household Cleaning segment and one trademark in the Over-the-Counter segment, aggregating $45.6 million, from indefinite-lived status to intangibles with finite lives. Commencing April 1, 2009, these intangibles are being amortized to operations over a 20 year estimated useful life. This increase in amortization expense was partially offset by a reduction in amortization resulting from a trademark that became fully amortized at March 31, 2009, resulting in a net increase in depreciation and amortization expense of $571,000 for the period.

Interest Expense
Net interest expense was $11.3 million during the six month period ended September 30, 2009 versus $15.6 million during the six month period ended September 30, 2008. The reduction in interest expense was primarily the result of a lower level of indebtedness combined with a reduction of interest rates on our senior debt. The average cost of funds decreased from 7.7% for 2008 to 6.3% for 2009 while the average indebtedness decreased from $399.4 million during 2008 to $359.0 million during 2009.

Income Taxes
The provision for income taxes during 2009 was $10.8 million versus $9.5 million in 2008. The effective tax rate of 37.9% was unchanged period-to-period.

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. Because we allowed our revolving credit facility to expire in April 2009 and due to the uncertain credit markets, the Company has increased its cash reserves by an additional $30.0 million to provide an additional margin of liquidity.

	Six Months Ended September 30	
(In thousands)	**2009**	**2008**
Cash provided by (used for):		
Operating Activities	$ 39,880	$ 36,676
Investing Activities	(232)	(4,109)
Financing Activities	(40,000)	(26,015)

Operating Activities
Net cash provided by operating activities was $39.9 million for the six month period ended September 30, 2009 compared to $36.7 million for the six month period ended September 30, 2008. The $3.2 million increase in net cash provided by operating activities was primarily the result of the increases in net income, accounts payable and accured liabilities.

Consistent with the six months ended September 30, 2008, the Company's cash flow from operations exceeded 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, as well as stock-based compensation costs.

Investing Activities
Net cash used for investing activities was $0.2 million for the six month period ended September 30, 2009 compared to $4.1 million for the six month period ended September 30, 2008. The net cash used for investing activities during the six month period ended September 30, 2009 was for the acquisition of property and equipment. Net cash used for investing activities during the six month period ended September 30, 2008 was primarily due to the $4.0 million settlement of a purchase price adjustment associated with the Wartner USA BV acquisition in 2006. The remainder was for the acquisition of property and equipment.

Financing Activities
Net cash used for financing activities was $40.0 million for the six month period ended September 30, 2009 compared to $26.0 million for the six month period ended September 30, 2008. During the six month period ended September 30, 2009, the Company repaid $38.2 million of indebtedness in excess of normal maturities with cash generated from operations. This reduced our outstanding indebtedness to $338.3 million at September 30, 2009 from $378.3 million at March 31, 2009.

Capital Resources

As of September 30, 2009, we had an aggregate of $338.3 million of outstanding indebtedness, which consisted of the following:

- $212.3 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 secured term loan facility ("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 September 30, 2009, an aggregate of $212.3 million was outstanding under the Senior Credit Facility at a weighted average interest rate of 2.51%.

The Company uses derivative financial instruments to mitigate the impact of changing interest rates associated with its long-term debt obligations. Although the Company does not enter into derivative financial instruments for trading purposes, all of the Company's 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 actual liability. The Company accounts for these financial instruments as cash flow hedges.

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 a $50.0 million interest rate cap agreement that expired on May 30, 2008. Under this swap, the Company agreed to pay a fixed rate of 2.88% 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 accrued liabilities at the balance sheet date. At September 30, 2009 and March 31, 2009, the fair values of the interest rate swap were $1.6 million and $2.2 million, respectively. Such amounts were included in other accrued liabilities.

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 4.0 to 1.0 for the quarter ended September 30, 2009, 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 3.0 to 1.0 for the quarter ended September 30, 2009, 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 September 30, 2009, and for each quarter thereafter until the quarter ending March 31, 2011.

At September 30, 2009, we were in compliance with the applicable financial and restrictive covenants under the Senior Credit Facility and the Indenture governing the Senior Subordinated Notes. Additionally, management anticipates that in the normal course of operations, the Company will be in compliance with the financial and restrictive covenants during the ensuing year.

At September 30, 2009, we had $212.3 million outstanding under the Tranche B Term Loan Facility which matures in April 2011. We are obligated to 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.

As a result of the expiration of certain credit facilities, the current economic environment and the state of the credit markets, the Company established and reached its goal of enhancing its liquidity position and used its strong cash flow generated from operations to build its cash reserves. Management estimates that cash reserves of approximately $30.0 million are sufficient to provide adequate liquidity, allowing the Company to meet its current and future obligations as they come due. Accordingly, management made repayments against outstanding indebtedness of $29.3 million in excess of scheduled maturities during the year ended March 31, 2009 and $38.2 million in excess of scheduled maturities during the six month period ended September 30, 2009. While management intends to replace these credit facilities during the ensuing year, the uncertainties of the credit markets could impede our ability to do so. As an example, the following factors could influence the amounts available to us and the interest rates associated with such an effort:

- A deterioration of the Company's earnings and its strong cash flows from operations,

- Prevailing interest rates in the market for similar offerings by companies with comparable credit ratings,

- Total amount borrowed and the Company's intended use of such proceeds,

- Ratio of amounts bearing fixed and variable rates of interest, and

- Total amount outstanding at the time, giving effect to the Company's ability to refinance its existing indebtedness.

In the current credit environment, management would expect the average interest rate associated with such a refinancing to be in excess of the Company's current average borrowing rate of 4.86%. However, 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.

Off-Balance Sheet Arrangements

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

Inflation

Inflationary factors such as increases in the costs of raw materials, packaging materials, purchased product and overhead may adversely affect our operating results. Although we do not believe that inflation has had a material impact on our financial condition or results from operations for the periods referred to above, a high rate of inflation in the future could have a material adverse effect on our business, financial condition or results from operations. The recent volatility 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, 2009. 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 estimates are as follows:

Revenue Recognition

We recognize revenue 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 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. Our related promotional expense for the year ended March 31, 2009 was $17.4 million. 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, 2009, our sales and operating income would have been adversely affected by approximately $1.7 million. Net income would have been adversely affected by approximately $1.1 million. Similarly, had we underestimated the

promotional program rate by 10% for the three and six month periods ended September 30, 2009, our sales and operating income would have been adversely affected by approximately $561,000, and $946,000, respectively. Net income would have been adversely affected by approximately $348,000 and $587,000 for the three and six month periods ended September 30, 2009, respectively.

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, 2009, we had 16 coupon events. The amount recorded against revenues and accrued for these events during the year was $1.4 million; redemptions during the year were $1.3 million. During the six month period ended September 30, 2009, we had 16 coupon events. The amounts recorded against revenue and accrued for these events during the three and six month periods ended September 30, 2009 were $533,000 and $847,000, respectively. The redemption amounts during the three and six month periods ended September 30, 2009 were $273,000 and $571,000, respectively.

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, 2009, 2008 and 2007, returns represented 3.8%, 4.4% and 3.3%, respectively, of gross sales. The increase in the returns rate from 2007 to 2008 of 1.1% was due to the voluntary withdrawal from the marketplace of *Little Remedies* medicated pediatric cough and cold products in October 2007. Had the voluntary withdrawal not occurred, the actual returns rate would have been 3.9%. For the three and six month periods ended September 30, 2009, product returns represented 3.0% and 3.1% of gross sales, respectively. At September 30, 2009 and March 31, 2009, the allowance for sales returns was $2.5 million and $2.2 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 4.4% to 3.3% 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, 2009 by approximately $357,000. Net income would have been adversely affected by approximately $222,000. An increase of 0.1% in our estimated return rate as a percentage of gross sales for the three and six month period ended September 30, 2009 would have adversely affected our reported sales and operating income by approximately $100,000 and $184,000, respectively, while our net income would have been adversely affected by approximately $62,000 and $114,000, respectively.

Allowances for Obsolete and Damaged Inventory

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

Many of our products are subject to expiration dating. As a general rule our customers will not accept goods with expiration dating of less than 12 months from the date of delivery. To monitor this risk, management utilizes a detailed compilation of inventory with expiration dating between zero and 15 months and reserves for 100% of the cost of any item with expiration dating of 12 months or less. At September 30, 2009 and March 31, 2009, the allowance for obsolete and slow moving inventory was $2.7 million and $1.4 million, representing 9.7% and 5.1%, respectively, of total inventory. Inventory obsolescence costs charged to operations were $2.2 million for the year ended March 31, 2009, while for the three and six month periods ended September 30, 2009, the Company recorded obsolescence costs of $1.5 million and $1.8 million, respectively. A 1.0% increase in our allowance for obsolescence at March 31, 2009 would have adversely affected our reported operating income and net income for the year ended March 31, 2009 by approximately $273,000 and $170,000, respectively. Similarly, a 1.0% increase in our allowance at September 30, 2009 would have adversely affected our reported operating income and net income for the three and six month periods ended September 30, 2009 by approximately $276,000 and $171,000, 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 0.5% and 0.3% of accounts receivable at September 30, 2009 and March 31, 2009, respectively. Bad debt expense for the year ended March 31, 2009 was $130,000, while during the three and six month periods ended September 30, 2009, the Company recorded bad debt expense of $50,000 and $100,000, respectively.

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 during the year ended March 31, 2009 would have resulted in a decrease in reported operating income of approximately $303,000, and a decrease in our reported net income of approximately $188,000. Similarly, a 0.1% increase in our bad debt expense as a percentage of sales for the three and six month periods ended September 30, 2009 would have resulted in a decrease in reported operating income of approximately $84,000 and $155,000, respectively, and a decrease in our reported net income of approximately $52,000 and $99,000, respectively.

Valuation of Intangible Assets and Goodwill

Goodwill and intangible assets amounted to $678.5 million and $683.4 million at September 30, 2009 and March 31, 2009, respectively. At September 30, 2009, 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	$ 104,100	$ 7,389	$ 2,751	$ 114,240
Intangible assets				
Indefinite-lived	334,750	119,821	--	454,571
Finite-lived	69,572	34,016	6,100	109,688
	404,322	153,837	6,100	564,259
	$ 508,422	$ 161,226	$ 8,851	$ 678,499

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. *Cutex* comprised the majority 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. Under accounting guidelines goodwill is not amortized, but must be tested for impairment annually, or more frequently if an event or circumstances change that would more likely than not reduce the fair value of the reporting unit below the carrying amount. In a similar manner, indefinite-lived assets are no longer amortized. They are also subject to an annual impairment test, or more frequently if events or changes in circumstances indicate that the asset may be impaired. Additionally, at each reporting period an evaluation must be made to determine whether events and circumstances continue to support an indefinite useful life. Intangible assets with finite lives are amortized over their respective estimated useful lives and must also be tested for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable and exceeds its fair value.

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, when events or changes in circumstances indicate the carrying value of the assets may not be recoverable, management performs a review 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, at each reporting period, 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.

The economic events experienced during the year ended March 31, 2009, as well as the Company's plans and projections for its brands, indicated that several of our brands could no longer support indefinite useful lives. Each of these brands incurred an impairment charge during the three month period ended March 31, 2009 and has been adversely affected by increased competition. Consequently, at April 1, 2009, management reclassified $45.6 million of previously indefinite-lived intangibles to intangibles with definite lives. Management estimates the useful lives of these intangibles to be 20 years.

The fair values and the annual amortization charges of the reclassified intangibles are as follows (in thousands):

Intangible	**Fair Value as of March 31, 2009**	**Annual Amortization**
Household Trademarks	$ 34,888	$ 1,745
OTC Healthcare Trademark	10,717	536
	$ 45,605	$ 2,281

Management 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.

