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 December 31, 2010

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 o No o

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

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

&nbs p;
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 January 31, 2011, there were 50,228,582 shares of common stock outstanding.

Prestige Brands Holdings, Inc.
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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 italicized our trademarks or trade names when they appear 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 per share data)	Three Months Ended December 31 2010	Three Months Ended December 31 2009	Nine Months Ended December 31 2010	Nine Months Ended December 31 2009
Revenues				
Net sales	$90,077	$ 73,372	$ 238,086	$ 221,178
Other revenues	531	446	2,061	1,483
Total revenues	90,608	73,818	240,147	222,661
Cost of Sales				
Cost of sales (exclusive of depreciation shown below)	46,596	34,647	115,574	104,174
Gross profit	44,012	39,171	124,573	118,487
Operating Expenses				
Advertising and promotion	13,049	6,037	28,775	24,379
General and administrative	15,426	7,411	30,941	26,087
Depreciation and amortization	2,513	2,458	7,336	7,368
Total operating expenses	30,988	15,906	67,052	57,834
Operating income	13,024	23,265	57,521	60,653
Other expense				
Interest expense, net	7,674	5,558	18,508	16,853
Loss on extinguishment of debt	—	—	300	—
Total other expense	7,674	5,558	18,808	16,853
	&nbs			
Income from continuing operations before income taxes	5,350	17,707	38,713	43,800
Provision for income taxes	3,204	7,642	15,948	17,531
Income from continuing operations	2,146	10,065	22,765	26,269
Discontinued Operations				
Income from discontinued operations, net of income tax	32	358	591	2,402
Gain/(Loss) on sale of discontinued operations, net of income tax/(benefit)	—	157	(550)	157
Net income	$ 2,178	$ 10,580	$ 22,806	$ 28,828
Basic earnings per share:				
Income from continuing operations	$ 0.04	$ 0.20	$ 0.46	$ 0.53
Net income	$ 0.04	$ 0.21	$ 0.46	$ 0.58
Diluted earnings per share:				
Income from continuing operations	$ 0.04	$ 0.20	$ 0.45	$ 0.53
Net income	$ 0.04	$ 0.21	$ 0.45	$ 0.58
Weighted average shares outstanding:				
Basic	50,085	50,030	50,059	50,008
Diluted	50,533	50,074	50,260	50,078

See accompanying notes.

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

(In thousands) **Assets**	**December 31, 2010**	**March 31, 2010**
Current assets		
Cash and cash equivalents	$ 83,266	$ 41,097
Accounts receivable	41,981	< font style="font-family:inherit;font-size:10pt;"> 30,621
Inventories	47,907	27,676
Deferred income tax assets	4,700	6,353
Prepaid expenses and other current assets	1,800	4,917
Current assets of discontinued operations	—	1,486
Total current assets	179,654	112,150
Property and equipment	1,406	1,396
Goodwill	153,199	111,489
Intangible assets	712,860	554,359
Other long-term assets	6,729	7,148
Long-term assets of discontinued operations	—	4,870
Total Assets	$ 1,053,848	$ 791,412
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 18,682	$ 12,771
Accrued interest payable	5,156	1,561
Other accrued liabilities	20,589	11,733
Current portion of long-term debt	659	29,587
Total current liabilities	45,086	55,652
Long-term debt		< /div>
Principal amount	508,841	298,500
Less unamortized discount	(5,277)	(3,943)
Long-term debt, net of unamortized discou nt	503,564	294,557
Deferred income tax liabilities	150,696	112,144
Total Liabilities	699,346	462,353
Commitments and Contingencies — Note 17		
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 - 50,229 shares at December 31, 2010 and 50,154 shares at March 31, 2010	502	502< /div>
Additional paid-in capital	386,928	384,027
Treasury stock, at cost - 148 shares at December 31, 2010 and 124 shares at March 31, 2010	(327)	(63)
Accumulated deficit	(32,601)	(55,407)
Total Stockholders' Equity	354,502	329,059
Total Liabilities and Stockholders' Equity	$ 1,053,848	$ 791,412

See accompanying notes.

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

< td style="vertical-align:bottom;padding-left:2px;padding-top:2px;padding-bottom:2px;padding-right:2px;">
Cash - end of period

	Nine Months Ended December 31	
(In thousands)	**2010**	**2009**
Operating Activities		
Net income	$ 22,806	$ 28,828
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,565	8,679
Loss (Gain) on sale of discontinued operations	890	(253)
Deferred income taxes	5,591	10,254
Amortization of deferred financing costs	767	1,432
Stock-based compensation costs	2,751	1,658
Loss on extinguishment of debt	300	—
Amortization of debt discount	480 < /div>	—
Loss on disposition of equipment	131	—
Changes in operating assets and liabilities		
Accounts receivable	7,330	6,407
Inventories	2,814	(6,958)
Inventories held for sale	1,114	(1,323)
Prepaid expenses and other current assets	3,166	(664)
Accounts payable	(1,054)	1,006
Accrued liabilities	7,008	1,424
Net cash provided by operating activities	61,659	50,490
Investing Activities		
Purchases of equipment	(405)	(402)
Proceeds from sale of discontinued operations	4,122	7,993
Acquisition of Blacksmith, net of cash acquired	(202,044)	—
Net cash (used for) provided by investing activities	(198,327)	7,591
Financing Activ ities		
Proceeds from issuance of Senior Notes	100,250	—
Proceeds from issuance of Senior Term Loan	112,936	—
Payment of deferred financing costs	(648)	—
Repayment of long-term debt	(33,587)	(59,000)
Proceeds from exercise of stock options	150	—
Purchase of treasury stock	(264)	—
Net cash provided by (used for) financing activities	178,837	(59,000)
Increase (decrease) in cash	42,169	(919)
Cash - beginning of period	41,097	35,181
$	83,266 $	34,262
Interest paid	$ 13,354	$ 18,345
Income taxes paid	$ 4,096	$ 9,820

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 and indirect wholly-owned subsidiaries on a consolidated basis) is engaged in the marketing, sales and distribution of over-the-counter healthcare and household cleaning brands to mass merchandisers, drug stores, supermarkets and dollar and club stor es primarily in the United States, Canada and certain other international markets. Prestige Brands Holdings, Inc. is a holding company with no operations and is also the parent guarantor of the senior credit facility and the senior notes described in Note 10 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 instructio ns 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 consolidated financial statements. In the opinion of management, the financial statements include all adjustments, consisting of normal recurring adjustments that are considered necessary for a fair presentation of the Company's consolidated financial position, results of operations and cash flows for the interim periods. Operating results for the three and nine month periods ended December 31, 2010 are not necessaril y indicative of results that may be expected for the fiscal year ending March 31, 2011. 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 fiscal year ended March 31, 2010.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported a mounts 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-intere st 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 collectability 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 assu med 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 in the fourth fiscal quarter of each year, or more frequently if events or changes in circumstances indicate that the asset may be impaired. 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 in the fourth fiscal quarter of each year; 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 straight-line method, which approximates 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. 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 allowances for new distribution, including 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 a 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 custome r 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 $6.6 million and $17.2 million, respectively, for the three and nine mo nth periods ended December 31, 2010. During the three and nine month periods ended December 31, 2009, such costs were $5.8 million and $15.4 million, respectively.

Advertising and Promotion Costs
Advertising and promotion costs are expensed as incurred. Allowances for new distribution, including slotting fees, associated with products are recognized as a reduction of sales. Under allowances for new distribution arrangements, the retailers allow the Company's products to be placed on the stores' shelves in exchange for such fees.

Stock-based Compensation
The Company recognizes employee stock-based compensation by measuring the cost of services to be rendered bas ed 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, and under the prescribed FASB guidance, 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.
< font style="font-family:inherit;font-size:10pt;">
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 the fiscal year ended March 31, 2007.

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

Derivative Instruments
Companies are required to recognize derivative instruments as either assets or liabilities in the consolidated Balance Sheets 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 (principally interest expense) 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 and unvested restricted shares, are included in the earnings per share calculation to the extent that they are dilutive.

Reclassifications
Certain prior period financial statement amounts have been reclassified to conform to the current period presentation due to the accounting treatment for discontinued operations.

Recently Issued Accounting Standards
In December 2010, the FASB issued guidance regarding the goodwill impairment test for reporting units with zero or negative carrying amounts. Under the ASC Intangibles-Goodwill and Other Topic, testing for goodwill impairment is a two-step test. When a goodwill impairment test is performed (either on an annual or interim basis), an entity must assess whether the carrying amount of a reporting unit exceeds its fair value (Step 1). If it does, an entity must perform an addi tional test to determine whether goodwill has been impaired and to calculate the amount of that impairment (Step 2). The new guidance modifies Step 1 of the goodwill impairment test for reporting units with zero or negative carrying amounts. For those reporting units, an entity is required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. In determining whether it is more likely than not that a goodwill impairment exists, an entity should consider whether there are any adverse qualitative factors indicating that an impairment may exist. The qualitative factors are consistent with the existing guidance and examples, which require that goodwill of a reporting unit be tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. This guidance is effective for fiscal years, and interim periods within those years, beginning af ter December 15, 2010. Early adoption is not permitted. The Company is currently evaluating the impact of adopting this guidance.

In December 2010, the FASB issued guidance regarding disclosure of supplementary pro forma information for business combinations. This guidance specifies that if a public entity presents comparative financial statements, the entity should disclose revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. The guidance also expands the supplemental pro forma disclosures to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the busin ess combination included in the reported pro forma revenue and earnings. This guidance is effective prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010. The Company does not expect this guidance to have a material impact on its consolidated financial statements.

In May 2009, the FASB issued guidance regarding subsequent events, which was subsequently updated in February 2010. This guidance established general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. In particular, this guidance set forth the period after the balance sheet dat e during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements, and the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. This guidance was effective for financial statements issued for fiscal years and interim periods ending after June 15, 2009, and was therefore adopted by the Company for the second quarter 2009 reporting. The adoption did not have a significant impact on the subsequent events that the Company reports, either through recognition or disclosure, in the consolidated financial statements. In February 2010, the FASB amended its guidance on subsequent events to remove the requirement to disclose the date through which an entity has evaluated subsequent events, alleviating conflicts wi th current SEC guidance. This amendment was effective immediately and accordingly, the Company has not presented that disclosure in this Quarterly Report.

In January 2010, the FASB issued authoritative guidance requiring new disclosures and clarifying some existing disclosure requirements about fair value measurement. Under the new guidance, a reporting entity should (a) disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and describe the reasons for the transfers, and (b) present separately information about purchases, sales, issuances, and settlements in the reconciliation for fair value measurements using significant unobservable inputs. This guidance is effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The Company does not expect this guidance to have a material impact on its consolidated financial statements.

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. Acquisi tions

Blacksmith Acquisition

On November 1, 2010, the Company acquired 100% of the capital stock of Blacksmith Brands Holdings, Inc. (“Blacksmith”) for $190.0 million in cash, plus a working capital adjustment of $13.4 million and an additional $1.1 million was paid by Prestige on behalf of Blacksmith for the seller's transaction costs. The working capital adjustment is among a number of items that the Company is challenging related to the purchase price. In connection with this acquisition, the Company acquired five Over-the-Counter brands: Efferdent®, Effergrip®, PediaCare®, Luden's®, and *NasalCrom*®. These brands are complementary to the Company's existing Over-the-Counter brands. The purchase price was funded by cash provided by the issuance of long term debt and additional bank borrowings, which are discussed further in Note 10.

The acquisition was accounted for in accordance with the Business Combinations Topic of the ASC which requires that the total cost of an acquisition be allocated to the tangible and intangible assets acquired and liabilities assumed based upon their respective fair values at the date of acquisition.

The following table summarizes the preliminary allocation of the $204.5 million purchase price to the assets acquired and liabilities assumed at the date of acquisition:

< /td>

(In thousands)		
Cash acquired	$	2,507
Accounts receivable, net		17,473
Other receivables	1,198	
Income taxes receivable		5
Inventories		23,045
Prepaids and other current assets		44
Propert y, plant and equipment, net		226
Goodwill		41,710
Trademarks		165,346
Other long-term assets		19
Total assets acquired		251,573
Accounts payable		6,965
Accrued expenses		3,412
Income taxes payable		2,031
Deferred income taxes		34,614
Total liabilities assumed		47,022
Total purchase price	$	204,551

Transaction and other costs associated with the Blacksmith acquisition of $6.9 million are included in general and administrative expenses on the Company's statement of operations for the three and nine month periods ended December 31, 2010.

The preliminary allocat ion of the purchase price to assets acquired and liabilities assumed is based on valuations performed to determine the fair value of such assets as of the acquisition date. The Company is still assessing the economic characteristics of certain trademarks. The Company expects to substantially complete this assessment during the fourth quarter of the fiscal year ending March 31, 2011 and may adjust the amounts recorded as of December 31, 2010 to reflect any revised valuations.

The Company preliminarily recorded goodwill based on the amount by which the purchase price exceeded the preliminary fair value of net assets acquired. The preliminary amount of goodwill deductible for tax purposes is $4.6 million.

The Company is amortizing the purchased amortizable intangible assets on a straight-line basis over an estimated weighted average life of 15 years.

The ope rating results of Blacksmith have been included in the consolidated financial statements from the date of acquisition. Revenues of the acquired operations from November 1, 2010 through December 31, 2010 were $15.2 million while the net loss was $3.2 million.

The following table provides the Company's unaudited pro forma revenues, income from continuing operations and income from continuing operations per basic and diluted common share as if the results of Blacksmith's operations had been included in the Company's operations commencing on April 1, 2010, based upon available information related to Blacksmith's operations. This pro forma information is not necessarily indicative either of the combined results of operations that actually would have been realized by the Compa ny had the Blacksmith acquisition been consummated at the beginning of the period for which the pro forma information is presented, or of future results.

(In thousands, except per share data)	**Three Months Ended December 31, 2010**		**Ni ne Months Ended December 31, 2010**	
Revenues	$	100,515	$	295,838
Income from continuing operations		2,509		25,033
Basic earnings per share:				
Income from continuing operations	$	0.05	$	0.50
Diluted earnings per share:				
Income from continuing operations	$	0.05	$	0.50

Dramamine Acquisition
On January 6, 2011, the Company completed the acquisition of certain assets associated with the *Dramamine* business in the United States. The acquisition is more fully described in Note 21.

3. Discontinued Operations and Sale of Certain Assets

On September 1, 2010, the Company sold certain assets related to the nail polish remover brand previously included in its Personal Care products segment to an unrelated third party. In accordance with the Discontinued Ope rations Topic of the ASC, the Company reclassified the related assets as assets of discontinued operations in the consolidated balance sheet as of March 31, 2010, and reclassified the related operating results as discontinued operations in the consolidated financial statements and related notes for all periods presented. The Company recognized a loss of $0.9 million on a pre-tax basis and $0.6 million net of tax effects on the sale in the nine month period ended December 31, 2010. The total sales price for the assets was $4.1 million, the proceeds for which were received upon closing. As the assets sold comprised a substantial majority of the assets in the Personal Care segment, the Company reclassified the remaining assets to the Over-the-Counter Healthcare segment for all periods presented.

In October 2009, the Company sold certain assets related to the shampoo brands 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 reclassified the related assets as held for sale in the consolidated balance sheet as of March 31, 2010 and the Company reclassified the related operating results as discontinued in the consolidated financial statements and related notes for all periods presented. The Company recognized a gain of $0.3 million on a pre-tax basis and $0.2 million net of tax effects on the sale in the quarter and nine month period ended December 31, 2009. The total sales price for the assets was $9.0 million, subject to an inventory adjustment, with $8.0 million received upon closing. The remai ning $1.0 million was received by the Company in October 2010.

The following table presents the assets related to the discontinued operations as of December 31, 2010 and March 31, 2010 (in thousands):

	December 31, 2010	March 31, 2010
< font style="font-family:inherit;font-size:10pt;">Inventory	$ —	$ 1,486
Intangible assets	—	4,870
Total assets of discontinued operations	$ —	$ 6,356

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

	Three Months Ended December 31		Nine Months Ended December 31	
	2010	2009	2010	2009
Components of Income				
Revenues	$ 84	$ 2,281	$ 4,027	$ 12,979
Income before income taxes	51	576	957	3,868

4. Accounts Receivable

Accounts receivable consist of the following (in thousands):

	December 3 1, 2010	March 31, 2010
	&nbs p;	
Trade accounts receivable	$ 47,357	$ 35,527
Other receivables	1,313	1,588
	48,670	37,115
Less allowances for discounts, returns and uncollectible accounts	(6,689)	(6,494)
	$ 41,981	$ 30,621

5. Inventories

Inventories consist of the following (in thousands):

	December 31, 2010	March 31, 2010
Packaging and raw materials	$ 1,046	$ 1,818
Finished goods	46,861	25,858
	$ 47,907	$ 27,676

Inventories are shown net of allowances for obsolete and slow moving inventory of $2.3 million and $2.0 million at December 31, 2010 and March 31, 2010, respectively.

6. Property and Equipment

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

	December 31, 2010	March 31, 2010
Machinery	$ 1,203	$ 1,620
Computer equipment	2,102	1,570
Furniture and fixtures	277	239
L easehold improvements	422	418
	4,004	3,847
Less accumulated depreciation	(2,598)	(2,451)
	$ 1,406	$ 1,396

The Company recorded depreciation expense of $0.2 million for each of the three months ended December 31, 2010 and 2009, and of $0.5 million for each of the nine months ended December 31, 2010 and 2009.

7. Goodwill

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

	Over-the-Counter Healthcare	Household Cleaning	Consolidated
Balance — March 31, 2010			
Goodwill	$ 240,432	$ 72,549	$ 312,981
Accumulated purchase price adjustments	(6,162)	—	(6,162)
Accumulated impairment losses	(130,170)	(65,160)	(195,330)
	104,100< font style="font-family:inherit;font-size:10pt;">	7,389	111,489
Additions	41,710		41,710
Net adjustments			
Goodwill	(4,643)	—	(4,643)
Accumulated impairment losses	4,643	—	4,643
	—	—	—
Balance — December 31, 2010			
Goodwill	277,499	72,549	350,048
Accumulated purchase price adjustments	< font style="font-family:inherit;font-size:10pt;">(6,162)	—	(6,162)
Accumulated impairment losses	(125,527)	(65,160)	(190,687)
	$ 145,810	$ 7,389	$ 153,199

As described in Note 2, on November 1, 2010, the Company acquired 100% of the capital stock of Blacksmith. In connection with this acquisition, the Company preliminarily recorded goodwill of $41.7 million based on the amount by which the purchase price exceeded the preliminary fair value of net assets acquired.

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As described in Note 3, on September 1, 2010, the Company sold certain assets related to its nail polish remover brand previously included in its Personal Care segment to an unrelated third party. In connection with this divestiture, the Company reversed the gross goodwill asset balance of $4.6 million, which was fully impaired as of March 31, 2010, and the related accumulated impairment charges of $4.6 million, which had been recorded for the nail polish remover brand. As described in Note 19, the Company's operating and reportable segments now consist of Over-the-Counter Healthcare and Household Cleaning, and any assets remaining in the Personal Care segment after the divestiture have been reclassified to the Ov er-the-Counter Healthcare segment. As such, the reversal of goodwill for Personal Care is included in the Over-the-Counter Healthcare segment in the table above.

At March 31, 2010, in conjunction with the annual test for goodwill impairment, the Company recorded an impairment charge aggregating $2.8 million to adjust the carrying amounts of goodwill related to its nail polish remover brand to its fair value of $0, as determined by use of a discounted cash flow methodology. The impairment was a result of distribution losses and increased competition from private label store brands.

For the nine months ended December 31, 2010, the Company was not required to recognize an additional impairment charge.

The discounted cash flow methodology is a widely-accepted valuation technique utilized by market participants in the transaction evaluation process and has been applied consistently. However, the Company considered its market capitalization at March 31, 2010, as compared to the aggregate fair values of the Company's reportin g units to assess the reasonableness of our estimates pursuant to the discounted cash flow methodology. 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.

8. Intangible Assets

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

	Indefinite Lived Tr ademarks	Finite Lived Trademarks	Non Compete Agreement	Totals
Carrying Amounts				
Balance — March 31, 2010	$ 454,571	$ 142,994	$ 158	$ 597,723
Additions	158,047	7,299	—	165,346
Balance — December 31, 2010	$ 612,618	$ 150,293	$ 158	$ 763,069
Accumulated Amortization				
Balance — March 31, 2010	$ —	$ 43,206	$ 158	$ 43,364
Additions	—	6,845	—	6,845
Balance — December 31, 2010	$ —	$ 50,051	$ 158	$ 50,209
Intangibles, net — December 31, 2010	$ 612,618	$ 100,242	$—	$ 712,860

As described in Note 2, on November 1, 2010, the Company acquired 100% of the capital stock of Blacksmith. In connection with this acquisition, the Company preliminarily allocated $165.3 million of the purchase price to intangible assets, which are comprised of acquired trademarks. The preliminary allocation is based on valuations performed to determine the fair value of such as sets as of the acquisition date.

The table above represents intangible assets related to continuing operations. As described in Note 3, on September 1, 2010, the Company sold certain assets related to its nail polish remover brand previously included in its Personal Care segment to an unrelated third party. In connection with this divestiture, the Company excluded gross intangible assets of $8.3 million and the related accumulated amortization of $3.4 million as of March 31, 2010 from the table above. The net intangible assets related to the nail polish remover brand of $4.9 million as of March 31, 2010 are presented separately on the Consolidated Balance Sheets.

In a manner similar to goodwill, the Company completed a test for impairment of its intangible assets during the fourth quarter of 2010. The Company recorded no impairment charge as facts and circumstances indicated that the fair values of the intangible assets for its operating segments exceeded their carrying values. Additionally, for the indefinite-lived intangible assets, an evaluation of the facts and circumstances as of December 31, 2010 continues to support an indefinite useful life for these assets.

For the nine months ended December 31, 2010, the Company was not required to recognize an impairment charge.

At December 31, 2010, intangible assets are expected to be amortized over a period of 3 to 30 years as follows (in thousands):

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Year Ending December 31		
20 11	$	9,221
2012		8,769
2013		8,062
2014		6,247
2015		6,082
Thereafter		61,861
& nbsp;		
	$	100,242

9. Other Accrued Liabilities

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

		December 31, 2010		**March 31, 2010**
Accrued marketing costs	$	10,873	$	3,823
Accrued payroll		5,186		5,233
Accrued commissions		642		285
Accrued income taxes		—		372
Accrued professional fees		1,392		1,089
Accrued severance		1,912		929
Other		584		2
$		20,589	$	11,733

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10. Long-Term Debt

Long-term debt consists of the following (in thousands), as of the dates indicated:

		December 31, 2010	March 31, 2010
Senior secured term loan facility ("2010 Senior Term Loan") that bears interest at the Company's option at either the prime rate plus a margin of 2.25% or LIBOR plus 3.25% with a LIBOR floor of 1.5%. At December 31, 2010, the average interest rate on the 2010 Senior Term Loan was 4.75%. Principal payments of $0.7 million are payable quarterly beginning December 31, 2011, accrued interest is payable quarterly, with the remaining principal due on the 2010 Senior Term Loan maturity date. The 2010 Senior Term Loan matures on March 24, 2016 and is collateralized by substantially all of the Company's assets. The 2010 Senior Term Loa n is unconditionally guaranteed by Prestige Brands Holdings, Inc. and its domestic wholly-owned subsidiaries, other than Prestige Brands, Inc. (the "Borrower"). 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.		$ 259,500	$ < 150,000/div>
Senior unsecured notes ("2010 Senior Notes") that bear interest at 8.25% which is payable on April 1st and October 1st of each year. The 2010 Senior Notes mature on April 1, 2018; however, the Company may earlier redeem some or all of the 2010 Senior Notes at redemption prices set forth in the indenture governing the 2010 Senior Notes (the "Senior Notes Indenture"). The 201 0 Senior Notes are unconditionally guaranteed by Prestige Brands Holdings, Inc. and its domestic wholly-owned subsidiaries other than Prestige Brands, Inc., the issuer. Each of these guarantees is joint and several. There are no significant restrictions on the ability of any of the guarantors to obtain funds from their subsidiaries.		250,000	150,000
Senior subordinated notes ("Senior Subordinated Notes") that bore interest of 9.25% which was payable on April 15th and October 15th of each year. The balance outstanding on the Senior Subordinated Notes as of March 31, 2010 was repaid in full, on April 15, 2010. The Senior Subordinated Notes were unconditionally guaranteed by Prestige Brands Holdings, Inc., and its domestic wholly-owned subsidiaries other than Prestige Brands, Inc., the issuer.		—	28,087
		509,500	328,087
Current portion of long-term debt		(659)	(29,587)
		508,841	298,500
Less: net unamortized discount and premium on the 2010 Senior Term Loan and the 2010 Senior Notes		(5,277)	(3,943)
Long-term debt, net of unamortized discount and premium	< font style="font-family:inherit;font-size:10pt;">	$ 503,564	$ 294,557

On March 24, 2010, Prestige Brands, Inc. i ssued $150.0 million of 2010 Senior Notes, with an interest rate of 8.25% and a maturity date of April 1, 2018. On November 1, 2010, Prestige Brands, Inc. issued an additional $100.0 million of 2010 Senior Notes as part of the same series as the 2010 Senior Notes issued in March 2010. The 2010 Senior Notes issued in March and November were issued at an aggregate face value of $150.0 million and $100.0 million, respectively, with a discount to the initial purchasers of $2.2 million and a premium of $0.3 million, respectively, and net proceeds to the Company of $147.8 million and $100.3 million, respectively, yielding an 8.5% effective interest rate.

On March 24, 2010, Prestige Brands, Inc. entered into a senior secured term loan facility ("2010 Senior Term Loan") for $150.0 million, with an interest rate at LIBOR plus 3.25% with a LIBOR floor of 1.5% and a maturity date of March 24, 2016. The $150.0 million 2010 Senior Term Loan was entered into with a discount to lenders of $1.8 million and net proceeds to the Company of $148.2 million, yielding a 5.0% effective interest rate. On November 1, 2010, the Company, together with the Borrower and certain other subsidiaries of the Company, executed an Increase Joinder to the Company's Credit Agreement dated March 24, 2010 pursuant to which the Borrower borrowed an incremental term loan in the amount of $115.0 million. The incremental term loan will mature on March 24, 2016 and otherwise has the same terms as the 2010 Senior Term Loan.

Additionally, Prestige Brands, Inc. entered into a non-amortizing senior secured revolving credit facility ("2010 Revolving Credit Facility" and, collectively with the 2010 Senior Term Loan, the "Credit Agreement") in an aggregate principal amount of up to $30.0 million. On November 1, 2010, pursuant to the Increase Joinder, the amount of the Borrower's 2010 Revolving Credit Facility was increased by $10.0 million and the Borrower had borrowing capacity under the revolving credit facility in

an aggregate principal amount of up to $40.0 million. The Company's 2010 Revolving Credit Facility was available for maximum borrowings of $40.0 million at December 31, 2010. Except for the increase in the amount of the revolving credit facility, no other changes were made to the 2010 Revolving Credit Facility.

In connection with the financing activities of March 2010 relating to the 2010 Senior Notes, the 2010 Senior Term Loan, and the 2010 Revolving Credit Facility, the Company incurred $7.3 million in issuance costs, of which $6.6 million was capitalized as deferred financing costs and $0.7 million expensed. In connection with the financing activities of November 2010 relating to the 2010 Senior Notes, the 2010 Senior Term Loan, and the 2010 Revolving Credit Facility, the Company incurred $0.6 million in issuance costs, all of which was capitalized as deferred financing costs. The deferred financing costs are being amortized over the terms of the related loan and notes.

On March 24, 2010, the Company retired its Tranche B Term Loan facility with an original maturity date of April 6, 2011. In addition, on March 24, 2010, we repaid a portion and, on April 15, 2010, redeemed in full the remaining outstanding indebtedness under our previously outstanding Senior Subordinated Notes due in 2012, which bore interest at 9.25% with a maturity date of April 15, 2012. In connection with the refinancing, the Company recognized a $0.3 million loss on the extinguishment of debt for the nine months ended December 31, 2010.

The 2010 Senior Notes are senior unsecured obligations of the Company and are guaranteed on a senior unsecured basis. The 2010 Senior Notes are effectively junior in right of payment to all existing and future secured obligations of the Company, equal in right of payment with all existing and future senior unsecured indebtedness of the Company, and senior in right of payment to all future subordinated debt of the Company.

At any time prior to April 1, 2014, the Company may redeem the 2010 Senior Notes in whole or in part at a redemption price equal to 100% of the principal amount of the notes redeemed, plus a "make-whole premium" calculated as set forth in the Senior Notes Indenture, together with accrued and unpaid interest, if any, to the date of redemption. The Company may redeem the 2010 Senior Notes in whole or in part at any time on or after the 12-month period beginning April 1, 2014 at a redemption price of 104.125% of the principal amount thereof, at a redemption price of 102.063% of the principal amount thereof if the redemption occurs during the 12-month period beginning on April 1, 2015, and at a redemption price of 100% of the principal amount thereof if the redemption occurs on and after April 1, 2016, in each case, plus accrued and unpaid interest, if any, to the redemption date. In addition, prior to April 1, 2013, with the net cash proceeds from certain equity offerings, the Company may redeem up to 35% in aggregate principal amount of the 2010 Senior Notes at a redemption price of 108.250% of the principal amount of the 2010 Senior Notes to be redeemed, plus accrued and unpaid inte rest to the redemption date.

The Credit Agreement contains various financial covenants, including provisions that require the Company to maintain certain leverage and interest coverage ratios and not to exceed annual capital expenditures of $3.0 million. The Credit Agreement, the Senior Notes Indenture and the Indenture governing the Senior Subordinated Notes also contain provisions that restrict the Company from undertaking specified corporate actions, such as asset dispositions, acquisitions, dividend payments, repurchases of common shares outstanding, changes of control, incurrences of indebtedness, creation of liens, making of loans and transactions with affiliates. Additionally, the Credit Agreement, the Senior Notes Indenture and the Indenture governing the Senior Subordinated Notes contain cross-default provisions whereby a default pursuant to the terms and c onditions of certain indebtedness will cause a default on the remaining indebtedness under the Credit Agreement, the Senior Notes Indenture and the Indenture governing the Senior Subordinated Notes. At December 31, 2010, the Company was in compliance with the covenants under its long-term indebtedness.

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

Year Ending December 31		
2011	$	659
2012		2,636
2013		2,636
2014		2,636
2015		2,636
Thereafter		498,297
	$	509,500

11. 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 December 31, 2010, the Company had no open financial derivative financial obligations. While the Company has not historically entered into derivative financial instruments for trading purposes, all of the Company’s derivatives were over-the-counter instruments with liquid markets. The notional, or contractual, amount of the Company’s derivative financial instruments was used to measure the amount of interest to be paid or received and did not represent an actual liability. The Company accounted 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, decreasing to $125.0 million at March 26, 2009 to replace and supplement th e interest rate cap agreement that expired on May 30, 2008. The Company agreed to pay a fixed rate of 2.88% while receiving a variable rate based on LIBOR. The agreement terminated on March 26, 2010, and was neither renewed nor replaced.

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.

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):

	December 31, 2010			For the Three Months Ended December 31, 2010		
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	n/a	$ —	$ —	n/a	$ —	$ —

	December 31, 2010			**For the Nine Months Ended December 31, 2010**		
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 O CI**
Interest Rate Swap	n/a	$ —	< div style="text-align:left;font-size:10pt;">$ —	n/a	$ —	$ —

				For the Three Months Ended December 31, 2009		
	December 31, 2009			Income Statement Account	Amount Income	Amount Gains
Cash Flow Hedging Instruments	**Balance Sheet Location**	**Notional Amount**	**Fair Value** Asset/ **(Liability)**	**Gains/ Losses Charged**	**(Expense) Recognized In Income**	**(Losses) Recognized In OCI**
Interest Rate Swap	Other Accrued Liabilities	$ 125 ,000	$ (794)	Interest Expense	$ (830)	$ 778

				For the Nine Months Ended December 31, 2009		
	December 31, 2009			Income Statement Account	Amount Income	Amount Gains
Cash Flow Hedging **Instruments**	**Balance Sheet Location**	**Notional Amount**	**Fair Value Asset/ (Liability)**	**Gains/ Losses Charged**	**(Expense) Recognized In Income**	**(Losses) Recognized In OCI**
< /font> Interest Rate Swap	Other Accrued Liabilities	$ 125,000	$ (794)	Interest Expense	$ (2,090)	$ 1,358

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 were recorded in Accumulated Other Comprehensive Income in the balance sheet due to its designation as a cash flow hedge. As the interest swap agreement terminated on March 26, 2010, the ending balance in Accumulated Other Comprehensive Income on the Consolidated Balance Sheet as of March 31, 2010 is $0.

At December 31, 2010 and March 31, 2010, the Company was not a party to any outstanding interest rate swap agreements.

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 December 31, 2010 and March 31, 2010, the carrying value of the 2010 Senior Term Loan was $259.5 million and $150.0 million, respectively. 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 2.25% or LIBOR, with a floor of 1.50%, plus a margin of 3.25%. The market value of the Company's 2010 Senior Term Loan was approximately $261.4 million and $150.8 million at December 31, 2010 and March 31, 2010, respectively.

At December 31, 2010 and March 31, 2010, the carrying value of the Company's 2010 Senior Notes was $250.0 million and $150.0 million, respectively.&nb sp; The market value of these notes was approximately $258.8 million and $152.3 million at December 31, 2010 and March 31, 2010, respectively. The market values have been determined from market transactions in the Company's debt securities. Also at March 31, 2010, the Company maintained a residual balance of $28.1 million relating to the Senior Subordinated Notes, all of which was redeemed on April 15, 2010 at par value.

12. 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, p rivileges and restrictions thereof.

Each share of common stock has the right to one vote on all matters submitted to a vote of stockholders. The holders of common stock are also entitled to receive dividends whenever funds are legally available and when declared by the Board of Directors, subject to prior rights of holders of all classes of stock outstanding having priority rights as to dividends. No dividends have been declared or paid on the Company's common stock through December 31, 2010.

There were no share repurchases during the fiscal year ended March 31, 2010. During the three month period ended December 31, 2010, the Company received 17,000 shares of common stock from an employee in satisfaction of applicable withholding taxes payable upon vesting of restricted common stock on December 2, 2010. The average price of the shares used to satisfy these withholding obligations was $12.07 per share. All of such shares have been recorded as treasury stock. During the nine month period ended December 31, 2010, the Company received 24,000 shares of common stock from employees in satisfaction of applicable withholding taxes payable upon vesting of restricted common stock on May 25, 2010 and December 2, 2010. The average price of the shares used to satisfy these withholding obligations was $10.81 per share. All of such shares have been recorded as treasury stock.

13. Comprehensive Income

The following table describes the components of comprehensive income for the three and nine month periods ended December 31, 2010 and 2009 (in thousands):

	Three Months Ended December 31	
	2010	**2009**
Components of Comprehensive Income		
Net income	$ 2,178	$ 10,580
Unrealized gain on interest rate swaps, net of income tax of $296 (2009)	—	482
Comprehensive Income	$ 2,178	$ 11,062

	Nine Months Ended December 31	
	2010	**2009**
Components of Comprehensive Income		
Net income	$ 22,806	$ 28,828
Unrealized gain on interest rate swaps, net of income tax of $516 (2009)	—	842
Comprehensive Income	$ 22,806	$ 29,670

14. Earnings Per Share

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

	Three Months Ended December 31		Nine Months Ended December 31	
	2010	2009	2010	2009
Numerator				
Income from continuing operations	$ 2,146	$ 10,065	$ 22,765	$ 26,269
Income from discontinued operations and gain or loss on sale of discontinued operations	32	515	41	2,559
Net income	$ 2,178	$ 10,580	$ 22,806	$ 28,828
Denominator				
Denominator for basic earnings per share — weighted average shares	50,085	50,030	50,059	50,008
Dilutive effect of unvested restricted common stock (including restricted stock units) and options issued to employees and directors	448	44	201	70
Denominator for diluted earnings per share	50,533	50,074	50,260	50,078
Earnings per Common Share:				
Basic earnings per share from continuing operations	$ 0.04	$ 0.20	$ 0.46	$ 0 .53
Basic earnings per share from discontinued operations	—	0.01	—	0.05
Basic net earnings per share	$ 0.04	$ 0.21	$ 0.46	$ 0.58
Diluted earnings per share from continuing operations	$ 0.04	$ 0.20	$ 0.45	$0.53
Diluted earnings per share from discontinued operations	—	0.01	—	0.05
Diluted net earnings per share	$ 0.04	$ 0.21	$ 0.45	$ 0.58

At December 31, 2010, 226,567 shares of restricted stock granted to employees and directors, including restricted stock units, 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, 47,678 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 that were not met as of December 31, 2010. Lastly, at December 31, 2010, there were options to purchase 104,941 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 over the three month period ended December 31, 2010, and therefore, their inclusion would be antidilutive.