Impairment Analysis

In estimating the value of trademarks and trade names, as well as goodwill at March 31, 2009, management applied a discount rate of 11.0%, the Company's estimated future weighted-average cost of funds, to the projected cash flows. This discounted cash flow methodology is a widely-accepted valuation technique utilized by market participants in the valuation process and has been applied consistently. In addition, we considered the Company's market capitalization at March 31, 2009, as compared to the aggregate fair values of our reporting units to assess the reasonableness of our estimates pursuant to the discounted cash flow methodology.

During the three month period ended March 31, 2009, as a direct consequence of the challenging economic environment, the dislocation of the debt and equity markets, and contracting consumer demand for our branded products, we recorded a non-cash charge in the amount of $249.6 million related to the impairment of intangible assets and goodwill across the entire product line because the carrying amount of these "branded" assets exceeded their respective fair values. A summary of the impairment activity by segment is as follows:

(In thousands)	**Over-the-Counter Healthcare**	**Household Cleaning**	**Personal Care**	**Consolidated**
Goodwill	$ 125,527	$ 65,160	$ --	$ 190,687
Intangible assets				
Indefinite-lived	28,603	16,184	--	44,787
Finite-lived	12,420	--	1,696	14,116
	41,023	16,184	1,696	58,903
	$ 166,550	$ 81,344	$ 1,696	$ 249,590

The discount rate utilized in the analyses, as well as future cash flows may be influenced by such factors as changes in interest rates and rates of inflation. Additionally, 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, changing consumer preferences, technological advances or reductions in advertising and promotional expenses, the Company may be required to record additional impairment charges in the future. However, the Company was not required to recognize an additional impairment charge during the three or six month period ended September 30, 2009.

Stock-Based Compensation

The Compensation and Equity Topics of the FASB ASC 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

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 $2.4 million and $1.1 million during the years ended March 31, 2009 and 2008, respectively. However, during the year ended March 31, 2009, management was required to reverse previously recorded stock-based compensation costs of $193,000 and $705,000 related to the May 2008 and 2007 grants, respectively, as it was determined that the Company would not meet the performance goals associated with such grants of restricted stock. During the year ended March 31, 2008, management for the same reasons 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. The Company recorded non-cash compensation expense of $177,000 and $848,000 during the three and six month periods ended September 30, 2009 and 2008, respectively, and non-cash compensation of $948,000 and $1.6 million during the three and six month periods ended September 30, 2008, respectively. During the six months ended September 30, 2009, management was required to reverse previously recorded stock-based compensation costs of $564,000 recorded in 2009, as the service requirements related to those grants were not met.

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 August 2009, the FASB issued authoritative guidance to provide clarification on measuring liabilities at fair value when a quoted price in an active market is not available. In these circumstances, a valuation technique should be applied that uses either the quote of the liability when traded as an asset, the quoted prices for similar liabilities or similar liabilities when traded as assets, or another valuation technique consistent with existing fair value measurement guidance, such as an income approach or a market approach. The new guidance also clarifies that when estimating the fair value of a liability, a reporting entity is not required to include a separate input or adjustment to other inputs relating to the existence of a restriction that prevents the transfer of the liability. This guidance is effective with the Company's fiscal 2010 third quarter. The Company does not anticipate this guidance will have a material impact on the Company’s consolidated financial statements.

In June 2009, the FASB issued authoritative guidance to eliminate the exception to consolidate a qualifying special-purpose entity, change the approach to determining the primary beneficiary of a variable interest entity and require companies to more frequently re-assess whether they must consolidate variable interest entities. Under the new guidance, the primary beneficiary of a variable interest entity is identified qualitatively as the enterprise that has both (a) the power to direct the activities of a variable interest entity that most significantly

impact the entity's economic performance, and (b) the obligation to absorb losses of the entity that could potentially be significant to the variable interest entity or the right to receive benefits from the entity that could potentially be significant to the variable interest entity. This guidance becomes effective for the Company's fiscal 2011 year-end and interim reporting periods thereafter. The Company does not expect this guidance to have a material impact on its consolidated financial statements.

In June 2009, the FASB established the FASB ASC as the source of authoritative accounting principles recognized by the FASB to be applied in the preparation of financial statements in conformity with generally accepted accounting principles. The new guidance explicitly recognizes rules and interpretive releases of the SEC under federal securities laws as authoritative accounting principles generally accepted in the United States of America ("GAAP") for SEC registrants. The new guidance became effective for our financial statements issued for the three and six month periods ending on September 30, 2009; however, the adoption of the FASB ASC did not have a material impact on the Company's financial position, results from operations or cash flows.

In May 2009, guidance was issued under the topic Subsequent Events related to the accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued or are available to be issued. Additionally, the new guidance requires the Company to disclose the date through which subsequent events have been evaluated, as well as whether that date is the date the financial statements were issued or the date the financial statements were available to be issued. As discussed above, subsequent to the period end the Company sold certain personal care products to an unrelated third party. The related assets and operating results were reclassified accordingly.

The Financial Instruments Topic of the FASB ASC requires disclosures about the fair values of financial instruments at interim reporting periods in addition to annual financial statements. Effective April 1, 2009, the new guidance involves in regard to the fair values of financial instruments only enhanced disclosures and did not have any impact on the Company's financial position, results from operations or cash flows.

The Investments-Debt and Equity Securities topic of the FASB ASC modified the threshold a company must meet to avoid recognizing other-than-temporary impairments of debt securities purchased as investments. Effective April 1, 2009, the implementation of the new guidance did not have any impact on the Company's financial position, results from operations or cash flows.

The Derivatives and Hedging Topic of the FASB ASC 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, the new guidance 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. The implementation of the new guidance at January 1, 2009 involved enhanced disclosures of derivative instruments and the Company's hedging activities and did not have any impact on the Company's financial position, results from operations or cash flows.

In September 2006, the FASB issued guidance on Fair Value Measurements and Disclosures, which 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. The Fair Value Measurements and Disclosures guidance 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 the guidance 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 the guidance, 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. Additionally, the implementation of the Fair Value Measurements and Disclosures guidance did not have a material effect as it relates to non-financial assets and non-financial liabilities that are recognized or disclosed at fair value in the Company's financial statements on a non-recurring basis.

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 Operation. 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 the forward-looking statements.

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

These forward-looking statements generally can be identified by the use of words or phrases such as "believe," "anticipate," "expect," "estimate," "project," "will be," "will continue," "will likely result," or other similar words and phrases. Forward-looking statements and our plans and expectations are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated, and our business in general is subject to such risks. For more information, see "Risk Factors" contained in Part II, Item 1A. of this Quarterly Report on Form 10-Q. 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, dispositions 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 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 indebtedness, and ability to service our debt,
- Any adverse judgments rendered in any pending litigation or arbitration,
- Our ability to obtain additional financing, and
- The restrictions imposed by our Senior Credit Facility and the indenture on our operations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to changes in interest rates because our Senior Credit Facility is variable rate debt. Interest rate changes generally do not affect the market value of the Senior Credit Facility, but do affect the amount of our interest payments and, therefore, our future earnings and cash flows, assuming other factors are held constant. At September 30, 2009 we had variable rate debt of approximately $212.3 million related to our Tranche B term loan.

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 a $50.0 million interest rate cap agreement that expired on May 30, 2008. Under the swap agreement, the Company pays a fixed rate of 2.88% while receiving a variable rate based on LIBOR. The fair value of the interest rate swap agreement of $1.6 million was included in other accrued liabilities at September 30, 2009. 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 months ending September 30, 2010 of approximately $2.1 million.

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 September 30, 2009. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of September 30, 2009, 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 September 30, 2009 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, 2009 and our Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2009. Except as set forth below, there have been no material developments in our pending legal proceedings since June 30, 2009. 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, 2009 and Part II, Item 1. of our Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2009.

Securities Class Action

The settlement agreed to by the Company and the lead plaintiffs has received preliminary fairness approval by the Court and class members have been notified. The settlement is expected to be presented to the Court for a final fairness determination at a hearing scheduled for December 4, 2009. If final approval of the settlement is obtained from the Court, the settlement would result in dismissal of all claims against us, our officers and directors and the other defendants in the action with prejudice. If the settlement is not completed, then the parties may attempt to reach agreement on another settlement or resume the litigation.

DenTek Litigation

On November 5, 2009, the Court issued an Opinion and Order construing one of the claims of the Company's U.S. Patent No. 6,830,051, which forms the basis for the patent infringement claims in the DenTek litigation. The Company believes the Opinion and Order issued by the Court is favorable to the Company's patent infringement claim against DenTek Oral Care, Inc.

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, 2009.

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

The Company's 2009 Annual Meeting of Stockholders was held on August 4, 2009 (the "Annual Meeting"). Proxies for the Annual Meeting were solicited in accordance with the Exchange Act to elect directors to serve until the 2010 Annual Meeting of Stockholders or until their earlier removal or resignation and to ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm for the fiscal year ending March 31, 2010. The following nominees were elected to the Company's Board of Directors to serve until the 2010 Annual Meeting of Stockholders or until their respective successors have been elected and qualified, or until their earlier death, resignation or retirement. The voting information for each elected nominee is set forth below:

	For	**Withheld**
Mark Pettie	44,250,178	1,919,571
L. Dick Buell	44,913,164	1,256,585
John E. Byom	45,062,758	1,106,991
Gary E. Costley	44,450,818	1,718,931
Vincent J. Hemmer	42,152,920	4,016,829
Patrick Lonergan	45,088,845	1,080,904
Peter C. Mann	44,669,582	1,500,167

The votes for the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the audit of the Company's financial statements for the fiscal year ending March 31, 2010 were as follows:

For	**Against**	**Abstain**
46,065,535	55,475	48,739

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: November 6, 2009

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

Exhibit Index

3.2	Amended and Restated Bylaws of Prestige Brands Holdings, Inc., as amended.
10.1	Employment Agreement, dated as of September 2, 2009, by and between Prestige Brands Holdings, Inc. and Mathew Mannelly.
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.

EXHIBIT 3.2

AMENDED AND RESTATED BYLAWS, AS AMENDED

OF

PRESTIGE BRANDS HOLDINGS, INC.

A DELAWARE CORPORATION
(Adopted as of June 24, 2004; Amended and Restated as of February 3, 2005;
Amended as of June 23, 2006 and September 2, 2009)

ARTICLE I

OFFICES

SECTION 1. REGISTERED OFFICE. The registered office of Prestige Brands Holdings, Inc. (the "CORPORATION") in the State of Delaware shall be located at 9 East Loockerman Street, #1B, in the City of Dover, County of Kent, 19901. The name of the Corporation's registered agent at such address shall be National Registered Agents, Inc. The registered office and/or registered agent of the Corporation may be changed from time to time by action of the Board of Directors of the Corporation (the "BOARD OF DIRECTORS").

SECTION 2. OTHER OFFICES. The Corporation may also have offices at such other places, both within and without the State of Delaware, as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

SECTION 1. PLACE OF MEETINGS. The Board of Directors may designate any place, either within or without the State of Delaware, as the place of meeting for any annual meeting or for any special meeting.

SECTION 2. ANNUAL MEETING. An annual meeting of stockholders shall be held each year and stated in a notice of meeting or in a duly executed waiver thereof. The date, time and place of such meeting shall be determined by the chief executive officer of the Corporation; PROVIDED THAT if the chief executive officer does not act, the Board of Directors shall determine the date, time, and place of such meeting. At such annual meeting, the stockholders shall elect, by a plurality vote, a Board of Directors and transact such other business as may properly be brought before the meeting.

SECTION 3. SPECIAL MEETINGS. Special meetings of the stockholders may only be called in the manner provided in the Corporation's certificate of incorporation as then in effect (the "CERTIFICATE OF INCORPORATION").

SECTION 4. NOTICE OF MEETINGS. Whenever stockholders are required or permitted to take action at a meeting, written notice of each annual and special meeting of stockholders stating the date, time and place of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each stockholder of record entitled to vote thereat not less than 10 nor more than 60 days before the date of the meeting. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice. Notice shall be given personally or by mail and, if by mail, shall be sent in a postage prepaid

envelope, addressed to the stockholder at his, her or its address as the same appears on the records of the Corporation. Notice by mail shall be deemed given at the time when the same shall be deposited in the United States mail, postage prepaid. Notice of any meeting shall not be required to be given to any person who attends such meeting, except when such person attends the meeting in person or by proxy for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened, or who, either before or after the meeting, shall submit a signed written waiver of notice, in person or by proxy. Neither the business to be transacted at, nor the purpose of, an annual or special meeting of stockholders need be specified in any written waiver of notice.

SECTION 5. LIST OF STOCKHOLDERS. The officer having charge of the stock ledger of the Corporation shall prepare and make, at least 10 days before each meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, showing the address of and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting for a period of at least 10 days prior to the meeting: (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

SECTION 6. QUORUM; ADJOURNMENTS. The holders of a majority of the voting power of the issued and outstanding stock of the Corporation entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of stockholders, except as otherwise provided by statute or by the Certificate of Incorporation. If, however, such quorum shall not be present or represented by proxy at any meeting of stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented by proxy. At such adjourned meeting at which a quorum shall be present or represented by proxy, any business may be transacted which might have been transacted at the meeting as originally called. If the adjournment is for more than 30 days, or, if after adjournment a new record date is set, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

SECTION 7. ORGANIZATION. At each meeting of stockholders, the Chairman of the Board, if one shall have been elected, or, in his absence or if one shall not have been elected, the chief executive officer shall act as chairman of the meeting. The secretary or, in his absence or inability to act, the person whom the chairman of the meeting shall appoint secretary of the meeting shall act as secretary of the meeting and keep the minutes thereof.

SECTION 8. ORDER OF BUSINESS. The order of business at all meetings of the stockholders shall be as determined by the chairman of the meeting.

SECTION 9. VOTING. Except as otherwise provided by the Certificate of Incorporation, the General Corporation Law of the State of Delaware or the certificate of designation relating to any outstanding class or series of preferred stock, each stockholder of the Corporation shall be entitled at each meeting of stockholders to one vote for each share of capital stock of the Corporation standing in his name on the record of stockholders of the Corporation:

(a) on the date fixed pursuant to the provisions of Section 13 of Article II of these

Bylaws as the record date for the determination of the stockholders who shall be entitled to notice of and to vote at such meeting; or

(b) if no such record date shall have been so fixed, then at the close of business on the day next preceding the day on which notice thereof shall be given, or, if notice is waived, at the close of business on the date next preceding the day on which the meeting is held.

Each stockholder entitled to vote at any meeting of stockholders may authorize another person or persons to act for him by a proxy which is in writing or transmitted as permitted by law, including, without limitation, electronically, via telegram, internet, interactive voice response system, or other means of electronic transmission executed or authorized by such stockholder or his attorney-in-fact, but no proxy shall be voted after three years from its date, unless the proxy provides for a longer period. Any such proxy shall be delivered to the secretary of the meeting at or prior to the time designated in the order of business for so delivering such proxies. Any proxy transmitted electronically shall set forth information from which it can be determined by the secretary of the meeting that such electronic transmission was authorized by the stockholder. When a quorum is present at any meeting, the vote of the holders of a majority of the voting power of the issued and outstanding stock of the Corporation entitled to vote thereon, present and voting, in person or represented by proxy, shall decide any question brought before such meeting, unless the question is one upon which by express provision of statute or of the Certificate of Incorporation or of these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question. Unless required by statute, or determined by the chairman of the meeting to be advisable, the vote on any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the stockholder voting, or by his proxy, if there be such proxy, and shall state the number of shares voted and the number of votes to which each share is entitled.

SECTION 10. INSPECTORS. The Board of Directors may, in advance of any meeting of stockholders, appoint one or more inspectors to act at such meeting or any adjournment thereof. If any of the inspectors so appointed shall fail to appear or act, the chairman of the meeting shall, or if inspectors shall not have been appointed, the chairman of the meeting may, appoint one or more inspectors. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his ability. The inspectors shall determine the number of shares of capital stock of the Corporation outstanding and the voting power of each, the number of shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the results, and do such acts as are proper to conduct the election or vote with fairness to all stockholders. On request of the chairman of the meeting, the inspectors shall make a report in writing of any challenge, request or matter determined by them and shall execute a certificate of any fact found by them. No director or candidate for the office of director shall act as an inspector of an election of directors. Inspectors need not be stockholders.

SECTION 11. ADVANCE NOTICE PROVISIONS FOR ELECTION OF DIRECTORS.

(a) Only persons who are nominated in accordance with the procedures set forth in these Bylaws shall be eligible to serve as directors. Nominations of persons for election to the Board of Directors of the Corporation may be made at a meeting of stockholders (i) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (ii) by any stockholder of the Corporation who was a stockholder of record at the time of giving of notice provided for in this Bylaw, who is entitled to vote generally in the election of directors at the meeting and who shall have complied with the notice procedures set forth below in Section 11(b).

(b) In order for a stockholder to nominate a person for election to the Board of Directors of the Corporation at a meeting of stockholders, such stockholder shall have delivered timely notice of such stockholder's intent to make such nomination in writing to the secretary of the Corporation. To be timely, a stockholder's notice to the secretary must be delivered to or mailed and received at the principal executive offices of the Corporation (i) in the case of an annual meeting, not less than 90 nor more than 120 days prior to the date of the first anniversary of the previous year's annual meeting; PROVIDED, HOWEVER, that in the event the annual meeting is scheduled to be held on a date more than 30 days prior to or delayed by more than 60 days after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the 10th day following the earlier of the day on which notice of the date of the meeting was mailed or public disclosure of the meeting was made and (ii) in the case of a special meeting at which directors are to be elected, not later than the close of business on the 10th day following the earlier of the day on which notice of the date of the meeting was mailed or public disclosure of the meeting was made. To be in proper form, a stockholder's notice shall set forth (i) as to each person whom the stockholder proposes to nominate for election as a director at such meeting (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by the person and (D) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT"); and (ii) as to the stockholder giving the notice (A) the name and record address of such stockholder, (B) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by such stockholder, (C) a description of all arrangements or understandings between such stockholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such stockholder, (D) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice and (E) any other information relating to such stockholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Regulation 14A under the Exchange Act. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected. For purposes of this section, "PUBLIC DISCLOSURE" shall mean disclosure in a Current Report on Form 8-K (or any successor form) or in a press release reported by Dow Jones News Service, Associated Press or a comparable national news service.

(c) No person shall be eligible to serve as a director of the Corporation unless nominated in accordance with the procedures set forth in this section. The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by this section, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded. A stockholder seeking to nominate a person to serve as a director must also comply with all applicable requirements of the Exchange Act, and the rules and regulations thereunder with respect to the matters set forth in this section.

SECTION 12. ADVANCE NOTICE PROVISIONS FOR OTHER BUSINESS TO BE CONDUCTED AT AN ANNUAL MEETING. At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of

Directors (or any duly authorized committee thereof), (ii) brought before the meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (iii) otherwise properly brought before the meeting by a stockholder. For business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the secretary of the Corporation. To be timely, a stockholder's notice to the secretary must be delivered to or mailed and received at the principal executive offices of the Corporation not less than 90 nor more than 120 days prior to the date of the first anniversary of the previous year's annual meeting; PROVIDED, HOWEVER, that in the event the annual meeting is scheduled to be held on a date more than 30 days prior to or delayed by more than 60 days after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the 10th day following the day on which notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made, whichever occurs first. To be in proper form, a stockholder's notice to the secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting, (ii) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business, (iii) the class and number of shares of the Corporation which are beneficially owned by the stockholder, (iv) any material interest of the stockholder in such business and (v) a representation that such stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting.

Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at an annual meeting except in accordance with the procedures set forth in this section. The presiding officer of an annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting and in accordance with the provisions of this section; if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted. For purposes of this section, "PUBLIC DISCLOSURE" shall mean disclosure in a Current Report on Form 8-K (or any successor form) or in a press release reported by Dow Jones News Service, Associated Press or a comparable national news service. Nothing in this section shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

SECTION 13. ACTION BY WRITTEN CONSENT. Whenever the vote of stockholders at a meeting thereof is required or permitted to be taken for or in connection with any corporate action by any provision of the General Corporation Law of the State of Delaware, the Certificate of Incorporation or these Bylaws, the meeting and vote of stockholders may be dispensed with, and the action taken without such meeting and vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of the outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of stock of the Corporation entitled to vote thereon were present and voted. The consent shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, or the Corporation's principal place of business, or an officer or agent of the Corporation having custody of the book or books in which the proceedings of meetings of the stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested; PROVIDED, HOWEVER, that no consent delivered by certified or registered mail shall be deemed delivered until such consent is actually received at the Corporation's registered office. All consents properly delivered in accordance with this Section 13 shall be deemed to be recorded when so delivered. No written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the earliest dated consent delivered to the Corporation as required by this Section 13, written consents signed by the holders of a sufficient number of shares to take such corporate action are so recorded. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those

stockholders who have not consented in writing. Any action taken pursuant to such written consent of the stockholders shall have the same force and effect as if taken by the stockholders at a meeting thereof.

SECTION 14. FIXING A RECORD DATE. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 60 days prior to any other action. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the day next preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; PROVIDED, HOWEVER, that the Board of Directors may fix a new record date for the adjourned meeting.

In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. Any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent shall, by written notice to the secretary, request the Board of Directors to fix a record date. Such notice shall specify the action proposed to be consented to by stockholders. The Board of Directors shall promptly, but in all events within 10 days after the date on which such a request is received, adopt a resolution fixing the record date. If no record date has been fixed by the Board of Directors within 10 days after the date on which such a request is received, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation. Such delivery to the Corporation shall be made to its registered office in the State of Delaware, its principal place of business, or any officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded, to the attention of the secretary of the Corporation. Such delivery shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by applicable law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be the close of business on the date on which the Board of Directors adopts the resolution taking such prior action.

In the event of delivery to the Corporation of a written consent or written consents purporting to authorize or take corporate action, and/or related revocation or revocations, (each such written consent and related revocation, individually and collectively, a "CONSENT"), the secretary of the Corporation shall provide for the safekeeping of such Consent and shall as soon as practicable thereafter conduct such reasonable investigation as the secretary deems necessary or appropriate for the purpose of ascertaining the validity of such Consent and all matters incident thereto, including, without limitation, whether holders of shares having the requisite voting power to authorize or take the action specified in the Consent have given consent. If after such investigation the secretary shall determine that the Consent is sufficient and valid, that fact shall be certified on the records of the Corporation kept for the purpose of recording the proceedings of

meetings of the stockholders, and the Consent shall be filed in such records, at which time the Consent shall become effective as stockholder action.

ARTICLE III

DIRECTORS

SECTION 1. GENERAL POWERS. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. The Board of Directors may exercise all such authority and powers of the Corporation and do all such lawful acts and things as are not by statute or the Certificate of Incorporation directed or required to be exercised or done by the stockholders.

SECTION 2. ANNUAL MEETINGS. The annual meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of stockholders.