At December 31, 2009, 212,102 shares of restricted stock granted to employees and directors, 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 that were not met as of De cember 31, 2009. Lastly, at December 31, 2009, there were options to purchase 1,391,172 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 over the three month period ended December 31, 2009, and therefore, their inclusion would be antidilutive.

15. Share-Based Compensation

In connection with the Company's initial public offering, the Board of Directors adopted the 2005 Long-Term Equity Incentive Plan (the “Plan”) which provides for the grant, up 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 nine month period ended December 31, 2010, net compensation costs charged against income and the related income tax benefit recognized were $2.8 million and $1.1 million, respectively. During the nine month period ended December 31, 2009, net compensation costs charged against income and the related income tax benefit recognized were $1.7 million and $0.6 million, 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. The restricted share awards provide for accelerated vesting if there is a change of control, as defined in the Plan or agreement pursuant to which the awards were made. 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 value of restricted shares granted dur ing the nine month periods ended December 31, 2010 and 2009 were $9.01 and $7.09, respectively.

A summary of the Company's restricted shares (including restricted stock units) granted under the Plan is presented below:
&nb sp;

Restricted Shares	Shares (in thousands)	Weighted-Average Grant-Date Fair Value
Non vested at March 31, 2010	287.1	$ 8.86
Granted	122.6	9.01
Vested	(88.0)	9.50
Forfeited	(42.5)	10.09
Nonvested at December 31, 2010	279.2	8.54
Nonvested at March 31, 2009	342.4	11.31
Granted	171.6	7.09
Vested	(47.8)	10.97
Forfeited	(152.2)	11.54
Nonvested at December 31, 2009	314.0	8.94

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 sc hedule determined at the time the option is granted, generally 3 to 5 years. The option awards provide for 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 that uses the assumptions noted in the following table. Expected volatilities are based on the historical volatility of the Company's common stock and other factors, including the historical volatilities of comparable companies. The Company uses appropriate historical, as well as current data, to estimate option exercise and employee termination behaviors. Employees that are expected to exhibit similar exercise or termination behaviors are grouped together for the purposes of valuation. The expected terms of the options granted are derived from management's estimates and 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 grante d option. The weighted-average grant-date fair value of the options granted during the nine month periods ended December 31, 2010 and 2009 were $4.91 and $3.64, respectively.

	Nine Months Ended December 31	
	2010	2009
Expected volatility	52.8%	45.6%
Expected dividends	$ —	$ —
Expected term in years	7.0	7.0
Risk-free rate	3.2%	2.8%

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, 2009	662.6	$ 11.65	8.8	$ —
Granted	1,125.0	7.16		
Exercised	—	—		
Forfeited or expired	(142.6)	11.26		
Outstanding at December 31, 2009	1,645.0;	8.61	9.1	—
Outstanding at March 31, 2010	1,584.2	8.50	8.9	2,070.0
Granted	418.5	9.26		
Exercised	(13.7)	10.91		
Forfeited or expired	(301.0)	10.63		
Outstanding at December 31, 2010	1,688.0	8.29	7.9	6,294.3
Exercisable at December 31, 2010	495.8	9.60	5.9	1,280.1

Since the Company's closing stock price of $11.95 at December 31, 2010 exceeded the weighted-average exercise price of the outstanding options, the aggregate intrinsic value of the outstanding options was $6.3 million at December 31, 2010. Since the weighted-average exercise price of the outstanding options exceeded the Company's closing stock price of $7.86 at December 31, 2009, the aggregate intrinsic value of outstanding options was $0 at December 31, 2009 .

At December 31, 2010, there were $3.8 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 a weighted average period of 3.2 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 nine months ended December 31, 2010 and 2009 was $0.8 million and $0.5 million, respectively. There were 13,700 stock options exercised by a former employee at a weighted average exercise price of $10.91 during the nine month period ending December 31, 2010. There were no options exercised during the nine month period ended December 31, 2009. At December 31, 2010, there were 2.8 million shares available for issuance under the Plan.

16. 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 59.7% and 41.1%, respectively, for the three and nine month periods ended December 31, 2010, and were 42.9% and 39.9%, respectively, for the three and nine month periods ended December 31, 2009. The increase in effective tax rates for the three and nine months ended December 31, 2010 is primarily due to $0.8 million of non-deductible transaction expenses, and a $0.3 million charge for increasing our deferred state tax rate related to the Blacksmith acquisition.

At December 31, 2010, Medtech Products Inc., a wholly-owned subsidiary of the Company, had a net operating loss carryforward of approximately $1.9 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 $0.2 million.

Uncertain tax liability activity is as follows:

(In thousands)	2010	2009
Balance — March 31	$ 315	$ 225
Adjustments based on tax positions related to the current year	141	100
Balance — December 31	$ 456	$ 325

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. For the three and nine months ended December 31, 2010 and 2009, the Company did not incur or recognize any material interest or penalties related to income taxes.

17. Commitments and Contingencies

San Francisco Technology Inc. Litigation

On April 5, 2010, Medtech Products Inc. ("Medtech"), a wholly-owned subsidiary of the Company, was served with a Complaint filed by San Francisco Technology Inc. ("SFT") in the U.S. District Court for the Northern District of California, San Jose Division (the "California Court"). In the Complaint, SFT asserted a qui tam action against Medtech alleging false patent markings with the intent to deceive the public regarding Medtech's two *Dermoplast* products. Medtech filed a Motion to Dismiss or Stay and a Motion to Sever and Transfer Venue to the U.S. District Court for the Southern District of New York (the "New York Court"). &n bsp;

On July 19, 2010, the California Court issued an Order in which it severed the action as to each and every separate defendant (including Medtech). In addition, in the Order the California Court transferred the action against Medtech to the New York Court.

On October 25, 2010, Medtech filed with the New York Court a Motion to Dismiss, or in the Alternative, to Stay, the action brought by SFT which, on August 11, 2010, was transferred to the New York Court from the California Court. Medtech intends to vigorously defend against t he action.

In addition to the matter 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 litiga tion 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 insurance into account, 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 Wy oming, which expire at various dates through 2014.

The following summarizes future minimum lease payments for the Company's operating leases (in thousands) as of December 31, 2010:

Year Ending December 31	Facilities	Equipment	Total
2011	$ 931	$ 82	$ 1,013
2012	845	50	895
2013	691< div style="text-align:left;">	31	722
2014	199	1	200
Thereafter	—	—	—
	$ 2,666	$ 164	$ 2,830

Rent expense for each of the three month periods ended December 31, 2010 and 2009 was $0.2 million, while rent expense for each of the nine month periods ended December 31, 2010 and 2009 was $0.6 million.

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 brands. Although the Company is committed under the supply agreement to pay the minimum amounts set forth in the table below, the total commitment is less than 10 percent of the estimated purchases that ar e expected to be made during the course of the agreement.

(In thousands)

Year Ending December 31	
2011	$ 9,101
2012	1,174
2013	1,143
2014	1,113
2015	1,082
Thereafter	3,944
	$ 17,557

18. Concentrations of Risk

The Company's sales are concentrated in the areas of over-the-counter healthcare and household cleaning products. The Company sells its products to mass merchandisers, food and drug accounts, and dollar and club stores. During the three and nine month periods ended December 31, 2010, approximately 53.0% and 61.6%, respectively, of the Company's total sales were derived from its four major brands, while during the three and nine month periods ended December 31, 2009 approximately 63.7% and 65.1%, respectively, of the Company's total sales were derived from its four major brands. During the three and nine month periods ended December 31, 2010, approximately 22.8% and 22.6%, respectively, of the Company's sales were made to one customer, while during the three and nine month periods ended December 31, 2009, approximately 24.9% and 25.2%, respectively, of sales were to this customer. At December 31, 2010, approximately 20.5% of accounts receivable were owed b y the same customer.

The Company manages the majority of its product distribution in the continental United States through a main distribution center in St. Louis, Missouri. In addition, as the result of the Blacksmith acquisition, the Company manages product distribution through a distribution center in Plainfield, Indiana. A serious disruption, such as a flood or fire, to either 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 either of its distribution centers. As a result, any such disruption could have a material adverse effect on the Company's sales and profitability.

At December 31, 2010, the Company had relationships with 43 third party manufacturers. Of those, the Company had long-term contracts with eight manufacturers that produced items that accounted for approximately 43.5% of gross sales for the nine months ended December 31, 2010. At December 31, 2009, the Company had relationships with 38 third party manufacturers. Of those, the Company had long-term contracts with seven manufacturers that produced items that accounted for approximately 31.0% of gross sales for the nine months ended December 31, 2009. The fact that the Company does not have long term contracts with certain manufacturers means they could cease producing products at any time and for any reason, or initiate arbitrary and costly price increases which could have a material adverse effect on the Company's business, financial condition and results from operations.

19. Business Segments

Segment information has been prepared in accordance with the Segment Topic of the FASB ASC. As described in Note 3, on September 1, 2010, the Company sold certain assets related to its nail polish remover brand previously included in its Personal Care segment to an unrelated third party. The sold assets comprised a substantial majority of the assets in the Personal Care segment. The remaining assets and revenue generated do not constitute a reportable segment under the Segment Reporting Topic of the FASB ASC. The Company reclassified the remaining assets and results to the Over-the-Counter Healthcare segment for all periods presented. The Company's operating and reportable segments now consist of (i) Over-the-Counter Healthcare and (ii) Household Cleaning.

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 tables below su mmarize information about the Company's operating and reportable segments.

	For the Three Months Ended December 31, 2010		
	Over-the-Counter Healthcare	**Household Cleaning**	**Consolidated**
(In thousands)			
Net sales	$ 67,287	$ 22,790	$ 90,077
Other revenues	173	358	531
Total revenues	67,460	23,148	90,608
Cost of sales	30,827	15,769	46,596
Gross profit	36,633	7,379	44,012
Advertising and promotion	11,842	1,207	13,049
Contribution margin	$ 24,791	$ 6,172	30,963
Other operating expenses			17,939
Operating income			13,024
Other expense			7,674
Provision for income taxes			3,204
Income from continuing operations			2,146
Income from discontinued operations, net of income tax			32
Net income			$ 2,178

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(In thousands)	For the Nine Months Ended December 31, 2010 Over-the-Counter Healthcare	Household Cleaning	Consolidated
Net sales	$ 162,652	$ 75,434	$ 238,086
Other revenues	368	1,693	2,061
Total revenues	163,020	77,127	240,147
Cost of sales	64,477	51,097	115,574
Gross profit	98,543	26,030	124,573
Advertising and promotion	23,918	4,857	28,775
Contribution margin	$ 74,625	$ 21,173	95,798
Other operating expenses			38,277
Operating income			57,521
Other expense			18,808
Provision for income taxes			15,948
Income from continuing operations			22,765
Income from discontinued operations, net of income tax			591
Loss on sale of discontinued operations, net of income tax benefit			(550)
Net income			$ 22,806

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(In thousands)	For the Three Months Ended December 31, 2009 Over-the- < font style="font-family:inherit;font-size:10pt;font-weight:bold;">Counter Healthcare	Household Cleaning	Consolidated
Net sales	$ 46,544	$ 26,828	$< /div> 73,372
Other revenues	9	437	< div style="text-align:right;font-size:10pt;">446
Total revenues	46,553	27,265	73,818
Cost of sales	17,166	17,481	34,647
Gross profit	29,387	9,784	39,171
Advertising and promotion	5,160	877	6,037
Contribution margin	$ 24,227	$8,907	33,134
Other operating expenses			9,869
Operating income			23,265
Other expense			5,558
Provision for income taxes			7,642
Income from continuing operations	< font style="font-family:inherit;font-size:10pt;">		10,065
Income from discontinued operations, net of income tax			358
Gain on sale of discontinued operations, net of income tax			157
Net income			$ 10,580

	For the Nine Months Ended December 31, 2009		
(In thousands)	Over-the-Counter Healthcare	Household Cleaning	Consolidated
Net sales	$ 138,907	$ 82,271	$ 221,178
Other revenues	29	1,454	1,483
Total revenues	138,936	83,725	222,661
Cost of sales	50,409	53,765	104,174
Gross profit	88,527	29,960	118,487
Advertising and promotion	19,299	5,080	24,379
Contribution margin	$ 69,228	$ 24,880	& 94,108nbsp;
Other operating expenses			33,455
Operating income			60,653
Other expense		< font style="font-family:inherit;font-size:10pt;">	16,853
Provision for income taxes			17,531
Income from continuing operations			26,269
Income from discontinued operations, net of inc ome tax			2,402
Gain on sale of discontinued operations, net of income tax			157
Net income			$ 28 ,828

During the three and nine month periods ended December 31, 2010, approximately 95.5% and 95.7%, respectively, of the Company's sales were made to customers in the United States and Canada, while during the three and nine month periods ended December 31, 2009, approximately 95.5% and 95.6%, 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 December 31, 2010, substantially all of the Company's long-term a ssets were located in the United States and have been allocated to the operating segments as follows:

(In thousands)	Over-the-Counter Healthcare	Household Cleaning	Consolidated
Goodwill	$ 145,810	$ 7,389	$ 153,199
Intangible assets			
Indefinite-lived	492,797	119,821	612,618
Finite-lived	68,407	31,835	100,242
	561,204	151,656	712,860
	$ 707,014	$ 159,045	$ 866,059

20. Condensed Consolidating Financial Statements

As described in Note 10, the Company, together with certain of its wholly-owned subsidiaries, have fully and unconditionally guaranteed, on a joint and several basis, the obligations of Prestige Brands, Inc. (a wholly-owned subsidiary of the Company) set forth in the Senior Notes Indenture, including, without limitation, the obligation to pay principal and interest with respect to the 2010 Senior Notes. The wholly-owned subsidiaries of the Company which have guaranteed the 2010 Senior Notes are as follows: Prestige Personal Care Holdings, Inc., Prestige Personal Care, Inc., Prestige Services Corp., Prestige Brands Holdings, Inc. (a Virginia corporation), Prestige Brands International, Inc., Medtech Holdings, Inc., Medtech Products Inc., The Cutex Company, The Denorex Company and The Spic and Span Company (collectively, the "Subsidiary Guarantors"). A significant portion of the Company's operating income and cash flow is generated by its subsidiaries. As a result, funds necessary to meet Prestige Brands, Inc.'s debt service obligations are provided in part by distributions or advances from the Company's subsidiaries. Under certain circumstances, contractual and legal restrictions, as well as the financial condition and operating requirements of the Company's subsidiaries, could limit Prestige Brands, Inc.'s ability to obtain cash from the Company's subsidiaries for the purpose of meeting its debt service obligations, including the payment of principal and interest on the 2010 Senior Notes. Although holders of the 2010 Senior Notes will be direct creditors of the guarantors of the 2010 Senior Notes by virtue of the guarantees, the Company has indirect subsidiaries located primarily in the United Kingdom and in the Netherlands (collectively, the "Non-Guarantor Subsidiaries") that have not guaranteed th e 2010 Senior Notes, and such subsidiaries will not be obligated with respect to the 2010 Senior Notes. As a result, the claims of creditors of the Non-Guarantor Subsidiaries will effectively have priority with respect to the assets and earnings of such companies over the claims of the holders of the 2010 Senior Notes.

Presented below are supplemental condensed consolidating balance sheets as of December 31, 2010 and March 31, 2010 and condensed consolidating statements of operations for the three and nine month periods ended December 31, 2010 and 2009, and condensed consolidating statements of cash flows for the nine month periods ended December 31, 2010 and 2009. Such consolidating information includes separate columns for:

a) Prestige Brands Holdings, Inc., the parent,
b) Prestige Brands, Inc., the issuer,
c) Combined Subsidiary Guarantors,
d) Combined Non-Guarantor Subsidiaries,
e) Elimination entries necessary to consolidate the Company and all of its subsidiaries.

The condensed consolidating financial statements are presented using the equity method of accounting for investments in wholly-owned subsidiaries. Under the equity method, the investments in subsidiaries are recorded at cost and adjusted for our share of the subsidiaries' cumulative results of operations, capital contributions, distributions and other equity changes. The elimination entries principally eliminate investments in subsidiaries and intercompany balances and transactions. The financial information in this footnote should be read in conjunction with the consolidated financial statements presented and other notes related th ereto contained in this Quarterly Report on Form 10-Q for the quarter ended December 31, 2010.

Condensed Consolidating Statement of Operations

< font style="font-family:inherit;font-size:10pt;font-weight:bold;">Three Months Ended **December 31, 2010**

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(In thousands)	**Prestige Brands Holdings, Inc.**	**Prestige Brands, Inc., the issuer**	**Combined Subsidiary Guarantors**	**Combined Non-guarantor Subsidiaries**	**Eliminations**	**Consolidated**
Revenues	$ —	$ 66,089	$ 22,790	$ 1,198	$ —	$ 90,077
Other Revenue	—	173	358	336	(336)	531
Total Revenue	—	66,262	23,148	1,534	(336)	&n 90,608bsp;
Cost of Sales						
Cost of Sales (exclusive of depreciation)	—	30,662	15,769	501	(336)	46,596
Gross Profit		35,600	7,379	1,033	—	44,012
Advertising and promotion	3	11,232	1,206	608	—	13,049
General and administrative	(74)	12,445	2,79 7	258	—	15,426
Depreciation and amortization	111	1,921	463	18	—	2,513
Total operating expenses	40	25,598	4,466	884	—	30,988
					<	
Operating income (loss)	(40)	10,002	2,913	149	—	13,024
Other (income) expense						
Interest income	(13,073)	(2,258)	—	(85)	15,416	—
Interest expense	—	19,534	3,556	—	(15,416)	7,674
Equity in income of subsidiaries	4,698	—	—	—	(4,698)	—
Total other (income) expense	(8,375)	17,276	3,556	(85)	(4,698)	7,674
Income (loss) from continuing operations before income taxes	8,335	(7,274)	(643)	234	4,698	5,350
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Provision for income taxes	6,157	(2,797)	(245)	89	—	3,204
Income (loss) from continuing operations	2,178	(4,477)	(398)	145	4,698	2,146
Discontinued operations						
Income from discontinued operations, net of income tax	—	17	15	—	—	32
Loss on sale of discontinued operations, net of income tax benefit	—	—	—	—	—	—
Net income (loss)	$ 2,178	$ (4,460)	$ (383)	$ 145	$ 4,698	$ 2,178

Condensed Consolidating Statement of Operations
Three Months Ended December 31, 2009

(In thousands)	Prestige Brands Holdings, Inc.	Prestige Brands, Inc., the issuer	Combined Subsidiary Guarantors	Combined Non-guarantor Subsidiaries	Eliminations &nb sp;	Consolidated
Revenues	$ —	$ 45,523	$ 26,828</div>	$ 1,021	$ —	$ 73,372
Other Revenue	< div style="text-align:right;font-size:8pt;">—	9	437	186	(186)	446
Total Revenue	—	45,532	27,265 ;	1,207	(186)	73,818
Cost of Sales						
Cost of Sales (exclusive of depreciation)	—	16,917	17,481	435	(186)	34,647
Gross Profit	—	28,615	9,784	772	—	39,171
Advertising and promotion	—	< font style="font-family:inherit;font-size:8pt;">4,620	877	540	—	6,037
General and administrative	134	4,520	2,591	166	—	7,411
Depreciation and amortization	99	1,869	472	18	—	2,458
Total operating expenses	233	11,009	3,940	724	—	15,906
		< font style="font-				
Operating income (loss)	(233)	17,606	5,844	48	—	23,265
Other (income) expense						
Interest income	(13,162)	(2,332)	— &nb sp;	(27)	15,521	—
Interest expense	—	17,499	3,580	—	(15,521)	5,558
Equity in income of subsidiaries	(2,288)	—	—	—	2,288	—
Total other (income) expense	(15,450)	15,167	3,580	(27)	2,288	5,558
		;				
Income (loss) from continuing operations before income taxes	15,217	2,439	2,264	75	(2,28 8)	17,707
Provision for income taxes	4,637	1,906	1,021	78	—	7,642
Income (loss) from continuing operations	10,580	533	1,243	(3)	(2,288)	10,065
Discontinued operations						
Income from discontinued operations, net of income tax	—	327	31 &nbs p;	—	—	358
Gain/(loss) on sale of discontinued operations, net of income tax/(benefit)	—	788	(631)	—	—	157
Net income (loss)	$ 10,580	$ 1,648	$ 643	$ (3)	$ (2,288)	$ 10,580

& nbsp;

Condensed Consolidating Statement of Operations
Nine Months Ended December 31, 2010

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(In thousands)	Prestige Brands Holdings, Inc.	Prestige Brands, Inc., the issuer	Combined Subsidiary Guarantors	Combined Non-guarantor Subsidiaries	Eliminations	Consolidated
Revenues	$ —	$ 159,772	$ 75,434	$ 2,880	$ —	$ 238,086
Other Revenue	—	369	1,692	1,327	(1,327)	2,061
Total Revenue	—	160,141	77,126	4,207	(1,327)	240,147
Cost of Sales						
Cost of Sales (exclusive of depreciation)	—	64,680	51,097	1,124	(1,327)	115,574
Gross Profit	—	95,461	26,029	3,083	< —/div>	124,573
Advertising and promotion	2	22,864	4,858	1,051	—	28,775
General and administrative	(225)	22,651	8,196	319	—	30,941
Depreciation and amortization	338	5,559	1,388	51	—	7,336
Total operating expenses	115	51,074	14,442	1,421	—	67,052
Operating income (loss)	(115)	44,387	11,587	1,662	—	57,521
Other (income) expense						
Interest income	(39,142)	(6,884)	—	(132)	46,158	—
Interest expense	&n —bsp;	54,021	10,645	—	(46,158)	18,508
Loss on extinguishment of debt	—	300	—	— &n bsp;	—	300
Equity in income of subsidiaries	110	—	—	—	(110)	—
Total other (income) expense	(39,032)	47,437	10,645	(132)	(110)	18,808
				< /td>		
Income (loss) from continuing operations before income taxes	38,917	(3,050)	942	1,794	110	38,713
Provision for income taxes	16,111	(993)	361	469	—	15,948
Income (loss) from continuing operations	22,806< /font>	(2,057)	581	1,325	110	22,765
Discontinued operations						
Income (loss) from discontinued operations, net of income tax	—	578	13	—	—	591
Loss on sale of discontinued operations, net of income tax benefit	—	(550)	—	—	—	(550)
Net income (loss)	$ 22,806	$ (2,029)	$ 594	$ 1,325	$ 110	$ 22,806

Condensed Consolidating Statement of Operations
Nine Months Ended December 31, 2009

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(In thousands)	Prestige Brands Holdings, Inc.	Prestige Brands, Inc., the issuer	Combined Subsidiary Guarantors	Combined Non-guarantor Subsidiaries	Eliminations	Consolidated
Revenues	$ —	$136,129	$ 82,271	$ 2,778	$ —	$ 221,178
Other Revenue	—	29	1,454	984	(984)	1,483
Total Revenue	—	136,158	83,725	3,762	(984)	222,661
					<	

Cost of Sales						
Cost of Sales (exclusive of depreciation)	—	50,256	53,766	1,136	(984)	104,174
Gross Profit	—	85,902	29,959	2,626	—	118,487
Advertising and promotion	—	18,217	5,080	1,082	—	24,379
General and administrative	(114)	16,290	9,921	(10)	—	26,087
Depreciation and amortization &nb sp;	278	5,621	1,417	52	—	7,368
Total operating expenses (income)	164	40,128	16,418	1,124	—	57,834
Operating income	(164)	45,774	13,541	1,502	—	60,653
		&nbs				
Other (income) expense						
Interest income	(39,411)	(6,977)	—	(87)	46,475	—
I nterest expense	—	52,609	10,719	—	(46,475)	16,853
Equity in income of subsidiaries	(4,259)	—	—	—	4,259	—
Total other (income) expense	(43,670)	45,632	10,719	(87)	4,259	16,853
Income (loss) from continuing operations before income taxes	43,506	142	2,822	1,589	(4,259)	43,800
Provision (benefit) for income taxes	14,678	1,239	1,233	381	—	17,531
Income (loss) from continuing operations	28,828	(1,097)	1,589	1,208	(4,259)	26,269
Discontinued operations						
Income from discontinued operations, net of income tax	—	2,149	253	—	—	2,402
Gain/(loss) on sale of discontinued operations, net of income tax/(benefit)< /div>	—	787	(630)	—	—	157
Net income (loss)	$ 28,828	$ 1,839	$ 1,212	$ 1,208 ;	$ (4,259)	$ 28,828

Condensed Consolidating Balance Sheet
December 31, 2010

(In thousands)	Prestige Brands Holdings, Inc.	Prestige Brands, Inc., the issuer	Combined Subsidiary Guarantors	Combined Non-guarantor Subsidiaries	Eliminations	Consolidated
Assets						
Current assets						
Cash and cash equivalents	$ 82,652	$ —	$ —	$ 614	$ —	$ 83,266< /font>
Accounts receivable	< font style="font-family:inherit;font-17size:10pt;">	33,930	7,041	993	—	41,981
Inventories	—	38,148	8,969	790 < /td>	—	47,907
Deferred income tax assets	806	3,416	477	1	—	4,700
Prepaid expenses and other current assets	1,039	671	89	1	—	1,800
Current assets of discontinued operations	—	—	—	—	—	—
Total current assets	84,514	76,165	16,576	2,399	—	179,654
Property and equipment	1,078	116	197	15	—	1,406
Goodwill	—	145,809	7,390	—	—	153,199
Intangible assets	—	560,751	151,656	453	—	712,860
Other long-term assets	—	6,729	—	—	—	6,729
Intercompany receivable	926,912	959,307	93,725	4,378	(1,984,322)	—
Investment in subsidiary	456,119	—	—	—	(456,119)	—
Total Assets	$ 1,468,623	$ 1,748,877	$ 269,544	$ 7,245	$ (2,440,441)	$ 1,053,848
Liabilities and Stockholders' Equity						
Current liabilities						
Accounts payable	$ 895	$ 12,056	$ 4,912	$ 819	$ —	$ 18,682
Accrued interest payable	—	5,156	—	—	—	5,156
Other accrued liabilities	5,315	22,093	(6,254)	(565)	—	20,589
Current portion of long-term debt< /div>	—	659	—	—	—	659
Total current liabilities	6,210 < /font>	39,964	(1,342)	254	—	45,086
Long-term debt						
Principal amount	&nbs p; —	508,841	—	—	—	508,841
Less unamortized discount	—	(5,277)	—	—	—	(5,277)
Long-term debt, net of unamortized discount	—	503,5 64	—	— < /td>	—	503,564
Deferred income tax liabilities	(2,550)	129,991	23,163	92	—	150,696
;						
Intercompany payable	937,916	872,092	173,607	707	(1 ,984,322)	—
Intercompany equity in subsidiaries	172,545	—	—	—	(172,545)	—
Total Liabilities	1,114,121	1,545,611	195,428	1,053	(2,156,867)	699,346
Stockholders' Equity						
Common Stock	502	—	—	—	—	502
Additional paid-in capital	386,928	337,458	118,637	24	(456,119)	386,928
Treasury stock	(327)	—	—	—	—	(327)
Retained earnings (accumulated deficit)	(32,601)	(139,919)	(44,521)	11,895	172,545	(32,601)
Intercompany di vidends	—	5,727	—	(5,727)	—	—
Total Stockholders' Equity	354,502	203,266	74,116	6,192	(283,574)	354,502

Total Liabilities and Stockholders' Equity	$ 1,468,623		$ 1,748,877	$ 269,544	$ 7,245	$ (2,440,441)	$ 1,053,848

Condensed Consolidating Balance Sheet
March 31, 2010

Goodwill

(In thousands)	Prestige Brands Holdings, Inc.	Prestige Brands, Inc., the issuer	Combined Subsidiary Guarantors	Combined Non-guarantor Subsidiaries	Eliminations	Consolidated
Assets						
Current assets						
Cash and cash equivalents	$ 40,644	$ —	$ —	$ 453	$ —	$ 41,097
Accounts receivable	1,054	18,865	10,025	677	—	30,621
Inventories	—	19,798	7,257	621	—	27,676
Deferred income tax assets	2,315	3,639	398	1	—	6,353
Prepaid expenses and other current assets	4,442	226	248	1	—	4,917
Current assets of discontinued operations	—	1,486	—	—	—	1,486
Total current assets	48,455	44,014	17,928	1,753	—	112,150
Property and equipment	841	236	297	22	—	1,396
	—	104,099	7,390	—	—	111,489
Intangible assets	—	400,900	152,964	495	—	554,359
Other long-term assets	—	7,148	—	—	—	7,148
Long-term assets of discontinued operations	—	4,870	—	—	—	4,870
Intercompany receivable	712,224	729,069	90,251 </div>	3,989	(1,535,533)	—
Investment in subsidiary	456,119	—	—	—	(456,119)	—
Total Assets	$ 1,217,639	$ 1,290,336	$ 268,830	$ 6,259	$ (1,991,652)	$ 791,412
Liabilities and Stockholders' Equity						
Current liabilities						
Accounts payable	$ 2,526	$ 5,837	$ 4,060	$ 348	$ —	$ 12,771
Accrued interest payable	—	1,561	—	—	—	1,561
Other accrued liabilities	10,234	4,960	(3,476)	15	—	11,733
Current portion of long-term debt	—	29,587	—	—	—	29,587
Total current liabilities	12,760	41,945	584	363	—	55,652
Long-term debt						
Principal amount	—	298,500	&nbs —p;	—	&mdas h;	298,500
Less unamortized discount	—	(3,943)	—	—	—	(3,943)
Long-term debt, net of unamortized discount	—	294,557	—	—	—	294,557
Deferred income tax liabilities	(4)	91,828	20,224	96	—	112,144
Intercompany payable	703,389	656,711	174,500	933	(1,535,533)	—
Intercompany equity in subsidiaries	172,435	—	—	—	(172,435)	—
Total Liabilities	888,580	1,085,041	195,308	1,392	(1,707,968)	462,353
Stockholders' Equity						
Common Stock	502	—	—	—	—	502
Additional paid-in capital	384,027	337,458	118,637	24	(456,119)	384,027
Treasury stock	(63)	—	—	—	—	(63)
Retained earnings (accumulated deficit)	(55,407)	(137,890)	(45,115)	10,570	172,435	(55,407)
Intercompany dividends	—	5,727	—	(5,727)	—	—
Total Stockholders' Equity	329,059	205,295	73,522	4,867	(283,684)	329,059
Total Liabilities and Stockholders' Equity	$ 1,217,639	$ 1,290,336	$ 268,830	$ 6,259	$ (1,991,652)	$ 791,412

Condensed Consolidating Statement of Cash Flows
Nine Months Ended December 31, 2010

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(In thousands)	Prestige Brands Holdings, Inc.	Prestige Brands, Inc., the issuer	Combined Subsidiary Guarantors	Combined Non-guarantor Subsidiaries	Eliminations	Consolidated
Operating Activities						
Net income (loss)	$ 22,806	$ (2,029)	$ 594	$ 1,325	$ 110	$ 22,806
Adjustments to reconcile net income (loss) to net cash provided by operating activities:						
Depreciation and amortization	338	5,789	1,388	50	—	7,565
Loss on sale of discontinued operations	—	890	—	—	—	890
Deferred income taxes	(1,039)	3,768	2,862	—	—	5,591
Amortization of deferred financing costs	—	767	—	—	—	767
Stock-based compensation costs	2,751	—	—	—	—	2,751
Loss on extinguishment of debt	—	300	—	—	—	300
Amortization of debt discount	—	480	—	—	—	< 480/td>
Loss on disposal of equipment	3	105	20	3	—	131
Changes in operating assets and liabilities						
Accounts receivable	1,037	3,624	2,985	(316)	—	7,330
Inventories	—	4,696	(1,712)	(170)	—	2,814
Inventories held for sale	—	1,114	—	—	—	1,114
Prepaid expenses and other current assets	3,404	(395)	157	—	—	3,166
Accounts payable	(1,631)	(746)	852	471	—	(1,054)
Accrued liabilities	(2,069)	11,567	(2,778)	288	—	7,008
Net cash provided by (used for) operating activities	25,600	29,930	4,368	1,651	110	61,659
Investing Activities						
Purchases of equipment	(358)	(44)	—	(3)	—	(405)
Proceeds from sale of discontinued operations	—	4,122	—	—	—	4,122
Acquisition of Blacksmith, net of cash acquired	(221)	(201,823)	—	—	—	(202,044)
Net cash (used for) provided by investing activities	(579)	(197,745)	—	(3)	—	(198,327)
Financing Activities						
Proceeds from issuance of senior notes	—	100,250	—	—	—	100,250
Proceeds from issuance of senior term loan	—	112,936	—	—	— < /div>	112,936
Payment of deferred financing costs	—	(648)	—	—	—	(648)
Repayment of long-term debt	—	(33,587)	—	—	—	(33,587)
Proceeds from exercise of stock options	150	—	—	—	—	150
Purchase of treasury stock	(264)	—	—	—	—	(264)
Intercompany activity, net	17,101	(11,136)	(4,368)	(1,487)	(110)	—
Net cash (used for) provided by financing activities	16,987	167,815	(4,368)	(1,487) & nbsp;	(110)	178,837
Increase in cash	42,008	—	—	161	—	42,169
Cash - beginning of period	40,644	—	—	453	—	41,097
Cash - end of period	$ 82,652	$ —	$ —	$ 614	$ —	$ 83,266

Condensed Consolidating Statement of Cash Flows
Nine Months Ended December 31, 2009

(In thousands)	**Prestige Brands Holdings, Inc.**	**Prestige Brands, Inc., the issuer**	**Combined Subsidiary Guarantors**	**Combined Non-guarantor Subsidiaries**	**Eliminations**	**Consolidated**
Operating Activities						
Net income (loss)	$ 28,828	$ 1,839	$ 1,212	$ 1,208	$ (4,259)	$ 28,828
Adjustments to reconcile net income (loss) to net cash provided by operating activities:						
Depreciation and amortization	278	6,334	2,015	52	—	8,679
Loss (gain) on sale of discontinued operations	—	(1,268)	1,015	—	—	(253)
< font style="font-family:inherit;font-size:8pt;font-weight:normal;">Deferred income taxes	(605)	5,525	5,334	—	—	10,254
Amortization of deferred financing costs	—	1,432	—	—	—	1,432
Stock-based compensation costs	1,658	—	—	—	&m dash;	1,658
Loss on extinguishment of debt	—	—	—	—	—	—
Amortization of debt discount	—	—	—	—	—	—
Loss on disposal of equipment	—	—	—	—	—	—
Changes in operating assets and liabilities						
Accounts receivable	494	4,182	1,981	(250)	—	6,407
Inventories	&m dash;	(2,993)	(3,459)	(506)	—	(6,958)
Inventories held for sale	—	(1,323)	—	—	—	(1,323)
Prepaid expenses and other current assets	(643)	26	(46)	(1)	—	(664)
Accounts payable	189	1,073	(558)	302	—	1,006
Accrued liabilities	4,484	1,048	(4,462)	354	< —/div>	1,424
Net cash provided by (used for) operating activities	34,683	15,875	3,032	1,159	(4,259)	50,490
Investing Activities						
Purchases of equipment	(337)	(35)	—	(30)	—	(402)
Proceeds from sale of discontinued operations	(1,000)	4,476	4,517	—	—	7,993
Net cash (used for) provided by investing activities	(1,337)	4,441	&n 4,517bsp;	(30)	—	7,591
Financing Activities						
Payment of deferred financing costs	—	—	—	—	—	< div style="text-align:right;font-size:8pt;">—
Repayment of long-term debt	&md ash;	(59,000)	—	—	—	(59,000)
Purchase of treasury stock	—	—	—	—	—	—
Intercompany activity, net	(34,257)	38,684	(7,549)	(1,137)	4,259	—
Net cash (used for) provided by financing activities	(34,257)	(20,316)	(7,549)	(1,137)	4,259	(59,000)
Increase (decrease) in cash	< div style="text-align:right;font-size:8pt;">(911)	—	—	(8)	—	(919)
Cash - beginning of period	34,458	—	—	723	—	35,181
Cash - end of period	$ 33,547	$ —	$ —	$ 715	$ —	$ 34,262

21. Subsequent Events

On January 6, 2011, the Company acquired certain assets comprising the *Dramamine* business in the United States. The purchase price was $76.0 million in cash, subject to a post-closing inventory adjustment. The *Dramamine* brand is complementary to the Company's existing Over-the-Counter brands. The purchase price was funded by cash on hand. As of the date of filing this Quarterly Report on Form 10-Q, the Company has not yet completed the initial accounting for the acquisition, and the acquisition-date fair values of the acquired assets and assumed liabilities have not yet been determined.< /font>

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

The following discussion of our financial condition and results of operations should be read together with the consolidated financial statements and the related notes included in this Quarterly Report on Form 10 - -Q, as well as our Annual Report on Form 10-K for the fiscal year ended March 31, 2010. 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, 2010, as well as those described in future reports filed with the SEC.