SECTION 3. REGULAR MEETINGS AND SPECIAL MEETINGS. Regular meetings, other than the annual meeting, of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by resolution of the Board of Directors. Special meetings of the Board of Directors may be called by the chairman of the board (if one shall have been elected), the lead director (if one shall have been elected), the president (if the president is a director) or upon the request of at least a majority of the directors then in office.

SECTION 4. NOTICE OF MEETINGS. Notice of regular meetings of the Board of Directors need not be given except as otherwise required by law or these Bylaws. Notice of each special meeting of the Board of Directors, and of each regular and annual meeting of the Board of Directors for which notice shall be required, shall be given by the secretary as hereinafter provided in this Section 4, in which notice shall be stated the time and place of the meeting. Except as otherwise required by these Bylaws, such notice need not state the purposes of such meeting. Notice of any special meeting, and of any regular or annual meeting for which notice is required, shall be given to each director at least (a) twenty-four (24) hours before the meeting if by telephone or by being personally delivered or sent by telex, telecopy, email or similar means or (b) five (5) days before the meeting if delivered by mail to the director's residence or usual place of business. Such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage prepaid, or when transmitted if sent by telex, telecopy, email or similar means. Neither the business to be transacted at, nor the purpose of, any special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting. Any director may waive notice of any meeting by a writing signed by the director entitled to the notice and filed with the minutes or corporate records.

SECTION 5. WAIVER OF NOTICE AND PRESUMPTION OF ASSENT. Any member of the Board of Directors or any committee thereof who is present at a meeting shall be conclusively presumed to have waived notice of such meeting except when such member attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Such member shall be conclusively presumed to have assented to any action taken unless his or her dissent shall be entered in the minutes of the meeting or unless his or her written dissent to such action shall be filed with the person acting as the secretary of the meeting before the adjournment thereof or shall be forwarded by registered mail to the secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to any member who voted in favor of such action.

SECTION 6. QUORUM, REQUIRED VOTE AND ADJOURNMENT. The chairman of the board, if one shall have been elected, or in his absence or if one shall not have been elected, the lead director, if one shall have been designated, or if a lead director shall not have been designated or in the absence of the lead director, the president (if the president is a director and is not also the chairman of the board) shall preside at such meetings, and, if the president is not present at such meeting, a majority of the directors present at such meeting shall elect one of their members to so preside. A majority of the total number of directors then in office shall constitute a quorum for the transaction of business. Unless by express provision of an applicable law, the Certificate of Incorporation or these Bylaws a different vote is required, the vote of a majority of directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

SECTION 7. COMMITTEES. The Board of Directors (i) may, by resolution passed by a majority of the entire Board of Directors, designate one or more committees, including an executive committee, consisting of one or more of the directors of the Corporation, and (ii) shall during such period of time as any securities of the Corporation are listed on the New York Stock Exchange (the "NYSE"), by resolution passed by a majority of the entire Board of Directors, designate all committees required by the rules and regulations of the NYSE. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Except to the extent restricted by applicable law or the Certificate of Incorporation, each such committee, to the extent provided in the resolution creating it, shall have and may exercise all the powers and authority of the Board of Directors. Each such committee shall serve at the pleasure of the Board of Directors as may be determined from time to time by resolution adopted by the Board of Directors or as required by the rules and regulations of the NYSE, if applicable. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors upon request.

SECTION 8. COMMITTEE RULES. Each committee of the Board of Directors may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by a resolution of the Board of Directors designating such committee. Unless otherwise provided in such a resolution, the presence of at least a majority of the members of the committee shall be necessary to constitute a quorum. Unless otherwise provided in such a resolution, in the event that a member and that member's alternate, if alternates are designated by the Board of Directors, of such committee is or are absent or disqualified, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member.

SECTION 9. COMMUNICATIONS EQUIPMENT. Members of the Board of Directors or any committee thereof may participate in and act at any meeting of such board or committee through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear and speak with each other, and participation in the meeting pursuant to this section shall constitute presence in person at the meeting.

SECTION 10. ACTION BY WRITTEN CONSENT. Unless otherwise restricted by the Certificate of Incorporation, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of such board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board or committee.

SECTION 11. COMPENSATION. The Board of Directors shall have the authority to fix the compensation, including fees and reimbursement of expenses, of directors for services to the Corporation in any capacity.

SECTION 12. RELIANCE ON BOOKS AND RECORDS. A member of the Board of Directors, or a member of any committee designated by the Board of Directors shall, in the performance of such person's duties, be fully protected in relying in good faith upon records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of the Corporation's officers or employees, or committees of the Board of Directors, or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

ARTICLE IV

OFFICERS

SECTION 1. NUMBER. The officers of the Corporation shall be elected by the Board of Directors and shall consist of a chairman of the board (which shall be an optional office), a chief executive officer, a president, one or more vice-presidents, a secretary, a chief financial officer and such other officers and assistant officers as may be deemed necessary or desirable by the Board of Directors. Any number of offices may be held by the same person, except that neither the chief executive officer nor the president shall also hold the office of secretary. In its discretion, the Board of Directors may choose not to fill any office for any period as it may deem advisable, except that the offices of president and secretary shall be filled as expeditiously as possible.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers of the Corporation shall be elected annually by the Board of Directors at its first meeting held after each annual meeting of stockholders or as soon thereafter as convenient. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Each officer shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

SECTION 3. REMOVAL. Any officer or agent elected by the Board of Directors may be removed by the Board of Directors at its discretion, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

SECTION 4. VACANCIES. Any vacancy occurring in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors.

SECTION 5. COMPENSATION. Compensation of all executive officers shall be approved by the Board of Directors, and no officer shall be prevented from receiving such compensation by virtue of his or her also being a director of the Corporation; PROVIDED HOWEVER, that compensation of some or all executive officers may be determined by a committee established for that purpose if so authorized by the unanimous vote of the Board of Directors or as required by applicable law or regulation, including any exchange or market upon which the Corporation's securities are then listed for trading or quotation.

SECTION 6. CHAIRMAN OF THE BOARD. The chairman of the board, if one shall have been elected, shall preside at all meetings of the stockholders and of the Board of Directors and shall have such other powers and perform such other duties as may be prescribed to him or her by the Board of Directors or provided in these Bylaws.

SECTION 7. CHIEF EXECUTIVE OFFICER. The chief executive officer shall have the powers and perform the duties incident to that position. Subject to the powers of the Board of Directors and the chairman of the board (if one shall have been elected), the chief executive officer shall be in the general and active charge of the entire business and affairs of the Corporation, and shall be its chief policy making officer. The chief executive officer shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or provided in these Bylaws. The chief executive officer is authorized to execute bonds, mortgages and other contracts requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation. Whenever the president is unable to serve, by reason of sickness, absence or otherwise, the chief executive officer shall perform all the duties and responsibilities and exercise all the powers of the president.

SECTION 8. THE PRESIDENT. The president of the Corporation shall, subject to the powers of the Board of Directors, the chairman of the board (if one shall have been elected) and the chief executive officer, have general charge of the business, affairs and property of the Corporation, and control over its officers, agents and employees. The president shall see that all orders and resolutions of the Board of Directors are carried into effect. The president is authorized to execute bonds, mortgages and other contracts requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation. The president shall have such other powers and perform such other duties as may be prescribed by the chairman of the board (if one shall have been elected), the chief executive officer, the Board of Directors or as may be provided in these Bylaws.

SECTION 9. VICE-PRESIDENTS. The vice-president, or if there shall be more than one, the vice-presidents in the order determined by the Board of Directors or the chairman of the board (if one shall have been elected), shall, in the absence or disability of the president, act with all of the powers and be subject to all the restrictions of the president. The vice-presidents shall also perform such other duties and have such other powers as the Board of Directors, the chairman of the board (if one shall have been elected), the chief executive officer, the president or these Bylaws may, from time to time, prescribe. The vice-presidents may also be designated as executive vice-presidents or senior vice-presidents, as the Board of Directors may from time to time prescribe.

SECTION 10. THE SECRETARY AND ASSISTANT SECRETARIES. The secretary shall attend all meetings of the Board of Directors (other than executive sessions thereof) and all meetings of the stockholders and record all the proceedings of the meetings in a book or books to be kept for that purpose or shall ensure that his or her designee attends each such meeting to act in such capacity. Under the supervision of the chairman of the board or, if one has not been elected, the chief executive officer, the secretary shall give, or cause to be given, all notices required to be given by these Bylaws or by law; shall have such powers and perform such duties as the Board of Directors, the chairman of the board (if one shall have been elected), the chief executive officer, the president or these Bylaws may, from time to time, prescribe; and shall have custody of the corporate seal of the Corporation. The secretary, or an assistant secretary, shall have authority to affix the corporate seal to any instrument requiring it and when so affixed, it may be attested by his or her signature or by the signature of such assistant secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his or her signature. The assistant secretary, or if there be more than one, any of the assistant secretaries, shall in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the

Board of Directors, the chairman of the board (if one shall have been elected), the chief executive officer, the president, or secretary may, from time to time, prescribe.

SECTION 11. THE CHIEF FINANCIAL OFFICER. The chief financial officer shall have the custody of the corporate funds and securities; shall keep full and accurate all books and accounts of the Corporation as shall be necessary or desirable in accordance with applicable law or generally accepted accounting principles; shall deposit all monies and other valuable effects in the name and to the credit of the Corporation as may be ordered by the chairman of the board or, if one has not been elected, the chief executive officer or the Board of Directors; shall cause the funds of the Corporation to be disbursed when such disbursements have been duly authorized, taking proper vouchers for such disbursements; and shall render to the Board of Directors, at its regular meeting or when the Board of Directors so requires, an account of the Corporation; shall have such powers and perform such duties as the Board of Directors, the chairman of the board (if one shall have been elected), the chief executive officer, the president or these Bylaws may, from time to time, prescribe.

SECTION 12. OTHER OFFICERS, ASSISTANT OFFICERS AND AGENTS. Officers, assistant officers and agents, if any, other than those whose duties are provided for in these Bylaws, shall have such authority and perform such duties as may from time to time be prescribed by resolution of the Board of Directors.

SECTION 13. ABSENCE OR DISABILITY OF OFFICERS. In the case of the absence or disability of any officer of the Corporation and of any person hereby authorized to act in such officer's place during such officer's absence or disability, the Board of Directors may by resolution delegate the powers and duties of such officer to any other officer or to any director, or to any other person selected by it.

ARTICLE V

CERTIFICATES OF STOCK

SECTION 1. FORM. The shares of stock of the Corporation shall be represented by certificates, PROVIDED that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of stock of the Corporation shall be uncertificated shares of stock. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock represented by a certificate and, upon request, every holder of uncertificated shares shall be entitled to have a certificate, signed by, or in the name of the Corporation by the chairman of the board (if one shall have been elected), the chief executive officer or the president and the secretary or an assistant secretary of the Corporation, certifying the number of shares owned by such holder in the Corporation. If such a certificate is countersigned (i) by a transfer agent or an assistant transfer agent other than the Corporation or its employee or (ii) by a registrar, other than the Corporation or its employee, the signature of any such chairman of the board (if one shall have been elected), chief executive officer, president, secretary or assistant secretary may be facsimiles. In case any officer or officers who have signed, or whose facsimile signature or signatures have been used on, any such certificate or certificates shall cease to be such officer or officers of the Corporation whether because of death, resignation or otherwise before such certificate or certificates have been delivered by the Corporation, such certificate or certificates may nevertheless be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of the Corporation. All certificates for shares shall be consecutively numbered or otherwise identified. The name of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the books of the

Corporation. Shares of stock of the Corporation shall only be transferred on the books of the Corporation by the holder of record thereof or by such holder's attorney duly authorized in writing, upon surrender to the Corporation of the certificate or certificates for such shares endorsed by the appropriate person or persons, with such evidence of the authenticity of such endorsement, transfer, authorization and other matters as the Corporation may reasonably require, and accompanied by all necessary stock transfer stamps. In that event, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate or certificates and record the transaction on its books. The Board of Directors may appoint a bank or trust company organized under the laws of the United States or any state thereof to act as its transfer agent or registrar, or both in connection with the transfer of any class or series of securities of the Corporation. The Board of Directors may make such additional rules and regulations, not inconsistent with these Bylaws, as it may deem expedient concerning the issue, transfer and registration of certificates for shares of stock of the Corporation.

SECTION 2. LOST CERTIFICATES. The Corporation may issue or direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the Corporation may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his or her legal representative, to give the Corporation a bond sufficient to indemnify the Corporation against any claim that may be made against the Corporation on account of the loss, theft or destruction of any such certificate or the issuance of such new certificate.

SECTION 3. REGISTERED STOCKHOLDERS. Prior to the surrender to the Corporation of the certificate or certificates for a share or shares of stock with a request to record the transfer of such share or shares, the Corporation may treat the registered owner as the person entitled to receive dividends, to vote, to receive notifications and otherwise to exercise all the rights and powers of an owner. The Corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof.

ARTICLE VI

GENERAL PROVISIONS

SECTION 1. DIVIDENDS. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, in accordance with applicable law. Dividends may be paid in cash, in property or in shares of the capital stock, subject to the provisions of applicable law and the Certificate of Incorporation. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or any other purpose and the directors may modify or abolish any such reserve in the manner in which it was created.

SECTION 2. CHECKS, NOTES, DRAFTS, ETC. All checks, notes, drafts or other orders for the payment of money of the Corporation shall be signed, endorsed or accepted in the name of the Corporation by such officer, officers, person or persons as from time to time may be designated by the Board of Directors or by an officer or officers authorized by the Board of Directors to make

such designation.

SECTION 3. CONTRACTS. In addition to the powers otherwise granted to officers pursuant to ARTICLE IV hereof, the Board of Directors may authorize any officer or officers, or any agent or agents, of the Corporation to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

SECTION 4. LOANS. Subject to compliance with applicable law (including the Sarbanes-Oxley Act of 2002, as amended), the Corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the Corporation or of its subsidiaries, including any officer or employee who is a director of the Corporation or its subsidiaries, whenever, in the judgment of the directors, such loan, guaranty or assistance may reasonably be expected to benefit the Corporation. The loan, guaranty or other assistance may be with or without interest, and may be unsecured, or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the Corporation. Nothing in this section shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the Corporation at common law or under any statute.

SECTION 5. FISCAL YEAR. The fiscal year of the Corporation shall end on March 31 of each fiscal year and may thereafter be changed by resolution of the Board of Directors.

SECTION 6. CORPORATE SEAL. The Board of Directors may provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the Corporation and the words "Corporate Seal, Delaware." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. Notwithstanding the foregoing, no seal shall be required by virtue of this Section.

SECTION 7. VOTING SECURITIES OWNED BY CORPORATION. Voting securities in any other Corporation held by the Corporation shall be voted by the chief executive officer, the president or a vice-president, unless the Board of Directors specifically confers authority to vote with respect thereto, which authority may be general or confined to specific instances, upon some other person or officer. Any person authorized to vote securities shall have the power to appoint proxies, with general power of substitution.

SECTION 8. INSPECTION OF BOOKS AND RECORDS. The Board of Directors shall have power from time to time to determine to what extent and at what times and places and under what conditions and regulations the accounts and books of the Corporation, or any of them, shall be open to the inspection of the stockholders; and no stockholder shall have any right to inspect any account or book or document of the Corporation, except as conferred by the laws of the State of Delaware, unless and until authorized so to do by resolution of the Board of Directors or of the stockholders of the Corporation.

SECTION 9. SECTION HEADINGS. Section headings in these Bylaws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

SECTION 10. INCONSISTENT PROVISIONS. In the event that any provision of these Bylaws is or becomes inconsistent with any provision of the Certificate of Incorporation, the General Corporation Law of the State of Delaware or any other applicable law, the provision of these Bylaws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

ARTICLE VII

AMENDMENTS

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors of the Corporation is expressly authorized to make, alter, amend, change, add to or repeal these Bylaws by the affirmative vote of a majority of the total number of directors then in office. Any alteration or repeal of these Bylaws by the stockholders of the Corporation shall be done solely in accordance with the terms of the Corporation’s Certificate of Incorporation.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this “Agreement”), is made and entered into by and between **PRESTIGE BRANDS HOLDINGS, INC.** (the “Company”) and **MATTHEW MANNELLY** (“Executive”) as of September 2, 2009 (the “Effective Date”).

W I T N E S S E T H:

WHEREAS, the Company desires to employ Executive, and Executive desires to enter into the employ of the Company, on the terms and conditions contained in this Agreement;

NOW, **THEREFORE**, in consideration of the promises and mutual agreements contained herein and intending to be legally bound hereby, the parties hereto agree as follows:

1. EMPLOYMENT.

Subject to the terms and conditions of this Agreement, the Company hereby employs Executive as its Chief Executive Officer, reporting to the Board of Directors of the Company (the “Board”).

2. DURATION OF AGREEMENT.

2.1 Initial Term. Executive’s employment shall begin as of the Effective Date, and shall continue until August 31, 2012, unless extended pursuant to Section 2.2, or earlier terminated pursuant to any of Articles 5, 6, 7, or 8. The specified period during which this Agreement is in effect is the “Term.”

2.2 Extensions of Term. For purposes of this Agreement, September 1, 2012 and each September 1 thereafter shall be referred to as an “Anniversary Date,” and the one-year period from each Anniversary Date to the next shall be referred to as a “Contract Year.” On each Anniversary Date, beginning September 1, 2012, unless either party to this Agreement has notified the other in writing not less than six (6) months prior to such Anniversary Date of that party’s intention to allow this Agreement to expire and not be renewed at the end of the then-current Term, the Term shall automatically be extended for one Contract Year on and from the applicable Anniversary Date.

3. POSITION AND DUTIES.

3.1 Position. Executive shall serve as the Company’s Chief Executive Officer and, in that capacity, perform such duties and have such responsibilities as may be prescribed from time to time by the Board that are reasonably consistent with the position of Chief Executive Officer and consistent with the Company’s organizational documents. At the beginning of the Term, the Company shall appoint Executive to the Board and, so long as Executive is serving as Chief Executive Officer, the Company shall nominate Executive for election as a member of the Board at each meeting of the Company’s shareholders at which the election of Executive is subject to a vote by the Company’s shareholders and shall recommend that the shareholders of the Company vote to elect Executive as a member of the Board. From time to time, Executive also may be

designated to such other offices within the Company or its subsidiaries and affiliates as may be necessary or appropriate for the convenience of the businesses of the Company and its subsidiaries and affiliates.

3.2 Full-Time Efforts. Executive shall perform and discharge faithfully, diligently and to the best of his ability his duties and responsibilities to the Company, devote his full-time efforts to the business and affairs of the Company, and not devote time to activities or interests that would impair his ability to perform his obligations to the Company. Executive shall not be precluded from reasonable charitable and community activities and industry or professional activities, or managing his personal business interests and investments, so long as such activities do not interfere with the performance of Executive's responsibilities under this Agreement. Executive shall promote the best interests of the Company and take no action that in any way damages the public image or reputation of the Company, its subsidiaries or its affiliates.

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

3.4 No Employment Restriction. Executive represents and covenants that his employment by the Company hereunder does not violate any agreement or covenant to which he is subject or by which he is bound and that there is no such agreement or covenant that could restrict or impair his ability to perform his duties or discharge his responsibilities to the Company.

4. COMPENSATION AND BENEFITS.

4.1 Base Salary. Subject to the terms and conditions set forth in this Agreement, during the term the Company shall pay Executive, and Executive shall accept a base salary ("Base Salary") at the rate of Five Hundred and Twenty Thousand Dollars ($520,000) per annum. The Base Salary shall be paid in accordance with the Company's normal payroll practices and pro rated for partial periods, if any, based on the actual number of days in the applicable period. The Executive shall be entitled to periodic performance reviews (no less frequently than annually), the first of which shall take place on or before August 2011. Beginning with the Contract Year commencing September 1, 2012 and for each subsequent Contract Year, Executive shall be eligible for increases in Base Salary during each Contract Year, as may be determined and approved by the Board, taking into account the factors that the Board then considers relevant to the salaries of its executives.

4.2 Incentive, Savings and Retirement Plans. During the Term, Executive shall be eligible to participate in all incentive (including, without limitation, long-term incentive plans), savings and retirement plans, welfare benefit plans, practices, policies and programs (including, without limitation, as applicable, medical, prescription, dental, disability, executive life, group life, accidental death and travel accident insurance plans and programs) applicable generally to senior executive officers of the Company ("Senior Executives"), and on the same basis as such

Senior Executives, except as to benefits that are specifically applicable to Executive pursuant to this Agreement. Without limiting the foregoing, the following provisions shall apply with respect to Executive:

(a) Annual Incentive Bonus Plan. Executive shall be entitled to an annual incentive bonus opportunity, the amount and terms of which shall be determined by the Compensation Committee of the Board (the "Committee"), except as set forth in the next sentence. The Executive's annual target (subject to such performance and other criteria as may be established by the Committee) incentive bonus shall be 90.0% of Base Salary, subject to proration for partial periods, if any. Notwithstanding the foregoing and for purposes of the Executive's bonus for the 2010 fiscal year only, the Executive's target incentive bonus shall be $293,000. The performance and other criteria in respect of any such bonus shall be determined by the Committee in its sole discretion.

(b) Signing Payment. Executive shall be entitled to a one-time signing payment of $175,000, to be paid at the first regular pay period after the Effective Date. The amount of annual incentive bonus earned pursuant to Section 4.2(a) for the Company's 2010 fiscal year, if any, shall be in addition to the amount of the signing payment.

(c) Equity Awards. The Company shall grant to the Executive the following equity awards on the Effective Date:

(i) Stock options to purchase 1,125,000 shares of the Company's common stock pursuant to the Option Agreement set forth as **Exhibit A** hereto (the "Option Award").

(ii) 135,000 shares of Restricted Stock pursuant to the Restricted Stock Award Agreement set forth as **Exhibit B** hereto (the "Restricted Stock Award").

(d) Vacation. During each year through the Term, Executive shall be granted four (4) weeks' paid vacation in accordance with the Company's vacation policy as in effect and as approved by the Committee from time to time. The timing of paid vacations shall be scheduled in a reasonable manner by the Executive.

(e) Business Expenses. Executive shall be reimbursed for all reasonable business expenses incurred in carrying out his duties hereunder in accordance with the policies, practices and procedures of the Company as in effect from time to time. Executive shall be entitled to be reimbursed for an annual executive medical examination in accordance with the Company's policies as in effect from time to time.

(f) No Other Benefits. Executive will not be entitled to any benefit or perquisite other than as specifically set out in this Agreement or agreed to in writing by the Company. In particular, while the Board could determine otherwise,

neither Executive nor the Company presently anticipate additional Long-Term Equity Incentive Plan (the “LTIP Plan”) awards for the initial Term of this Agreement or, if this Agreement is extended, for either of the first two Contract Years.