See also "Cautionary Statement Regarding Forward-Looking Statements" on page 54 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 and household cleaning products to mass merchandisers, drug stores, supermarkets and dollar and club stores primarily in the United States, Canada and certain other international markets. 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 pha rmaceutical companies, as well as other brands from smaller private companies. While the brands we have purchased from larger consumer products and pharmaceutical companies generally have had 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.

Acquisitions

Blacksmith Acquisition

On November 1, 2010, we acquired 100% of the capital stock of Blacksmith Brands Holdings, Inc. ("Blacksmith") for $190.0 million in cash, plus a working capital adjustment of $13.4 million and an additional $1.1 million was paid by us on behalf of Blacksmith for the seller's transaction costs. The working capital adj ustment is among a number of items that we are challenging related to the purchase price. In connection with this acquisition, we acquired five leading consumer Over-the-Counter brands: *Efferdent®*, *Effergrip®*, *PediaCare®*, *Luden's®*, and *NasalCrom®*. These brands are complementary to our existing Over-the-Counter brands. We expect that the acquisition of the five brands will enhance our position in the Over-the-Counter market. Additionally, we believe that these newly acquired brands will benefit from a targeted advertising and marketing program, as well as our business model of outsourcing manufacturing and the elimination of redundant operations. The purchase price was funded by cash provided by the issuance of long term debt and additional bank borrowings, which are discussed further in Note 10 to the Consolidated Financial Statements.

The acquisition was accounted for in accordance with the Business Combinations Topic of the ASC which requires that the total cost of an acquisition be allocated to the tangible and intangible assets acquired and liabilities assumed based upon their respective fair values at the date of acquisition.

The following table summarizes our preliminary allocation of the $204.5 million purchase price to the assets we acquired and liabilities we assumed in the Blacksmith acquisition:

(In thousands)

Cash acquired	$	2,507
Accounts receivable, net		17,473
Other receivables		1,198
Income taxes receivable		< div style="text-align:right;font-size:9pt;">5
Inventories		23,045
Prepaids and other current assets		44
Property, plant and equipment, net		226
Goodwill		41,710
Trademarks		165,346
Other long-term assets		19
Total assets acquired		251,573
Accounts payable		6,965
Accrued expenses		3,412
Income taxes payable		2,031
Deferred income taxes		34,614
Total liabilities assumed		47,022
Total purchase price	$	204,551

Transaction and other costs associated with the Blacksmith acquisition of $6.9 million are included in general and administrative expenses on the Company's statement of operations for the three and nine months ended December 31, 2010.

The preliminary allocation of the purchase price to assets acquired and liabilities assumed is based on valuations performed by an independent third party to determine the fair value of such assets as of the acquisition date. We are still assessing the economic characteristics of certain trademarks. We expect to substantially complete this assessment during the fourth quarter of the fiscal year ending March 31, 2011 and may adjust the amounts recorded as of December 31, 2010 to reflect any revised valuations.

We preliminarily recorded goodwill based on the amount by which the purchase price exceeded the prelimin ary fair value of net assets acquired. The preliminary amount of goodwill deductible for tax purposes is $4.6 million.

We are amortizing the purchased amortizable intangible assets on a straight-line basis over an estimated weighted average life of 15 years.

The operating results of Blacksmith have been included in our consolidated financial statements from the date of acquisition. Revenues of the acquired operations from November 1, 2010 through December 31, 2010 were $15.2 million while the net loss was $3.2 million.

Discontinued Operations and Sale of Certain Assets

On September 1, 2010, we sold certain assets related to the nail polish remover brand previously included in our Personal Care products segment to an unrelated third party ("the *Cutex*® divestiture"). In accordance with the Discontinued Operations Topic of the ASC, we reclassified the related assets as assets of disc ontinued operations in the consolidated balance sheets as of March 31, 2010, and reclassified the related operating results as discontinued operations in the consolidated financial statements and related notes for all periods presented. We recognized a loss of $0.9 million on a pre-tax basis and $0.6 million net of tax effects on the sale in the nine month period ended December 31, 2010. The total sales price for the assets was $4.1

million, the proceeds for which were received upon closing. As the assets sold comprised a substantial majority of the assets in the Personal Care segment, we reclassified the remaining assets to the Over-the-Counter Healthcare segment for all periods presented.

In October 2009, we sold certain assets related to the shampoo brands previously included in our Personal Care products segment to an unrelated third party. In accordance with the Discontinued Operations Topic of the ASC, we reclassified the related assets as held for sale in the consolidated balance sheet as of March 31, 2010 and we reclassified the re lated operating results as discontinued in the consolidated financial statements and related notes for all periods presented. We recognized a gain of $0.3 million on a pre-tax basis and $0.2 million net of tax effects on the sale in the quarter and nine month period ended December 31, 2009. The total sales price for the assets was $9.0 million, subject to an inventory adjustment, with $8.0 million received upon closing. The remaining $1.0 million was received by us in October 2010.

The following table presents the assets related to the discontinued operations as of December 31, 2010 and March 31, 2010 (in thousands):

	December 31, 2010	March 31, 2010
Inventory	$ —	$ 1,486
Intangible assets	—	4,870
Total assets of discontinued operations	$ —	$ 6,356

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

	Three Months Ended December 31		Nine Months Ended December 31	
	2010	2009	2010	2009
Components of Income				
Revenues	$ 84	$ 2,281	$ 4,027	$ 12,979
Income before income taxes	51	576	957	3,868

Three Month Period Ended December 31, 2010 compared to the Three Month Period Ended December 31, 2009

Revenues (in thousands)

	2010 Revenues	%	2009 Revenues	%	Increase (Decrease)	%
OTC Healthcare	$ 67,460	74.5	$ 46,553	63.1	$ 20,907	44.9
Household Cleaning	23,148	25.5	27,265	36.9	(4,117)	(15.1)
	$ 90,608	100.0	$ 73,818	100.0	$ 16,790	22.7< /font>

Revenues for the three month period ended December 31, 2010 were $90.6 million, an increase of $16.8 million, or 22.7%, versus the three month period ended December 31, 2009. Revenues for the Over-the-Counter Healthcare segment increased, primarily due to revenues of $15.2 million from sales of the acquired Blacksmith products, while revenues for the Household Cleaning segment decreased, versus the comparable period in the prior year. Revenues from customers outside of North America, which represent 4.5% of total revenues, increased by $0.8 million, or 23%, during 2010 compared to 2009, primarily due to increased shipments of eye care products to our Australian and Venezuelan distributors.

Over-the-Counter Healthcare Segment
Revenues for the Over-the-Counter Healthcare segment increased $20.9 million, or 45%, during 2010 versus 2009. The increase in revenues was primarily due to revenues of $15.2 million from sales of the acquired Blacksmith products. Additionally, we increased advertising and promotional activities which resulted in increased shipments to retailers. Revenue increases for Chloraseptic, *Little Remedies*, *Compound W* and *Clear Eyes* were partially offset by revenue decreases for *The Doctor's*. *Chloraseptic* revenues increased primarily due to new products and expanded distribution. *The Doctor's* revenue decrease was primarily the result of our largest customer discontinuing the sale of *The Doctor's Brushpicks* and reducing the number of stores in which *The Doctor's Nightguard* is sold. *Little Remedies* revenue increased as the result of the launch of the new *Little Remedies* Honey Elixir p roduct. *Compound W* revenues increased as the result of an increase in consumer consumption for both cryogenic and non-cryogenic products, and the continued sell-in of the new *Compound W* Skin Tag Remover in Canada. *Clear Eyes* revenues increased primarily due to distribution gains for its new multi-symptom relief eye drop product.

Household Cleaning Segment
Revenues for the Household Cleaning segment decreased $4.1 million, or 15.1%, during 2010 versus 2009. Revenue decreased for *Comet, Spic and Span* and *Chore Boy. Comet* revenues decreased primarily due to lower consumer demand for bathroom spray. *Spic and Span* revenues were lower in 2010 versus 2009 due to a promotion in 2009 which resulted in increased shipments to retailers that was not repeated in 2010.

Gross Profit (in thousands)

	2010 Gross Profit	%	2009 Gross Profit	%	Increase (Decrease)	%
OTC Healthcare	$ 36,633	54.3	$ 29,387	63.1	$ 7,246	24.7
Household Cleaning	7,379	31.9	9,784	35.9	(2,405)	(24.6)
	$ 44,012	< div style="text-align:right;font-size:10pt;">48.6	$ 39,171	53.1	$ 4,841	12.4

Gross profit for 2010 increased $4.8 million, or 12%, when compared with 2009. As a percent of total revenues, gross profit decreased from 53% in 2009 to 49% in 2010. The increase in gross profit is primarily due to the $3.6 million of gross profit recognized on sales of the acquired Blacksmith brands, net of a $3.5 million step-up adjustment related to inventory valuation in connection with the Blacksmith acquisition. Due to the acquisition of Blacksmith, the Blacksmith inventory was valued at a price higher than it will be purchased for in the future. The decrease in gross profit as a percent of revenues was primarily due to the previously mentioned adjustment related to inventory valuation in connection with the Blacksmith acquisition.< /div>

Over-the-Counter Healthcare Segment
Gross profit for the Over-the-Counter Healthcare segment increased $7.2 million, or 24.7%, during 2010 versus 2009. As a percent of Over-the-Counter Healthcare revenues, gross profit decreased from 63.1% during 2009 to 54.3% during 2010. The decrease in gross profit percentage was primarily the result of the previously mentioned step-up adjustment related to inventory valuation in connection with the Blacksmith acquisition, as well as the realization of a lower gross profit percentage for the acquired Blacksmith products.

Household Cleaning Segment
Gross profit for the Household Cleaning segment decreased by $2.4 million, or 25%, during 2010 versus 2009. As a percent of Household Cleaning revenue, gross profit decreased from 36% during 2009 to 32% during 2010. The decrease in gross profit percentage was primarily the result of higher distribution costs and increased cost of sales due to the sale of promotional bonus packages for *Comet* and *Spic and Span*.

Contribution Margin (in thousands)

	2010 Contribution Margin	%	2009 Contribution Margin	%	< /td> Increase (Decrease)	%
			< /td>			
OTC Healthcare	$ 24,791	36.7	$ 24,227	52.0	$ 564	2.3
Household Cleaning	6,172	26.7	8,907	32.7	(2,735)	(30.7)
	$ 30,963	34.2	$ 33,134	44.9	$ (2,171)	(6.6)

Contribution Margin, defined as gross profit less advertising and promotional expenses, decreased $2.2 million, or 7%, during 2010 versus 2009. The contribution margin decrease was due primarily to increased advertising and promotional spending and the inventory valuation charge related to the acquired Blacksmith brands, partially offset by the increase in gross profit. Advertising and promotional spending in the current quarter increased $7.0 million, or 116%, as a result of the differences in timing of advertising and promotional spending during the year. In 2009, the majority of spending occurred in the first two quarters of the year while in 2010, the majority of the advertising and promotional spending occurred during the third quarter.

Over-the-Counter Healthcare Segment
Contribution margin for the Over-the-Counter Healthcare segment increased $0.6 million, or 2%, during 2010 versus 2009. The contribution margin increase was the result of the $1.9 million contribution margin increase primarily related to increased sales of *Chloraseptic*, *Clear Eyes*, *Compound W*, *The Doctor's* and *Little Remedies and increased international sales, less a $1.3 million reduction in contribution margin related to the acquired Blacksmith brands. Advertising and promotional spending increased $6.7 million, or 129% due to differences in timing of advertising and promotional spending as noted above.*

Household Cleaning Segment
Contribution margin for the Household Cleaning segment decreased $2.7 million, or 31%, during 2010 versus 2009. The contribution margin decrease was the result of the decrease in gross profit as previously discussed, and a $0.3 million, or 38%, increase in advertising and promotional spending. The increase in advertising and promotional spending primarily related to increase in consumer promotion for Comet bathroom spray.
&nb sp;
General and Administrative
General and administrative expenses were $15.4 million for 2010 versus $7.4 million for 2009. The increase in expense was primarily due to the incurrence of $6.9 million of transaction and other costs directly related to the acquisition of Blacksmith.

Depreciation and Amortization
Depreciation and amortization expense was $2.5 million for both 2010 and 2009.

Interest Expense
Net interest expense was $7.7 million during 2010 versus $5.6 million during 2009. The increase in interest expense was primarily the result of a higher level of indebtedness outstanding related to the Blacksmith acquisition and an increase in cash held in anticipation of the Dramamine acquisition. The average cost of funds increased from 6.8% for 2009 to 7.6% for 2010 while the average indebtedness outstanding increased from $328.8 million during 2009 to $402.5 million during 2010.

Income Taxes
The provision for income taxes during 2010 was $3.2 million versus $7.6 million during 2009. The effective tax rate during 2010 was 59.7% versus 42.9% during 2009. The increase in the effective rate is primarily due to $0.8 million of non-deductible transaction expenses and a $0.3 million charge for increasing our deferred state tax rate related to the Blacksmith acquisition.

Nine Month Period Ended December 31, 2010 compared to the
Nine Month Period Ended December 31, 2009

Revenues (in thousands)

	2010 Revenues	%	2009 Revenues	%	Increa se (Decrease)	%
OTC Healthcare	$ 163,020	67.9	$ 138,936	62.4	$ 24,084	17.3
Household Cleaning	77,127	32.1	83,725	37.6	(6,598)	(7.9)
	$ 240,147	100.0	$ 222,661	100.0	$ 17,486	7.9

Revenues for the nine month period ended December 31, 201 0 were $240.1 million, an increase of $17.5 million, or 7.9%, versus the nine month period ended December 31, 2009. Revenues for the Over-the-Counter Healthcare segment increased, primarily due to revenues of $15.2 m illion from the acquired Blacksmith products, while revenues for the Household Cleaning segment decreased, versus the comparable period in the prior year. Revenues from customers outside of North America, which represent 4.3% of total revenues, increased by $0.7 million, or 7%, during 2010 compared to 2009, primarily due to increased shipments of eye care products by our United Kingdom subsidiary and to our Venezuelan distributor.

Over-the-Counte r Healthcare Segment
Revenues for the Over-the-Counter Healthcare segment increased $24.1 million, or 17.3%, during 2010 versus 2009. The increase in revenues was primarily due to revenues of $15.2 million from sales of the acquired Blacksmith products. Revenue increases for Chloraseptic, Clear Eyes, Compound W and Little Remedies were partially offset by revenue decreases for The Doctor's. Chloraseptic revenues increased as a result of new products and expanded distribution. Clear Eyes revenues increased primarily due to increased consumer consumption and distribution gains for its new multi-symptom relief eye drop product. Compound W revenues increased as the result of an increase in consumer consumption for both cryogenic and non-cryogenic products, and the sell-in of the new Compound W Skin Tag Remover in Canada. Little Remedies revenues increased as the result of the successful sell-in of its new medicated pediatric product and increased consumer consumption of its non-medicated pediatric products. The Doctor's revenues decrease was primarily the result of our largest customer discontinuing the sale of The Doctor's Brushpicks and reducing the number of stores in which The Doctor's Nightguard is sold.

Household Cleaning Segment
Revenues for the Household Cleaning segment decreased $6.6 million, or 8%, during 2010 versus 2009. Revenues decreased across the segment. Comet revenues decreased primarily due to lower consumer demand for bathroom spray. Spic and Span revenues decreased as a result of weaker consumer consumption of dilutibles. Chore Boy revenues decreased primarily due to decreased customer shipments of metal scrubbers.

Gross Profit (in thousands)

2010

2009

Increase

Gross Profit

%

Gross Profit

%

(Decrease)

%

OTC Healthcare
$

98,543

60.4

$

88,527

63.7

$

10,016

11.3

Household Cleaning

26,030

33.7

29,960

35.8

(3,930

)

(13.1

)

< /td>

&nb sp;

$

124,573

51.9

$

118,487

53.2

$

6,086

5.1

Gross profit for 2010 increased $6.1 million, or 5%, when compared with 2009. As a percent of total revenues, gross profit decreased from 53.2% in 2009 to 51.9% in 2010. The increase in gross profit is primarily due to the $3.6 million of gross profit recognized on sales of the acquired Blacksmith products, net of a $3.5 million purchase accounting adjustment related to a reduction in inventory valuation for the Blacksmith acquisition. The decrease in gross profit as a percent of revenues was primarily due to the previously mentioned step-up adjustment related to inventory valuation in connection with the Blacksmith acquisition.

Over-the-Counter Healthcare Segment
Gross profit for the Over-the-Counter Healthcare segment increased $10.0 million, or 11%, during 2010 versus 2009. As a percent of Over-the-Counter Healthcare revenues, gross profit decreased from 64% during 2009 to 60% during 2010. The decrease in gross profit percentage was primarily the result of the previously mentioned step-up adjustment related to inventory valuation in connection with the Blacksmith acquisition, as well as the realization of a lower gross profit percentage on sales of the acquired Blacksmith products.

Household Cleaning Segment
Gross profit for the Household Cleaning segment decreased by $3.9 million, or 13%, during 2010 versus 2009. As a percent of Household Cleaning revenue, gross profit decreased from 36% during 2009 to 34% during 2010. The decrease in gross profit percentage was primarily the result of higher product costs for *Chore Boy*, an unfavorable sales mix, higher distribution costs and increased cost of sales due to the sale of promotional bonus packages for *Comet* and *Spic and Span*.

Contribution Margin (in thousands)

	2010 Contribution Margin	%	2009 Contribution Margin	%	Increase (Decrease)	%
OTC Healthcare	$ 74,625	45.8	$ 69,228	49.8	$ 5,397	7.8
Household Cleaning	21,173	27.5	24,880	29.7	(3,707)	(14.9)
				& nbsp;		
	$ 95,798	39.9	$ 94,108	42.3	$ 1,690	1.8

Contribution Margin, defined as gross profit less advertising and promotional expenses, increased $1.7 million, or 1.8%, during 2010 versus 200 9. The contribution margin increase was the result of the increase in gross profit as previously discussed offset by a $4.4 million, or 18%, increase in advertising and promotional spending.

Over-the-Counter Healthcare Segment
Contribution margin for the Over-the-Counter Healthcare segment increased $5.4 million, or 8%, during 2010 versus 2009. The contribution margin increase was the result of the increase in gross profit as previously discussed offset by a $4.6 million, or 24%, increase in advertising and promotional spending. The increase in advertising and promotional spending was primarily attributable to the acquired Blacksmith brands partially offset by a decrease in advertising and promotional spending for the *Chloraseptic*, *Clear Eyes*, *Compound W*, *Little Remedies* and *The Doctor's* brands.

Household Cleaning Segment
Contribution margin for the Household Cleaning segment decreased $3.7 million, or 15%, during 2010 versus 2009. The contribution margin decrease was the result of the decrease in gross profit as previously discussed, offset by a $0.2 million, or 4%, decrease in advertising and promotional spending. The decrease in advertising and promotional spending was primarily attributable to a decrease in media support for *Comet* bathroom spray, and decreases in trade promotion for *Comet* and *Spic and Span*, partially offset by an increase in consumer promotion for *Comet* bathroom spray.

General and Administrative
General and administrative expenses were $30.9 million for 2010 versus $26.1 million for 2009. The increase in expense was primarily due to the incurrence of costs of $6.9 million related to the Blacksmith acquisition, decreases in salary and le gal expenses, partially offset by an increase in stock based compensation expense.

Depreciation and Amortization
Depreciation and amortization expense was $7.3 million for 2010 versus $7.4 million for 2009. The decrease in expense was primarily due to the prior year period reduction of the useful life on some of our trademarks which resulted in an expense adjustment in that period.

Interest Expense
Net interest expense was $18.5 million during 2010 versus $16.9 million during 2009. The increase in interest expense was primarily the result of a higher level of indebtedness outstanding combined with a reduction of variable interest rates on our

senior debt offset by an increase in debt issue costs included in interest expense in 2010 compared to 2009. The average cost of funds decreased from 6.4% for 2009 to 5.9% for 2010 while the average indebtedness outstanding increased from $348.8 million during 2009 to $418.8 million during 2010.

Income Taxes

The provision for income taxes during 2010 was $15.9 million versus $17.5 million during 2009. The effective tax rate during 2010 was 41.1% versus 39.9% during 2009. The increase in the effective rate is primarily due to $0.8 million of non-deductible transaction expenses and a $0.3 million charge for increasing our deferred state tax rate related to the Blacksmith acquisition.

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, acquisitions, working capital and capital expenditures. During the fiscal year ended March 31, 2010, we issued $150.0 million of 8.25% Senior Notes due in 2018 and entered into a senior secured term loan facility of $150.0 million maturing in 2016. In November 2010, we issued an additional $100.0 million of 8.25% Senior Notes due in 2018, and borrowed $115.0 million under our existing Credit Agreement. The proceeds from the preceding transactions, in addition to cash that was on hand, were used to purchase, redeem or otherwise retire all of the previously issued senior subordinated notes, to repay all amounts under our former credit facility and terminate the associa ted credit agreement, and fund the Blacksmith and *Dramamine* acquisitions.

Dramamine Acquisition

On January 6, 2011, we acquired certain assets comprising the *Dramamine* business in the United States. The purchase price was $76.0 million in cash, subject to a post-closing inventory adjustment. The Dramamine brand is complementary to our existing Over-the-Counter brands. The purchase price was funded by cash on hand. As of the date of filing this Quarterly Report on Form 10-Q, we have not yet completed the initial accounting for the acquisition, and the acquisition-date fair values of the acquired assets and assumed liabilities have not yet been determined.

Operating Activities

Net cash provided by operating activities was $61.7 million for the nine month period ended December 31, 2010 compared to $50.5 million for the comparable period in 2009. The $11.2 million increase in net cash provided by operating activities was primarily the result of a net dec rease in working capital, partially offset by the decreases in net income and deferred income taxes.

Consistent with the nine months ended December 31, 2009, our 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 $198.3 million for the nine month period ended December 31, 2010. Net cash provided by investing activities was $7.6 million for the nine month period ended December 31, 2009. Net cash used for investing activities for the nine month period ended December 31, 2010 was primarily the result of the Blacksmith acquisition partially offset due to proceeds received from the *Cutex* divestiture. Net cash provided by investing activities for the nine month period ended December 31, 2009 was primarily due to the divestiture of the shampoo business, partially offset by the acquisition of property and equipment.

Financing Activities

Net cash provided by financing activities was $178.8 million for the nine month period ended December 31, 2010 compared to $59.0 million for the comparable period in 2009. During the nine month period ended December 31, 2010, we issued an additional $100.0 million of 8.25% Senior Notes due in 2018, and borrowed $115.0 million under our existing Credit Agreement, which was partially offset by the redemption of the remaining $28.1 million of Senior Subordinated Notes due in 2012 that bore interest at 9.25%, and payment of the required principal amount on the 2010 Senior Term Loan of $0.8 million plus an additional principal amount of $3.8 million. This increased our outstanding indebtedness to $509.5 million at December 31, 2010 from $328.1 million at March 31, 2010.

(In thousands)	Nine Months Ended December 31< /font> 2010	2009
Cash provided by (used for):		
Operating Activities	$ 61,659	$ 50,490
Investing Activities	(198,327)	7,591
Financing Activities	178,837	(59,000)

Capital Resources
On March 24, 2010, we retired our Senior Secured Term Loan Facility with a maturity date of April 6, 2011. In addition, on March 24, 2010, we repaid a portion and, on April 15, 2010, redeemed in full the remaining outstanding indebtedness under our previously outstanding Senior Subordinated Notes due in 2012, which bore i nterest at 9.25% with a maturity date of April 15, 2012. On March 24, 2010, we also entered into a Senior Term Loan Facility with a maturity date of March 24, 2016, a Senior Revolving Credit Facility with a maturity date of March 24, 2015 and Senior Notes that bear interest at 8.25% with a maturity date of April 1, 2018. This debt refinancing improved our liquidity position due to the ability to increase the amount of the 2010 Senior Term Loan, obtaining a revolving line of credit and extending the maturities of our indebtedness. The new debt also better positions us to pursue acquisitions as part of our growth strategy.

On March 24, 2010, we entered into a $150.0 million 2010 Senior Term Loan with a discount to the lenders of $1.8 million and net pr oceeds of $148.2 million. The Senior Notes were issued at an aggregate face value of $250.0 million with a discount to the initial purchasers of $1.9 million and net proceeds to us of $248.1 million.

The discount was offered to improve the yield to maturity to lenders reflective of market conditions at the time of the offering. In addition to the discount, we incurred $7.9 million of costs primarily related to fees of bank arrangers and legal advisors of which $7.2 million was capitalized as deferred financing costs and $0.7 million expensed. The deferred financing costs are being amortized over the term of the loan and notes.

In connection with the acquisition of Blacksmith, on November 1, 2010, we amended our existing d ebt agreements and increased the amount borrowed thereunder. Specifically, on November 1, 2010, we amended our Credit Agreement in order to allow us to (i) borrow an additional $115.0 million as an incremental term loan under the Senior Term Loan Facility, which will mature on March 24, 2016 and has the same terms as the existing 2010 Senior Term Loan; and (ii) increase our borrowing capacity under the Senior Revolving Credit Facility by $10.0 million to $40.0 million. On November 1, 2010, we also issued an additional $100.0 million of Senior Notes due in 2018 as part of the same series as the Senior Notes issued on March 24, 2010.

As of December 31, 2010, we had an aggregate of $509.5 million of outstanding indebtedness, which consisted of the following:

- $259.5 million of borrowings under the 2010 Senior Term Loan, and

- $250.0 million of 8.25% Senior Notes due 2018.

We had $40.0 million of borrowing capacity under the Senior Revolving Credit Facility as of December 31, 2010, as well as $75.0 million under the Senior Term Loan Facility.

All loans under the 2010 Senior Term Loan bear interest at floating rates, based on either the prime rate, or at our option, the LIBOR rate, plus an applicable margin. The LIBOR rate option contains a floor rate of 1.5%. At December 31, 2010, an aggregate of $259.5 million was outstanding under the Senior Term Loan Facility at an interest rate of 4.75%.

We are able to, and sometimes do, use derivative financial instruments to mitigate the impact of changing interest rates associated with our long-term debt obligations. Although we do not enter into derivative financial instruments for trading purposes, all of our derivatives are straightforward over-the-counter instruments with liquid markets. The notional, or contractual, amount of our derivative financi al instruments is used to measure the amount of interest to be paid or received and does not represent an actual liability. We account for these financial instruments as cash flow hedges.

In February 2008, we 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 the interest rate cap agreement that expired on May 30, 2008. Under this swap, we agreed to pay a fixed rate of 2.88% while receiving a variable rate based on LIBOR. The agreement terminated on March 26, 2010. At December 31, 2010 and March 31, 2010, we were not a party to any outstanding interest rate swap agreements.

The 2010 Senior Term Loan contains various financial covenants, including provisions that require us to maintain certain leverage and interest coverage ratios and not to exceed annual capital expenditures of $3.0 million. The 2010 Senior Term Loan, as well as the Indenture governing the 2010 Senior Notes, contain provisions that accelerate our indebtedness on certain changes in control and restrict us from undertaking specified corporate actions, including asset dispositions, acquisitions, payment of dividends and other specified payments, repurchasing our 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 4.30 to 1.0 for the quarter ended December 31, 2010, (defined as, with certain adjustments, the ratio of our consolidated indebtedness as of the last day of the fiscal quarter to our trailing twelve month consolidated net income before interest, taxes, depreciation, amortization, non-cash charges, and certain other items ("EBITDA")). Our leverage ratio requirement decreases over time to 3.50 to 1.0 for the quarter ending March 31, 2014, and remains level thereafter, and

- Have an interest coverage ratio of greater than 2.75 to 1.0 for the quarter ended December 31, 2010, (defined as, with certain adjustments, the ratio of our consolidated EBITDA to our trailing twelve month consolidated cash interest expense). Our interest coverage requirement increases over time to 3.25 to 1.0 for the quarter ending March 31, 2013, and remains level thereafter.

At December 31, 2010, we were in compliance with the applicable financial and restrictive covenants under the Senior Credit Facility and the Indenture governing the 2010 Senior Notes. Additionally, management anticipa tes that in the normal course of operations, we will be in compliance with the financial and restrictive covenants during the ensuing year. Commencing on December 31, 2011, we are obligated to make quarterly principal payments on the Senior Term Loan Facility equal to $0.7 million.

We did not make repayments against outstanding indebtedness in excess of scheduled maturities for the quarter ended December 31, 2010, compared to payments in excess of outstanding maturities of $60.5 million made during the fiscal year ended March 31, 2010. During the nine months ended December 31, 2010, we redeemed the remaining $28.1 million of Senior Subordinated Notes.

Off-Balance Sheet Arrangements

We do not have an y 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 perio ds 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 we take 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

Our 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 fiscal year ended March 31, 2010. 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, liabil ities, 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 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 allowances for new distribution, including slotting fees, and cooperative advertising. &nb sp;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 fiscal year ended March 31, 2010 was $17.7 million. We believe that the estimation methodologies employed, combined with the nature of the promotional campaigns, make 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 fiscal year ended March 31, 2010, our sales and operating income would have been adversely affected by approximately $1.8 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 nine month periods ended December 31, 2010, our sales and operating income would have been adversely affected by approximately $0.6 million and $1.5 million. Net income would have been adversely affected by approximately $0.2 million and $1.0 million for the three and nine month periods ended December 31, 2010.

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 fiscal year ended March 31, 2010, we had 25 coupon events. The amount recorded against revenues and accrued for these events during the year was $1.3 million. Cash settlement of coupon redemptions during the year was $1.3 million. During the nine month period ended December 31, 2010, we had 31 coupon events. The amount recorded against revenue and accrued for these events during the three and nine month periods ended December 31, 2010 was $1.4 million and $2.1 million, respectively. Cash settlement of coupon redemptions during the three and nine month periods ended December 31, 2010 was $0.4 million and $1.1 million, 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 accepta nce, (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 fiscal years ended March 31, 2010, 2009 and 2008, returns represented 3.9%, 3.8% and 4.4%, respectively, of gross sales.   The 2008 rate of 4.4% included cost associated with 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 nine month periods ended December 31, 2010, product returns represented 3.0% and 2.8% of gross sales, respectively. At both D ecember 31, 2010 and March 31, 2010, the allowance for sales returns was $5.9 million.

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 3.8% of gro ss 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 fiscal year ended March 31, 2010 by approximately $0.3 million. Net income would have been adversely affected by approximately $0.2 million. An increase of 0.1% in our estimated return rate as a percentage of gross sales for the three and nine month periods ended December 31, 2010 would have adversely affected our reported sales and operating income by approximat ely $0.1 million and $0.3 million, respectively, while our net income would have been adversely affected by approximately $0.1 million and $0.2 million, 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 sal es data and historical return rates, (ii) estimates of future demand, (iii) competitive pricing pressures, (iv) new product introductions, (v) product expiration dates, and (vi) component and packaging obsolescence.

Many of our products are subject to expiration dating. As a general rule our customers will not accept goods with expiration dating of less than 12 months from the date of delivery. To monitor this risk, management utilizes a detailed compilation of inventory with expiration dating between zero and 15 months and reserves for 100% of the cost of any item with expiration dating of 12 months or less. At December 31, 2010 and March 31, 2010, the allowance for obsolete and slow moving inventory was $2.3 million and $2.0 million, representing 4.5% and 7.0%, respectively, of total inventory. Inventory obsolescence costs charged to operations were $1.7 million for the fiscal year ended March 31, 2010, while for the three month period ended December 31, 2010, we recorded obsolescence costs of $0.5 million. A 1.0% increase in our allowance for obsolescence at March 31, 2010 would have adversely affected our reported operating income and net income for the fiscal year ended March 31, 2010 by approximately $0.3 million and $0.2 million, respectively. Similarly, a 1.0% increase in our allowance at December 31, 2010 would have adversely affected our reported operating income and net income for the three and nine month periods ended Decemb er 31, 2010 by approximately $0.5 million and $0.2 million, 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 collectability 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 evalu ations 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 0.8% and 0.7% of accounts receivable at December 31, 2010 and March 31, 2010, respectively. Bad debt expense for the fiscal year ended March 31, 2010 was $0.2 million, while during the three and nine month periods ended December 31, 2010, we recorded bad debt expense of $47,000 and $0.1 million, respectively.

While management believes th at 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 fiscal year ended March 31, 2010 would have resulted in a decrease in reported operating income of approximately $0.3 million, and a decrease in our reported net income of approximately $0.2 million. Similarly, a 0.1% increase in our bad debt expense as a percentage of sales for the three and nine month periods ended December 31, 2010 would have resulted in a decrease in reported operating income of approximately $0.1 million and $0.2 million, respectively, and a decrease in our reported net income of approximately $0.1 million for both periods.

Valuation of Intangible Assets and Goodwill
Goodwill and intangible assets amounted to $866.1 million and $665.8 million at December 31, 2010 and March 31, 2010, respectively. At December 31, 2010, goodwill and intangible assets were apportioned among our two operating segments as follows:

(In thousands)	**Over-the-Counter Healthcare**	< div style="font-weight:bold;text-align:center;font-size:10pt;">**Household Cleaning**	**Consolidated**
Goodwill	$ 145,810	$ 7,389	$ 153,199
Intangible assets			
Indefinite-lived	492,797	119,821	612,618
Finite-lived	68,407	31,835	100,242
	561,204	151,656	712,860
	$ 707,014	$ 159,045	$ 866,059

Our *Clear Eyes, New-Skin, Chloraseptic, Compound W, Wartner, Efferdent, Luden's and PediaCare* 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.*

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 we ll 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 we acquire or continue 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 gene rally 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 assets' values and useful lives based on its analysis. ;

Under accounting guidelines, goodwill is not amortized, but must be tested for impairment annually, or more frequently if an event occurs 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 bas is, during the fourth fiscal quarter of each year, 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.

We report goodwill and indefinite-lived intangible assets in two operating segments; Over-the-Counter Healthcare and Household Cleaning. We identify our reporting units in accordance with the Segment Reporting Topic of the FASB Accounting Standards Codification, which is at the brand level, and one level below the operating segment level. The carrying value and fair value for intangible assets and goodwill for a reporting unit are calculated based on key assumptions and valuatio n methodologies previously discussed. As a result, any material changes to these assumptions could require us to record additional impairment in the future.

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 va lue 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.

Impairment Analysis
We estimate the fair value of our intangible assets and goodwill using a discounted cash flow method. This discounted cash flow methodology is a widely-accepted valuation technique utilized by market participants in the valuation process and has been applied consistently with prior periods. In addition, we considered our market capitalization at March 31, 2010, 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, 2010, we recorded a $2.8 million non-cash impairment charge of goodwill of a nail polish remover brand previously included in the Personal Care segment. The impairment was a result of distribution losses and increased competition from private label store brands.

The discount rate utilized in the analysis, 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, we may be required to record additional impairment charges in the future. However, we were not required to recognize an additional impairment charge during the three or nine month period ended December 31, 2010.

Stock-Based Compensation
The Compensation and Equity Topic of the FASB ASC requires us to measure the cost of services to be rendered based on the grant-date fair value of an 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 our common stock on the date of grant,
- Discount rates,
- Duration of the instrument, and
- Volatility of our 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. We recorded non-cash compensation expense of $1.0 million and $2.8 million during the three and nine month periods ended December 31, 2010, respectively, and non-cash compensation expense of $0.8 million and $1.7 million during the three and nine month periods ended December 31, 2009, respectively.

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

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

Recent Accounting Pronouncements
In December 2010, the FASB issued guidance regarding the goodwill impairment test for reporting units with zero or negative carrying amounts. Under the ASC Intangibles-Goodwill and Other Topics, testing for goodwill impairment is a two-step test. When a goodwill impairment test is performed (either on an ann ual or interim basis), an entity must assess whether the carrying amount of a reporting unit exceeds its fair value (Step 1). If it does, an entity must perform an additional test to determine whether goodwill has been impaired and to calculate the amount of that impairment (Step 2). The new guidance modifies Step 1 of the goodwill impairment test for reporting units with zero or negative carrying amounts. For those reporting units, an entity is required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. In determining whether it is more likely than not that a goodwill impairment exists, an entity should consider whether there are any adverse qualitative factors indicating that an impairment may exist. The qualitative factors are consistent with the existing guidance and examples, which require that goodwill of a reporting unit be tested for impairment between annual tests if an event occurs or circumstances change that would more likely than no t reduce the fair value of a reporting unit below its carrying amount. This guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2010. Early adoption is not permitted. We are currently evaluating the impact of adopting this guidance.

In December 2010, the FASB issued guidance regarding disclosure of supplementary pro forma information for business combinations. This guidance specifies that if a public entity presents comparative financial statements, the entity should disclose revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. The guidance also expands the supplem ental pro forma disclosures to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings. This guidance is effective prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010. We do not expect this guidance to have a material impact on our consolidated financial statements.

In May 2009, the FASB issued guidance regarding subsequent events, which was subsequently updated in February 2010. This guidance established general standards of accounting for and disclosure of events that occur after the balance sheet date b ut before financial statements are issued or are available to be issued. In particular, this guidance set forth the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for *potential recognition or disclosure in the financial statements, the circumstances under which an entity should recognize events or transactions occurring after the balance sheet dat e in its financial statements, and the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. This guidance was effective for financial statements issued for fiscal years and interim periods ending after June 15, 2009, and was therefore adopted by us for the second quarter 2009 reporting. The adoption did not have a significant impact on the subsequent events that we reported, either through recognition or disclosure, in the consolidated financial statements. In February 2010, the FASB amended its guidance on subsequent events to remove the requirement to disclose the date through which an entity has evaluated subsequent events, alleviating conflicts with current SEC guidance. This amendment was effective immediately and accordingly, we have not presented that disclosure in this Quarterly Report.*

In January 2010, the FASB issued authoritative guidance requiring new disclosures and clarifying some existing disclosure requirements about fair value measurement. Under the new guidance, a reporting entity should (a) disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and describe the reasons for the transfers, and (b) present separately information about purchases, sales, issuances, and settlements in the reconciliation for fair value measurements using significant unobservable inputs. This guidance is effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim pe riods within those fiscal years. We do not expect this guidance to have a material impact on our consolidated financial statements.

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

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), including, without limitation, information within Management's Discussion and Analysis of Financial Condition and Results of Operations. The following cautionary statements are being made pursuant to the provisions of the PSLRA and w ith 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 resu lts to differ materially from those anticipated, and our business in general is subject to such risks. For more information, see "Risk Factors" contained in Part I, Item 1A. of our Annual Report on Form 10-K for our fiscal year ended March 31, 2010. In addition, our expectations or beliefs concerning future events involve risks and uncertainties, including, without limitation:

- < /div>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 (including, without limitation, vendor and SKU rationalization and expansion of private label product offerings),
- 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 divert ing 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 and transportation and fuel charges,
- Our ability to protect our intellectual property rights,
- 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,

< table cellpadding="0" cellspacing="0" style="font-family:Times New Roman; font-size:10pt;">
•
Our ability to obtain additional financing, and

- The restrictions on our operations imposed by our Senior Credit Facility and the Indenture governing our Senior Notes.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to changes in interest rates because our Senior Secured Credit Facility is variable rate debt. Interest rate changes generally do not affect the market value of the Senior Secured 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 December 31, 2010, we had variable rate debt of approximately $259.5 million related to our Senior Secured Credit Facility.

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 December 31, 2011 of approximately $3.0 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 December 31, 2010. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2010, 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 Excha nge 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 December 31, 2010 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

Each of (i) Part I, Item 3 in our Annual Report on Form 10-K for the fiscal year ended March 31, 2010; and (ii) Part II, Item 1 in our Quarterly Reports on Form 10-Q for the fiscal quarters ended June 30, 2010 and Septem ber 30, 2010 is incorporated herein by this reference.

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.

Date:	February 9, 2011	By:	**/s/ RONALD M. LOMBARDI**
			Ronald M. Lombardi Chief Financial Officer (Principal Financial Officer and Duly Authorized Officer)

Exhibit Index

2.1	Asset Purchase Agreement, dated as of December 15, 2010, by and between McNeil-PPC, Inc. and Prestige Brands Holdings, Inc. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the Commission on December 17, 2010)
4.1	First Supplemental Indenture dated as of November 1, 2010, by and among Prestige Brands, Inc., the Guarantors listed on the signature pages thereto and U.S. Bank National Association.
10.1	Increase Joinder, dated as of November 1, 2010, among Prestige Brands, Inc., each Guarantor listed on the signature pages thereto, Bank of America, N.A., Deutsche Bank Securities Inc., and Deutsche Bank Trust Company Americas to the Credit Agreement dated as of March 24, 2010 among Prestige Brands, Inc., Prestige Brands Holdings, Inc., Bank of America, N.A., Deutsche Bank Securities Inc. and the lenders and issuers party thereto.
10.2	Purchase Agreement, dated October 22, 2010, by and among Prestige Brands, Inc., each Guarantor listed on the signature pages thereto, Banc of America Securities LLC and Deutsche Bank Securities Inc.
10.3	Registration Rights Agreement, dated as of Novemb er 1, 2010, by and among Prestige Brands, Inc., each Guarantor listed on the signature pages thereto, Merrill Lynch, Pierce, Fenner & Smith Incorporated (formerly known as Banc of America Securities LLC) and Deutsche Bank Securities Inc.
10.4	Retirement Agreement, dated as of December 2, 2010, by and between Peter J. Anderson and Prestige Brands Holdings, Inc.#
10.5	Executive Employment Agreement, dated as of December 6, 2010, between Prestige Brands Holdings, Inc. and Ronald M. Lombardi.@
31.1	Certification of Principal Executive Officer of Prestige Brands H oldings, 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 Un ited States Code.

@ Represents a management contract
 #   Represents a compensatory plan

Exhibit 4.1

Prestige Brands, Inc.

8.25% Senior Notes due 2018

FIRST SUPPLEMENTAL INDENTURE

Dated as of November 1, 2010

U.S. Bank National Association,

as Trustee

*FIRST SUPPLEMENTAL INDENTURE dated as of November 1, 2010 (this "**Supplemental Indenture**"), by and among Prestige Brands, Inc., a Delaware corporation, (the "**Issuer**") the guarantors listed on the signature pages hereto (the "**Guarantors**") and U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States of America, as Trustee (the "**Trustee**").*

*WHEREAS, the Issuer, the Guarantors , and the Trustee have entered into an Indenture dated as of March 24, 2010 (the "**Indenture**") in connection with the issuance of $150,000,000 of the Issuer's 8.25% Senior Notes due 2018 (the "**Outstanding 8.25% Notes**");*

*WHEREAS, the Issuer and the Guarantors desire and have requested that the Trustee join them in the execution and delivery of this Supplemental Indenture in order to establish and provide for the issuance by the Issuer of an additional $100,000,000 aggregate principal amount of 8.25% Senior Notes due 2018 as Additional Notes under the Indenture (the "**Additional 8.25% Notes**");*

WHEREAS, Section 2.15 of the Indenture provides for the issuance of Additional Notes and Section 9.01(j) of the Indenture permits the Indenture to be amended or supplemented without the consent of a ny Holders to provide for the issuance of Additional Notes;

WHEREAS, the Additional 8.25% Notes shall constitute Additional Notes pursuant to the Indenture;

WHEREAS, the conditions set forth in the Indenture for the execution and delivery of this Supplemental Indenture have been complied with; and

WHEREAS, all things necessary to make this Supplemental Indenture a valid supplement to the Indenture pursuant to its terms and the terms of the Indenture have been done.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Unless otherwise defined in this Supplemental Indenture, terms defined in the Indenture are used herein as therein defined.

ARTICLE II

GENERAL TERMS AND CONDITIONS OF THE ADDITIONAL 8.25% NOTES.

SECTION 2.01. DESIGNATION OF NOTES.

Pursuant to this Supplemental Indenture, there is hereby designated an additional $100,000,000 aggregate principal amount of Additional Notes under the Indenture.

SECTION 2.02. &n bsp; OTHER TERMS OF THE NOTES.

The terms of the Additional 8.25% Notes shall be identical to the terms of the Outstanding 8.25% Notes other than as provided in this Supplemental Indenture. The Additional 8.25% Notes shall initially be evidenced by one or more Global Notes substantially in the form of Exhibit A to the Indenture and shall accrue interest from October 1, 2010 and have the same terms, including without limitation, the same maturity date, interest rate, redemption and other provisions and interest payment dates as the Outstanding 8.25% Notes. The Additional 8.25% Notes will be part of the same series as the Outstanding 8.25% Notes and shall be treated as a single class of notes under the I ndenture, including with respect to directions, waivers, amendments, consents, redemptions and Offers to Purchase but the Additional 8.25% Notes will not be fungible for trading purposes with, and will initially bear different CUSIP and ISIN numbers than, the Outstanding 8.25% Notes. Until the conditions of Section 2.06(b)(iv) of the Indenture have been satisfied, the Additional 8.25% Notes shall be subject to the transfer restrictions applicable to a Restricted Global Note and shall have different CUSIP and ISIN numbers than that of the Outstanding 8.25% Notes. After the removal of the applicable restricted legends from the Additional 8.25% Notes, the Additional 8.25% Notes will be Unrestricted Global Notes and will be fungible for trading purposes with, and will bear the same CUSIP and ISIN numbers as, the Outstanding 8.25% Notes. For all purposes under the Indenture, the term "Notes" shall include the Outstanding 8.25% Notes and the Additional 8.25% Notes.

(a) The Additional 8.25% Notes shall be issued on November 1, 2010.

ARTICLE III
ADDITIONAL ISSUANCE OF ADDITIONAL 8.25% NOTES.

Additional 8.25% Notes in the aggregate principal amount equal to $100,000,000 may, upon execution of this Supplemental Indenture, be executed by the Issuer and delivered to the Trustee for authentication, and the Trustee shall thereupon authenticate and make available for delivery such Additional 8.25% Notes pursuant to Section 2.02 of the Indenture and Section 2.02 of this Supplemental Indenture.

ARTICLE IV
MISCELLANEOUS.

SECTION 4.01 AMENDMENT AND SUPPLEMENT.

This Supplemental Indenture or the Additional 8.25 Notes may be am ended or supplemented as provided for in the Indenture.

SECTION 4.02 LEGENDS

Each Global Note representing Additional 8.25% Notes shall bear the legends set forth in Section 2.06(h) of the Indenture applicable to such Global Note.

SECTION 4.03 GOVERNING LAW

THIS SUPPLEMENTAL INDENTURE, THE NOTES AND ANY GUARANTEE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAW OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS SUPPLEMENTAL INDENTURE, THE NOTES OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 4.04. RATIFICATION OF INDENTURE, SUPPLEMENTAL INDENTURE PART OF INDENTURE

Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

SECTION 4.05 EXECUTION IN COUNTERPARTS

The parties hereto may sign one or more copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. Delivery of an executed counterpart of a signature page to this Supplemental Indenture (including by facsimile, email or other electronic means) shall be effective as delivery of a manually executed counterpart of this Supplemental Indenture.

SECTION 4.06 HEADINGS

The section headings herein are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

[Signature pages follow.]

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

Very truly yours,

PRESTIGE BRANDS, INC.

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

PRESTIGE BRANDS HOLDINGS, INC.
PRESTIGE PERSONAL CARE HOLDINGS, INC.
PRESTIGE PERSONAL CARE, INC.
PRESTIGE SERVICES CORP.
PRESTIGE BRANDS HOLDINGS, INC.
PRESTIGE BRANDS INTERNATIONAL, INC.
MEDTECH HOLDINGS, INC.
MEDTECH PRODUCTS INC.
THE CUTEX COMPANY
THE DENOREX COMPANY
THE SPIC AND SPAN COMPANY
BLACKSMITH BRANDS HOLDINGS, INC.
BLACKSMITH BRANDS, INC.

as Guarantors

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

U.S. BANK NATIONAL ASSOCIATION, as Trustee

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

Exhibit 10.1

***INCREASE JOINDER**, dated as of November 1, 2010 (this "**Increase Joinder**"), among PRESTIGE BRANDS, IN C., a Delaware corporation (the "**Borrower**"), PRESTIGE BRANDS HOLDINGS, INC., a Delaware corporation (the "**Parent**"), BANK OF AMERICA, N.A. ("**Bank of America**"), as administrative agent for the Lenders and the Issuers and collateral agent for the Secured Parties (in such capacities, the "**Administrative Agent**") and as a Lender of the Incremental Term Loans and Additional Revolving Commitments (each as defined below), DEUTSCHE BANK SECURITIES INC. ("**DBSI**"), as syndication agent (in such capacity, the "**Syndication Agent**") and as a Lender of the Additional Revolving Commitments (Bank of America and DBSI in their capacities as Lenders of Incremental Term Loans and/or Additional Revolving Commitments, the "**Increase Lenders**", BANK OF AMERICA SECURITIES LLC ("**BAS**") and DEUTSCHE BANK SECURITIES INC. ("**DBSI**" and together with BAS, the "**Arrangers**") to the Credit Agreement dated as of March 24, 2010 (as amended, supplemented, amended and restated or otherwise modified from time to time) (the **Credit Agreement**) among the Borrower, the Parent, the Administrative Agent, the Syndication Agent and the Lenders and Issuers party thereto. Capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Credit Agreement.*

*WHEREAS, the Borrower has requested (a) the borrowing of $115,000,000 of Incremental Term Loans and (b) an increase of $10,000,000 of Revolving Credit Commitments (the "**Additional Revolving Commitments**"and, together with the Incremental Term Loans described in (a), the "**Facilities Increase**") (i) to pay a portion of the purchase price necessary to consummate the acquisition (the "**Blacksmith Acquisition**") of Blacksmith Brands Holdings, Inc. ("**Blacksmith**"), (ii) to pay related fees and expenses on or prior to the date the Blacksmith Acquisition is consummated and (iii) for general corporate purposes, including additional acquisitions; and*

WHEREAS, the Increase Lenders party hereto have agreed to make the Incremental Term Loans and Additional Revolving Commitments to the Borrower on the terms set forth herein.

NOW, THEREFORE, in consideration of the premises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

***Section 1.** <u>**Increase Joinder**</u>. Each Increase Lender committed to an Incremental Term Loan or Additional Revolving Commitment as set forth in Schedule 1 hereto severally agrees (i) that it shall be considered a Lender for all purposes under the Loan Documents and agrees to be bound by the terms thereof, (ii) as to any Increase Lender which is to make Incremental Term Loans, to make its pro rata portion of the Incremental Term Loans to the Borrower in the aggregate amount set forth in the Notice of Borrowing for Incremental Term Loans delivered to the Administrative Agent in accordance with the Credit Agreement and (iii) as to any Increase Lender which is to make Additional Revolving Commitments, to make available its pro rata portion of the Additional Revolving Commitments to the Borrower in the aggregate amount set forth on Schedule I on the Facilities Increase Date. The terms and provisions of the Incremental Term Loans shall, except as set forth below, be identical to the Term Loans made on the C losing Date (the "**Existing Term Loans**"). The terms and provisions of the Additional Revolving Commitments shall be identical to the Revolving Credit Commitments. The aggregate amount of the Incremental Term Loans made under this Increase Joinder shall not exceed $115,000,000. The aggregate amount of the Additional Revolving Commitments made under this Increase Joinder shall not exceed $10,000,000. The Borrower shall use the proceeds of the Incremental Term Loans and Additional Revolving Commitments as set forth in the first recital to this Increase Joinder.*

After giving effect to the Incremental Term Loans to be made pursuant to this Increase Joinder and the repayments and prepayments prior to the date hereof of the Existing Term Loans, the schedule of repayments under Section 2.6(b) of the Credit Agreement (including both Existing Term Loans and Incremental Term Loans) shall be as follows (without giving effect to any further prepayments after the date hereof):

12/31/2011	$658,629.44
3/31/2012	$658,629.44
6/30/2012	$658,629.44
9/30/2012	$658,629.44
12/31/2012	$658,629.44
3/31/2013	$658,629.44
6/30/2013	$658,629.44
9/30/2013	$658,629.44
12/31/2013	$658,629.44
3/31/2014	$658,629.44
6/30/2014	$658,629.44
9/30/2014	$658,629.44
12/31/2014	$658,629.44
3/31/ 2015	$658,629.44
6/30/2015	$658,629.44
9/30/2015	$658,629.44
12/31/2015	$658,629.44
Term Loan Maturity Date	$248,303,299.52

Section 2. ***Representations and Warranties****. The Loan Parties represent and warrant to the Increase Lenders as of the date hereof and the Facilities Increase Date (before and after giving effect to the Facilities Increase) that:*

(a) the representations and warranties set forth in Article IV (Representations and Warranties) of the Credit Agreement and in the other Loan Documents are true and correct in all material respects on the date hereof and the Facilities Increase Date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date;

(b) no Default or Event of Default shall have occurred and be continuing; and

(c) the execution, delivery, perfor mance or effectiveness of this Increase Joinder will not: (a) impair the validity, effectiveness or priority of the Liens granted pursuant to any Loan Document, and such Liens continue unimpaired with the same priority to secure repayment of all of the applicable Obligations, whether heretofore or hereafter incurred, or (b) require that any new filings be made or other action taken to perfect or to maintain the perfection of such Liens.

Section 3 ***Conditions to Effectiveness***. *This Increase Joinder shall become effective on the date (the "**Facilities Increase Date"**) on which each of the following conditions is satisfied or waived:*

(a) Certain Documents. The Administrative Agent shall have received on or prior to the Facilities Increase Date each of the following, each dated the Facilities Increase Date unless otherwise indicated or agreed to by the Administrative Agent and each in form and substance satisfactory to the Administrative Agent:

(i) this Increase Joinder executed by the Increase Lenders and the other parties hereto;

(ii) certified copies of resolutions of the board of directors of each Loan Party approving the execution, delivery and performance of this Increase Joinder and the other documents to be executed in connection herewith;

(iii) one or more Guaranty Supplements executed by Blacksmith and each of its Subsidiaries substantially in the form of Exhibit A to the Guaranty pursuant to Section 7.11(a) of the Credit Agreement;

(iv) one or more Joinder Agreements substantially in the form of An nex 2 to the Pledge and Security Agreement executed by Blacksmith and all of Blacksmith's Subsidiaries pursuant to Section 7.10 of the Pledge and Security Agreement and Section 7.11(b) of the Credit Agreement;

(v) all certificates, instruments and other documents representing all Pledged Stock, Pledged Debt Instruments and all other Stock, Stock Equivalents and other debt Securities being pledged pursuant to Pledge Amendments and Joinder Agreements executed pursuant to clauses (iv) and (v) above, together with (i) in the case of certificated Pledged Stock and other certificated Stock and Stock Equivalents, undated stock powers endorsed in blank and (ii) in the case of Pledged Debt Instruments and other certificated debt Securities, endorsed in blank, in each case executed and delivered by a Responsible Officer of the relevant Loan Party or Subsidiary thereof, as the case may be;

(vi) evidence satisfactory to each of the Administrative Agent and the Syndication Agent that, upon the filing and recording of instruments delivered on the Facilities Increase Date, the property that is to become Collateral after delivery of the Pledge Amendments and Joinder Agreements executed pursuant to clauses (iv) and (v) above shall be subject to the Requisite Priority Liens (subject to Liens permitted under the Credit Agreement), including (x) such documents duly executed by each Loan Party, Blacksmith or any of its Subsidiaries as each of the Administrative Agent and the Syndication Agent may request with respect to the perfection of the Requisite Priority Liens in such Collateral (including financing statements under the UCC, short-form security agreements relating to patents, trademarks and registered copyrights in the United States suitable for filing with the United States Patent and Trademark Office, the United States Copyright Office, as the case may be, and other applicable documents under the laws of any jurisdiction with respect to the perfection of Liens created by the Pledge and Security Agreement) and (y) copies of UCC search reports as of a recent date listing all effective financing statements that name Blacksmith or and of its Subsidiaries as debtor, together with copies of such financing statements, none of which shall cover the Collateral except for those that shall be terminated on the Facilities Increase Date or are otherwise permitted under the Credit Agreement;

(vii) any Deposit Account Control Agreements set forth on Schedule 6 to the Joinder Agreement executed pursuant to clause (v) above, duly executed by the corresponding depositary bank and Loan Party;

(viii) the articles or certificates of incorporation, certificates of good standing and secretary's certificates described in Section 3.1(a)(vii) and (viii) o f the Credit Agreement relating to Blacksmith and each of its Subsidiaries;

(ix) a certificate of a Responsible Officer of the Parent to the effect that each of the conditions set forth in Section 3.3 (Conditions Precedent to Each Facilities Increase) and this Section 3 have been satisfied;

(x) a favorable opinion of Alston & Bird LLP, counsel to the Loan Parties, in form and substance satisfactory to the Administrative Agent, addressed to the Agents and the Lenders and addressing such other matters as any Len der through any Agent may reasonably request; and

(xi) such other document as the Administrative Agent may reasonably request or as any Lender participating in the Facilities Increase may require as a condition to its commitment in the Facilities Increase.

(b) Fees and Expenses Paid. There shall have been paid to the Administrative Agent, for the account of the Administrative Agent and the Lenders (including any Increase Lender), as applicable, all fees and expenses (including reasonable fees and expenses o f counsel) due and payable on or before the Facilities Increase Date (including all such fees described in the Fee Letters).

(c) Acquisition. The Blacksmith Acquisition shall be consummated concurrently herewith.

(d) Senior Notes. The Borrower shall have issued, or shall concurrently issue, $100,000,000 of 8.25% Senior Notes due 2018 under the Indenture dated as of Mar ch 24, 2010, as supplemented on the date hereof, by and among the Borrower, each Guarantor party thereto and U.S. Bank National Association, as trustee.

(e) Conditions to Each Loan and Letter of Credit. (i) The conditions precedent set forth in Section 3.2 of the Credit Agreement (Conditions Precedent to Each Loan and Letter of Credit) shall have been satisfied both before and after giving effect to the Facilities Increase, (ii) the Facilities Increase is on the terms and conditions set forth in Section 2.1(c)(i) of the Credit Agreement (Facilities Increase) and (iii) the Borrower and the Parent shall be in compliance with Article V of the Credit Agreement (Financial Covenants) on the Facilities Increase Date for the most recently ended Fiscal Quarter on a pro forma basis both before and after giving effect to the Facilities Increase.

(f) Upfront Fees. Each Increase Lender shall have received an upfront fee equal to 0.50% of (i) the Incremental Term Loans funded by such Increase Lender and (ii) the Additional Revolving Commitments committed to by such Increase Lender hereunder. The Administrative Agent may net such upfront fees against the proceeds of the Incremental Term Loans to the Borrower.

(g) Payoff. The Administrative Agent shall have received (i) a p ay-off letter in form and substance reasonably satisfactory to the Administrative Agent with respect to all outstanding indebtedness of Blacksmith and its Subsidiaries under that certain Credit Agreement, dated as of

October 29, 2009, among Blacksmith, Blacksmith Brands, Inc., the lending institutions from time to time party thereto, Keybank National Association, as the administrative agent, and Ares Capital Corporation, as Collateral Agent and (ii) such UCC termination statements, mortgage releases, releases of assignments of leases and rents, releases of secu rity interests in Intellectual Property (as defined in the Pledge and Security Agreement) and other instruments, in each case in proper form for recording, as the Administrative Agent shall have reasonably requested to release and terminate of record the Liens granted pursuant to that certain Security Pledge Agreement, dated as of October 29, 2009, among Blacksmith, Blacksmith Brands, Inc. and Ares Capital Corporation, as collateral agent, or authorization from Ares Capital Corporation for the Administrative Agent to file such statements, releases or other instruments.

Section 4. ***Expenses****. Borrower agrees to reimburse the Administrative Agent for its and t he other Agents' reasonable out-of-pocket expenses incurred by them in connection with this Increase Joinder, including the reasonable fees, charges and disbursements of Cahill Gordon & Reindel LLP, counsel for the Agents.*

Section 5. ***Counterparts****. This Increase Joinder may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all of which when taken together shall constitute a single instrument. Delivery of an executed counterpart of a signature page of this Increase Joinder by facsimile transmission or by email in Adobe ". pdf" format shall be effective as delivery of a manually executed counterpart hereof.*

Section 6. ***Applicable Law****. THIS AGREEMENT SHALL BE GOVERNED BY, CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.*

Section 7. ***Headings****. The headings of this Increase Joinder are for purposes o f reference only and shall not limit or otherwise affect the meaning hereof.*

Section 8. ***Effect of Increase Joinder****. Except as expressly set forth herein, this Increase Joinder shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other provision of the Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. As of the Facilities Increase Date, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein", or words of like import, and each reference in the other Loan Documents to the Credit Agreement (including, without limitation, by means of words like "thereunder", "thereof" and words of like import), shall mean and be a reference to the Credit Agreement as am ended hereby, and this Increase Joinder and the Credit Agreement shall be read together and construed as a single instrument. This Increase Joinder shall constitute a Loan Document.*

Section 9. ***Acknowledgment and Affirmation****. Each of the Borrower and each Subsidiary Guarantor hereby (i) expressly acknowledges the terms of the Credit Agreement as amended hereby, (ii) ratifies and affirms after giving effect to this Increase Joinder its obligations under the Loan Documents (including guarantees and security agreements) executed by the Borrower and/or such Subsidiary Guarantor and (iii) after giving effect to this Increase Joinder, acknowledges renews an d extends its continued liability under all such Loan Documents and agrees such Loan Documents remain in full force and effect.*

Section 10. ***Roles***. *It is agreed that (i) Bank of A merica Securities LLC will act as "left lead bookrunner" and joint lead arranger for the Facilities Increase and (ii) Deutsche Bank Securities Inc. will act as joint lead arranger and joint bookrunner for the Facilities Increase.*

[signature pages follow]

IN WITNESS WHEREOF, the parties hereto have cau sed this Increase Joinder to be duly executed as of the date first above written.

PRESTIGE BRANDS, INC.
By: /s/Peter J. Anderson
Name: Peter J. Anderson
Title: Chief Financial Officer

PRESTIGE BRANDS HOLDINGS, INC.
PRESTIGE PERSONAL CARE HOLDINGS, INC.
PRESTIGE PERSONAL CARE, INC.
PRESTIGE SERVICES CORP.
PRESTIGE BRANDS HOLDINGS, INC.
PRESTIGE BRANDS INTERNATIONAL, INC.
MEDTECH HOLDINGS, INC.
MEDTECH PRODUCTSINC.
THE CUTEX COMPANY
THE DENOREX COMPANY
THE SPIC AND SPAN COMPANY

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

BANK OF AMERICA, N.A.,
as Administrative Agent and an Increase Lender

By: /s/ J. Casey Cosgrove
Name: J. Casey Cosgrove
Title: Senior Vice President

DEUTSCHE BANK SECURITIES INC.
as Syndication Agent

By: /s/ David Lynch
Name: David Lynch
Title: Managing Director

By: / s/ Edwin E. Roland
Name: Edwin Roland
Title: Managing Director

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as an Increase Lender

By: /s/ Scottye Lindsey
Name: Scottye Lindsey
Title: Director

By: /s/ Carin Keegan
Name: Carin Keegan
Title: Director

SCHEDULE I

INCREMENTAL TERM LOAN ALLOCATIONS

Increase Lender	**Incremental Term Loans**
Bank of America, N.A.	$115,000,000

ADDITIONAL REVOLVING COMMITMENT ALLOCATIONS

Increase Lender	**Additional Revolving Commitments**
Bank of America, N.A.	$6,000,000
Deutsche Bank Trust Company Americas	$4,000,000

Exhibit 10.2

PURCHASE AGREEMENT

October 22, 2010

Banc of America Securities LLC
Deutsche Bank Securities Inc.
As Representatives of the Initial Purchasers
c/o Banc of America Securities LLC
One Bryant Park
New York, New York 10036

Ladies and Gentlemen:

***Introductory**. Prestige Brands, Inc. (the “**Company**”), a Delaware corporation and a direct wholly-owned subsidiary of Prestige Brands Holdings, Inc. (“**Parent**”), proposes to issue and sell to the several Initial Purchasers named in Schedule A (each an “**Initial Purchaser**” and together, the “**Initial Purchase rs**”), acting severally and not jointly, the respective amounts set forth in such Schedule A of $100,000,000 aggregate principal amount of the Company's 8.25% Senior Notes due 2018 (the “**Notes**”). Banc of America Securities LLC and Deutsche Bank Securities Inc. have agreed to act as the representatives of the several Initial Purchasers (in such capacity, the “**Representatives**”) in connection with the offering and sale of the Notes.*

*The Securities (as defined below) will be issued pursuant to an indenture dated as of March 24, 2010 (the “**Base Indenture**”), among the Company, the Guarantors (as defined below) and U.S. Bank National Association, as trustee (the “**Trustee**”), as supplemented by a supplemental indenture to be dated as of November 1, 2010 (the “**Supplemental Indenture**” and collectively with the Base Indenture, the “**Indenture**”), among the Company, the Guarantors and the Trustee, relating to the issuance of the Notes. Notes will be issued on ly in book-entry form in the name of Cede & Co., as nominee of The Depository Trust Company (the “**Depositary**”) pursuant to a letter of representations dated April 6, 2004 (the “**DTC Agreement**”), among the Company, the Trustee and the Depositary.*

*The Company has previously issued $150,000,000 in aggregate principal amount of its 8.25% Senior Notes due 2018 under the Base Indenture (the “**Existing Notes**”). The Notes constitute & ldquo;Additional Notes” (as such term is defined in the Base Indenture).*

*The holders of the Notes will be entitled to the benefits of a registration rights agreement to be dated as of November 1, 2010 (the “**Registration Rights Agreement**”), among the Company, the Guarantors and the Initial Purchasers, pursuant to which the Company and the Guarantors will agree to file with the Commission (as defined below), under the circumstances set forth therein, (i) a registration statement under the Securities Act (as defined below) relating to another series of debt securities of the Company with terms substantially identical to the Notes (the “Exchange Notes”) to be offered in exchange for the Notes (the “**Exchange Offer**”) and (ii) a shelf registration statement pursuant to Rule 415 of the Securities Act relating to the resale by certain holders of the Notes, and in each case, to use its commercially reasonable efforts to cause such registration statements to be declared effective. All references herein to the Exchange Notes and the Exchange Offer are only applicable if the Company and the Guarantors are in fact required to consummate the Exchange Offer pursuant to the terms of the Registration Rights Agreement.*

*The payment of principal of, premium, if any, and interest on the Notes will be fully and unconditionally guaranteed on a senior unsecured basis, jointly and severally by (i) Parent and the subsidiary guarantors listed on the signature pages hereof as "Guarantors" and (ii) any subsidiary of the Company formed or acquired after the Closing Date that executes an additional guarantee in accordance with the terms of the Indenture, and their respective successors and assigns (the entities described in clauses (i) and (ii), collectively, the "**Guarantors**"), pursuant to their guarantees (the "**Guarantees**"). The Notes and the Guarantees attached thereto are herein collectively referred to as the "**Securities**;" and the Exchange Notes and the Guarantees attached thereto are herein collectively referred to as the "**Exchange Securities**."*

*The Company is currently party to that certain senior secured credit agreement, dated as of March 24, 2010 (the "**Existing Credit Agreement**"), among the Company as borrower thereunder, Banc of America Securities LLC as joint-lead arranger and joint book-running manager, Bank of America, N.A. as administrative agent, Deutsche Bank Securities Inc. as joint-lead arranger, joint book-running manager and syndication agent, and the lenders and guarantors party thereto. Concurrently with the issuance of the Notes, an incremental term loan will be issued under the Existing Credit Agreement pursuant to an Increase Joinder, dated as of November 1, 2010 (the "**Increase Joinder**"), among the Company as borrower thereunder, Parent, the Guarantors, the increase lenders part y thereto, Bank of America, N.A. as administrative agent for the lenders and the issuers and collateral agent for the secured parties, Deutsche Bank Securities Inc. as syndication agent, and the Banc of America Securities LLC and Deutsche Bank Securities Inc. as joint-lead arrangers. The proceeds from the sale of the Notes, together with new borrowings under the Increase Joinder will be used to finance the acquisition of all of the capital stock of Blacksmith Brands Holdings, Inc., a Delaware corporation ("**Blacksmith**"), by the Company pursuant to a Stock Purchase Agreement (the "**Stock Purchase Agreement**& rdquo;) dated as of September 14, 2010, among the Company, Blacksmith and the stockholders of Blacksmith, and to pay related fees and expenses.*

*Blacksmith and Blacksmith Brands, Inc., its wholly-owned subsidiary, shall become Guarantors under the Supplemental Indenture and shall each become a party to this Agreement on the Closing Date pursuant to a joinder agreement (the "**Joinder Agreement**") dated as of the Closing Date substantially in the form of the joinder agreement attached as Annex II hereto. The representations, warranties and agreements of Blacksmith shall not be come effective until the Closing Date, at which time such representations, warranties and agreements shall become effective as of the date hereof and the Closing Date pursuant to the terms of the Joinder Agreement.*

*The Company understands that the Initial Purchasers propose to make an offering of the Securities on the terms and in the manner set forth herein and in the Pricing Disclosure Package (as defined below) and agrees that the Initial Purchasers may resell, subject to the conditions set forth herein, all or a portion of the Securities to purchasers (the "**Subsequent Purchasers**") on the terms set forth in the Pricing Disclosure Package (the first time at which sales of the Securities are made is referred to as the "**Time of Sale**"). The Securities are to be offered and sold to or through the Initial Purchasers without being registered with the Securities and Exchange Commission (the "**Commission**") under the Securities Act of 1933 (as amended, the "**Securities Act**," which term, as used herein, includes the rules and regulations of the Commission promulgated thereunder), in reliance upon exemptions therefrom. Pursuant to the terms of the Securities and the Indenture, investors who acquire Securities shall be deemed to have agreed that Securities may only be resold or otherwise transferred, a fter the date hereof, if such Securities are registered for sale under the Securities Act or if an exemption from the registration requirements of the Securities Act is available (including the exemptions afforded by Rule 144A under the Securities Act ("**Rule 144A**") or Regulation S under the Securities Act ("**Regulation S**").*

*The Company has prepared and delivered to each Initial Purchaser copies of a Preliminary Offering Memorandum, dated October 22, 2010 (the "**Preliminary Offering Memorandum**"), and has prepared and delivered to each Initial Purchaser copies of a Pricing Supplement, dated October 22, 2010 (the "**Pricing Supplement**"), describing the terms of the Securities, each for use by such Initial Purchaser in connection with its solicitation of offers to purchase the Securities. The Preliminary Off ering Memorandum and the Pricing Supplement, including those documents incorporated by reference therein, are herein referred to as the "**Pricing Disclosure Package**." Promptly after this Agreement is executed and delivered, the Company will prepare and deliver to each Initial Purchaser a final offering memorandum dated the date hereof (the "**Final Offering Memorandum**").*

*All references herein to the terms "Pricing Disclosure Package" and "Final Offering Memorandum" shall be deemed to mean and include all information filed under the Securities Excha nge Act of 1934 (as amended, the "**Exchange Act**," which term, as used herein, includes the rules and regulations of the Commission promulgated thereunder) prior to the Time of Sale and incorporated by reference in the Pricing Disclosure Package (including the Preliminary Offering Memorandum) or the Final Offering Memorandum (as the case may be), and all references herein to the terms "**amend**," "**amendment**" or "**supplement**" with respect to the Final Of fering Memorandum shall be deemed to mean and include all information filed under the Exchange Act after the Time of Sale and incorporated by reference in the Final Offering Memorandum.*

The Company hereby confirms its agreements with the Initial Purchasers as follows:

*SECTION 1.**Representations and Warranties**. Each of the Company and the Guarantors, jointly and severally, hereby represents, warrants and covenants to each Initial Purchaser that, as of the date hereof and as of the Closing Dat e (provided that, prior to the Closing Date and solely for the purposes of this Section 1, references to "Guarantors" or "subsidiaries" below shall include Blacksmith; provided further that, solely with respect to representations and warranties made prior to the Closing Date with respect to Blacksmith, such representations and warranties are made to the knowledge of the Company) (references in this Section 1 to the "**Offering Memorandum**" are to (x) the Pricing Disclosure Package in the case of representations and warranties made as of the date hereof and (y) the Final Offering Memorandu m in the case of representations and warranties made as of the Closing Date):*

*(a) **No Registration Required.** Subject to compliance by the Initial Purchasers with the representations and warranties set forth in Section 2 hereof and with the procedures set forth in Section 7 hereof, it is not necessary in connection with the offer, sale and delivery of the Securities to the Initial Purchasers and to each Subsequent Purchaser in the manner contemplated by this Agreement and the Offering Memorandum to register the Securities under the Securities Act or, until such time as the Exchange Securities are issued pursuant to an effective registration statement, to qualify the Inden ture under the Trust Indenture Act of 1939 (the "**Trust Indenture Act**," which term, as used herein, includes the rules and regulations of the Commission promulgated thereunder).*

*(b) **No Integration of Offerings or General Solicitation.** None of the Company, its affiliates (as such term is defined in Rule 501 under the Securities Act, hereinafter an "**Affiliate**"), or any person acting on its or any of their behalf (other than the Initial Purchasers, as to whom the Company makes no representation or warranty) has, directly or indirectly, solicited any offer to buy or offered to sell, or will, directly or indirectly, solicit any offer to buy or offer to sell, in the United States or to any United States citizen or resident, any security which is or would be integrated with the sale of the Securities in a manner that would require the Securities to be registered under the Securities Act. None of the Company, its Affiliates, or any person acting on its or any of their behalf*

(other than the Initial Purchasers, as to whom the Company makes no representation or warranty) has engaged or will engage, in connection with the offering of the Securities, in any form of general solicitation or general advertising within the meaning of Rule 502 under the Securities Act. With respect to those Securities sold in reliance upon Regulation S, (i) none of the Company, its Affiliates or any person acting on its or their behalf (other than the Initial Purchasers, as to whom the Company makes no representation or warranty) has engaged or will engage in any directed selling efforts within the meaning of Regulation S and (ii) each of the Company and its Affiliates and any person acting on its or their behalf (other than the Initial Purchasers, as to whom the Company makes no representation or warranty) has complied and will comply with the offering restrictions set forth in Regulation S.