5. TERMINATION FOR CAUSE.

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

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

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

(c) Executive’s personal dishonesty or willful misconduct, in each case in connection with his employment by the Company;

(d) Breach of fiduciary duty or breach of the duty of loyalty to the Company which a majority of the Board determines in its sole and absolute good faith discretion materially adversely affects the Company or Executive’s ability to perform his duties under this Agreement;

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

(f) Indictment of the Executive for any felony (other than minor traffic offenses) or any crime involving moral turpitude;

(g) Intentional breach by the Executive of any provision of this Agreement or of any Company policy adopted by the Board not cured within 30 days after notice from the Board;

(h) The willful continued failure of Executive to perform substantially Executive’s duties with the Company (other than any such failure resulting from incapacity due to Disability) if not cured within 30 days after a written demand for substantial performance is delivered to Executive by a majority of

the Board that specifically identifies the manner in which such Board believes that Executive has not substantially performed Executive's duties. For clarity, the failure of the Company to meet its business plans shall not be, in and of itself, grounds for Termination for Cause.

5.2 Board Determination of Cause. For purposes of Section 5.1, a majority of the Board (excluding Executive) shall determine in its sole and absolute good faith discretion whether Cause exists.

6. TERMINATION UPON DEATH.

Notwithstanding anything herein to the contrary, this Agreement shall terminate immediately upon Executive's death, and the Company shall have no further liability to Executive or his beneficiaries under this Agreement, other than for payment of Accrued Obligations (as defined in Section 8.2(a), and the timely payment or provision of Other Payments (as defined in Section 8.2(c)(1)), including without limitation benefits under such plans, programs, practices and policies relating to death benefits, if any, as are applicable to Executive on the date of his death. This payment shall be paid in a lump sum to the Executive's estate within 90 days after the Company is given notice of the Executive's death. The rights of the Executive's estate with respect to stock options and restricted stock, and all other benefit plans, shall be determined in accordance with the specific terms, conditions and provisions of the applicable agreements and plans.

7. DISABILITY.

If the Company determines in good faith that the Disability of Executive has occurred during the Term (pursuant to the definition of Disability set forth below), it may give to Executive written notice of its intention to terminate Executive's employment. In such event, Executive's employment with the Company shall terminate effective on the 30th day after receipt of such written notice by Executive (the "Disability Effective Date"), provided that, within the 30 days after such receipt, Executive shall not have returned to full-time performance of Executive's duties. If Executive's employment is terminated by reason of his Disability, this Agreement shall terminate without further obligations to Executive, other than for payment of Accrued Obligations (as defined in Section 8.2(a) and the timely payment or provision of Other Payments (as defined in Section 8.2(c)(1), including without limitation benefits under such plans, programs, practices and policies relating to disability benefits, if any, as are applicable to Executive on the Disability Effective Date. The rights of the Executive with respect to stock options and restricted stock, and all other benefit plans, shall be determined in accordance with the specific terms, conditions and provisions of the applicable agreements and plans. Notwithstanding the foregoing, it is the intention of the Company and Executive that should he be terminated by reason of Disability before he is eligible for long-term disability benefits under the Company's long-term disability plans and policies on the Disability Effective Date, that the Company would continue to employ Executive until such time as Executive has become eligible for such long-term disability benefits. During this period: the Company would be entitled to appoint a new Chief Executive Officer and Executive would cease to occupy such position (which change would not be an event constituting Good Reason); the Company would not be obligated to maintain Executive's salary at its current level; and Executive's LTIP awards would

not continue to vest. It is not intended that the amount of benefits for which Executive is eligible under the Company's short- or long-term disability plans that would have obtained if Executive's salary remained the same throughout the period would be diminished, or that the Company would incur through these arrangements additional financial or other liabilities to the insurers providing its disability plans. To give effect to this intention, promptly after Executive becomes employed, the Company and Executive shall meet with the Company's insurers and negotiate in good faith an agreement giving effect to the arrangements described above as nearly as practicable.

For purposes of this Agreement, "Disability" means the Executive's inability by reason of mental or physical incapacity, illness or disability to perform his duties hereunder for a period of either 90 consecutive days or an aggregate of 120 days in any 12 month period, as determined by the Board in its sole discretion.

8. TERMINATION OF EMPLOYMENT FOR GOOD REASON OR WITHOUT CAUSE.

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

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

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

(c) A reduction by the Company in Executive's annual target incentive bonus (expressed as a percentage of Base Salary) during the Term unless such reduction is a part of an across-the-board decrease in target incentive bonuses affecting all other Senior Executives, in which case Good Reason shall exist only if the decrease (considered as a percentage relative to the prior percentage used to determine annual target incentive bonus) to Executive is disproportionately large;

(d) The Company's giving notice under Section 2.2 of its intention not to renew this Agreement unless at the time of such notice the Company could terminate this Agreement and Executive's employment for "Cause," or for Disability, or if Executive shall have reached the age of 65 by the applicable Anniversary Date;

(e) The Company's requiring Executive, without his consent, to be based at any office or location more than fifty (50) miles from the Company's current headquarters in Irvington, New York;

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

(g) A "Change in Control" (as defined in the LTIP Plan) occurs and the successor (if any and applicable) (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company fails to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place, which shall be deemed to have occurred if, after the Change in Control, Executive is not the Chief Executive Officer or equivalent of a company whose shares are publicly traded on a recognized securities exchange or inter-dealer quotation system; or

(h) The failure of the Company to appoint Executive to the Board or, once Executive has been appointed to the Board, the failure to nominate Executive for election to the Board pursuant to Section 3.1.

Good Reason shall not include Executive's death or Disability. Executive's continued employment shall not constitute consent to, or a waiver of rights with respect to, any circumstance constituting Good Reason hereunder, provided that Executive raises to the attention of the Board any circumstance he believes in good faith constitutes Good Reason within ninety (90) days after occurrence or be foreclosed from raising such circumstance thereafter, provided that no such obligation shall apply to any circumstance described in subparagraph (d) above. The Company shall have an opportunity to cure any claimed event of Good Reason (other than under subparagraphs (g) or (d) above) within 30 days of notice from Executive before Executive may terminate for Good Reason.

If Executive terminates his employment for Good Reason, he shall be entitled to the same benefits he would be entitled to under Article 8 as if terminated without Cause subject to the execution and effectiveness of a Release, to the extent required under Section 8.2. If Executive terminates his employment without Good Reason, this Agreement shall terminate without further obligations to Executive, other than for payment of Accrued Obligations (as defined in Section 8.2(a) and the timely payment or provision of Other Benefits (as defined in Section 8.2(c)(1)).

8.2 Termination of Employment Without Cause. If Executive's employment is terminated by the Company without Cause prior to the expiration of the Term (it being understood by the parties that termination by death or Disability shall not constitute termination without Cause), then Executive shall be entitled to the following benefits, subject to Section 8.4:

(a) The Company shall pay to Executive in a lump sum in cash within 30 days following the Executive's Termination of Employment, the sum of (i) Executive's Base Salary through the date of termination to the extent not theretofore paid, (ii) any accrued expenses and vacation pay to the extent not theretofore paid, and (iii) unless Executive has elected a different payout date

in a prior deferral election, any compensation previously deferred by Executive under a plan other than a tax-qualified plan (together with any accrued interest or earnings thereon) to the extent not theretofore paid (the sum of the amounts described in subparagraphs (i), (ii) and (iii) shall be referred to in this Agreement as the "Accrued Obligations");

(b) Subject to the Executive's execution and delivery of a Release, the Company shall pay to Executive, starting on the 60th day following the Executive's Termination of Employment, in installments ratably over twelve (12) months in accordance with the Company's normal payroll cycle and procedures, an amount equal to 1.5 times the sum of: (i) Executive's annual Base Salary in effect as of the date of termination; *plus* (ii) Executive's Average Annual Incentive Bonus (as defined below). For purposes of this Agreement, "Average Annual Incentive Bonus" means the average annual incentive bonus actually earned by Executive in the three fiscal years immediately preceding the fiscal year in which Executive's Termination of Employment date falls, provided, however, that (A) if the Executive has been employed by the Company for fewer than three fiscal years, the Average Annual Incentive Bonus shall mean the average annual incentive bonus actually earned during the Term; (B) if the Executive is terminated during the Company's 2010 fiscal year, Average Annual Incentive Bonus shall mean $293,000; and (C) for purposes of determining the Average Annual Incentive Bonus for any period after the Company's 2010 fiscal year, the calculation of which includes the annual incentive bonus paid in respect of Company's 2010 fiscal year, the 2010 annual incentive bonus shall be deemed to be the sum of (x) the amount earned under Section 4.2(a) for fiscal 2010 *plus* (y) the amount paid under Section 4.2(b).

(c) Code Section 280G Excise Tax.

(1) In the event that any payment or benefit received or to be received by the Executive pursuant to the terms of this Agreement (the "Contract Payments") or in connection with the Executive's termination of employment or contingent upon a Change in Control (as defined in Code Section 280G and the regulations thereunder) pursuant to any plan or arrangement or other agreement with the Company or from any entity that is a member of the Company's "affiliated group" (as defined under Code Section 1504(a) without regard to Code Section 1504(b)) ("Other Payments" and, together with the Contract Payments, the "Payments") would be subject to the excise tax (the "Excise Tax") imposed by Code Section 4999, as determined as provided below, the Company shall pay to the Executive, at the time specified in Section 8.2(c)(4) below, an additional amount (the "Gross-Up Payment") such that the net amount retained by the Executive, after deduction of all taxes, interest and penalties (in each case relating to any excise tax under Section 4999, employment or ordinary income tax and not any tax imposed under Code Section 409A) and other amounts required to be paid upon the payment

provided for by this Section 8.2(c), and any such interest, penalties, or additions to employment or ordinary income tax payable by the Executive with respect thereto, shall be equal to the total present value of the Excise Taxes imposed upon the Payments; provided, however, that if the Executive's Payments are less than 110% of the amount of the Payments which could be paid to the Executive under Code Section 280G without causing the imposition of the Excise Tax, then the Payment shall be limited to the largest amount payable (as described above) without resulting in the imposition of any Excise Tax (such amount, the "Capped Amount").

(2) For purposes of determining the Gross-Up Payment, whether any of the Payments will be subject to the Excise Tax and the amounts of such Excise Tax, (i) the total amount of the Payments shall be treated as "parachute payments" within the meaning of Code Section 280G(b)(2), and all "excess parachute payments" within the meaning of Code Section 280G(b)(1) shall be treated as subject to the Excise Tax, except to the extent that, in the opinion of independent tax counsel selected by the Company's independent auditors and reasonably acceptable to the Executive ("Tax Counsel"), a Payment (in whole or in part) does not constitute a "parachute payment" within the meaning of Code Section 280G(b)(2), or such "excess parachute payments" (in whole or in part) are not subject to the Excise Tax, (ii) the amount of the Payments that shall be treated as subject to the Excise Tax shall be equal to the lesser of (A) the total amount of the Payments or (B) the amount of "excess parachute payments" within the meaning of Code Section 280G(b)(1) (after applying clause (i) hereof), and (iii) the value of any noncash benefits or any deferred payment or benefit shall be determined by Tax Counsel in accordance with the principles of Code Sections 280G(d)(3) and (4). For purposes of determining the amount of the Gross-Up Payment, the Executive shall be deemed to pay federal income tax at the highest marginal rates of federal income taxation applicable to individuals in the calendar year in which the Gross-Up Payment is to be made and state and local income taxes at the highest effective rates of taxation applicable to individuals as are in effect in the state and locality of the Executive's residence in the calendar year in which the Gross-Up Payment is to be made, net of the maximum reduction in federal income taxes that can be obtained from deduction of such state and local taxes, taking into account any limitations applicable to individuals subject to federal income tax at the highest marginal rates.