(c) ***Eligibility for Resale under Rule 144A.*** *The Securities are eligible for resale pursuant to Rule 144A and will not be, at the Closing Date, of the same class as securities listed on a national securities exchange registered under Section 6 of the Exchange Act or quoted in a U.S. automated interdealer quotation system.*

(d) ***The Pricing Disclosure Package and Offering Memorandum.*** *Neither the Pricing Disclosure Package, as of the Time of Sale, nor the Final Offering Memorandum, as of its date or (as amended or supplemented in accordance with Section 3(a), as applicable) as of the Closing Date, contains or represents an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that this representation, warranty and agreement shall not apply to statements in or omissions from the Pricing Disclosure Package, the Final Offering Memorandum or any amendment or supplement thereto made in reliance upon and in conformity with information furnished to the Company in writing by any Initial Purchaser through the Representatives expressly for use in the Pricing Disclosure Package, the Final Offering Memorandum or amendment or supplement thereto, as the case may be. The Pricing Disclosure Package contains, and the Final Offering Memor andum will contain, all the information specified in, and meeting the requirements of, Rule 144A. The Company has not distributed and will not distribute, prior to the later of the Closing Date and the completion of the Initial Purchasers' distribution of the Securities, any offering material in connection with the offering and sale of the Securities other than the Pricing Disclosure Package and the Final Offering Memorandum.*

(e) ***Company Additional Written Communications.*** *The Company has not prepared, made, used, authorized, approved or distributed and will not prepare, make, use, authorize, approve or distribute any written communication that constitutes an offer to s ell or solicitation of an offer to buy the Securities other than (i) the Pricing Disclosure Package, (ii) the Final Offering Memorandum and (iii) any electronic road show or other written communications, in each case used in accordance with Section 3(a). Each such communication by the Company or its agents and representatives pursuant to clause (iii) of the preceding sentence (each, a "****Company Additional Written Communication****"), when taken together with the Pricing Disclosure Package, did not as of the Time of Sale, and at the Closing Date will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that this representation, warranty and agreement shall not apply to statements in or omissions from each such Company Additional Written Communication made in reliance upon and in conformity with information furnished to the Company in writing by any Initial Purchaser through the Representatives expressly for use in any Company Additional Written Communication.*

(f) ***Incorporated Documents.*** *The documents incorporated or deemed to be incorporated by reference in the Offering Memorandum at the time they were or hereafter are filed with the*

*Commission (collectively, the "**Incorporated Documents**") complied and will comply in all material respects with the requirements of the Exchange Act. Each such Incorporated Document, when taken together with the Pricing Disclosure Package, did not as of the Time of Sale, and at the Closing Date will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.*

*(g) **The Purchase Agreement.** This Agreement has been duly authorized, executed and delivered by the Company and each Guarantor.*

*(h) **The Registration Rights Agreement and DTC Agreement.** The Registration Rights Agreement has been duly authorized and, on the Closing Date, will have been duly executed and delivered by, and will constitute a valid and binding agreement of, the Company and each Guarantor, enforceable in accordanc e with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles and except as rights to indemnification may be limited by applicable law. The DTC Agreement has been duly authorized and, on the Closing Date, will have been duly executed and delivered by, and will constitute a valid and binding agreement of, the Company, enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles.*

*(i) **Authorization of the Notes, the Guarantees and the Exchange Notes.** The Notes to be purchased by the Initial Purchasers from the Company will on the Closing Date be in the form contemplated by the Indenture, have been duly authorized for issuance and sale pursuant to this Agreement and the Indenture and, at the Closing Date, will have been duly executed by the Company and, when authenticated in the manner provided for in the Indenture and delivered against payment of the purchase price therefor, will constitute valid and binding obligations of the Company, enforceable in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles and will be entitled to the benefits of the Indenture. The Exchange Notes have been duly and validly auth orized for issuance by the Company, and when issued and authenticated in accordance with the terms of the Indenture, the Registration Rights Agreement and the Exchange Offer, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting enforcement of the rights and remedies of creditors or by general principles of equity and will be entitled to the benefits of the Indenture. The Guarantees of the Notes on the Closing Date and the Guarantees of the Exchange Notes when issued will be in the respective forms contemplated by the Indenture and have been duly authorized for issuance pursuant to this Agreement and the Indenture; the Guarantees of the Notes, at the Closing Date, will have been duly executed by each of the Guarantors and, when the Notes have been authenticated in the manner provided for in the Indenture and issued and delivered against payment of the purchase price therefor, the Guarantees of the Notes will constitute valid and binding agreements of the Guarantors; and, when the Exchange Notes have been authenticated in the manner provided for in the Indenture and issued and delivered in accordance with the Registration Rights Agreement, the Guarantees of the Exchange Notes will constitute valid and binding agreements of the Guarantors, in each case, enforceable in accordance with their terms, except as the enforcement*

thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles and will be entitled to the benefits of the Indenture.

(j) ***Authorization of the Supplemental Indenture.*** *The Supplemental Indenture has been duly authorized by the Company and each Guarantor and, at the Closing Date, will have been duly executed and delivered by the Company and each Guarantor and the Base Indenture as supplemented by the Supplemental Indenture will constitute a valid and binding agreement of the Company and each Guarantor, enforceable ag ainst the Company and each Guarantor in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles.*

(k) ***The Joinder Agreement.*** *On the Closing Date, the Joinder Agreement will have been duly authorized, executed and delivered by Blacksmith and will constitute a valid and legally binding obligation of Blacksmith, enforceable against Blacksmith in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other si milar laws relating to or affecting the rights and remedies of creditors or by general equitable principles.*

(l) ***Description of the Securities and the Indenture.*** *The descriptions of the Securities, the Exchange Securities, the Indenture and the Registration Rights Agreement contained in the Offering Memorandum conform in all material respects to the terms of the Securities, the Exchange Securities and the Indenture.*

(m) ***No Material Adverse Effect.*** *Except as otherwise disclosed in the Offering Memorandum (exclusive of any amendment or supplement thereto), subsequent to the respective dates as of which information is given in the Offering Memorandum (exclusive of any amendment or supplement thereto): (i) there has been no material adverse effect, or any development that could reasonably be expected to result in a material adverse effect, on the condition (financial or otherwise), prospects, earnings, business or properties of Parent and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business (a "****Material Adverse Effect****"); (ii) the Company and its subsidiaries, considered as one entity, have not incurred any material liabil ity or obligation, indirect, direct or contingent, not in the ordinary course of business nor entered into any material transaction or agreement not in the ordinary course of business; and (iii) there has been no dividend or distribution of any kind declared, paid or made by the Company or, except for dividends paid to the Company or other subsidiaries, any of its subsidiaries on any class of capital stock or repurchase or redemption by the Company or any of its subsidiaries of any class of capital stock.*

(n) ***Independent Accountants of the Parent.*** *PricewaterhouseCoopers LLP, which expressed its opinion with respect to certain of the financial statements (which term as u sed in this Agreement includes the related notes thereto) and supporting schedules of the Parent included or incorporated by reference in the Offering Memorandum, is an independent registered public accounting firm within the meaning of the Securities Act, the Exchange Act and the rules of the Public Company Accounting Oversight Board, and any non-audit services provided by PricewaterhouseCoopers LLP to the Company or any of the Guarantors have been approved by the Audit Committee of the Board of Directors of the Parent. The Company has no reason to believe that Ernst & Young LLP, who certified the financial statements and supporting schedules included in the Offering Memorandum with respect to Blacksmith were not, with respect to such financial*

statements and supporting schedules, independent public accountants with respect to Blacksmith as required by the Securities Act, the Exchange Act and the Public Accounting Oversight Board.

(o) ***Preparation of the Financial Statements.*** *Each of (i) the audited financial statem ents (including the notes thereto) of the Parent and (ii) the audited financial statements (including the notes thereto) of Blacksmith and its consolidated subsidiaries included or incorporated by reference in the Offering Memorandum present fairly in all material respects the financial position, results of operations and cash flows of the Parent and Blacksmith and their consolidated subsidiaries, respectively, as of and at the dates and for the periods indicated. Such financial statements have been prepared in conformity with generally accepted accounting principles as applied in the United States applied on a consistent basis throughout the periods involved, except as may be expressly stated in the related notes thereto. The financial data set forth in the Offering Memorandum under the captions "Summary-Summary Historical Consolidated Financial Data of Prestige Brands Holdings, Inc." and "Summary-Summary Historical Consolidated Financial Data of Blacksmith Brands Holdings, Inc." f airly present the information set forth therein on a basis consistent with that of the applicable audited financial statements contained or incorporated by reference in the Offering Memorandum. The statistical and market-related data and forward-looking statements included or incorporated by reference in the Offering Memorandum are based on or derived from sources that Parent, the Company and their subsidiaries believe to be reliable and accurate in all material respects and represent their good faith estimates that are made on the basis of data derived from such sources.*

(p) ***Incorporation and Good Standing of the Company, the Guarantors and each of their Subsidiaries.*** *Each of the Company, the Guarantors and their respective subsidiaries has been duly incorporated or formed, as applicable, and is validly existing as a corporation, limited partnership or limited liability company, as applicable, in good standing under the laws of the jurisdiction of its incorporation or formation, as applicable, and has corporate, partnership or limited liability company, as applicable, power and authority to own, lease and operate its properties and to conduct its business as described in the Offering Memorandum and, in the case of the Company and the Guarantors, to enter into and perform its obligations under each of this Agreement, the Registration Rights Agreement, the DTC Agreement, the Securities, the Exchange Securities and the Indenture. Each of the Company, the Guarantors and their respective subsidiaries is duly qualified as a foreign corporation, limited partnership or limited liability company, as applicable, to transact business and is in good standing or equivalent status in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except for such jurisdictions where the failure to so qualify or to be in good standing (i) would not reasonably be expected to have a material adverse effect on the performance of this Agreement, the Registration Rights Agreement, the DTC Agreement, the Securities, the Exchange Securities and the Indenture, or the consummation of any of the transactions contemplated hereby or thereby or (ii) would not, individually or in the aggregate, result in a Material Adverse Effect. All the outstanding shares of capital stock or limited liability company interests of each of the Company, the Guarantors and each of their respective subsidiaries have been duly authorized and validly issued and are fully paid and nonassessable and, except as otherwise set forth in the Offering Memorandum, all outstanding shares of capital stock or limited liability company interests of each su bsidiary are owned by Parent either directly or through wholly owned subsidiaries free and clear of any security interest, mortgage, pledge, lien, encumbrance or claim. Parent does not own or control, directly or indirectly, any corporation, association or other entity other than the subsidiaries listed in Exhibit 21 to the Parent's Annual Report on Form 10-K for the fiscal year ended March 31, 2010.*

*(q) **Non-Contravention of Existing Instruments; No Further Authorizations or Approvals Required.** Neither the Company, the Guarantors nor any of their respective subsidiaries is (i) in violation of its charter, bylaws or other constitutive document; (ii) in default (or, with the giving of notice or lapse of time, would be in default) ("**Default**") under any indenture, mortgage, loan or credit agreement, note, contract, franchise, lease or other instrument to which the Company, any Guarantor or any of their respective subsidiaries is a party or by which it or any of them may be bound (including without limitation, the Increase Joinder and the Base I ndenture or to which any of the property or assets of the Company, any Guarantor or any of their respective subsidiaries is subject (each, an "**Existing Instrument**")); or (iii) in violation under any statute, law, rule, regulation, judgment, order or decree applicable to the Company, any Guarantor or any of their respective subsidiaries of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Company, any Guarantor or any such subsidiary or any of its properties, as applicable, except, in the case of clauses (ii) and (iii) above where such violation or Default, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. The Company's and each Guarantor's execution, delivery and performance of this Agreement, the Registration Rights Agreement , the DTC Agreement, the Supplemental Indenture, the Increase Joinder, the issuance and delivery of the Securities and the Exchange Securities, the consummation of any other of the transactions contemplated hereby and thereby and by the Offering Memorandum, and the performance by the Company or any Guarantor of its obligations hereunder or thereunder (x) have been duly authorized by all necessary corporate action and will not result in any violation of the provisions of the charter, bylaws or other constitutive document of the Company, any Guarantor or any of their respective subsidiaries, (y) will not conflict with or constitute a breach of, or Default or a Debt Repayment Triggering Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company, any Guarantor or any of their respective subsidiaries pursuant to, or require the consent of any other party to, any Existing Instrument and (z) will not result in the violat ion of any statute, law, rule, regulation, judgment, order or decree applicable to the Company, any Guarantor or any of their respective subsidiaries of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Company, any Guarantor or any of their respective subsidiaries or any of its or their properties, as applicable, except, in the case of clauses (y) and (z) above, where such conflicts, breaches, Defaults, Debt Repayment Triggering Events, liens, charges or encumbrances, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. No consent, approval, authorization or other order of, or registration or filing with, any court or other governmental or regulatory authority or agency is required for the Company's execution, delivery and performance of this Agreement, the Registration Rights Agreement, the DTC Agreement or the Indenture, or the issuance and delivery of the Securities or t he Exchange Securities, or consummation of the transactions contemplated hereby and thereby and by the Offering Memorandum, except such as have been obtained or made by the Company and are in full force and effect under the Securities Act, applicable securities laws of the several states of the United States or provinces of Canada and except such as may be required by the securities laws of the several states of the United States or provinces of Canada with respect to the Company's obligations under the Registration Rights Agreement. As used herein, a "**Debt Repayment Triggering Event**" means any event or condition which gives, or with the giving of notice or lapse of time would give, the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Parent or any of its subsidiaries.*

(r) ***No Material Actions or Proceedings****. No action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company, any Guarantor or any of their respective subsidiaries or properties is pending or, to the knowledge of Parent and the Company, threatened that would reasonably be expected to have a Material Adverse Effect, except as set forth in or contemplated in the Offering Memorandum (exclusive of any amendment or supplement thereto).*

(s) ***Intellectual Property Rights.*** *Parent and its subsidiaries own, possess, license or otherwise have the right to use, all patents, trademarks, service marks, trade names, copyrights, Internet domain names (in each case including all registrations and applications to register same), inventions, trade secrets, technology, know-how and other intellectual property necessary for the conduct of Parent's and its subsidiaries' business as now conducted and as currently proposed to be conducted (collectively, the "****Intellectual Property****"), except where the failure to own, possess, license or have the right to so use would not reasonably be expected to have a Material Adverse Effect. Except as set forth in the Offering Memorandum, and except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (i) Parent or one of its subsidiaries owns, or has the right to use, all the Intellectual Property free and clear in all material respects of all adverse claims, liens or other encumbrances; (ii) to the knowledge of Parent and the Company, there is no material infringement by third parties of any such Intellectual Property; (iii) there is no pending or, to the knowledge of Parent and the Company, threatened action, suit, proceeding or claim by any third party challenging Parent's or its subsidiaries' rights in or to any such Intellectual Property, and the Company is unaware of any facts that would form a reasonable basis for any such claim; (iv) there is no pending or, to the knowledge of Parent and the Company, threatened action, suit, proceeding or claim by any third party challenging the validity or scope of any such Intellectual Property, and the Company is unaware of any facts that would form a reasonable basis for any such claim; and (v) there is no pending or, to the knowledge of Parent and the Company, threatened action, suit, proceeding or claim by others that Parent or any subsidiary infringes or otherwise violates any patent, trademark, copyright, trade secret or other intellectual property rights of any third party, and the Company is unaware of any fact that would form a reasonable basis for any such claim.*

(t) ***All Necessary Permits, etc.*** *Each of the Company, the Guarantors and their respective subsidiaries possess all licenses, certificates, permits and other authorizations issued by the appropriate U.S. federal, state or non-U.S. regulatory authorities necessary to conduct their respective businesses, except where the failure to possess such licenses, certificates, permits or other authorizations would not reasonably be expected to have a Material Adverse Effect, and neither the Company, the Guarantors nor any of their respective subsidiaries have received any notice of proceedings relating to the revocation or modification of any such license, certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would reasonably be expected to have a Material Adverse Effect, except as discussed in the Offering Memorandum (exclusive of any amendment or supplement thereto).*

(u) ***Title to Properties.*** *Each of the Company, the Guarantors and their respective subsidiaries owns or leases all such properties as are necessary to the conduct of their respective operations as presently conducted, except where the failure to own or lease a property or properties would not reasonably be expected to have a Material Adverse Effect.*

(v) ***Tax Law Compliance.*** *Each of the Company, the Guarantors and each of their subsidiaries has filed all non-U.S., U.S. federal, state and local tax returns that are required to be filed*

or has requested extensions thereof (except in any case in which the failure so to file would not have a Material Adverse Effect and except as set forth in or contemplated in the Offering Memorandum (exclusive of any amendment or supplement thereto)) and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, to the extent that any of the foregoing is due and payable, except for any such assessment, fine or penalty that is currently being contested in good faith or the non-payment of which would not reasonably be expected to have a Material Adverse Effect and except as set forth in or contemplated in the Offering Memorandum (exclusive of any amendment or supplement thereto).

*(w) **Company and Guarantors Not an "Investment Company."** The Company has been advised of the rules and requirements under the Investment Company Act of 1940, as amended (the "**Investment Company Act**," which term, as used herein, includes the rules and regulations of the Commission promulgated thereunder). Neither the Company nor any Guarantor is, or after receipt of payment for the Securities will be, an "investment company" within the meaning of the Investment Company Act and will conduct its business in a manner so that it will not become subject to the Investment Company Act.*

*(x) **Insurance**. Each of the Company, the Guarantors and their subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged.*

*(y) **No Price Stabilization or Manipulation.** None of the Company or any of the Guarantors has taken or will take, directly or indirectly, any action designed to or that might be r easonably expected to cause or result, in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.*

*(z) **Solvency.** Each of the Company and the Guarantors is, and immediately after the Closing Date will be, Solvent. As used herein, the term "**Solvent**" means, with respect to any person on a particular date, that on such date (i) the fair market value of the assets of such person is greater than the total amount of liabilities (including contingent liabilities) of su ch person, (ii) the present fair salable value of the assets of such person is greater than the amount that will be required to pay the probable liabilities of such person on its debts as they become absolute and matured, (iii) such person is able to realize upon its assets and pay its debts and other liabilities, including contingent obligations, as they mature and (iv) such person does not have unreasonably small capital.*

*(aa) **Compliance with Sarbanes-Oxley.** Parent and its subsidiaries and their respective officers and directors are in compliance with the applicable provisions of the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act,**" which term, as used herein, includes the rules and regulations of the Commission promulgated thereunder).*

*(bb) **Parent's Accounting System.** Parent and its subsidiaries, on a consolidated basis, maintain a system of internal controls over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) that is in compliance with the Exchange Act and is designed to provide reasonable assurances that: (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to perm it preparation of financial statements in conformity with generally accepted accounting principles as applied in the United States and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Parent's independent registered public accounting firm and the Audit*

Committee of the Board of Directors of Parent have been advised of: (i) any significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting which could adversely affect Parent's ability to record, process, summarize, and report financial data; and (ii) any fraud, whether or not material, that involves management or other employees who have a role in Parent's internal control over financial reporting; and since the date of the most recent evaluation of such internal control, there have been no significant changes in internal control or in other factors that could significantly affect internal control, including any corrective actions with regard to significant deficiencies and material weaknesses.

(cc) ***Disclosure Controls and Procedures.*** *Parent has established and maintains disclosure controls and procedures (as such term is defined in Rule 13a-15e and 15d-15 under the Exchange Act) that are designed to ensure that material information relating to Parent and its subsidiaries is made known to the chief executive officer and chief financial officer of Parent by others within Parent or any of its subsidiaries, and such disclosure controls and procedures are reasonably effective to perform the functions for which they were established subject to the limitations of any such control system.*

(dd) ***Regulations T, U, X.*** *Neither the Company nor any Guarantor nor any of their respective subsidiaries nor any agent thereof acting on their behalf has taken, and none of them will take, any action that might cause this Agreement or the issuance or sale of the Securities to violate Regulation T, Regulation U or Regulation X of the Board of Governors of the Federal Reserve System.*

(ee) ***Compliance with and Liability under Environmental Laws.*** *Except as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect: (i) each of Parent and its subsidiaries and their respective operations and facilities, and to the knowledge of Respon sible Officers (defined below) of the Parent and the Company the operations, real property and other assets of the persons providing manufacturing, warehousing and/or distribution services to Parent and each of its Subsidiaries (in each case solely to the extent related to the performance of such services) ("**Service Contractors**"), and their respective operations and facilities, are in compliance with, and not subject to any known liabilities under, applicable Environmental Laws, which compliance includes, without limitation, having obtained and being in compliance with any permits, licenses or other governmental authorizations or approvals, and having made all filings and provided all financial assurances and notices, required for the ownership and operation of their respective businesses, properties and facilities under applicable Environmental Laws, and compliance with the terms and conditions thereof; (ii) neither Parent nor any of its subsidiaries has received any written communication, whether from a governmental authority, citizens group, employee or otherwise, that alleges that Parent or any of its subsidiaries is in violation of any Environmental Law; (iii) there is no claim, action or cause of action filed with a court or governmental authority, no investigation with respect to which Parent has received written notice, and no written notice by any person or entity alleging actual or potential liability on the part of Parent or any of its subsidiaries based on or pursuant to any Environmental Law pending or, to the knowledge of Parent and the Company, threatened against Parent or any of its subsidiaries or any person or entity whose liability under or pursuant to any Environmental Law Parent or any of its subsidiaries has retained or assumed either contractually or by operation of law; (iv) neither Parent nor any of its subsidiaries is conducting or paying for, in whole or in part, any investigation, response or other corrective action pursuant to any Environmental Law at any site or facility, nor is any of them subject or a party to any order, judgment, decree, contract or agreement which imposes any obligation or liability under any Environmental Law; (v) no lien, charge, encumbrance or restriction has been*

rec orded pursuant to any Environmental Law with respect to any assets, facility or property owned, operated or leased by Parent or any of its subsidiaries; and (vi) there are no past or present actions, activities, circumstances, conditions or occurrences, including, without limitation, the Release or threatened Release of any Material of Environmental Concern or distribution of any product,, that could reasonably be expected to result in a violation of or liability under any Environmental Law on the part of Parent or any of its subsidiaries, or to the knowledge of the Responsible Officers of the Parent and the Company on the part of any Service Contractor, including without limitation, any such liability which Parent or any of its subsidiaries has retained or assumed either contractually or by operation of law.

*For purposes of this Ag reement, "**Environment**" means ambient air, indoor air, surface water, groundwater, drinking water, soil, surface and subsurface strata, and natural resources such as wetlands, flora and fauna. "**Environmental Laws**" means the common law and all federal, state, local and foreign laws or regulations, ordinances, codes, orders, decrees, judgments and injunctions issued, promulgated or entered thereunder, relating to pollution or protection of the Environment or human health, including without limitation, those relating to (i) the Release or threatened Release of Materials of Environmental Concern; and (ii) the manufacture, processing, distribution, use, generation, treatment, storage, transport, handling or recycling of Materials of Environmental Concern. "**Materials of Environmental Concern**" means any substance, material, pollutant, contaminant, chemical, waste, compound, or constituent, in any form, including without limitation, petroleum and petroleum products, and pesticides, subject to regulation or which can give rise to liability under any Environmental Law. "**Release**" means any release, spill, emission, discharge, deposit, disposal, leaking, pumping, pouring, dumping, emptying, injection or leaching into the Environment, or into, from or through any building, structure or facility. For purposes of this Section 1(ff) only, "**Responsible Officer**" means, with respect to any person, any of the principal executive officers, managing members or general partners of such person but, in any event, with respect to financial matters, the chief financial officer of such person.*

*(ff) **ERISA Compliance.** Parent and its subsidiaries and any "employee benefit plan" (as defined under the Employee Retirement Income Security Act of 1974 (as amended, "**ERISA,**" which term, as used herein, includes the regulations and published interpretations thereunder) established or maintained by Parent, its subsidiaries or their ERISA Affiliates (as defined below) are in compliance in all material respects with ERISA and, to the knowledge of Parent and the Company, each "multiemployer plan" (as defined in Section 4001 of ERISA)) to which Parent, its subsidiaries or an ERISA Affiliate contributes (a "**Multiemployer Plan**") is in compliance in all material respects with ERISA. "**ERISA Affiliate**" means, with respect to Parent or a subsidiary, any member of any group of organizations described in Section 414 of the Internal Revenue Code of 1986 (as amended, the "**Code,**" which term, as used herein, includes the regulations and published interpretations thereunder) of which Parent or such subsidiary is a member. No "reportable event" (as defined under ERISA) has occurred or is reasonably expected to occur with respect to any "employee benefit plan" established or maintained by Parent, its subsidiaries or any of their ERISA Affiliates. No "single employer plan" (as defined in Section 4001 of ERISA) established or maintained by Parent, its subsidiaries or any of their ERISA Affiliates, if such "employee benefit plan" were terminated, would have any "amount of unfunded benefit liabilities" (as defined under ERISA). Neither Parent, its subsidiaries nor any of their ERISA Affiliates has incurred or reasonably expects to incur any liability under (i) Title IV of ERISA with respect to termination of, or withdrawal from, any "employee benefit plan" or (ii) Sections 412, 4971, 497 5 or 4980B of the Code. Each "employee benefit plan" established or maintained by Parent, its subsidiaries or any of their ERISA Affiliates that is*

intended to be qualified under Section 401 of the Code is so qualified and nothing has occurred, whether by action or failure to act, which would cause the loss of such qualification.

< div style="line-height:120%;padding-bottom:16px;padding-left:48px;text-align:left;text-indent:48px;font-size:12pt;">(gg) ***Compliance with Labor Laws.*** *Except as would not, individually or in the aggregate, result in a Material Adverse Effect, (i) there is (A) no unfair labor practice complaint pending or, to the knowledge of Parent and the Company, threatened against Parent or any of its subsidiaries before the National Labor Relations Board, and no grievance or arbitration proceeding arising out of or under collective bargaining agreements pending, or to the knowledge of Parent and the Company, threatened, against Parent or any of its subsidiaries, (B) no strike, labor dispute, slowdown or stoppage pending or, to the knowledge of Parent and the Company, threatened against Parent or any of its subsidiaries an d (C) no union representation question existing with respect to the employees of Parent or any of its subsidiaries and, to the knowledge of Parent and the Company, no union organizing activities taking place and (ii) there has been no violation of any federal, state or local law relating to discrimination in hiring, promotion or pay of employees or of any applicable wage or hour laws.*

(hh) ***Related Party Transactions.*** *No relationship, direct or indirect, exists between or among any of Parent or any Affiliate of Parent, on the one hand, and any director, officer, member, stockholder, customer or supplier of Parent or any Affiliate of Parent, on the other hand, which would be require d by Item 404 of the Commission's Regulation S-K to be disclosed which is not so disclosed in the Offering Memorandum. There are no outstanding loans, advances (except advances for business expenses in the ordinary course of business) or guarantees of indebtedness by Parent or any Affiliate of Parent to or for the benefit of any of the officers or directors of Parent or any Affiliate of Parent or any of their respective family members.*

(ii) ***No Unlawful Contributions or Other Payments.*** *Neither Parent nor any of its subsidiaries nor, to the knowledge of Parent and the Company, any director, officer, agent, employee or Affiliate of Parent or any of its subsidiaries is aware of or ha s taken any action, directly or indirectly, that would result in a violation by such persons of the FCPA (as defined below), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA and Parent, its subsidiaries and, to the knowledge of Parent and the Company, its Affiliates have conducted their businesses in compliance with the FCPA and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.*

*"**FCPA**" means Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder.*

(jj) ***No Conflict with Money Laundering Laws.*** *The operations of Parent and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of al l applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any governmental agency (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving Parent or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of Parent and the Company, threatened.*

(kk) ***No Conflict with OFAC Laws.*** *Neither Parent nor any of its subsidiaries nor, to the knowledge of Parent and the Company, any director, officer, agent, employee or Affiliate of Parent or any of its subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**"); and the Company will not directly o r indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.*

(ll) ***Regulation S.*** *The Company, the Guarantors and their respective Affiliates and all persons acting on their behalf (other than the Initial Purchasers, as to whom the Company and the Guarantors make no representation) have complied with and will comply with the offering restrictions requirements of Regulation S in connection with the offering of the Securities outside th e United States and, in connection therewith, the Offering Memorandum will contain the disclosure required by Rule 902 of Regulation S. The Securities sold in reliance on Regulation S will be represented upon issuance by a temporary global security that may not be exchanged for definitive securities until the expiration of the 40-day restricted period referred to in Rule 903 of the Securities Act and only upon certification of beneficial ownership of such Securities by non-U.S. persons or U.S. persons who purchased such Securities in transactions that were exempt from the registration requirements of the Securities Act.*

Any certificate signed by an officer of the Company or any Guarantor and delivered to the Initial Purchasers or to counsel for the Initial Purchasers shall be deemed to be a representation and warranty by the Company or such Guaranto r to each Initial Purchaser as to the matters set forth therein.

SECTION 2. Purchase, Sale and Delivery of the Securities.

(a) **The Securities.** *Each of the Company and the Guarantors agrees to issue and sell to the Initial Purchasers, severally and not jointly, all of the Securities, and the Initial Purchasers agree, severally and not jointly, to purchase from the Company and the Guarantors the aggregate principal amount of Securities set forth o pposite their names on* Schedule A, *at a purchase price of 100.250% of the principal amount thereof, plus accrued interest from October 1, 2010, payable on the Closing Date, in each case, on the basis of the representations, warranties and agreements herein contained, and upon the terms, subject to the conditions thereto, herein set forth.*

(b) **The Closing Date.** *Delivery of certificates for the Securities in definitive form to be purchased by the Initial Purchasers and payment therefor shal l be made at the offices of Cahill Gordon & Reindel LLP, 80 Pine Street, New York, New York 10005 (or such other place as may be agreed to by the Company and the Representatives) at 9:00 a.m. New York City time, on November 1, 2010, or such other time and date as the Representatives shall designate by notice to the Company (the time and date of such closing are called the "***Closing Date***"). The Company hereby acknowledges that circumstances under which the Representatives may provide notice to postpone the Closing Date as originally scheduled include, but are in no way limited to, any determination by the Company or the Initial Purchasers to recirculate to investors copies of an amended or supplemented Offering Memorandum or a delay as contemplated by the provisions of Section 17 hereof.*

(c) **Delivery of the Securities.** *The Company shall deliver, or cause to be delivered, to the Representatives for the accounts of the several Initial Purchasers certificates for the Securities at the Closing Date against the irrevocable release of a wire transfer of immediately available funds for the amount of the purchase price therefor. The certificates for the Securities shall be in such denominations and registered in the name of Cede & Co., as nominee of the Depositary, pursuant to the DTC Agreement, and shall be made available for inspection on the business day preceding the Closing Date at a location*

in New York City, as the Representatives may designate. Time shall be of the essence, and delivery at the time and place specified in this Agreement is a further condition to the obligations of the Initial Purchasers.

(d) ***Initial Purchasers as Qualified Institutional Buyers.*** *Each Initial Purchaser severally and not jointly represents and warrants to, and agrees with, the Company that:*

(i) this Agreement has been duly authorized, executed and delivered by each Initial Purchaser;

(ii) it will offer and sell Securities only to (a) persons who it reasonably believes are "qualified institutional buyers" within the meaning of Rule 144A ("Qualified Institutional Buyers") in transactions meeting the requirements of Rule 144A or (b) upon the terms and conditions set forth in Annex I to this Agreement;

(iii) it is an institutional "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act; and

(iv)it will not offer or sell Securities by, any form of general solicitation or general advertising, including but not limited to the methods described in Rule 502(c) under the Securities Act.

SECTION 3. ***Additional Covenants.*** *Each of the Company and the Guarantors further covenants and agrees with each Initial Purchaser as follows:*

(a) ***Preparation of Final Offering Memorandum; Initial Purchasers' Review of Proposed Amendments and Supplements and Company Additional Written Communications.*** *As promptly as practicable following the Time of Sale and in any event not later than the second business day following the date hereof, the Company shall prepare and deliver to the Initial Purchasers the Final Offering Memorandum, which shall consist of the Preliminary Offering Memorandum as modified only by the information contained in the Pricing Supplement. The Company shall not amend or supplement the Preliminary Offering Memorandum or the Pricing Supplement. The Company shall not amend or supplement the Final Offering Memorandum prior to the Closing Date unless the Representatives shall previously have been furnished a copy of the proposed amendment or supplement at least two business da ys prior to the proposed use or filing, and shall not have objected to such amendment or supplement. Before making, preparing, using, authorizing, approving or distributing any Company Additional Written Communication, the Company shall furnish to the Representatives a copy of such written communication for review and shall not make, prepare, use, authorize, approve or distribute any such written communication to which the Representatives reasonably object.*

(b) ***Amendments and Supplements to the Final Offering Memorandum and Other Securities Act Matters.*** *If at any time prior to the Closing Date (i) any event shall occur or condition shall exist as a result of which any of the Pricing Disclosure Package as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading or (ii) it is necessary to amend or supplement any of the Pricing Disclosure Package to comply with law, the Company and the Guarantors will immediately notify the Initial Purchasers thereof and forthwith prepare and (subject to Section 3(a) hereof) furnish to the Initial Purchasers such amendments or supplements to any of the Pricing Disclosure Package as may be necessary so that the statements in any of the Pricing Disclosure Package as so amended or*

supplemented will not, in the light of the circumstances under which they were made, be misleading or so that any of the Pricing Disclosure Package will comply with all applicable law. If, prior to the completion of the placement of the Securities by the Initial Purchasers with the Subsequent Purchasers, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Final Offering Memorandum, as then amended or supplemented, in order to make the statements therein, in the light of the circumstances when the Final Offering Memorandum is delivered to a Subsequent Purchaser, not misleading, or if in the judgment of the Representatives or counsel for the Initial Purchasers it is other wise necessary to amend or supplement the Final Offering Memorandum to comply with law, the Company and the Guarantors agree to promptly prepare (subject to Section 3 hereof), file with the Commission and furnish at its own expense to the Initial Purchasers, amendments or supplements to the Final Offering Memorandum so that the statements in the Final Offering Memorandum as so amended or supplemented will not, in the light of the circumstances at the Closing Date and at the time of sale of Securities, be misleading or so that the Final Offering Memorandum, as amended or supplemented, will comply with all applicable law.

Following the consummation of the Exchange Offer or the effectiveness of an applicable shelf registration statement and for so long as the Securities are outstanding if, in the judgment of the Representatives, the Re presentative or any of their Affiliates are required to deliver a prospectus in connection with sales of, or market-making activities with respect to, the Securities, to periodically amend the applicable registration statement so that the information contained therein complies with the requirements of Section 10 of the Securities Act, to amend the applicable registration statement or supplement the related prospectus or the documents incorporated therein when necessary to reflect any material changes in the information provided therein so that the registration statement and the prospectus will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances existing as of the date the prospectus is so delivered, not misleading and to provide the Initial Purchasers with copies of each amendment or supplement filed and such other documents as the Initial Purchasers may reasonably request.

The Company hereby expressly acknowledges that the indemnification and contribution provisions of Sections 8 and 9 hereof are specifically applicable and relate to each offering memorandum, registration statement, prospectus, amendment or supplement referred to in this Section 3.

(c) ***Copies of the Offering Memorandum.*** *The Company agrees to furnish the Initial Purchasers, without charge, as many copies of the Pricing Disclosure Package and the Final Offering Memorandum and any amendments and supplements thereto as they shall reasonably request.*

(d) ***Blue Sky Compliance.*** *Each of the Company and the Guarantors shall cooperate with the Representatives and counsel for the Initial Purchasers to qualify or register (or to obtain exemptions from qualifying or registering) all or any part of the Securities for offer and sale under the securities laws of the several states of the United States, the provinces of Canada or any other jurisdictions designated by the Representatives, and shall comply with such laws and shall continue such qualifications, re gistrations and exemptions in effect so long as required for the distribution of the Securities. None of the Company or any of the Guarantors will be required to qualify as a foreign corporation or to take any action that would subject it to general service of process in any such jurisdiction where it is not presently qualified or where it would be subject to taxation as a foreign corporation. The Company shall advise the Representatives promptly of the suspension of the qualification or registration of (or any such exemption relating to) the Securities for offering, sale or trading in any jurisdiction or any initiation or threat of any proceeding for any such purpose,*

and in the event of the issuance of any order suspending such qualification, registration or exemption, each of the Company and the Guarantors shall use its commercially reasonable efforts to obtain the withdrawal thereof at the earliest possible moment.

(e) ***Use of Proceeds.*** *The Company shall apply the net proceeds from the sale of the Securities sold by it in the manner described under the caption "Use of Proceeds" in the Pricing Disclosure Package.*

(f) ***The Depositary****. The Company shall cooperate with the Initial Purchasers and use its commercially reasonable efforts to permit the Securities to be eligible for clearance and settlement through the facilities of the Depositary.*

(g) ***Additional Issuer Information.*** *Prior to the completion of the placement of the Securities by the Initial Purchasers with the Subsequent Purchasers, Parent shall file, on a timely basis, with the Commission and the New York Stock Exchange (the "****NYSE****") all reports and documents required to be filed under Section 13 or 15 of the Exchange Act. Additionally, at any time when Parent is not subject to Section 13 or 15 of the Exchange Act, for the benefit of holders and beneficial owners from time to time of the Securities, Parent shall furnish, at its expense, upon request, to holders and beneficial owners of Securities and prospective purchasers of Securities information satisfying the requirements of Rule 144A(d).*

(h) ***Agreement Not To Offer or Sell Additional Securities.*** *During the period of 90 days following the date hereof, the Company will not, without the prior written consent of the Representatives (which consent may be withheld at the sole discretion of the Representatives), directly or indirectly, sell, offer, contract or grant any option to sell, pledge, transfer or establish an open "put equivalent position" within the meaning of Rule 16a-1 under the Exchange Act, or otherwise dispose of or transfer, or announce the offering of, or file any registration statement under the Securities Act in respect of, any debt securities of the Company or securities exchangeable for or convertible into debt securities of the Company (other than as contemplated by this Agreement and to register the Exchange Securities).*

(i) ***Future Reports to the Initial Purchasers.*** *Whether or not required by the Commission, so long as any Notes are outstanding, the Parent will furnish to the holders of Notes, within the time periods specified in the Commission's rules and regulations for a company subject to reporting under Section 13(a) or 15(d) of the Exchange Act:*

(1) all quarterly and annual financial information of the Parent that would be required to be contained in a filing with the Commission on Forms 10-Q and 10-K if the Parent were required to file such forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual information only, a report on the annual financial statements by the Parent's certified independent accountants; and

(2) all current reports that would be required to be filed with the Commission on Form 8-K i f the Parent were required to file such reports.

In addition, whether or not required by the Commission, the Parent will file a copy of all of the information and reports referred to in clauses (1) and (2) above with the Commission for public availability within the time periods specified in the Commission's rules and regulations for a company subject to reporting under Section 13(a) or 15(d) of the Exchange Act (unless the Commission *will not accept such a filing) and make such information available to securities analysts and prospective investors upon request. Notwithstanding the foregoing, to the extent the Parent files the information and reports referred to in clauses (1) and (2) above with the Commission and such information is publicly available on the Internet, the Parent shall be deemed to be in compliance with its obligations to furnish such information to the holders of the Notes and to make such information available to securities analysts and prospective investors.*

(j) ***No Integration.*** *The Company agrees that it will not and will cause its Affiliates not to make any offer or sale of securities of the Company of any class if, as a result of the doctrine of "integration" referred to in Rule 502 under the Securities Act, such offer or sale would render invalid (for the purpose of (i) the sale of the Securities by the Company to the Initial Purchasers, (ii) the resale of the Securities by the Initial Purchasers to Subsequent Purchasers or (iii) the resale of the Securities by such Subsequent Purchasers to others) the exemption from the registration requirements of the Securities Act provided by Section 4(2) thereof or by Rule 144A or by Regulation S thereunder or otherwise.*

(k) ***No General Solicitation or Directed Selling Efforts****. The Company agrees that it will not and will not permit any of its Affiliates or any other person acting on its or their behalf (other than the Initial Purchasers, as to which no covenant is given) to (i) solicit offers for, or offer or sell, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D under the Securities Act or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act or (ii) engage in any directed selling efforts with respect to the Securities within the meaning of Regulation S, and the Company will and will cause all such persons to comply with the offering restrictions requirement of Regulation S with respect to the Securities.*

(l) ***No Restricted Resales.*** *The Company will not, and will not permit any of its Affiliates to resell any of the Notes that have been reacquired by any of them.*

(m) ***Legended Securities.*** *Each certificate for a Security will bear the legend contained in "Notice to Investors" in the Preliminary Offering Memo randum for the time period and upon the other terms stated in the Preliminary Offering Memorandum.*

The Representatives on behalf of the several Initial Purchasers, may, in their sole discretion, waive in writing the performance by the Company or any Guarantor of any one or more of the foregoing covenants or extend the time for their performance.

SECTION 4. ***Payment of Expenses.*** *Each of the Company and the Guarantors agrees to pay all costs, fees and expenses incurred i n connection with the performance of its obligations hereunder and in connection with the transactions contemplated hereby, including, without limitation, (i) all expenses incident to the issuance and delivery of the Securities (including all printing and engraving costs), (ii) all necessary issue, transfer and other stamp taxes in connection with the issuance and sale of the Securities to the Initial Purchasers, (iii) all fees and expenses of the Company's and the Guarantors' counsel, the Parent's independent public or certified public accountants and other advisors, (iv) all fees and expenses of Blacksmith's independent public or certified public accountants, (v) all costs and expenses incurred in connection with the preparation, printing, filing, shipping and distribution of the Pricing Disclosure Package and the Final Offering Memorandum (including financial statements and exhibits), and all amendments and supplements thereto, this Agreement, the Registration Rights Agreement, the Supplemental Indenture, the DTC Agreement and the Notes and Guarantees, (vi) all filing fees, attorneys' fees* *and expenses incurred by the Company, the Guarantors or the Initial Purchasers in connection with qualifying or registering (or obtaining exemptions from the qualification or registration of) all or any part of the Securities for offer and sale under the securities laws of the several states of the United States, the provinces of Canada or other jurisdictions designated by the Initial Purchasers (including, without limitation, the cost of preparing, printing and mailing preliminary and final blue sky or legal investment memoranda and any related supplements to the Pricing Disclosure Package or the Final Offering Memorandum), (vii) the fees and expenses of the Trustee, including the fees and disbursements of counsel for the Trustee in connection with the Indenture, the Securities and the Exchange Securities, (viii) any fees payable in connection with the rating of the Securities or the Exchange Securities with the ratings agencies, (ix) any filing fees incident to, and any reasonable fees and disbursements of counsel to the Initial Purchasers in connection with the review by the Financial Industry Regulatory Authority ("**FINRA**"), if any, of the terms of the sale of the Securities or the Exchange Securities, (x) all fees and expenses (including reasonable fees and expenses of counsel) of the Company and t he Guarantors in connection with approval of the Securities by the Depositary for "book-entry" transfer, and the performance by the Company and the Guarantors of their respective other obligations under this Agreement and (xi) all expenses incident to the "road show" for the offering of the Securities, including the cost of any chartered airplane or other transportation. Except as provided in this Section 4 and Sections 6, 8 and 9 hereof, the Initial Purchasers shall pay their own expenses, including the fees and disbursements of their counsel.*

SECTION 5. ***Conditions of the Obligations of the Initial Purchasers.*** *The obligations of the several Initial Purchasers to purchase and pay for the Securities as provided herein on the Closing Date shall be subject to the accuracy of the representations and warranties on the part of the Company and the Guarantors set forth in Section 1 hereof as of the date hereof and as of the Closing Date as though then made, and to the timely performance by the Company of its covenants and other obligations hereunder, and to each of the following additional conditions:*

(a) ***Accountants' Comfort Letter.*** *On the date hereof, the Initial Purchasers shall have received f rom each of (i) PricewaterhouseCoopers LLP, the independent registered public accounting firm for the Parent and (ii) Ernst & Young LLP, the independent registered public accounting firm for Blacksmith, a "comfort letter" dated the date hereof addressed to the Initial Purchasers, in form and substance satisfactory to the Representatives, covering the financial information of the Parent and its subsidiaries and Blacksmith and its subsidiaries, as applicable, in the Pricing Disclosure Package and other customary matters. In addition, on the Closing Date, the Initial Purchasers shall have received from such accountants a "bring-down comfort letter" dated the Closing Date addressed to the Initial Purchasers, in form and substance satisfactory to the Representatives, in the form of the "comfort letter" delivered on the date hereof, except that (i) it shall cover the financial information of the Parent and its subsidiaries and Blacksmith and its subsidiaries, as applicable, in the Final Offering Memorandum and any amendment or supplement thereto and (ii) procedures shall be brought down to a date no more than 5 days prior to the Closing Date.*

(b) ***No Material Adverse Effect or Ratings Agency Change.*** *For the period from and after the date of this Agreement and prior to the Closing Date:*

(i) in the judgment of the Representatives there shall not have occurred any Material Adverse Effect; and

(ii) there shall not have occurred any downgrading, nor shall any notice have been given of any intended or potential downgrading or of any review for a possible change that does not indicate the direction of the possible change, in the rating accorded the Company or any of its subsidiaries or any of their securities or indebtedness by any "nationally recognized

statistical rating organization" as such term is defined for purposes of Rule 436 under the Securities Act.

(c) ***Opinion of Counsel for the Company.*** *On the Closing Date the Initial Purchasers shall have received the favorable opinion of Alston & Bird LLP, counsel for the Company, dated as of the Closing Date, the form of which is attached as Exhibit A.*

(d) ***Opinion of Counsel for the Initial Purchasers.*** *On the Closing Date the Initial Purchasers shall have received the favorable opinion of Cahill Gordon & Reindel LLP, counsel for the Initial Purchasers, dated as of the Closing Date, with respect to such matters as may be reasonably requested by the Initial Purchasers.*

(e) ***Officers' Certificate.*** *On the Closing Date the Initial Purchasers shall have received a written certificate executed by the Chairman of the Board, Chief Executive Officer or President of the Company and each Guarantor and the Chief Financial Officer or Chief Accounting Officer of the Company and each Guarantor, dated as of the Closing Date, to the effect set forth in Section 5(b)(ii) hereof, and further to the effect that:*

(i) for the period from and after the date of this Agreement and prior to the Closing Date there has not occurred any Material Adverse Effect;

(ii) the representations, warranties and covenants of the Company and the Guarantors set forth in Section 1 hereof were true and correct as of the date hereof and are true and correct as of the Closing Date with the same force and effect as though expressly made on and as of the Closing Date; and

(iii) the Company has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date.

(f) ***Supplemental Indenture; Registration Rights Agreement.*** *The Company and the Guarantors shall have executed and delivered the Supplemental Indenture, in form and substance reasonably satisfactory to the Initial Purchasers, and the Initial Purchasers shall have received executed copies thereof. The Company and the Guarantors shall have executed and delivered the Registration Rights Agreement, in form and substance reasonably satisfactory to the Initial Purchasers, and the Initial Purchasers shall have received such executed counterparts.*

(g) ***Acquisition of Blacksmith.*** *At the Closing Date, the acquisition of Blacksmith shall have been consummated pursuant to the Stock Purchase Agreement.*

(h) ***Concurrent Transactions.*** *On or prior to the Closing Date:*

(i) Increase Joinder. The Increase Joinder shall have been entered into by the parties thereto in form and substance reasonably satisfactory to the Initial Purchasers and the Increase Joinder shall be in full force and effect. Concurrently with the issuance of the Notes, an incremental term loan will be issued under the Existing Credit Agreement pursuant to the Increase Joinder.

(ii) Joinder Agreement. The Company and Blacksmith shall have entered into the Joinder Agreement and the Initial Purchasers shall have received executed counterparts thereof, and the Joinder Agreement shall be in full force and effect.

*(i) **Additional Documents.** On or before the Closing Date, the Initial Purchasers and counsel for the Initial Purchasers shall have received such information, documents and opinions as they may reasonably require for the purposes of enabling them to pass upon the issuance and sale of the Securities as contemplated herein, or in order to evidence the accuracy of any of the representations and warranties, or the satisfaction of any of the conditions or agreements, herein contained.*

If any condition specified in thi s Section 5 is not satisfied when and as required to be satisfied, this Agreement may be terminated by the Representatives by notice to the Company at any time on or prior to the Closing Date, which termination shall be without liability on the part of any party to any other party, except that Sections 4, 6, 8 and 9 hereof shall at all times be effective and shall survive such termination.

*SECTION 6. **Reimbursement of Initial Purchasers' Expenses.** If this Agreement is terminated by the Representatives pursuant to Section 5 or clauses (i) or (iv) of Section 10 hereof, including if the sale to the Initia l Purchasers of the Securities on the Closing Date is not consummated because of any refusal, inability or failure on the part of the Company to perform any agreement herein or to comply with any provision hereof, the Company agrees to reimburse the Initial Purchasers, severally, upon demand for all out-of-pocket expenses that shall have been reasonably incurred by the Initial Purchasers in connection with the proposed purchase and the offering and sale of the Securities, including, without limitation, fees and disbursements of counsel, printing expenses, travel expenses, postage, facsimile and telephone charges.*

*SECTION 7. **Offer, Sale and Resale Procedures**. Each of the Initial Purchasers, on the one hand, and the Company and each of the Guarantors, on the other hand, hereby agree to observe the following procedures in connection with the offer and sale of the Securities:*

(a) Offers and sales of the Securities will be made only by the Initial Purchasers or Affiliates thereof qualified to do so in the jurisdictions in which such offers or sales are made. Each such offer or sale shall only be made to persons whom the offeror or seller reasonably believes to be Qualified Institutional Buyers or non-U.S. persons outside the United States to whom the offeror or seller reasonably believes offers and sales of the Securities may be made in reliance upon Regulation S upon the terms and conditions set forth in Annex I hereto, which Annex I is hereby expressly made a part hereof.

(b) The Securities will be offered by approaching prospective Subsequent Purchasers on an individual basis. No general solicitation or general advertising (within the meaning of Rule 502 under the Securities Act) will be used in the United States in connection with the offering of the Securities.

(c) & nbsp;Upon original issuance by the Company, and until such time as the same is no longer required under the applicable requirements of the Securities Act, the Securities (and all securities issued in exchange therefor or in substitution thereof, other than the Exchange Securities) shall bear the following legend:

*"THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH*

PURCHASER OF THE SECURITY EVIDENCED HEREBY IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) SUCH SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (1)(a) INSIDE THE UNITED STATES TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASIN G FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (b) OUTSIDE THE UNITED STATES TO A FOREIGN PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (c) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF APPLICABLE) OR (d) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY IF THE COMPANY SO REQUESTS), (2) TO THE COMPANY OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN CLAUSE (A) ABOVE. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR RESALE OF THE SECURITY EVIDENCED HEREBY."

Following the sale of the Securities by the Initial Purchasers to Subsequent Purchasers pursuant to the terms hereof, the Initial Purchasers shall not be liable or responsible to the Company for any losses, damages or liabilities suffered or incurred by the Company, including any losses, damages or liabilities under the Securities Act, arising from or relating to any resale or transfer of any Security.

SECTION 8. Indemnification.

(a) ***Indemnification of the Initial Purchasers.*** *Each of the Company and the Guarantors, jointly and severally, agrees to indemnify and hold harmless each Initial Purchaser, its Affiliates, directors, officers and employees, and each person, if any, who controls any Initial Purchaser within the meaning of the Securities Act and the Exchange Act against any loss, claim, damage, liability or expense, as incurred, to which such Initial Purchaser, Affiliate, director, officer, employee or controlling person may become subject, under the Securities Act, the Exchange Act or other federal or state statutory law or regulation, or at common law or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of the Company), insofar as such loss, claim, damage , liability or expense (or actions in respect thereof as contemplated below) arises out of or is based: (i) upon any untrue statement or alleged untrue statement of a material fact contained or incorporated by reference in the Preliminary Offering Memorandum, the Pricing Supplement, any Company Additional Written Communication or the Final Offering Memorandum (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; or (ii) in whole*

or in part upon any inaccuracy in the representations and warranties of the Company contained herein; or (iii) in whole or in part upon any failure of the Company to perform its obligations hereunder or under law; or (iv) any act or failure to act or any alleged act or failure to act by any Initial Purchaser in connection with, or relating in any manner to, the offering contemplated hereby, and which is included as part of or referred to in any loss, claim, damage, liability or action arising out of or based upon any matter covered by clause (i) above, provided that the Company shall not be liable under this clause (iv) to the extent that a court of competent jurisdiction shall have determined by a final judgment that such loss, claim, damage, liability or action resulted directly from any such acts or failures to act undertaken or omitted to be taken by such Initial Purchaser through its gross negligenc e or willful misconduct; and to reimburse each Initial Purchaser and each such Affiliate, director, officer, employee or controlling person for any and all expenses (including the fees and disbursements of counsel chosen by the Representatives) as such expenses are reasonably incurred by such Initial Purchaser or such Affiliate, director, officer, employee or controlling person in connection with investigating, defending, settling, compromising or paying any such loss, claim, damage, liability, expense or action; provided, however, that the foregoing indemnity agreement shall not apply, with respect to an Initial Purchaser, to any loss, claim, damage, liability or expense to the extent, but only to the extent, arising out of or based upon any untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with written information furnished to the Company by such Initial Purchaser through the Representatives expressly for use in the Preliminary Offering Mem orandum, the Pricing Supplement, any Company Additional Written Communication or the Final Offering Memorandum (or any amendment or supplement thereto). The indemnity agreement set forth in this Section 8(a) shall be in addition to any liabilities that the Company may otherwise have.

(b) ***Indemnification of the Company and the Guarantors.*** *Each Initial Purchaser agrees, severally and not jointly, to indemnify and hold harmless the Company, each Guarantor, each of their respective directors and each person, if any, who controls the Company or any Guarantor within the meaning of the Securities Act or the Exchange Act, against any loss, claim, damage, liability or expense, as incurred, to which the Company, any Guarantor or any such director or controlling person may become subject, under the Securities Act, the Exchange Act, or other federal or state statutory law or regulation, or at common law or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of such Initial Purchaser), insofar as such loss, claim, damage, liability or expense (or actions in respect thereof as contemplated below) arises out of or is based upon any untrue statement or alleged untrue statement of a material fact contained or incorporated by reference in the Preliminary Offering Memorandum, the Pricing Supplement, any Company Additional Written Communication or the Final Offering Memorandum (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent , but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Preliminary Offering Memorandum, the Pricing Supplement, any Company Additional Written Communication or the Final Offering Memorandum (or any amendment or supplement thereto), in reliance upon and in conformity with written information furnished to the Company by such Initial Purchaser through the Representatives expressly for use therein; and to reimburse the Company, any Guarantor and each such director or controlling person for any and all expenses (including the fees and disbursements of counsel) as such expenses are reasonably incurred by the Company, any Guarantor or such director or controlling person in connection with investigating, defending, settling, compromising or paying any such loss, claim, damage, liability, expense or action. Each of the Company and the Guarantors hereby acknowledges that the only information that the Initial Purchasers through the Representativ es have furnished to the Company expressly for use in the Preliminary Offering Memorandum, the Pricing Supplement, any Company Additional Written Communication or the Final Offering Memorandum (or any amendment or supplement thereto) are the statements set forth in the third sentence of the fifth paragraph and the sixth paragraph under the caption "Plan of Distribution" in the Preliminary*

Offering Memorandum and the Final Offering Memorandum. The indemnity agreement set forth in this Section 8(b) shall be in add ition to any liabilities that each Initial Purchaser may otherwise have.

(c) ***Notifications and Other Indemnification Procedures.*** *Promptly after receipt by an indemnified party under this Section 8 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under this Section 8, notify the indemnifying party in writing of the commencement thereof, but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party hereunder for contribution or otherwise than under the indemn ity agreement contained in this Section 8 or to the extent it is not prejudiced (through the forfeiture of substantive rights and defenses) as a result of such failure and shall not relieve the indemnifying party from any liability that the indemnifying party may have to an indemnified party otherwise than under the provisions of this Section 8 and Section 9. In case any such action is brought against any indemnified party and such indemnified party seeks or intends to seek indemnity from an indemnifying party, the indemnifying party will be entitled to participate in and, to the extent that it shall elect, jointly with all other indemnifying parties similarly notified, by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof with counsel reasonably satisfactory to such indemnified party; provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that a conflict may arise between the positions of the indemnifying party and the indemnified party in conducting the defense of any such action or that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assume such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of such indemnifying party's election so to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party will not be liable to such indemnified party under this Section 8 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemn ified party shall have employed separate counsel in accordance with the proviso to the immediately preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel (together with local counsel (in each jurisdiction)), approved by the indemnifying party (the Representatives in the case of Sections 8(b) and 9 hereof), representing the indemnified parties who are parties to such action) or (ii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action, in each of which cases the fees and expenses of counsel shall be at the expense of the indemnifying party.*

(d) ***Settlements.*** *The indemnifying party under this Section 8 shall not be liable for any settlement of any proceeding effected without its written consent, which will not be unreasonably withheld, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party against any loss, claim, damage, liability or expense by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by this Section 8, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request or disputed in good faith the indemnified party's entitlement to such reimbursement prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement, compromise or consent to the entry of judgment in any pending or threatened action, suit or proceeding in respect of which any indemnified party*

is or could have been a party and indemnity was or could have been sought hereunder by such indemnified party, unless such settlement, compromise or consent (i) includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such action, suit or proceeding and (ii) does not include any statements as to or any findings of fault, culpability or failure to act by or on behalf of any indemnified party.

SECTION 9. ***Contribution.*** *If the indemnification provided for in Section 8 hereof is for any reason held to be unavailable to or otherwise insufficient to hold harmless an indemnified party in respect of any losses, claims, damages, liabilities or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount paid or payable by such indemnified party, as incurred, as a result of any losses, claims, damages, liabilities or expenses referred to therein (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Guarantors, on the one hand, and the Initial Purchasers, on the other hand, from the offering of the Securities pursuant to this Agreement or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Guarantors, on the one hand, and the Initial Purchasers, on the other hand, in connection with the statements or omissions or inaccuracies in the representations and warranties herein which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Guarantors, on the one hand, and the Initial Purchasers, on the other hand, in connection with the offering of the Securities pursuant to this Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of the Securities pursuant to this Agreement (before deducting expenses) received by the Company, and the total discount received by the Initial Purchasers bear to the aggregate initial offering price of the Securities. The relative fault of the Company and the Guarantors, on the one hand, and the Initial Purchasers, on the other hand, shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact or any such inaccurate or alleged inaccurate representation or warranty relates to information supplied by the Company and the Guarantors, on the one hand, or the Initial Purchasers, on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission or inaccuracy.*

The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include, subject to the limitations set forth in Section 8 hereof, any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any action or claim. The provisions set forth in Section 8 hereof with respect to notice of commencement of any action shall apply if a claim for contribution is to be made under this Section 9; provided, however, that no additional notice shall be required with respect to any action for which notice has been given under Section 8 hereof for purposes of indemnification.

The Company, the Guarantors and the Initial Purchasers agree that it would not be just and equitable if contribution pursuant to this Section 9 were determined by pro rata allocation (even if the Initial Purchasers were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in this Section 9.

Notwithstanding the provisions of this Section 9, no Initial Purchaser shall be required to contribute any amount in excess of the discount received by such Initial Purchaser in connection with the Securities distributed by it. No person guilty of fraudulent misrepresentation (within the meaning of Section 11 of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Initial Purchasers' obligations to contribute pursuant to this Section 9 are several, and not joint, in proportion to their respective commitments as set forth opposite their names in Schedule A.

For purposes of this Section 9, each director, officer and employee of an Initial Purchaser and each person, if any, who controls an Initial Purchaser within the meaning of the Securities Act and the Exchange Act shall have the same rights to contribution as such Initial Purchaser, and each director of the Company or any Guarantor, and each person, if any, who controls the Company or any Guarantor with the meaning of the Securities Act and the Exchange Act shall have the same rights to contribution as the Company and the Guarantors.

SECTION 10. ***Termination of this Agreement.*** *Prior to the Closing Date, this Agreement may be terminated by the Representatives by notice given to the Company if at any time: (i) trading or quotation in any of the Company's se curities shall have been suspended or limited by the Commission or by the NYSE or trading in securities generally on either the Nasdaq Stock Market or the NYSE shall have been suspended or limited, or minimum or maximum prices shall have been generally established on any of such quotation system or stock exchange by the Commission or FINRA; (ii) a general banking moratorium shall have been declared by any of federal, New York or Delaware authorities; (iii) there shall have occurred any outbreak or escalation of national or international hostilities or any crisis or calamity, or any change in the United States or international financial markets, or any substantial change or development involving a prospective substantial change in United States' or international political, financial or economic conditions, as in the judgment of the Representatives is material and adverse and makes it impracticable or inadvisable to proceed with the offering sale or delivery of the Securities in the manner and on the terms des cribed in the Pricing Disclosure Package or to enforce contracts for the sale of securities; or (iv) in the judgment of the Representatives there shall have occurred any Material Adverse Effect. Any termination pursuant to this Section 10 shall be without liability on the part of (x) the Company or any Guarantor to any Initial Purchaser, except that the Company and the Guarantors shall be obligated to reimburse the expenses of the Initial Purchasers pursuant to Sections 4 and 6 hereof, (y) any Initial Purchaser to the Company or any Guarantor, or (z) other than as provided in the preceding clauses (x) and (y), any party hereto to any other party except that the provisions of Sections 8 and 9 hereof shall at all times be effective and shall survive such termination.*

S ECTION 11. ***Representations and Indemnities to Survive Delivery.*** *The respective indemnities, agreements, representations, warranties and other statements of the Company, the Guarantors, their respective officers and the several Initial Purchasers set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of any Initial Purchaser, the Company, any Guarantor or any of their partners, officers or directors or any controlling person, as the case may be, and will survive delivery of and payment for the Securities sold hereunder and any termination of this Agreement.*

SECTION 12. ***Notices.*** *All communications hereunder shall be in writing and shall be mailed, hand delivered, couriered or facsimiled and confirmed to the parties hereto as follows:*

If to the Initial Purchasers:
Banc of America Securities LLC
One Bryant Park
New York, New York 10036
Facsimile: (212) 901-7897
Attention: Legal Department

with copies to (whihc shall not constitute notice):
Cahill Gordon & Reidel LLP
80 Pine Street
New York, New York 10005
Facsimile: (212) 269-5420
&nb sp; Attention: James J. Clark
Ann S. Makich

If to the Compnay or the Guarantors:
Prestige Brands, Inc.
90 North Broadway
Irvington, NY 10533
Facsimile: (914) 524-6821
Attention: Peter J. Anderson

with copies to (whihc shall not constitute notice):
Prestige Brands, Inc.
90 North Broadway
& nbsp; Irvington, NY 10533
Facsimile: (914) 524-7488
Attention: Legal Department

and

Alston & Bird LLP
90 Park Avenue
New York, New York 10016
Facsimile: (212) 210-9494
Attention: Mark F. McElreath

Any party hereto may change the address or facsimile number for receipt of communications by giving written notice to the others in the manner as provided in this Section 12.

SECTION 13. ***Successors.*** *This Agreement will inure to the benefit of and be binding upon the parties hereto, and to the benefit of the indemnified parties referred to in Sections 8 and 9 hereof,* *and in each case their respective successors, and no other person will have any right or obligation hereunder. The term "successors" shall not include any Subsequent Purchaser or other purchaser of the Securities as such from any of the Initial Purchasers merely by reason of such purchase.*

SECTION 14. ***Authority of the Representatives.*** *Any action by the Initial Purchasers hereunder may be taken by the Representatives on behalf of the Initial Purchasers, and any such action taken by the Representatives shall be binding upon the Initial Purchasers.*

SECTION 15. ***Partial Unenforceability.*** *The invalidity or unenforceability of any section, paragraph or provision of this Agreement shall not affect the validity or enforceability of any other section, paragraph or provision hereof. If any section, paragraph or provision of this Agreement is for any reason determined to be invalid or unenforceable, there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make it valid and enforceable.*

SECTION 16. ***Governing Law Provisions.*** *THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED IN SUCH STATE WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES THEREOF.*

*Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby ("**Related Proceedings**") may be instituted in the federal courts of the United States of America located in the City a nd County of New York or the courts of the State of New York in each case located in the City and County of New York (collectively, the "**Specified Courts**"), and each party irrevocably submits to the exclusive jurisdiction (except for suits, actions, or proceedings instituted in regard to the enforcement of a judgment of any Specified Court in a Related Proceeding, as to which such jurisdiction is non-exclusive) of the Specified Courts in any Related Proceeding. Service of any process, summons, notice or document by mail to such party's address set forth above shall be effective service of process for any Related Proceeding brought in any Specified Court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any Specified Proceeding in the Specified Courts and irrevocably and unconditionally waive and agree not to plead or claim in any Specified Court that any Related Proceeding brought in any Specified Court has been brought in an inconvenient forum.*

SECTION 17. ***Default of One or More of the Several Initial Purchasers.*** *If any one or more of the several Initial Purchasers shall fail or refuse to purchase Securities that it or they have agreed to purchase hereunder on the Closing Date, and the aggregate number of Securities which such defaulting Initial Purchaser or Initial Purchasers agreed but failed or refused to purchase does not exceed 10% of the aggregate number of the Securities to be purchased on such date, the other Initial Purchasers shall be obligated, severally, in the proportions that the number of Securities set forth opposite their respective names on Schedule A bears to the aggregate number of Securities set forth opposite the names of all such non-defaulting Initial Purchasers, or in such other proportions as may be specified by the Initial Purchasers with the consent of the non-defaulting Initial Purchasers, to purchase the Securities which such defaulting Initial Purchaser or Initial Purchasers agreed but failed or refused to purchase on the Closing Date. If any one or more of the Initial Purchasers shall fail or refuse to purchase Securities and the aggregate number of Securities with respect to which such default occurs exceeds 10% of the aggregate number of Securities to be purchased on the Closing Date, and arrangements satisfactory to the Initial Purchasers and the Company for the purchase of such Securities are not made within 48 hours after such default, this Agreement shall terminate without liability of any party to any other p arty except that the provisions of Sections 4, 6, 8 and 9 hereof shall at all times be effective and shall survive such termination. In any such case either the Initial Purchasers or the Company shall have the right to postpone the Closing Date, as the case may be, but in no event for longer than seven days in order that the* *required changes, if any, to the Final Offering Memorandum or any other documents or arrangements may be effected.*

*As used in this Agreement, the term "**Initial Purchaser**" shall be deemed to include any person substituted for a defaulting Initial Purchaser under this Section 17. Any action taken under this Section 17 shall not relieve any defaulting Initial Purchaser from liability in respect of any default of such Initial Purchaser under this Agreement.*

SECTION 18. ***No Advisory or Fiduciary Responsibility.*** *Each of the Company and each Guarantor acknowledges and agrees that: (i) the purchase and sale of the Securities pursuant to this Agreement, including the determination of the offering price of the Securities and any related discounts and commissions, is an arm's-length commercial transaction between the Company and the Guarantors, on the one hand, and the several Initial Purchasers, on the other hand, and the Company and the Guarantors are capable of evaluating and understanding and understand and accept the terms, risks and conditions of the transactions contemplated by this Agreement; (ii) in connection with each transaction contemplated hereby and the process leading to such transaction, each Initial Purchaser is and has been acting solely as a principal and is not the agent or fiduciary of the Company, any Guarantor or any of their respective Affiliates, stockholders, creditors or employees or any other party; (iii) no Initial Purchaser has assumed or will assume an advisory or fiduciary responsibility in favo r of the Company or any Guarantor with respect to any of the transactions contemplated hereby or the process leading thereto (irrespective of whether such Initial Purchaser has advised or is currently advising the Company or any Guarantor on other matters) or any other obligation to the Company or any Guarantor except the obligations expressly set forth in this Agreement; (iv) the several Initial Purchasers and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company and the Guarantors, and the several Initial Purchasers have no obligation to disclose any of such interests by virtue of any fiduciary or advisory relationship; and (v) the Initial Purchasers have not provided any legal, accounting, regulatory or tax advice with respect to the offering contemplated hereby, and the Company and the Guarantors have consulted their own legal, accounting, regulatory and tax advisors to the extent they deemed appropriate.*

This Agreement supersedes all prior agreements and understandings (whether written or oral) between the Company, the Guarantors and the several Initial Purchasers, or any of them, with respect to the subject matter hereof. The Company and the Guarantors hereby waive and release, to the fullest extent permitted by law, any claims that the Company and the Guarantors may have against the several Initial Purchasers with respect to any breach or alleged breach of fiduciary duty.

SECTION 19. ***General Provisions.*** *This Agreement constitutes the entire agreement of the parties to this Agreement and supersedes all prior written or oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof. This Agreement may be executed in two or more counterparts, each one of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by telecopier, facsimile or other electronic transmission (i.e., a "pdf" or "tif") shall be effective as delivery of a manually executed counterpart thereof. This Agreement may not be amended or modified unless in writing by all of the parties hereto, and no condition herein (express or implied) may be waived unless waived in writing by each party whom the condition is meant to benefit. The section headings herein are for the convenience of the parties only and shall not affect the c onstruction or interpretation of this Agreement.*

If the foregoing is in accordance with your understanding of our agreement, kindly sign and retu rn to the Company the enclosed copies hereof, whereupon this instrument, along with all counterparts hereof, shall become a binding agreement in accordance with its terms.

Very truly yours,
PRESTIGE BRANDS, INC.

By: /s/ Peter J. Anderson
ıme: Peter J. Anderson
Title: CFO

PRESTIGE BRANDS HOLDINGS, INC.
PRESTIGE PERSONAL CARE HOLDINGS, INC.
PRESTIGE PERSONAL CARE, INC.
PRESTIGE SERVICES CORP.
PRESTIGE BRANDS HOLDINGS, INC.
PRESTIGE BRANDS INTERNATIONAL, INC.
MEDTECH HOLDINGS, INC.
MEDTECH PRODUCTS INC.
THE CUTEX COMPANY
THE DENOREX COMPANY
THE SPIC AND SPAN COMPANY

as Guarantors

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

The fo regoing Purchase Agreement is hereby confirmed and accepted by the Initial Purchasers as of the date first above written.