(3) If the Tax Counsel reasonably determines that any Excise Tax is payable by the Executive and that the criteria for reducing the Payments to the Capped Amount (as described in Section 8.2(c)(1) above) is met, then the Company shall reduce the Payments by the amount which, based on the Tax Counsel's determination and calculations, would provide the Executive with the Capped Amount, and pay to the Executive such

reduced Payments; provided that the Company shall first reduce the severance payment under Section 8.2(b). If the Tax Counsel determines that an Excise Tax is payable, without reduction pursuant to Section 8.2(c)(1), above, the Company shall pay the required Gross-Up Payment to, or for the benefit of, the Executive within the time specified in Section 8.2(c)(4). If the Tax Counsel determines that no Excise Tax is payable by the Executive, it shall, at the same time as it makes such determination, furnish the Executive with an opinion that he has substantial authority not to report any Excise Tax on his federal, state, local income or other tax return. Any determination by the Tax Counsel as to the amount of the Gross-Up Payment shall be binding upon the Company and the Executive absent a contrary determination by the Internal Revenue Service or a court of competent jurisdiction; provided, however, that no such determination shall eliminate or reduce the Company's obligation to provide any Gross-Up Payment that shall be due as a result of such contrary determination.

(4) The Gross-Up Payments provided for in Section 8.2(c)(1) through Section 8.2(c)(3) hereof shall be made upon the earlier of (i) the payment to the Executive of any Contract Payment or Other Payment or (ii) the imposition upon the Executive or payment by the Executive of any Excise Tax, provided, however, that in the event of Executive's termination for Good Reason as provided by Section 8.1(g), such payment shall be made on the date of the transaction which constitutes a Change in Control for purposes of such Section 8.1(g).

(5) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of a Gross-Up Payment. Such notification shall be given as soon as practicable but no later than 10 business days after the Executive is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which the Executive gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(a) give the Company any information reasonably requested by the Company relating to such claim;

(b) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company and reasonably satisfactory to the Executive;

(c) cooperate with the Company in good faith in order to effectively contest such claim; and

(d) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including, but not limited to, additional interest and penalties and related legal, consulting or other similar fees, but excluding any tax or penalty associated with Code Section 409A) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or other tax (including interest and penalties with respect thereto, but excluding any tax or penalty associated with Code Section 409A) imposed as a result of such representation and payment of costs and expenses.

(6) The Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Executive on an interest-free basis, and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or other tax (including interest or penalties with respect thereto, but excluding any tax or penalty associated with Code Section 409A) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and provided, further, that if the Executive is required to extend the statute of limitations to enable the Company to contest such claim, the Executive may limit this extension solely to such contested amount. The Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority. In addition, no position may be taken nor any final resolution be agreed to by the Company without the Executive's consent if such position or resolution could reasonably be expected to adversely affect the Executive (including any other tax position of the Executive unrelated to the matters covered hereby).

(7) As a result of the uncertainty in the application of Code Section 4999 at the time of the initial determination by the Company or the Tax Counsel

hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies and the Executive thereafter is required to pay to the Internal Revenue Service an additional amount in respect of any Excise Tax, the Company or the Tax Counsel shall determine the amount of the Underpayment that has occurred and any such Underpayment shall promptly be paid by the Company to or for the benefit of the Executive.

(8) If, after the receipt by the Executive of the Gross-Up Payment or an amount advanced by the Company in connection with the contest of an Excise Tax claim, the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company in connection with an Excise Tax claim, a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest the denial of such refund prior to the expiration of 30 days after such determination, such advance shall be forgiven and shall not be required to be repaid.

(9) Notwithstanding the other provisions of this Section 8.2(c) and Section 12.15, all Gross-Up Payments shall be made to the Executive not later than the end of the calendar year following the year in which the Executive remits the related taxes and any reimbursement of the costs and expenses described in Section 8.2(c)(5) shall be paid not later than the end of the calendar year following the year in which there is a final and nonappealable resolution of, or the taxes are remitted that are the subject of, the related claim.

8.3 Definition of Termination of Employment. With respect to the payment of all benefits under this Article 8, "Termination of Employment" shall mean "separation from service" as defined in Code Section 409A and regulations issued thereunder.

8.4 Restrictions on Timing of Distributions. The following restrictions shall apply to payments under this Article 8:

(a) Release Requirement. No payment shall be made under Section 8.2(b) unless the Executive delivers to the Company a release in the form of **Exhibit C** in favor of the Company (a "Release"), without revocation thereof, no later than forty-five (45) days after Executive's Termination of Employment date and no such payment or benefit hereunder shall be provided to Executive prior to the Company's receipt of such Release and the expiration of any period of revocation provided for in the Release.

(b) Restriction on Timing of Distributions. Notwithstanding any provision of this Agreement to the contrary, if the Executive is considered a Specified Employee at Termination of Employment other than on account of death or Disability, under such procedures as established by the Company in accordance with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), all payments hereunder that are subject to Code Section 409A, and for which the payment event is Termination of Employment may not commence earlier than six (6) months after the date of Termination of Employment. Therefore, in the event this provision is applicable to the Executive, any such payment which would otherwise be paid to the Executive within the first six months following termination shall be accumulated and paid to the Executive in a lump sum on the first day of the seventh month following Termination of Employment. All subsequent distributions shall be paid in the manner specified. "Specified Employee" means a "specified employee" as defined in Code Section 409A and regulations thereunder.

8.5 Rights under Equity Plans. The provisions of this Agreement are subject to the terms of the Company's equity plans in effect from time to time, including the LTIP Plan. Any equity awards granted to you under the equity plans shall be forfeited or not, vest or not, and, in the case of stock options, become exercisable or not, as provided by and subject to the terms of the applicable equity plan.

8.6 Resignation. Upon the termination of Executive's employment, Executive shall execute resignations from all positions held as a director of the Company and, if applicable, as a director or an officer of a company affiliated or related to the Company held at the time of such termination.

9. PUBLICITY; NO DISPARAGING STATEMENT.

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

10. BUSINESS PROTECTION PROVISIONS.

10.1 Preamble. As a material inducement to the Company to enter into this Agreement, and its recognition of the valuable experience, knowledge and proprietary information Executive will gain from his employment with the Company, Executive warrants and agrees he will abide by and adhere to the following business protection provisions in this Article 10 and all sections and subsections thereof.

10.2 Definitions. For purposes of this Article 10 and all sections and subsections thereof, the following terms shall have the following meanings:

(a) "Competitive Position" shall mean any employment, consulting, advisory, directorship, agency, promotional or independent contractor arrangement between the Executive and any person or Entity engaged in a line of

business that competes directly with any brand of the Company or any of its affiliates or subsidiaries (collectively the "PBH Entities") whereby Executive is required to or does perform services on behalf of or for the benefit of such person or Entity which are substantially similar to the services in which Executive participated or that he directed or oversaw while employed by the Company.

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

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

(d) "Restricted Period" shall mean eighteen (18) months following termination of Executive's employment hereunder; provided, however, that the Restricted Period shall be extended for a period of time equal to any period(s) of time within the eighteen (18) month period following termination of Executive's employment hereunder that Executive is determined by a court of competent jurisdiction to have engaged in any conduct that violates this Article 10 or any sections or subsections thereof, the purpose of this provision being to secure for the benefit of the Company the entire Restricted Period being bargained for by the Company for the restrictions upon the Executive's activities.

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

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

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

10.3 Nondisclosure; Ownership of Proprietary Property.

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

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

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

10.4 Non-Interference with Executives.

Executive recognizes and acknowledges that, as a result of his employment by Company, he will become familiar with and acquire knowledge of confidential information and certain other information regarding the other executives and employees of the PBH Entities. Therefore, Executive agrees that, during the Restricted Period, Executive shall not encourage, solicit or otherwise attempt to persuade any person in the employment of the PBH Entities to end his/her employment with a PBH Entity or to violate any policy of any PBH Entity or any confidentiality, non-competition or employment agreement that such person may have with a PBH Entity. Furthermore, neither Executive nor any person acting in concert with the Executive nor any of Executive's affiliates shall, during the Restricted Period, employ any person who has been an executive or management employee of any PBH Entity unless that person has ceased to be an employee of the PBH Entities for at least six (6) months.

10.5 Non-Competition.

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

10.6 Remedies.

Executive understands and acknowledges that his violation of this Article 10 or any section or subsection thereof would cause irreparable harm to Company and Company would be entitled to an injunction by any court of competent jurisdiction enjoining and restraining Executive from any employment, service, or other act prohibited by this Agreement. The parties agree that nothing in this Agreement shall be construed as prohibiting Company from pursuing any remedies available to it for any breach or threatened breach of this Article 10 or any section or subsection thereof, including, without limitation, the recovery of damages from Executive or any person or entity acting in concert with Executive. If any part of this Article 10 or any section or subsection thereof is found to be unreasonable, then it may be amended by appropriate order of a court of competent jurisdiction to the extent deemed reasonable. Furthermore and in recognition that certain severance payments are being agreed to in reliance upon Executive's compliance with this Article 10 after termination of his employment, in the event Executive breaches any of such business protection provisions of this Agreement, any unpaid amounts (e.g., those provided under Article 8) shall be forfeited and Company shall not be obligated to

make any further payments or provide any further benefits to Executive following any such breach.

11. RETURN OF MATERIALS; BOARD RESIGNATION.

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

12. GENERAL PROVISIONS.

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

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

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

12.4 Indemnification and Insurance. The Company shall indemnify and hold the Executive harmless to the maximum extent permitted by law against judgments, fines, amounts paid in settlement and reasonable expenses, including reasonable attorneys' fees incurred by the Executive, in connection with the defense of, or as a result of any action or proceeding (or any appeal from any action or proceeding) in which the Executive is made or is threatened to be made a party by reason of the fact that he is or was an officer of the Company or any affiliate. In addition, the Company agrees that the Executive is and shall continue to be covered and insured up to the maximum limits provided by all insurance which the Company maintains to indemnify its directors and officers (as well as any insurance that it maintains to indemnify the Company for any obligations which it incurs as a result of its undertaking to indemnify its officers and directors) and that the Company will exert commercially reasonable efforts to maintain such insurance, in not less than its present limits, in effect throughout the term of the Executive's employment; provided that the Company will not be required to pay premiums of more than 200% of the current premium to do so.

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

12.6 Notices.

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

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

If to Executive to: Matt Mannelly
941 Silvermine Road
New Canaan, CT 06840
Facsimile: _____________

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

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

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

12.9 Assignment. This Agreement may not be assigned by Executive without the prior written consent of Company, and any attempted assignment not in accordance herewith shall be null and void and of no force or effect. It may be assigned by the Company to any successor to all or substantially all of its business.

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

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

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

12.13 Arbitration.

(a) Except as provided in subsection (b) of this Section 12.13, the following provisions shall apply to disputes between Company and Executive arising out of or related to either: (i) this Agreement (including any claim that any part of this agreement is invalid, illegal or otherwise void or voidable), or (ii) the employment relationship that exists between Company and Executive:

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

(ii) If efforts to negotiate a resolution do not succeed within 5 business days after a written request for negotiation has been made, the dispute shall be resolved timely and exclusively by final and binding arbitration pursuant to the American Arbitration Association ("AAA") National Rules for the Resolution of Employment Disputes (the "AAA Rules"). Arbitration must be demanded within ten (10) calendar days after the expiration of the five (5) day period referred to above. The arbitration opinion and award shall be final and binding on the Company and the Executive and shall be enforceable by any court sitting within Westchester County, New York. Company and Executive shall share equally all costs of arbitration excepting their own attorney's fees unless and to the extent ordered by the arbitrator(s) to pay the attorneys' fees of the prevailing party.