BANC OF AMERICA SECURITIES LLC
DEUTSCHE BANK SECURITIES INC.
Acting on behalf of itself
and as the Representatives of
the several Initial Purchasers

< font style="font-family:inherit;font-size:10pt;">

By: Banc of America Securities LLC

By: /s/ Aaron Peyton
Name: Aaron Peyton
Title: Managing Director

By: Deutsche Bank Securities Inc.

By: /s/ Edwin Roland
Name: Edwin Roland
Title: Managing Director

By: /s/ Nicholas Hayes
Name: Nicholas Hayes
Title: Managing Director

SCHEDULE A

Initial Purchasers	**Aggregate Principal Amount of Securities to be Purchased**
Banc of America Securities LLC	$60,000,000
Deutsche Bank Securities Inc.	40,000,000
Total	$100,000,000

EXHIBIT A

Opinion of counsel for the Company to be delivered pursuant to Section 5 of the Purchase Agreement.

(i) The Comp any is validly existing as a corporation in good standing under the laws of the State of Delaware.

(ii) The Company has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Pricing Disclosure Package and the Final Offering Memorandum and to enter into and perform its obligations under the Purchase Agreement, the Registration Rights Agreement, the Indenture, the Securities, the Exchange Securities and the DTC Agreement.

(iii) & nbsp; The Company is duly qualified as a foreign corporation to transact business and is in good standing in each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except for such jurisdictions where the failure to so qualify or to be in good standing would not, individually or in the aggregate, result in a Material Adverse Effect.

(iv) Each Guarantor is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Pricing Disclosure Package and the Final Offering Memorandum and, to the knowledge of such counsel, is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except for such jurisdictions where the failure to so qualify or to be in good standing would not, individually or in the aggregate, result in a Material Adverse Effect.

(v) The Purchase Agreement has been duly authorized, executed and delivered by, and is a valid and binding agreement of, the Company and each Guarantor.

(vi) The Joinder Agreement has been duly authorized, executed and delivered by Blacksmith and constitutes a valid and binding agreement of Blacksmith.

(vii) The Registration Rights Agreement has been duly authorized, executed and delivered by, and is a valid and binding agreement of, the Company and the Guarantors, enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other s imilar laws relating to or affecting the rights and remedies of creditors or by general equitable principles and except as rights to indemnification may be limited by applicable law.

(viii) The DTC Agreement has been duly authorized, executed and delivered by, and is a valid and binding agreement of, the Company, enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles.

(ix) The Supplemental Indenture has been duly authorized, executed and delivered by the Company and each Guarantor and (assuming the due authorization, execution and delivery thereof by the Trustee) constitutes a valid and binding agreement of the Company and each Guarantor, enforceable against the Company and each Guarantor in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general principles of equity.

(x) The Notes are in the form contemplated by the Indenture, have been duly authorized by the Company for issuance and sale pursuant to the Purchase Agreement, the Indenture and, when executed by the Company and authenticated by the Trustee in the manner provided in the Indenture (assuming the due authorization, execution and delivery of the Supplemental Indenture by the Trustee) and delivered against payment of the purchase price therefor, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, m oratorium, or similar laws relating to or affecting enforcement of the rights and remedies of creditors or by general principles of equity and will be entitled to the benefits of the Indenture.

(xi) The Exchange Notes have been duly and validly authorized for issuance by the Company, and when issued and authenticated in accordance with the terms of the Indenture, the Registration Rights Agreement and the Exchange Offer, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting enforcement of the rights and remedies of creditors or by general principles of equity and will be entitled to the benefits of the Indenture.

(xii) The Guarantees of the Notes are in the respective forms contemplated by the Indenture, have been duly authorized for issuance pursuant to the Purchase Agreement and the Indenture and have been duly executed by each of the Guarantors and, when the Notes have been authenticated in the manner provided for in the Indenture and delivered against payment of the purchase price therefor, will constitute valid and binding agreements of the Guarantors, enforceable in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other simi lar laws relating to or affecting the rights and remedies of creditors or by general equitable principles and will be entitled to the benefits of the Indenture. The Guarantees of the Exchange Notes have been duly authorized for issuance pursuant to the Purchase Agreement and the Indenture and, upon issuance of the Exchange Notes (assuming due execution and delivery), will constitute valid and binding agreements of the Guarantors, enforceable in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles and will be entitled to the benefits of the Indenture.

(xiii) The descriptions of the Securities, the Indenture and the Registration Rights Agreement contained or incorporated by reference in the Pricing Disclosure Package and the Final Offering Memorandum conform in all material respects to the terms of the Securities, the Indenture and the Registration Rights Agreement.

(xiv) The documents incorporated by reference in the Pricing Disclosure Package and the Final Offering Memorandum (other than the financial statements and financial schedules therein, as to which no opinion need be rendered), when they were filed with the Commission, complied as to form in all material respects with the requirements of the Exchange Act.

(xv) The statements in the Pricing Disclosure Package and the Final Offering Memorandum under the captions "Description of Other Indebtedness," "Description of the Notes," and "Certain Federal Income Tax Considerations" insofar as such statements constitute matters of law, summaries of legal matters, the Company's charter or by-law provisions, documents or legal proceedings, or legal conclusions, have been reviewed by such counsel and fairly present and summarize, in all material respects, the matters referred to therein.

(xvi) No consent, approval, authorization or other order of, or registration or filing with, any court or other governmental or regulatory authority or agency, is required for the execution, delivery and performance of the Purchase Agreement, the Joinder Agreement, the Registration Rights Agreement or the Supplemental Indenture by the Company and the Guarantors, as applicable, or the issuance and delivery of the Securities or the Exchange Securities, or consummation of the transactions contemplated hereby and thereby and by the Pricing Disclosure Package and the Final Offering Memorandum, except such as have been obtained or made by the Company and are in full force an d effect under the Securities Act, applicable state securities or blue sky laws and except such as may be required by federal and state securities laws with respect to the obligations of the Company and the Guarantors under the Registration Rights Agreement.

*(xvii) The Company's and each Guarantor's execution, delivery and performance, as applicable, of the Purchase Agreement, the Registration Rights Agreement, the Supplemental Indenture, the issuance and delivery of the Securities and the Exchange Securities, the consummation of any other of the transactions contemplated hereby and thereby and by the Pricing Disclosure Package and the Final Offering Memorandum, and the performance by the Company or any Guarantor of its obligations thereunder and under the Indenture (other than performance under the indemnification sections of the Purchase Agreement and the Registration Rights Agreement, as to which no opinion need be rendered): (i) will not result in any violation of the provisions of the charter or by-laws of the Company and the Guarantors; (ii) will not conflict with or constitute a breach of, or Default or a Debt Repayment Triggering Event under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or the Guarantors pursuant to, or require the consent of any other party to, the Increase Joinder or any Existing Instrument filed as a material contract under Exhibit 10 in the Parent's Annual Report on Form 10-K for the year ended March 31, 2010, or the Parent's Quarterly Report on Form 10-Q for the quarter ended June 30, 2010 (the "**Material Contracts**"); or (iii) will not result in the violation of any statute, law, rule, regulation, judgment, order or decree applicable to the Company, any Guarantor or any of their respective subsidiaries of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Company or any Guarantor or any of their properties, as applicable, except, in the case of clauses (ii) and (iii) above where such breach, default or violation, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.*

(xviii) Neither the Company nor any Guarantor is, or after receipt of payment for the Se curities will be, an "investment company" within the meaning of Investment Company Act.

(xix) Neither the Company nor the Guarantors is (i) in violation of any provisions of its charter or by-laws (ii) in Default in the performance or observance of any obligation, agreement, covenant or condition contained in any Material Contract, or (iii) in violation under any statute, law, rule, regulation, judgment, order or decree applicable to the Company or any Guarantor of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Company or any Guarantor or any of their properties, as applicable, except, in the case of clauses (ii) and (iii) above where such Default or violation, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(xx) No action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or the Guarantors or their properties is pending or, to the knowledge of such counsel, threatened or contemplated, that would reasonably be expected to have a Material Adverse Effect, or would materially and adversely affect the ability of the Company or the Guarantors to perform their obligations under the Indenture, the Purchase Agreement or the Registration Rights Agreement, or which are otherwise material in the context of t he sale of the Securities.

(xxi) Assuming the accuracy of the representations, warranties and covenants of the Company and the Initial Purchasers contained herein, no registration of the Notes or the Guarantees under the Sec urities Act, and no qualification of an indenture under the Trust Indenture Act with respect thereto, is required in connection with the purchase of the Securities by the Initial Purchasers or the initial resale of the Securities by the Initial Purchasers to Qualified Institutional Buyers in the manner contemplated by the Purchase Agreement and the Pricing Disclosure Package and the Final Offering Memorandum other than any registration or qualification that may be required in connection with the Exchange Offer contemplated by the Pricing Disclosure Package and the Final Offering Memorandum or in connection with the Registration Rights Agreement. Such counsel need express no opinion, however, as to when or under what circumstances any Initial Notes initially sold by the Initial Purchasers may be reoffered or resold.

In rendering such opinion, such co unsel may rely as to matters involving the application of laws of any jurisdiction other than the General Corporation Law of the State of Delaware, the laws of the Commonwealth of Virginia, the laws of the State of New York or the federal law of the United States, to the extent they deem proper and specified in such opinion, upon the opinion (which shall be dated the Closing Date shall be satisfactory in form and substance to the Initial Purchasers, shall expressly state that the Initial Purchasers may rely on such opinion as if it were addressed to them and shall be furnished to the Initial Purchasers) of other counsel of good standing whom they believe to be reliable and who are satisfactory to counsel for the Initial Purchasers; provided, however, that such counsel shall further state that they believe that they and the Initial Purchasers are justified in relying upon such opinion of other counsel, and as to matters of fact, to the extent they deem proper, on certificates of responsible officers of the C ompany and public officials.

In addition, such counsel shall state that they have participated in conferences with officers and other representatives of the Company, representatives of the independent public or certified public accountants for the Company and with representatives of the Initial Purchasers at which the contents of the Pricing Disclosure Package and the Final Offering Memorandum and related matters were discussed and, although such counsel is not passing upon and does not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Pricing Disclosure Package or the Final Offering Memorandum (other than as specified above), on the basis of the foregoing, nothing has come to their attention which would lead them to believe that the Pricing Disclosure Package, as of the Time of Sale, or that the Final Offering Memorandum, as of its date or at the Closing Date, contained, or contains, an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (it being understood that such counsel need express no belief as to the financial statements or other financial data derived therefrom, included in the Pricing Disclosure Package or the Final Offering Memorandum or any amendments or supplements thereto).

ANNEX I

Resale Pursuant to Regulation S or Rule 144A. Each Initial Purchaser understands that:

Such Initial Purchaser agrees that it has not offered or sold and will not off er or sell the Securities in the United States or to, or for the benefit or account of, a U.S. Person (other than a distributor), in each case, as defined in Rule 902 of Regulation S (i) as part of its distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering of the Securities pursuant hereto and the Closing Date, other than in accordance with Regulation S or another exemption from the registration requirements of the Securities Act. Such Initial Purchaser agrees that, during such 40-day restricted period, it will not cause any advertisement with respect to the Securities (including any "tombstone" advertisement) to be published in any newspaper or periodical or posted in any public place and will not issue any circular relating to the Securities, except such advertisements as permitted by and include the statements required by Regulation S.

Such Initial Purchaser agrees that, at or prior to confirmation of a sale of Securities by it to any distributor, dealer or person receiving a selling concession, fee or other remuneration during the 40-day restricted period referred to in Rule 903 of Regulation S, it will send to such distributor, dealer or person receiving a selling concession, fee or other remuneration a confirmation or notice to substantially the following effect:

> *"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of your distribution at any time or (ii) otherwise until 40 days after the later of the date the Securities were first offered to persons other than distributors in reliance on Regulation S and the Closing Date, except in either case in accordance with Regulation S under the Securities Act (or in accordance with Rule 144A under the Securities Act or to accredited investors in transactions that are exempt from the registration requirements of the Securities Act), and in connection with any subsequent sale by you of the Securities covered hereby in reliance on Regulation S under the Securities Act during the period referred to above to any distributor, dealer or person receiving a selling concession, fee or other remuneration, you must deliver a notice to substantially the foregoing effect. Terms used above have the meanings assigned to them in Regulation S under the Securities Act."*

Such Initial Purchaser agrees that the Securities offered and sold in reliance on Regulation S will be represented upon issuance by a global security that may not be exchanged for definitive securities until the expiration of the 40-day restricted period referred to in Rule 903 of Regulation S and only upon certification of beneficial ownership of such Securities by non-U.S. persons or U.S. persons who purchased such Securities in transactions that were exempt from the registration requirements of the Securities Act.

ANNEX II

[Form of Joinder Agreement]

*WHEREAS, Prestige Brands, Inc., a Delaware corporation (the "**Company**"), and Banc of America Securities LLC and Deutsche Bank Securities Inc., as Representatives (in such capacity, the "**Representatives**") of the Initial Purchasers named th erein (the "**Initial Purchasers**"), heretofore executed and delivered a Purchase Agreement ("**Purchase Agreement**"), dated October 22, 2010, providing for the issuance and sale of the Notes (as defined therein); and*

*WHEREAS, as a condition to the consummation of the offering of the Securities, the Company agreed to cause each party signatory hereto (each a "**Joinder Party**" and collectively, the "**Joinder Parties**") to become party to the Purchase Agreement at the Closing Date.*

Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Purchase Agreement and/or Registration Rights Agreement, as applicable.

NOW, THEREFORE, each Joinder Party hereby acknowledges that it has received a copy of the Purchase Agreement and agrees for the benefit of the holders of the Securities, as follows:

1. Representations and Warranties and Agreements of each Joinder Party. Each Joinder Party hereby represents and warrants to and agrees that it has all the requisite corporate power and authority to execute, deliver and perform its obligations under this Joinder and the consummation of the transaction contemplated hereby . Each Joinder Party hereby represents and warrants that representations and warranties set forth in the Purchase Agreement applicable to such party are true and correct on and as of the date of the Purchase Agreement and the date hereof with the same force and effect as if such representations and warranties had been made on and as of the date hereof (except that representations and warranties made as of a particular date were true and correct on and as of such particular date). This Joinder Agreement is a valid and legally binding agreement enforceable against each Joinder Party in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles and except as rights to indemnification may be limited by applicable law.

2. Joinder. Without limiting the generality of the foregoi ng, each Joinder Party agrees that it will (i) be bound by all covenants, agreements, representations, warranties and acknowledgments attributable to the Company and the Guarantors under the Purchase Agreement, as if such Joinder Party was a party thereto as of the date of the Purchase Agreement and (ii) perform all obligations and duties as required for it including those obligations and duties of an indemnifying party pursuant to the Purchase Agreement.

3. Counterparts. This Joinder Agreement may be signed in two or more counterparts (which may be delivered in original form or telecopier), each of which shall constitute an original when so executed and all of which together shall constitute one and the same agreement.

4. Amendments. No amendment or waiver of any provision of this Joinder Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

5. Headings. The section headings used herein are for convenience only and shall not affect the construction hereof.

6. <u>APPLICAB LE LAW</u>. THE VALIDITY AND INTERPRETATION OF THIS JOINDER AGREEMENT, AND THE TERMS AND CONDITIONS SET FORTH HEREIN SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED WHOLLY THEREIN.

7. <u>Partial Unenforceability</u>. The invalidity or unenforceability of any section, paragraph or provision of this Joinder Agreement shall not affect the validity or enforceability of any other section, paragraph or provision hereof. If any section, paragraph or provision of this Joinder Agreement is for any reason det ermined to be invalid or unenforceable, there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make it valid and enforceable.

[Signature Pages Follow]

IN WITNESS WHEREOF, the undersig ned has executed this agreement this ___ day of [ ], 2010.

[EACH JOINDER PARTY]
By: &n
bsp;____________________
Name:
Title:

CONFIRMED AND ACCEPTED,
as of the date first above written:

PRESTIGE BRANDS, INC.
By: ____________________
Name:
Title:

Exhibit 10.3

REGISTRATION RIGHTS AGREEMENT

by and among

Prestige Brands, Inc.
Prestige Brands Holdings, Inc.
Prestige Personal Care Holdings, Inc.
Prestige Personal Care, Inc.
Prestige Services Corp.
Prestige Brands Holdings, Inc.
Prestige Brands International, Inc.
Medtech Holdings, Inc.
Medtech Products Inc.
The Cutex Company
The Denorex Company
The Spic and Span Company
Blacksmith Brands Holdings, Inc.
Blacksmith Brands, Inc.

and

Merrill Lynch, Pierce, Fenner & Smith Incorporated
Deutsche Bank Securities Inc.

Dated as of November 1, 2010

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is made and entered into as of November 1, 2010, by and among Prestige Brands, Inc., a Delaware corporation (the "Company"), Prestige Brands Holdings, Inc., Prestige Personal Care Holdings, Inc., Prestige Personal Care, Inc., Prestige Services Corp., Prestige Brands Holdings, Inc., Prestige Brands International, Inc., Medtech Holdings, Inc., Medtech Products Inc., The Cutex Company, The Denorex Company, The Spic and Span Company, Blacksmith Brands Holdings, Inc. and Blacksmith Brands, Inc. (collectively, the "Guarantors"), and Merrill Lynch, Pierce, Fenner & Smith Incorporated (formerly known as Banc of America Securit ies LLC) and Deutsche Bank Securities Inc. (each an "Initial Purchaser" and collectively, the "Initial Purchasers"), each of whom has agreed to purchase the Company's 8.25% Senior Notes due 2018 (the "Initial Notes"), which are fully and unconditionally guaranteed by the Guarantors (the "Guarantees"), pursuant to the Purchase Agreement (as defined below). The Initial Notes and the Guarantees attached thereto ar e herein collectively referred to as the "Initial Securities."

This Agreement is made pursuant to the Purchase Agreement, dated October 22, 2010 (the "Purchase Agreement"), among the Company, the Guarantors and the Initial Purchasers (i) for the benefit of the Initial Purchasers and (ii) for the benefit of the holders from time to time of the Initial Securities, including the Initial Purchasers. In order to induce the Initial Purchasers to purchase the Initial Securities, the Company has agreed to provide the registration rights set forth in this Agreement. The execution and delivery of this Agreement is a condition to the obligations of the Initial Purchasers set forth in Section 5(f) of the Purchase Agreement.

The parties hereby agree as follows:

SECTION 1. Definitions. As used in this Agreement, the following capitalized terms shall have the following meanings:

Additional Interest Payment Date: With respect to the Initial Securities, each Interest Payment Date.

Advice: As defined in Section 6(c) hereof.

Broker-Dealer: Any broker or dealer registered under the Exchange Act.

Business Day: Any day other than a Saturday, Sunday or U.S. federal holiday or a day on which banking institutions or trust companies located in New York, New York are authorized or obligated to be closed.

Closing Date: The date of this Agreement.

Commission: The U.S. Securities and Exchange Commission.

Consummate: A registered Exchange Offer shall be deemed "Consummated" for purposes of this Agreement upon the occurrence of (i) the filing and effectiveness under the Securities Act of the Exchange Offer Registration Statement relating to the Exchange Securities to be issued in the Exchange Offer, (ii) the maintenance of such Registration Statement continuously effective and the keeping of the

Exchange Offer open for a period not less than the minimum period required pursuant to Section 3(b) hereof, and (iii) the delivery by the Company to the Registrar under the Indenture of Exchange Securities in the same aggregate principal amount as the aggregate principal amount of Initial Securities that were tendered by Holders thereof pursuant to the Exchange Offer.

Exchange Act: The Securities Exchange Act of 1934, as amended.

Exchange Date: As defined in Section 3 hereof.

Exchange Offer: The registration by the Company under the Securities Act of the Exchange Securities pursuant to a Registration Statement pursuant to which the Company offers the Holders of all outstanding Transfer Restricted Securities the opportunity to exchange all such outstanding Transfer Restricted Securities held by such Holders for Exchange Securities in an aggregate principal amount equal to the aggregate principal amount of the Transfer Restricted Securities tendered in such exchange offer by such Holders.

Exchange Offer Registration Statemen t: The Registration Statement relating to the Exchange Offer, including the related Prospectus.

Exempt Resales: The transactions in which the Initial Purchasers propose to sell the Initial Securities to certain "qualified institutional buyers," as such term is defined in Rule 144A under the Securities Act and to certain non-U.S. persons pursuant to Regulation S under the Securities Act.

Exchang e Securities: The 8.25% Senior Notes due 2018, of the same series under the Indenture as the Initial Notes and the Guarantees attached thereto, to be issued to Holders in exchange for Transfer Restricted Securities pursuant to this Agreement.

Existing Exchange Securities: The 8.25% Senior Notes due 2018, of the same series under the Indenture as the Existing Securities, that were issued to Holders pursuant to the Registration Rights Agreement, dated as of March 24, 2010, by and among the Company, the guarantors party thereto and the Initial Purchasers.

Existing Securities: The Company's 8.25% Senior Notes due 2018 and the related guarantees thereto issued on March 24, 2010 under the Indenture.

FINRA: Financial Industry Regulatory Authority.

Holders: As defined in Section 2(b) hereof.

Indemnified Holder: As defined in Section 8(a) hereof.

Indenture: The Indenture, dated as of March 24, 2010, as supplemented by a supplemental indenture dated as of November 1, 2010, by and among the Company, the Guarantors and U.S. Bank National Association, as trustee (the "Trustee"), pursuant to which the Existing Securities were issued and Securities are to be issued, as such Indenture is amended or supplemented from time to time in accordance with the terms thereof.

Initial Purchaser: As defined in the preamble hereto.

Initial Notes: As defined in the preamble hereto.

Initial Placement: The issuance and sale by the Company of the Initial Securities to the Initial Purchasers pursuant to the Purchase Agreement.

Initial Securities: As defined in the preamble hereto.

Interest Payment Date: As defined in the Indenture and the Securities.

Person: An individual, partnership, corporation, trust or unincorporated organization, limited liability company or a government or agency or political subdivision thereof.

Prospectus: The prospectus included in a Registration Statement, as amended or supplemented by any prospectus supplement and by all other amendments thereto, including post-effective amendments, and all material incorporated by reference into such prospectus.

Registration Default: As defined in Section 5 hereof.

Registration Statement: Any registration statement of the Company relating to (a) an offering of Exchange Securities pursuant to an Exchange Offer or (b) the registration for resale of Transfer Restricted Securities pursuant to the Shelf Registration Statement, which is filed pursuant to the provisions of this Agreement, in each case, including the Prospectus included therein, all amendments and supplements thereto (including post-effective amendments) and all exhibits and material incorporated by reference therein.

Securities: As defined in the Purchase Agreement.

Securities Act: The Securities Act of 1933, as amended.

Shelf Registration Statement: As defined in Section 4(a) hereof.

Transfer Restricted Securities: Each Initial Security, until the earliest to occur of (a) the date on which such Initial Security is exchanged in the Exchange Offer for an Exchange Security entitled to be resold to the public by the Holder thereof without complying with the prospectus delivery requirements of the Securities Act, (b) the date on which such Initial Security has been effectively registered under the Securities Act and disposed of in accordance with a Shelf Registration Statement and (c) the date on which such Initial Security is distributed to the public by a Broker-Dealer pursuant to the "Plan of Distribution" contemplated by the Exchange Offer Registration Statement (including delivery of the Prospectus contained therein).

Trust Indenture Act: The Trust Indenture Act of 1939, as amended.

Underwritten Registration or Underwritten Offering: A registration in which securities of the Company are sold to an underwriter for reoffering to the public.

SECTION 2. Securities Subject to this Agreement.

(a) T ransfer Restricted Securities. The securities entitled to the benefits of this Agreement are the Transfer Restricted Securities.

(b) Holders of Transfer Restricted Securities. A Person is deemed to be a holder of Transfer Restricted Securities (each, a "<u>Holder</u>") whenever such Person owns Transfer Restricted Securities.

SECTION 3. Registered Exchange Offer.

(a) Unless the Exchange Offer shall not be permissible under applicable law or Commission policy (after the procedures set forth in Section 6(a) hereof have been complied with), each of the Company and the Guarantors shall use its commercially reasonable efforts (i) to file with the Commission a Registration Statement under the Securities Act relating to the Exchange Securities and the Exchange Offer, (ii) to cause such Registration Statement to become effective, (iii) in connection with the foregoing, (A) file all pre-effective amendments to such Registration Statement as may be necessary in order to cause such Registration Statement to become effective, (B) if applicable, file a post-effective amendment to such Registration Statement pursuant to Rule 430A under the Securities Act and (C) cause all necessary filings in connection with the registration and qualification of the Exchange Securities to be made under the state securities or blue sky laws of such jurisdictions as are necessary to permit Consummation of the Exchange Offer, and (iv) upon the effectiveness of such Regi stration Statement, commence the Exchange Offer. Each of the Company and the Guarantors shall use its commercially reasonable efforts to Consummate the Exchange Offer not later than 366 days following the Closing Date (or if such 366th day is not a Business Day, the next succeeding Business Day) (the "Exchange Date"). The Exchange Offer shall be on the appropriate form permitting registration of the Exchange Securities to be offered in exchange for the Transfer Restricted Securities and to permit resales of Initial Securities held by Broker-Dealers as contemplated by Section 3(c) hereof.

(b) The Company and the Guarantors shall cause the Exchange Offer Registration Statement to be effective continuously and shall keep the Exchange Offer open for a period of not less than the minimum period required under applicable federal and state securities laws to Consummate the Exchange Offer; provided, however, that in no event shall such period be less than 20 Business Days after the date notice of the Exchange Offer is mailed to the Holders. The Company shall cause the Exchange Offer to comply with all applicable federal and state securities laws. No securities other than the Exchange Securities shall be included in the Exchange Offer Registration Statement.

(c) The Company shall indicate in a "Plan of Distribution" section contained in the Prospectus forming a part of the Exchange Offer Registration Statement that any Broker-Dealer who holds Initial Securities that are Transfer Restricted Securities and that were acquired for its own account as a result of market-making activities or other trading activities (other than Transfer Restricted Securities acquired directly from the Company), may exchange such Initial Securities pursuant to the Exchange Offer; however, such Broker-Dealer may be deemed to be an "underwriter" within the meaning of the Securities Act and must, therefore, deliver a prospectus meeting the requirements of the Securities Act in connection with any resales of the Exchange Securities received by such Broker-Dealer in the Exchange Offer, which prospectus delivery requirement may be satisfied by the delivery by such Broker-Dealer of the Prospectus contained in the Exchange Offer Registration Statement. Such "Plan of Distr ibution" section shall also contain all other information with respect to such resales by Broker-Dealers that the Commission may require in order to permit such resales pursuant thereto, but such "Plan of Distribution" shall not name any such Broker-Dealer or disclose the amount of Initial Securities held by any such Broker-Dealer except to the extent required by the Commission as a result of a change in policy after the date of this Agreement.

Each of the Company and the Guarantors shall use its commercially reasonable efforts to keep the Exchange Offer Registration Statement continuously effective, supplemented and amended as required by the provisions of Section 6(c) hereof to the extent necessary to ensure that it is available for resales of Initial Securities acquired by Broker-Dealers for their own accounts as a result of mark et-making activities or other trading activities, and to ensure that it conforms with the requirements of this Agreement, the Securities Act and the policies, rules and regulations of the Commission as announced *from time to time, for a period ending on the earlier of (i) 180 days from the date on which the Exchange Offer Registration Statement is declared effective and (ii) the date on which a Broker-Dealer is no longer required to deliver a prospectus in connection with market-making or other trading activities.*

The Company shall provide sufficient copies of the latest version of such Prospectus to Broker-Dealers promptly upon request at any time during such 180-day (or shorter as provided in the foregoing sentence) period in order to facilitate such resales.

SECTION 4. Shelf Registration.

(a) Shelf Registration. If (i) the Company is not required to file an Exchange Offer Registration Statement or to consummate the Exchange Offer because the Exchange Offer is not permitted by applicable law or Commission policy (after the procedures set forth in Section 6(a) hereof have been complied with), (ii) for any reason the Exchange Offer is not Consummated by the Exchange Date, or (iii) with respect to any Holder of Transfer Restricted Securities (A) such Holder is prohibited by applicable law or Commission policy from participating in the Exchange Offer, or (B) such Holder may not resell the Exchange Securities acquired by it in the Exchange Offer to the public without delivering a prospectus and that the Prospectus contained in the Exchange Offer Registration Statement is not appropriate or available for such resales by such Holder, or (C) such Holder is a Broker-Dealer and holds Initial Securities acquired directly from the Company or on e of its affiliates, then, upon such Holder's request, the Company and the Guarantors shall

(x) cause to be filed a shelf registration statement pursuant to Rule 415 under the Securities Act, which may be an amendment to the Exchange Offer Registration Statement (in either event, the "Shelf Registration Statement") as promptly as practicable, which Shelf Registration Statement shall provide for resales of all Transfer Restricted Securities the Holders of which shall have provided the information required pursuant to Section 4(b) hereof; and

(y) use their commercially reasonable efforts to cause such Shelf Registration Statement to be declared effective by the Commission.

Each of the Company and the Guarantors shall use its commercially reasonable efforts to keep such Shelf Registration Statement continuously effective, supplemented and amended as required by the provisions of Sections 6(b) and (c) hereof to the extent necessary to ensure that it is available for resales of Initial Securities by the Holders of Transfer Restricted Securities entitled to the benefit of this Section 4(a), and to ensure that it conforms with the requirements of this Agreement, the Securities Act and the policies, rules and regulations of the Commission as announced from time to time, for a period of at least two years following the Closing Date (or a shorter period that will terminate when all the Initial Securities covered by such Shelf Registration Statement have been sold pursuant to such Shelf Registration Statement).

(b) Provision by Holders of Certain Information in Connection with the Shelf Registration Statement. No Holder of Transfer Restricted Securities may include any of its Transfer Restricted Securities in any Shelf Registration Statement pursuant to this Agreement unless and until such Holder furnishes to the Company in writing, within 20 Business Days after receipt of a request therefor, such information as the Company may reasonably request for use in connection with any Shelf Registration Statement or Prospectus or preliminary Prospectus included therein. Each Holder as to which any Shelf Registration Statement is being effected agrees to furnish promptly to the Company all information required to be disclosed in order to make the information previously furnished to the Company by such Holder not materially misleading.

SECTION 5. Additional Interest. If (i) the Exchange Offer has not been Consummated by the Exchange Date, (ii) any Shelf Registration Statement, if required hereby, has not been declared effective by the Commission prior to the Exchange Date (or, if required pursuant to Section 4(a)(C), has not been declared effective by the Commission prior to the later of the Exchange Date and the date that is 90 days after such Holder makes such request pursuant to Section 4(a) hereof) or (iii) any Shelf Registration Statement required by this Agreement has been declared eff ective but ceases to be effective at any time at which it is required to be effective under this Agreement (each such event referred to in clauses (i) through (iii), a "Registration Default"), the Company hereby agrees that the interest rate borne by the Transfer Restricted Securities shall be increased by 0.25% per annum during the 90-day period immediately following the occurrence of any Registration Default and shall increase by 0.25% per annum at the end of each subsequent 90-day period, but in no event shall such increase exceed 1.00% per annum. Following the cure of all Registration Defaults relating to any particular Transfer Restricted Securities, the interest rate borne by the relevant Transfer Restricted Securities will be reduced to the original interest rate borne by such Transfer Restricted Securities; provided, however, that, if after any such reduction in interest rate, a different Registration Default occurs, the interest rate borne by the relevant Transfer Restricted Securities shall again be increased pursuant to the foregoing provisions.

All obligations of the Company and the Guarantors set forth in the preceding paragraph that are outstanding with respect to any Transfer Restricted Security at the time such security ceases to be a Transfer Restricted Security shall survive until such time as all such obligations with respect to such security shall have been satisfied in full.

SECTION 6. Registration Procedures.

(a) Exchange Offer Registration Statement. In connection with the Exchange Offer, the Company and the Guarantors shall comply with all of the provisions of Section 6(c) hereof, shall use their commercially reasonable efforts to effect such exchange to permit the sale of Transfer Restricted Securities being sold in accordance with the intended method or methods of distribution thereo f, and shall comply with all of the following provisions:

(i) If in the reasonable opinion of counsel to the Company there is a question as to whether the Exchange Offer is permitted by applicable law, each of the Company and the Guarantors hereby agrees to seek a no-action letter or other favorable decision from the Commission allowing the Company and the Guarantors to Consummate an Exchange Offer for such Initial Securities. Each of the Company and the Guarantors hereby agrees to pursue the issuance of such a decision to the Commission staff level but shall not be required to take commercially unreasonable action to effect a change of Commission policy. Each of the Company and the Guarantors hereby agrees, however, to (A) participate in te lephonic conferences with the Commission, (B) deliver to the Commission staff an analysis prepared by counsel to the Company setting forth the legal bases, if any, upon which such counsel has concluded that such an Exchange Offer should be permitted and (C) diligently pursue a favorable resolution by the Commission staff of such submission.

(ii) As a condition to its participation in the Exchange Offer pursuant to the terms of this Agreement, each Holder of Transfer Restricted Securities shall furnish, upon the request of the Company, prior to the Consummation thereof, a written representation to the Company (which may be contained in the letter of transmittal contemplated by the Exchange Offer Registration

Statement) to the effect that (A) it is not an affiliate of the Company, (B) it is not engaged in, and does not intend to engage in, and has no arrangement or understanding with any Person to participate in, a distribution of the Exchange Securities to be issued in the Exchange Offer and (C) it is acquiring the Exchange Securities in its ordinary course of business. In addition, all such Ho lders of Transfer Restricted Securities shall otherwise cooperate in the Company's preparations for the Exchange Offer. Each Holder hereby acknowledges and agrees that any Broker-Dealer and any such Holder using the Exchange Offer to participate in a distribution of the securities to be acquired in the Exchange Offer (1) could not under Commission policy as in effect on the date of this Agreement rely on the position of the Commission enunciated in Morgan Stanley and Co., Inc. (available June 5, 1991) and Exxon Capital Holdings Corporation (available May 13, 1988), as interpreted in the Commission's letter to Shearman & Sterling dated July 2, 1993, and similar no-action letters (which may include any no-action letter obtained pu rsuant to clause (i) above), and (2) must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction and that such a secondary resale transaction should be covered by an effective registration statement containing the selling security holder information required by Item 507 or 508, as applicable, of Regulation S-K if the resales are of Exchange Securities obtained by such Holder in exchange for Initial Securities acquired by such Holder directly from the Company.

(b) Shelf Registration Statement. In connection with the Shelf Registration Statemen t, each of the Company and the Guarantors shall comply with all the provisions of Section 6(c) hereof and shall use its commercially reasonable efforts to effect such registration to permit the sale of the Transfer Restricted Securities being sold in accordance with the intended method or methods of distribution thereof, and pursuant thereto each of the Company and the Guarantors will as expeditiously as possible prepare and file with the Commission a Registration Statement relating to the registration on any appropriate form under the Securities Act, which form shall be available for the sale of the Transfer Restricted Securities in accordance with the intended method or methods of distribution thereof.