(iii) The parties recognize that this Section 12.13 means that certain claims will be reviewed and decided only before an impartial arbitrator or panel of arbitrators instead of before a court of law and/or a jury, but desire the many benefits of the arbitration process over court proceedings, including speed of resolution, lower costs and fees, and more flexible rules of evidence. The arbitrator or arbitrators duly selected pursuant to the AAA's Rules shall have the same power and authority to order any remedy for violation of a statute, regulation, or ordinance as a court would

have; and shall have the same power to order discovery as a federal district court has under the Federal Rule of Civil Procedure.

(b) The provisions of this Section 12.13 shall not apply to any action by the Company seeking to enforce its rights arising out of or related to the provisions of Article 11 of this Agreement.

(c) This Section 12.13 is intended by the Company and the Executive to be enforceable under the Federal Arbitration Act. Should it be determined by any court that the Act does not apply, then this Section 12.13 shall be enforceable under the applicable arbitration statutes of the State of Delaware.

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

12.15 Nonqualified Deferred Compensation Omnibus Provision. It is intended that any compensation provided under this Agreement be administered and paid in a manner which will not result in the imposition of additional federal income taxes on the Executive under Code Section 409A. The provisions of this Agreement relating to amounts which constitute deferred compensation under Code Section 409A are intended to be construed accordingly. If any compensation or benefits provided by this Agreement may result in the application of Section 409A of the Code, the Company shall, at the request of the Executive, seek to modify this Agreement in the least restrictive manner necessary in order to comply with the provisions of Section 409A and/or any rules, regulations or other regulatory guidance issued under such statutory provision and without any diminution in the value of the payments to the Executive; provided, however, that in connection with any such modification the Company shall not be required to increase amounts or benefits otherwise payable to or provided to Executive. Notwithstanding anything in this Agreement to the contrary, to the extent necessary to comply with Code Section 409A, (a) the amount of any expenses eligible for reimbursement or the provision of any in-kind benefits under this Agreement in any taxable year of the Executive shall not affect the expenses eligible for reimbursement or the provision of in-kind benefits in any other taxable year, and (b) the reimbursement of expenses or in-kind benefits under this Agreement shall be made or provided no later than on or before the last day of the Executive's taxable year following the taxable year in which the expense was incurred, except to the extent earlier reimbursement is required under this Agreement or applicable Company policies and procedures.

*   *   *   *

IN WITNESS WHEREOF, the parties hereto have executed, or caused their duly authorized representative to execute, this Agreement as of this 2nd day of September, 2009.

PRESTIGE BRANDS HOLDINGS, INC.

By: /s/ Gary E. Costley
Name: Gary E. Costley
Title: Lead Director

EXECUTIVE

/s/ Matthew M. Mannelly
Matthew Mannelly

EXHIBIT A

Not filed because substantially identical to Exhibit 10.28 to the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission on June 14, 2007.

EXHIBIT B

Not filed because substantially identical to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on August 9, 2005.

EXHIBIT C

Form of Release

GENERAL RELEASE

THIS GENERAL RELEASE (“Agreement”) is made and entered into by and between Prestige Brands Holdings, Inc. (“Employer”) and [____________] (“Executive”).

WHEREAS, Employer and Executive are parties to an Employment Agreement dated as of [____________] (the “Employment Agreement”); and

WHEREAS, Employer and Executive wish to conclude their employment relationship amicably and on mutually satisfactory terms and to settle fully and finally all claims, disputes, and potential claims and disputes that Executive may have with Employer;

NOW, THEREFORE, in consideration of the mutual promises contained herein and intending to be legally bound, the Employer and Executive agree as follows: 0;

Section 1. Effective Date. This Agreement shall become effective and enforceable, unless sooner revoked pursuant to Section 2, on the eighth day after Executive signs the Agreement (“Effective Date”). Executive shall deliver the Agreement bearing his original signature to Employer at the following address no later than [________] days following the date hereof:

Prestige Brands Holdings, Inc.
90 North Broadway
Irvington, New York 10533
Attn: General Counsel and Secretary

Section 2. Revocation. Executive may revoke this Agreement if he delivers written notice of revocation to the Employer at the address specified in Section 1 before 5:00 p.m. on the eighth day after signing it. Executive understands that this Agreement shall be null and void, and he shall not be entitled to any severance payments or benefits, if he validly revokes the Agreement.

Section 3. Good and Valuable Consideration / No Further Payment. The severance benefits provided pursuant to the Employment Agreement are good and valuable consideration for this Agreement. Executive understands and agrees that, if he signs and does not revoke this Agreement, except as expressly provided herein, he is not entitled to receive any additional payment or benefit as a result of his employment with, or his separation of employment from, Employer.

Section 4. Wages. Executive acknowledges that he has received payment in full of all wages, including without limitation any and all salary, overtime, commissions, and bonuses, for work he performed for or on behalf of Employer on or before [____________].

Section 5. No Workplace Illness or Injury. Executive certifies that, except to the extent the subject of a previously-filed claim for workers compensation benefits, Executive is not aware of and has experienced any illness or injury in the course or scope of his employment with Employer.

Section 6. General Release. In consideration of the severance payments provided pursuant to the Employment Agreement and intending to be legally bound, Executive hereby irrevocably and unconditionally releases and forever discharges Employer and any and all of its past and present parents, subsidiaries, affiliates, related entities, and each of its and their predecessors, successors, customers, insurers, owners, directors, officers, employees, attorneys, and other agents ("Released Parties") of and from any claims arising from Executive's employment, including but not limited to any and all rights, obligations, promises, agreements, debts, losses, controversies, claims, causes of action, liabilities, damages, and expenses, including without limitation attorneys' fees and costs, of any nature whatsoever, whether known or unknown, asserted or unasserted, which he ever had, now has, or hereafter may have against the Released Parties, or any of them, that arose at any time before or upon his signing this Agreement, including without limitation the right to take discovery with respect to any matter, transaction, or occurrence existing or happening at any time before or upon his signing this Agreement and any and all claims arising under any oral or written Employer program, policy or practice, contract, agreement or understanding (except this Agreement, the Employment Agreement, employee benefit programs covering the Executive, and Executive's right to indemnification under any agreement or otherwise), any common-law principle of any jurisdiction, any federal, state or local statute or ordinance, with all amendments thereto, including without limitation the National Labor Relations Act of 1947, the Civil Rights Acts of 1866, 1871, 1964, and 1991, the Equal Pay Act, the Age Discrimination in Employment Act of 1967, the Rehabilitation Act of 1973, the Bankruptcy Code, the Fair Credit Reporting Act, the Worker Adjustment and Retraining Notification Act, the Employee Retirement Income Security Act of 1974, the Americans With Disabilities Act of 1990, the Family and Medical Leave Act of 1993, the Health Insurance Portability and Accountability Act of 1996, the Sarbanes-Oxley Act of 2002, and any other employee-protective law of any jurisdiction that may apply.

Section 7. Good Faith Settlement. This Agreement constitutes the good faith compromise and settlement of all claims and potential claims Executive has against any one or more of the Released Parties and is not and shall not be construed as an admission of any wrongful or unlawful act against Executive or that the conclusion of Executive's employment was in any way wrongful or unlawful.

Section 8. Knowing and Voluntary Agreement. Executive acknowledges that he received this Agreement on [____________]; that Employer advised him in writing, by this Section, to consult with an attorney before signing this Agreement; that Employer is providing him with no less than [___] days to consider this Agreement before signing it; that Employer is providing him with no less than seven days to revoke this Agreement after signing it, if he chooses to do so; that Executive carefully read and fully understands all of the provisions and effects of this Agreement; that Executive is entering into this Agreement voluntarily and free of coercion and duress; and that neither Employer nor any of its agents or attorneys made any representations or promises concerning the terms or effects of this Agreement.

In conformity with the Older Workers Benefit Protection Act, Executive further acknowledges the following:

(a) that this Agreement is written in a manner calculated to be understood by him;

(b) that he has been advised in writing to consult with an attorney prior to executing this Agreement;

(c) that this Agreement represents Executive's knowing and voluntary waiver and release of any and all claims that he might have, including, but not limited to any claims arising under the Age Discrimination in Employment Act ("ADEA");

(d) that he has not waived any claim under the ADEA that may arise after the date that this Agreement is executed;

(e) that the consideration that he will receive in exchange for this Agreement is something of value to which he is not otherwise entitled;

(f) that he has been given the option of at least twenty-one (21) days to consider this Agreement prior to executing it; and

(g) that, within seven (7) days of signing this Agreement, he may revoke his Agreement, and the Agreement will not become effective and enforceable unless and until that seven (7) day period passes without his revocation.

Section 9. Governing Law. This Agreement shall in all respects be interpreted, enforced, and governed under the laws of the State of New York, without reference to the principles of conflicts of law otherwise applicable therein.

Section 10. Construction. Each party to this Agreement had full opportunity to negotiate all terms and language of this Agreement and this Agreement and all of its terms shall be construed as if drawn by both parties and not against either as the drafter.

Section 11. Modification. Any modification or amendment of this Agreement must be made in writing and signed by both parties. This Agreement sets forth the entire agreement between the Parties and fully supersedes any and all written or oral contracts, agreements or understandings between the parties pertaining to the subject matter hereof.

Section 12. Covenant Not to Sue. Executive covenants and agrees that he will not now or at any time in the future commence, maintain, prosecute or participate in as a party, or request, encourage or permit to be filed by any other person on Executive's behalf, or as a member of any alleged class of persons, any action, suit, proceeding, claim or complaint of any kind against Employer with respect to any matter which is released under Section 6 above. Executive agrees that he will not seek or accept any award or settlement from any source or proceeding with respect to any matter released under Section 6 above and that this Agreement shall act as a bar to recovery in any such proceeding. For any breach of this covenant not to sue, Employer shall be entitled to recover any and all reasonable attorneys' fees and costs incurred as a result of such breach in addition to any other damages.

Section 13. Severability. If a court of competent jurisdiction adjudicates any covenant or obligation under this Agreement void or unenforceable, then the parties intend that the court modify such provision only to the extent necessary to render the covenant or obligation enforceable as modified or, if the covenant or obligation cannot be so modified, the parties intend that the court sever such covenant or obligation, and that the remainder of this Agreement, and all remaining covenants, obligations and provisions as so modified, shall remain valid, enforceable, and in full force and effect.

BY SIGNING THIS AGREEMENT, [____________] **ACKNOWLEDGES THAT HE DOES SO VOLUNTARILY AFTER CAREFULLY READING AND FULLY UNDERSTANDING EACH PROVISION AND ALL OF THE EFFECTS OF THIS AGREEMENT, WHICH INCLUDES A RELEASE OF KNOWN AND UNKNOWN CLAIMS AND RESTRICTS FUTURE LEGAL ACTION AGAINST PRESTIGE BRANDS HOLDINGS, INC. AND OTHER RELEASED PARTIES.**

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have executed this General Release.

PRESTIGE BRANDS HOLDINGS, INC.

/ ______________________________ By: / ______________________________

[____________] / Date /

Date

Exhibit 31.1

CERTIFICATIONS

I, Matthew Mannelly, 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: November 6, 2009

/s/ Matthew Mannelly
Matthew Mannelly
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: November 6, 2009

/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, Matthew Mannelly, 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 September 30, 2009, 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/ Matthew Mannelly

Name: Matthew Mannelly
Title: Chief Executive Officer
Date: November 6, 2009

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 September 30, 2009, 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: November 6, 2009