(c) General Provisions. In connection with any Registration Statement and any Prospectus required by this Agreement to permit the sale or resale of Transfer Restricted Securities (including, without limitation, any Registration Statement and the related Prospectus required to permit resales of Initial Securities by Broker-Dealers), each of the Company and the Guarantors shall:

(i) use its commercially reasonable efforts to keep such Registration Statement continuously effective and provide all requisite financial statements (including, if required by the Securities Act or any regulation thereunder, financial statements of the Guarantors for the period specified in Section 3 or 4 h ereof, as applicable); upon the occurrence of any event that would cause any such Registration Statement or the Prospectus contained therein (A) to contain a material misstatement or omission or (B) not to be effective and usable for resale of Transfer Restricted Securities during the period required by this Agreement, the Company shall file promptly an appropriate amendment to such Registration Statement, in the case of clause (A), correcting any such misstatement or omission, and, in the case of either clause (A) or (B), use its commercially reasonable efforts to cause such amendment to be declared effective and such Registration Statement and the related Prospectus to become usable for their intended purpose(s) as soon as practicable thereafter;

(ii) prepare and file with the Commission such amendments and post-effective amendments to the applicable Registration Statement as may be necessary to keep the Registration Statement effective for the applicable period set forth in Section 3 or 4 hereof, as applicable, or such shorter period as will terminate when all Transfer Restricted Securities covered by

such Registration Statement have been sold; cause the Prospectus to be supplemented by any required Prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 under the Securities Act, and t o comply fully with the applicable provisions of Rules 424 and 430A under the Securities Act in a timely manner; and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement during the applicable period in accordance with the intended method or methods of distribution by the sellers thereof set forth in such Registration Statement or supplement to the Prospectus;

(iii) advise the underwriter(s), if any, and selling Holders promptly and, if requested by such Persons, to confirm such advice in writing, (A) when the Prospectus or any Prospectus supplement or post-effective amendment has been filed, and, with respect to any Registration Statement or any post-effective amendment thereto, when the same has become effective, (B) of any request by the Commission for amendments to the Registration Statement or amendments or supplements to the Prospectus or for additional information relating thereto, (C) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement under the Securities Act or of the suspension by any state securities commission of the qualification of the Transfer Restricted Securities for offering or sale in any jurisdiction, or the initiation of any proceeding for any of the preceding purposes, (D) of the existence of any fact or the happening of any event that makes any statement of a material fact made in the Registration Statement, the Prospectus, any amendment or supplement thereto, or any document incorporated by reference therein untrue, or that requires the making of any additions to or changes in the Registration Statement or the Prospectus in order to make the statements therein not misleading. If at any time the Commission shall issue any stop order suspending the effectiveness of the Registration Statement, or any state securities commission or other regulatory authority shall issue an order suspending the qualification or exemption from qualification of the Transfer Restricted Securities under state securities or blue sky laws, each of the Company and the Guarantors shall use its commercially reasonable efforts to obtain the withdrawal or lifting of such order at the earliest possible time;

(iv) furnish without charge to each of the Initial Purchasers, each selling Holder named in any Registration Statement, and each of the underwriter(s), if any, before filing with the Commission, copies of any Registration Statement or any Prospectus included therein or any amendments or supplements to any such Registration Statement or Prospectus (including all documents incorpor ated by reference after the initial filing of such Registration Statement), which documents shall be subject to the review and comment of such Holders and underwriter(s) in connection with such sale, if any, for a period of at least five Business Days, and the Company shall not file any such Registration Statement or Prospectus or any amendment or supplement to any such Registration Statement or Prospectus (including all such documents incorporated by reference) to which an Initial Purchaser of Transfer Restricted Securities covered by such Registration Statement or the underwriter(s), if any, shall reasonably object in writing within five Business Days after the receipt thereof (such objection to be deemed timely made upon confirmation of telecopy transmission within such period). The objection of an Initial Purchaser or underwriter, if any, shall be deemed to be reasonable if such Registration Statement, amendment, Prospectus or supplement, as applicable, as proposed to be filed, contains a material misst atement or omission;

(v) make available at reasonable times for inspection by the Initial Purchasers, the managing underwriter(s), if any, participating in any disposition pursuant to such Registration

Statement and any attorney or accountant retained by such Initial Purchasers or any of the underwriter(s), financial and other records, pertinent corporate documents and properties reasonably requested of each of the Company and the Guarantors and cause the Company's and the Guarantors' officers, directors and employees to supply all information reasonably requested by any such Holder, underwriter, attorney or accountant in connection with such Registration Statement or any post-effective amendment thereto subsequent to the filing thereof and prior to its effectiveness and to participate in meetings with investors to the extent requested by the managing underwriter(s), if any;

(vi) if requested by any se lling Holders or the underwriter(s), if any, promptly incorporate in any Registration Statement or Prospectus, pursuant to a supplement or post-effective amendment if necessary, such information as such selling Holders and underwriter(s), if any, may reasonably request to have included therein, including, without limitation, information relating to the "Plan of Distribution" of the Transfer Restricted Securities, information with respect to the principal amount of Transfer Restricted Securities being sold to such underwriter(s), the purchase price being paid therefor and any other terms of the offering of the Transfer Restricted Securities to be sold in such offering; and make all required filings of such Prospectus supplement or post-effective amendment as soon as practicable after the Company is notified of the matters to be incorporated in such Prospectus supplement or post-effective amendment;

(vii) cause the Transfer Restricted Securities covered by the Registration Statement to be rated with the appropriate rating agencies, if so requested by the Holders of a majority in aggregate principal amount of Securities covered thereby or the underwriter(s), if any;

(viii) furnish to each Initial Purchaser, each selling Holder and each of the underwriter(s), if any, without charge, at least one copy of the Registration Statement, as first filed with the Commission, and of each amendment thereto, including financial statements and schedules, all documents incorporated by reference therein and all exhibits (including exhibits incorporated therein by reference);

(ix) deliver to each selling Holder and each of the underwriter(s), if any, without charge, as many copies of the Prospectus (including each preliminary prospectus) and any amendment or supplement thereto as such Persons reasonably may request; each of the Company and the Guarantors hereby consents to the use of the Prospectus and any amendment or supplement thereto by each of the selling Holders and each of the underwriter(s), if any, in connection with the offering and the sale of the Transfer Restricted Securities covered by the Prospectus or any amendment or supplement thereto;

(x) enter into such agreements (including an underwriting agreement), and make such representations and warranties, and take all such other actions in connection therewith as are reasonable and customary in order to expedite or facilitate the disposition of the Transfer Restricted Securities pursuant to any Registration Statement contemplated by this Agreement, all to such extent as may be requested by any Initial Purchaser or by any Holder of Transfer Restricted Securities or underwriter in connection with any sale or resale pursuant to any Registration Statement contemplated by this Agreement; and whether or not an underwriting agreement is entered into and whether or not the registration is an Underwritten Registration, each of the Company and the Guarantors shall:

(A) furnish to each Initial Purchaser, each selling Holder and each underwriter, if any, in such substance and scope as they may request and as are customarily made by issuers to underwriters in primary underwritten offerings, upon the date of the Consummation of the Exchange Offer or, if applicable, the effectiveness of the Shelf Registration Statement:

(1)a certificate, dated the date of Consummation of the Exchange Offer or the date of effectiveness of the Shelf Registration Statement, as the case may be, signed by (y) the President or any Vice President and (z) a principal financial or accounting officer of each of the Company and the Guarantors, confirming, as of the date thereof, the matters set forth in paragraphs (i), (ii) and (iii) of Section 5(e) of the Purchase Agreement and such other matters as such parties may reasonably request;

(2) an opinion, dated the date of Consummation of the Exchange Offer or the date of effectiveness of the Shelf Registration Statement, as the case may be, of counsel for the Company and the Gu arantors, covering the matters set forth in Section 5(c) of the Purchase Agreement and such other matter as such parties may reasonably request, and in any event including a statement to the effect that such counsel has participated in conferences with officers and other representatives of the Company and the Guarantors, representatives of the independent public accountants for the Company and the Guarantors, representatives of the underwriter(s), if any, and counsel to the underwriter(s), if any, in connection with the preparation of such Registration Statement and the related Prospectus and have considered the matters required to be stated therein and the statements contained therein, although such counsel has not independently verified the accuracy, completeness or fairness of such statements; and that such counsel advises that, on the basis of the foregoing, no facts came to such counsel's attention that caused such counsel to believe that the applicable Registration Statement, at the time such Registrat ion Statement or any post-effective amendment thereto became effective, and, in the case of the Exchange Offer Registration Statement, as of the date of Consummation, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or that the Prospectus contained in such Registration Statement as of its date and, in the case of the opinion dated the date of Consummation of the Exchange Offer, as of the date of Consummation, contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein not misleading. Without limiting the foregoing, such counsel may state further that such counsel assumes no responsibility for, and has not independently verified, the accuracy, completeness or fairness of the financial statements, notes and schedules and other financial data included in any Registration Statement contemplated by this Agreement o r the related Prospectus; and

(3) a customary comfort letter, dated the date of effectiveness of the Shelf Registration Statement, from the Company's independent accountants, in the customary form

and covering matters of the type customarily requested to be covered in comfort letters by underwriters in connection with primary underwritten offerings, and covering or affirming the matters set forth in the comfort letters delivered pursuant to Section 5(a) of the Purchase Agreement, without exception;

(B) set forth in full or incorporate by reference in the underwriting agreement, if any, the indemnification provisions and procedures of Section 8 hereof with respect to all parties to be indemnified pursuant to said Section; and

(C) deliver such other documents and certificates as may be reasonably requested by such parties to evidence compliance with Section 6(c)(x)(A) hereof and with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company or any of the Guarantors pursuant to this Section 6(c)(x), if any.

If at any time the representations and warranties of the Company and the Guarantors contemplated in Section 6(c)(x)(A)(1) hereof cease to be true and correct, the Company or the Guarantors shall so advise the Initial Purchasers and the underwriter(s), if any, and each selling Holder promptly and, if requested by such Persons, shall conf irm such advice in writing;

(xi) prior to any public offering of Transfer Restricted Securities, cooperate with the selling Holders, the underwriter(s), if any, and their respective counsel in connection with the registration and qualification of the Transfer Restricted Securities under the state securities or blue sky laws of such jurisdictions as the selling Holders or underwriter(s), if any, may request and do any and all other acts or things necessary or advisable to enable the disposition in such jurisdictions of the Transfer Restricted Securities covered by the Shelf Registration Statement; provided, however, that none of the Company or the Guarantors shall be required to r egister or qualify as a foreign corporation where it is not then so qualified or to take any action that would subject it to the service of process in suits or to taxation, other than as to matters and transactions relating to the Registration Statement, in any jurisdiction where it is not then so subject;

(xii) shall issue, upon the request of any Holder of Initial Securities covered by the Shelf Registration Statement, Exchange Securities having an aggregate principal amount equal to the aggregate principal amount of Initial Securities surrendered to the Company by such Holder in exchange therefor or being sold by such Holder; such Exchange Securities to be registered in the name of such Holder or in the name of the purchaser(s) of such Securities, as the case may be; in return, the Initial Securities held by such Holder shall be surrendered to the Company for cancellation;

(xiii) cooperate with the selling Holders and the underwriter(s), if any, to facilitate the timely preparation and delivery of certificates representing Transfer Restricted Securities to be sold and not bearing any restrictive legends; and enable such Transfer Restricted Securities to be in such denominations and registered in such names as the Holders or the underwriter(s), if any, may request at least two Business Days prior to any sale of Transfer Restricted Securities made by such Holders or underwriter(s);

(xiv) use its commercially reasonable efforts to cause the Transfer Restricted Securities covered by the Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the seller or sellers thereof or the underwriter(s), if any, to consummate the disposition of such Transfer Restricted Securities,

subject to the proviso contained in Section 6(c)(xi) hereof;

(xv) if any fact or event contemplated by Section 6(c)(iii)(D) hereof shall exist or have occurred, prepare a supplement or post-effective amendment to the Registration Statement or related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of Transfer Restricted Securities, the Prospectus will not contain an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein not misleading;

(xvi) provide a CUSIP number for all Securities not later than the effective date of the Registration Statement covering such Securities and provide the Trustee under the Indenture with printed cer tificates for such Securities which are in a form eligible for deposit with the Depository Trust Company and take all other action necessary to ensure that all such Securities are eligible for deposit with the Depository Trust Company. The Company and the Guarantors shall use commercially reasonable effort to cause the Existing Exchange Securities and the Exchange Securities to have the same CUSIP number;

(xvii) cooperate and assist in any filings required to be made with the FINRA and in the performance of any due diligence investigation by any underwriter (including any "qualified independent underwriter") that is required to be retained in accordance with the rules and regulations of the FINRA;

(xviii) otherwise use its best commercially reasonable efforts to comply with all applicable rules and regulations of the Commission, and make generally available to its security holders, as soon as practicable, a consolidated earnings statement meeting the requirements of Rule 158 of the Securities Act (which need not be audited) for the twelve-month period (A) commencing at the end of any fiscal quarter in which Transfer Restricted Securities are sold to underwriters in a firm commitment or best efforts Underwritten Offering or (B) if not sold to underwriters in such an offering, beginning with the first month of the Company's first fiscal quarter commencing after the effective date of the Registration Statement;

(xix) &nbs p; cause the Indenture to be qualified under the Trust Indenture Act not later than the effective date of the first Registration Statement required by this Agreement, and, in connection therewith, cooperate with the Trustee and the Holders of Securities to effect such changes to the Indenture as may be required for such Indenture to be so qualified in accordance with the terms of the Trust Indenture Act; and to execute and use its commercially reasonable efforts to cause the Trustee to execute, all documents that may be required to effect such changes and all other forms and documents required to be filed with the Commission to enable such Indenture to be so qualified in a timely manner;

(xx) cause all Securities covered by the Registration Statement to be listed on each securities exchange or auto mated quotation system on which similar securities issued by the Company are then listed if requested by the Holders of a majority in aggregate principal amount of Initial Securities or the managing underwriter(s), if any; and

(xxi) provide promptly to each Holder upon request each document filed with the Commission pursuant to the requirements of Section 13 and Section 15 of the Exchange Act.

Each Holder agrees by acquisition of a Transfer Restricted Security that, upon receipt of any notice from the Company of the existence of any fact of the kind described in Section 6(c)(iii)(D) hereof, such Holder will forthwith discontinue disposition of Transfer Restricted Securities pursuant to the applicable Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 6(c)(xv) hereof, or until it is advised in writing (the "Advice") by the Company that the use of the Prospectus may be resumed, and has received copies of any additional or supplemental filings that are incorporated by reference in the Prospectus. If so directed by the Company, each Holder will deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Transfer Restricted Securities that was current at the time of receipt of such notice. In the event the Company shall give any such notice, the time period regarding the effectiveness of such Registration Statement set forth in Section 3 or 4 hereof, as applicable, shall be extended by the number of days during the period from and including the date of the giving of such notice pursuant to Section 6(c)(iii)(D) hereof to and including the date when each selling Holder covered by such Registration Statement shall have received the copies of the supplemented or amended Prospectus contemplated by Section 6(c)(xv) hereof or shall have received the Advice; provided, however, that no such extension shall be taken into account in determining whether Additional Interest is due pursuant to Section 5 hereof or the amount of such Additional Interest, it being agreed that the Company's option to suspend use of a Registration Statement pursuant to this paragraph shall be treated as a Registration Default for purposes of Section 5 hereof.

SECTION 7. Registration Expenses.

(a) All expenses incident to the Company's and the Guarantors' performance of or compliance with this Agreement will be borne by the Company and the Guarantors, jointly and severally, regardless of whether a Registration Statement becomes effective, including, without limitation: (i) all registration and filing fees and expenses (including filings made by any Initial Purchaser or Holder with the FINRA (and, if applicable, the fees and expenses of any "qualified independent underwriter" and its counsel that may be required by the rules and regulations of the FINRA)); (ii) all fees and expenses of compliance with federal securities and state securities or blue sky laws; (iii) all expenses of printing (including printing certificates for the Exchange Securities to be issued in the Exchange Offer and printing of Prospectuses), messenger and del ivery services and telephone; (iv) all fees and disbursements of counsel for the Company, the Guarantors and, subject to Section 7(b) hereof, the Holders of Transfer Restricted Securities; (v) all application and filing fees in connection with listing the Exchange Securities on a securities exchange or automated quotation system pursuant to the requirements thereof; and (vi) all fees and disbursements of independent certified public accountants of the Company and the Guarantors (including the expenses of any special audit and comfort letters required by or incident to such performance).

Each of the Company and the Guarantors will, in any event, bear its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expenses of any annual audit and the fees and expe nses of any Person, including special experts, retained by the Company or the Guarantors.

(b) In connection with any Registration Statement required by this Agreement (including, without limitation, the Exchange Offer Registration Statement and the Shelf Registration Statement), the Company and the Guarantors, jointly and severally, will reimburse the Initial Purchasers and the Holders of Transfer Restricted Securities being tendered in the Exchange Offer and/or resold pursuant to the

"Plan of Distribution" contained in the Exchange Offer Registration Statement or registered pursuant to the Shelf Registration Statement, as applicable, for the reasonable fees and disbursements of not more

than one counsel, who shall be Cahill Gordon & Reindel LLP or such other counsel as may be chosen by the Holders of a majority in principal amount of the Transfer Restricted Securities for whose benefit such Registration Statement is being prepared.

SECTION 8. Indemnification.

(a) The Company and the Guarantors, jointly and severally, agree to indemnify and hold harmless (i) each Holder and (ii) each Person, if any, who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) any Holder (any of the Persons referred to in this clause (ii) being hereinafter referred to as a "controlling person&rdq uo;) and (iii) the respective officers, directors, partners, employees, representatives and agents of any Holder or any controlling person (any Person referred to in clause (i), (ii) or (iii) may hereinafter be referred to as an "Indemnified Holder"), to the fullest extent lawful, from and against any and all losses, claims, damages, liabilities, judgments, actions and expenses (including, without limitation, and as incurred, reimbursement of all reasonable costs of investigating, preparing, pursuing, settling, compromising, paying or defending any claim or action, or any investigation or proceeding by any governmental agency or body, commenced or threatened, including the reasonable fees and expenses of counsel to any Indemnified Holder), joint or several, directly or indirectly caused by, related to, based upon, arising out of or in connection with any untr ue statement or alleged untrue statement of a material fact contained in any Registration Statement or Prospectus (or any amendment or supplement thereto), or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages, liabilities or expenses are caused by an untrue statement or omission or alleged untrue statement or omission that is made in reliance upon and in conformity with information relating to any of the Holders furnished in writing to the Company by any of the Holders expressly for use therein. This indemnity agreement shall be in addition to any liability which the Company or any of the Guarantors may otherwise have.

In case any action or proceeding (including any governmental or regulatory invest igation or proceeding) shall be brought or asserted against any of the Indemnified Holders with respect to which indemnity may be sought against the Company or the Guarantors, such Indemnified Holder (or the Indemnified Holder controlled by such controlling person) shall promptly notify the Company and the Guarantors in writing; provided, however, that the failure to give such notice shall not relieve any of the Company or the Guarantors of its obligations pursuant to this Agreement. Such Indemnified Holder shall have the right to employ its own counsel in any such action and the fees and expenses of such counsel shall be paid, as incurred, by the Company and the Guarantors (regardless of whether it is ultimately determined that an Indemnified Holder is not entitled to indemnification hereunder). The Company and the Guarantors shall not, in connection with any one such action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) at any time for such Indemnified Holders, which firm shall be designated by the Holders.

The Company and the Guarantors shall be liable for any settlement of any such action or proceeding effected with the Company's and the Guarantors' prior written consent, which consent shall not be withheld unreasonably, and each of the Company and the Guarantors agrees to indemnify and hold harmless any Indemnified Holder from and against any loss, claim, damage, liability or expense by reason of any settlement of any action effected with the written consent of the Co mpany and the Guarantors. The Company and the Guarantors shall not, without the prior written consent of each Indemnified Holder, *settle or compromise or consent to the entry of judgment in or otherwise seek to terminate any pending or threatened action, claim, litigation or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not any Indemnifie d Holder is a party thereto), unless such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Holder from all liability arising out of such action, claim, litigation or proceeding.*

(b) Each Holder of Transfer Restricted Securities agrees, severally and not jointly, to indemnify and hold harmless the Company, the Guarantors and their respective directors, officers of the Company and the Guarantors who sign a Registration Statement, and any Person controlling (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) the Company or any of the Guarantors, and the respective officers, directors, partners, employees, representatives and agents of each such Person, to the same extent as the foregoing indemnity from the Company and the Guarantors to each of the Indemnified Holders, but only with respect to claims and actions based on information relating to such Holder furnished in writing by such Holder expressly for use in any Registration Statement. In case any action or proceeding shall be brought against the Company, the Guarantors or their respective directors or officers or any such controlling person in respect of which indemnity may be sought against a Holder of Transfer Restricted Securities, such Holder shall have the rights and duties given the Company and the Guarantors, and the Company, the Guarantors, their respective directors and officers and such controlling person shall have the rights and duties given to each Holder by the preceding paragraph.

(c) If the indemnification provided for in this Section 8 is unavailable to an indemnified party under Section 8(a) or (b) hereof (other than by reason of exceptions provided in those Sections) in respect of any losses, claims, damages, liabilities, judgments, actions or expenses referred to therein, then each applicable indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative benefits received by the Company and the Guarantors, on the one hand, and the Holders, on the other hand, from the Initial Placement (which in the case of the Company and the Guarantors shall be deemed to be equal to the total gross proceeds to the Company and the Guarantors from the Initial Placement), the amount of Additional Interest which did not become payable as a result of the filing of the Registration Statement resulting in such losses, claims, damages, liabilities, judgments actions or expenses, and such Registration Statement, or if such allocation is not permitted by applicable law, the relative fault of the Company and the Guarantors, on the one hand, and the Holders, on the other hand, in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative fault of the Company on the one hand and of the Indemnified Holder on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or any of the Guarantors, on the one hand, or the Indemnified Holders, on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall b e deemed to include, subject to the limitations set forth in the second paragraph of Section 8(a) hereof, any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any action or claim.

The Company, the Guarantors and each Holder of Transfer Restricted Securities agree that it would not be just and equitable if contribution pursuant to this Section 8(c) were determined by pro rata allocation (even if the Holders were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately *preceding paragraph. The amount paid or payable by an indemnified party as a result of the losses, claims, damages, liabilities or expenses referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8, none of the Holders (and its related Indemnified Holders) shall be required to contribute, in the aggregate, any amount in excess of the amount by which the total discount received by such Holder with respect to the Initial Securities exceeds the amount of any damages which such Holde r has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The Holders' obligations to contribute pursuant to this Section 8(c) are several in proportion to the respective principal amount of Initial Securities held by each of the Holders hereunder and not joint.*

SECTION 9. Rule 144A. Each of the Company and the Guarantors hereby agrees with each Holder, for so long as any Transfer Restricted Securities remain outstanding, to make available to any Holder or beneficial owner of Transfer Restricted Securities in connection with any sale thereof and any prospective purchaser of such Transfer Restricted Securities from such Holder or beneficial owner, the information required by Rule 144A(d)(4) under the Securities Act in order to permit resales of such Transfer Restricted Securities pursuant to Rule 144A under the Securities Act.

SECTION 10. Participation in Underwritten Registrations. No Holder may participate in any Underwritten Registration hereunder unless such Holder (a) agrees to sell such Holder's Transfer Restricted Securities on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (b) completes and executes all reasonable questionnaires, powers of attorney, indemnities, underwriting agreements, lock-up letters and other documents required under the terms of such underwriting arrangements.

SECTION 11. Selection of Underwriters. The Holders of Transfer Restricted Securities covered by the Shelf Registration Statement who desire to do so may sell such Transfer Restricted Securities in an Underwritten Offering. In any such Underwritten Offering, the investment banker(s) and managin g underwriter(s) that will administer such offering will be selected by the Holders of a majority in aggregate principal amount of the Transfer Restricted Securities included in such offering; provided, however, that such investment banker(s) and managing underwriter(s) must be reasonably satisfactory to the Company.

SECTION 12. Miscellaneous.

(a) Remedies. Each of the Company and the Guarantors hereby agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agree to waive the defense in any action for specific performance that a remedy at law would be adequate.

(b) No Inconsistent Agreements. Each of the Company and the Guarantors will not on or after the date of this Agreement enter into any agreement with respect to its securities that is inconsistent wi th the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. Neither the Company nor any of the Guarantors has previously entered into any agreement granting any registration rights with respect to its securities to any Person. The rights granted to the Holders hereunder do not in any way conflict with and are not inconsistent with the rights granted to the holders of the Company's or any of the Guarantors' securities under any agreement in effect on the date hereof.

(c) Adjustments Affecting the Securities. The Company will not take any action, or permit any change to occur, with respect to the Securities that would materially and adversely affect the ability of the Holders to Consummate any Exchange Offer.

(d) Amendments and Waivers. The provisions of this Agreement may not be amended, m odified or supplemented, and waivers or consents to or departures from the provisions hereof may not be given unless the Company has (i) in the case of Section 5 hereof and this Section 12(d)(i), obtained the written consent of Holders of all outstanding Transfer Restricted Securities and (ii) in the case of all other provisions hereof, obtained the written consent of Holders of a majority of the outstanding principal amount of Transfer Restricted Securities (excluding any Transfer Restricted Securities held by the Company or its Affiliates). Notwithstanding the foregoing, a waiver or consent to departure from the provisions hereof that relates exclusively to the rights of Holders whose securities are being tendered pursuant to the Exchange Offer and that does not affect directly or indirectly the rights of other Holders whose securities are not being tendered pursuant to such Exchange Offer may be given by the Holders of a majority of the outstanding principal amount of Transfer Restricted Securities being tendered or registered; provided, however, that, with respect to any matter that directly or indirectly affects the rights of any Initial Purchaser hereunder, the Company shall obtain the written consent of each such Initial Purchaser with respect to which such amendment, qualification, supplement, waiver, consent or departure is to be effective.

(e) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, first-class mail (registered or certified, return receipt requested), telex, telecopier, or air courier guaranteeing overnight delivery:

(i) if to a Holder, at the address set forth on the records of the Registrar under the Indenture, with a copy to the Registrar under the Indenture; and

(ii) if to the Company or the Guarantors:

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Pestige Brands, Inc.
90 North Broadway
Irvington, NY 10533
Telecopier No .: (914) 524-6821
Attention: Peter J. Anderson

With a copy to:

Alston & Bird LLP
90 Park Avenue
New York, NY 10016
Telecopier No.: (212) 922-3995
Attention: Mark F. McElreath

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt acknowledged, if telecopied; and on the nex t Business Day, if timely delivered to an air courier guaranteeing overnight delivery.

Copies of all such notices, demands or other communications shall be concurrently delivered by the Person giving the same to the Trustee at the address specified in the Indenture.

(f) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties, including, without limitation, and without the need for an express assignment, subsequent Holders of Transfer Restricted Securities; provided, however, that this Agreement shall not inure to the benefit of or be binding upon a successor or assign of a Holder unless and to the extent such successor or assign acquired Transfer Restricted Securities from such Holder.

< font style="padding-bottom:16px;text-align:left;font-size:12pt;padding-right:24px;">(g)Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(h) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(i) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CONFLICTS OF LAW RULES THEREOF.

(j) Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

(k) Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the registration rights granted by the Company with respect to the Transfer Restricted Securities. This Agreement supersede s all prior agreements and understandings between the parties with respect to such subject matter.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

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PRESTIGE BRANDS, INC.
By: /s/ Peter J. Anderson
Name: Peter J. Anderson
Title: Chief Financial Officer

PRESTIGE BRANDS HOLDINGS, INC.
PRESTIGE PERSONAL CARE HOLDINGS, INC.
PRESTIGE PERSONAL CARE, INC.
PRESTIGE SERVICES CORP.
PRESTIGE BRANDS HOLDINGS, INC.
PRESTIGE BRANDS INTERNATIONAL, INC.
MEDTECH HOLDINGS, INC.
MEDTECH PRODUCTS INC.
THE CUTEX COMPANY
THE DENOREX COMPANY
THE SPIC AND SPAN COMPANY
BLACKSMITH BRANDS HOLDINGS, INC.
BLACKSMITH BRANDS, INC.

By: /s/ Peter J. Anderson
Name: Peter J. Anderson
Title: Chief Financial Officer
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&nbs p;

The foregoing Registration Rights Agreement is hereby confirmed and accepted as of the date first above written:

MERRILL LYNCH, PIERCE, FENNER &
SMITH INCORPORATED
DEUTSCHE BANK SECURITIES INC.

By: Merrill Lynch, Pierce, Fenner & Smith Incorporated

By: /s/ Aaron Peyton
Name: Aaron Peyton
Title: Managing Director

By: Deutsche Bank Securities Inc.

By: /s/ Scott Sartorius
Name: Scott Sartorius
Title: Managing Director

By: /s/ David Lynch
Name: David Lynch
Title: Managing Director

Exhibit 10.4

RETIREMENT AGREEMENT

THIS AGREEMENT *(the "Agreement") is made as of this 2nd day of December, 2010 by and between Peter J. Anderson, a natural person residing at 771 Blanch Avenue, Norwood, New Jersey 07648 and his heirs, assigns, executors, agents and representatives (collectively, the "Executive") on the one side, and Prestige Brands Holdings, Inc. (together with its subsidiaries and affiliates hereinafter collectively referred to as "Prestige") on the other.*

W I T N E S S E T H:

WHEREAS*, Executive has been serving as the Chief Financial Officer of Prestige;*

WHEREAS*, Executive has decided to retire and receive benefits under various compensation programs of Prestige;*

WHEREAS*, the Executive has indicated his desire to retire and to leave all positions with Prestige, effective the date of this Agreement (the "Employment Termination Date");*

WHEREAS*, Prestige wishes to secure Executive's continuing services for a period of three (3) months after the Employment Termination Date; and*

WHEREAS, *it is the desire of Prestige and the Executive to set forth herein their mutual agreement with respect to all matters relating to (i) the Executive's retirement and resignation as an officer of Prestige, (ii) the terms under which Executive will act as a consultant to Prestige following the Employment Termination Date; and (iii) the Executive's release of claims against Prestige, all upon the terms set forth herein.*

NOW, THEREFORE*, for and in consideration of the mutual covenants and promises contained herein, the parties hereby agree as follows:*

1. Termination of Employment Agreement. Prestige and the Executive hereby confirm, effective as of the Employment Termination Date, the termination of Executive's employment as Chief Financial Officer of Prestige and from all other positions with P restige. The Executive also hereby resigns from his position as a director of each subsidiary of Prestige Brands Holdings, Inc. ("PBH") for which he was a member of the Board of Directors. From and after the Employment Termination Date, the respective rights and obligations of the parties shall be governed by the terms of this Agreement.

2. Consulting; Cooperation. For the three month period commencing on the Employment Termination Date and ending on March 2, 2011 (or s uch earlier date if Prestige terminates the consulting relationship as set forth below; the "Consulting Term"), Prestige and Executive agree that he will serve as a consultant to Prestige on special projects as requested by Prestige in all matters related to his prior employment as an officer with Prestige. Executive shall make himself available to Prestige during normal business as reasonably requested by Prestige. If Executive fails or refuses to provide the consulting services set forth in this Section 2, Prestige may terminate the consulting arrangement by providing written notice to Executive; provided, however, that notwithstanding the foregoing, *Prestige shall not be entitled to terminate the consulting arrangement: (a) if such failure is due to the death or disability of the Executive; or (b) in any situation other than death or disability, unless Prestige shall first have given Executive five (5) business days prior written notice (which notice shall describe the failure or refusal of Execut ive) and Executive shall not cure such failure or refusal during said five (5) business day period.*

3. Payments and Benefits. Provided that the Executive has not revoked this Agreement, as set forth in Section 9, Prestige shall make the payments and provide the benefits set forth in this Section 3.

(a) Subject to early termination or acceleration pursuant to Section 10, Prestige will pay Executive the (i) sum of Six Hundred Thirty Six Thousand Seven Hundred sixty Dollars ($636,760) (the "Severance Payment"), which shall be payable in equal installments of Twenty Six Thousand Five Hundred Thirty One and 67/100 Dollars ($26,531.67) on a semi-monthly basis for twelve (12) months, less applicable deductions required by law and in accordance with Prestige's regular payroll policies and procedures; and (ii) Fifty Thousand Dollars ($50,000) (the "Consulting Payment"), which shall be payable in equal installments of Sixteen Thousand Six Hundred Sixty Six and 67/100 Dollars ($16,666.67) on a monthly basis for three (3) consecutive mont hs, in accordance with Prestige's policies and procedures for the payments of accounts payable. In the event of the death or disability of Executive, the Severance Payment will be made to Executive's estate, heirs or conservator; however, no then-remaining unearned Consulting Payment shall be paid after the Executive's death or disability. Prestige will have the right to deduct from compensation payable to Executive under this Agreement, social security taxes, and all federal, state, and municipal taxes and charges as may now be in effect and that may be enacted or required after the effective date of this Agreement as charges on the compensation of Executive. Prestige will be responsible for the payment of any employer matching amounts of such taxes.

(b) As of the Employment Termination Date, Executive will have vested options to purchase (i) Thirty Nine Thousand Six Hundred (39,600) shares of the common stock of PBH at an exercise price of $12.86 per share; and (ii) Twenty Nine Thousand Eighty Two (29,082) shares of the common stock of PBH at an exercise price of $10.91 per share. In addition, on the Employment Termination Date, the following equity awards previously made to the Executive under the 2005 Long-Term Equity Incentive Plan (the "Plan") shall vest on an accelerated basis: (i) options to purchase (x) Fourteen Thousand Five Hundred Forty (14,540) shares of common stock of PBH at an exercise price of $10.91 per share; and (y) options to purchase Twenty Eight Thousand Five Hundred Sixty Five (28,565) shares of common stock of PBH at an exercise price of $9.03 per share; (ii) Sixteen Thousand Nine Hundred Eighty (16,980) shares of restricted common stock of PBH; and (iii) Twenty Two Thousand Four Hundred Ninety Seven (22,497) restricted stock units relating to shares of common stock of PBH; provided, however, that the stock options referenced in this Section 3(b) shall remain exercisable by the Executive only through the one year anniversary of the Employment Termination Date, after which such stock options shall lapse and thereafter be unconditionally forfeited and not exercisable by the Executive. Executive hereby unconditionally relinquishes any rights to acquire or receive any shares

of common stock of PBH pursuant to any other equity awards made to the Executive (whether or not pursuant to the Plan) or any other tranches of the equity awards that are not expressly referenced above in this Section 3(b), all of which are hereby unconditionally forfeited by the Executive. The terms and provisions of this Agreement shall supersede and control over any of the terms and provisions of any agreement between Executive and Prestige with respect to any rights to receive, or options to purchase, the common stock of PBH.

(c) Until the earlier of: (i) the one year anniversary of the Employment Termination date or (ii) Executive's obtaining other employment at which he receives health insurance benefits irrespective of their scope and coverage, Prestige, subject to Executive's payment of contributions applicable to plan participants, shall continue to provide all group health, dental, vision and life insurance benefits for Executive and his dependents at the same level as for ot her Prestige senior level executives; provided, that this coverage will not count towards the depletion of any continued health care coverage rights that Executive and Executive's dependents may have pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“COBRA”), and such rights to continued health care coverage under COBRA shall remain available to Executive and Executive's dependents after the one year anniversary of the Employment Termination Date. After the one year anniversary of the Employment Termination Date, Prestige will have no obligation to provide further life insurance benefits to the Executive. Executive shall not be entitled to any other benefits as a consultant to Prestige.

(d) Prestige shall reimburse Executive for his reasonable out-of-pocket expenses in connection with his activities and the services that he is requested to perform under Section 2; provided, that the request for reimbursement of such expenses is accompanied by documentation satisfactory to Prestige and, provided, further, that any expense in excess of $500.00 must be approved in advance in writing by Prestige.

(e) Prestige shall deduct from the amounts payable to the Executive pursuant to this Agreement the amount of all required federal, state and local withholding taxes in accordance with the Executive's Form W-4 on file with Prestige, and all applicable federa l employment taxes.

4. Application of Code Section 409A. Prestige shall report all payments and other benefits paid or provided pursuant to Section 2 and Section 3 of this Agreement to the extent required by, and in accordance with, Section 409A (“Section 409A”) of the Internal Revenue Code of 1986, as amended (the “Code”). In the event that Prestige or the Executive reasonably and in good faith determines that any payment to be made or benefit to be provided to the Executive hereunder would result in the application of Section 409A, Prestige shall, in consultation with the Executive, modify the Agreement to the extent possible and in the least restrictive manner reasonably available in order to exclude such compensation from the definition of “deferred compensation” within the meaning of such Section 409A or in order to comply with the provisions of Section 409A and/or any rules, regulations or other regulatory guidance issued under such statutory provision and without any diminution in the value of the payments to the Executive. Notwithstanding the foregoing, under no circumstance shall Prestige be responsible for any taxes, penalties, interest or other losses or expenses incurred by the Executive due to any failure to comply with Section 409A, or for any interest on account of any delay in payment deemed necessary to comp ly with Section 409A.

5. Acknowledgment. Executive agrees that none of Prestige or any of its predecessors, successors (by merger or otherwise), parents, subsidia ries, affiliated entities, divisions and assigns, together with each and every of their present, past and future officers, directors, shareholders, general partners, limited partners, employees and agents and the heirs and executors of same (herein collectively referred to as the "Company Group") has breached any oral or written contract that may have existed between Executive and Prestige or any member of the Company Group with respect to his employment or termination of employment nor has any of Prestige or any member of the Company Group, violated any law, statute, rule regulation or ordinance of any governmental authority relating to Executive's employment. Executive acknowledges that the payments and other consideration paid hereunder can not and shall not be construed as any admission of liability or wrongdoing on the part of either Prestige or any member of the Company Group. Executive further acknowledges and agrees that the payments and other benefits being received by him pursuant to this Agreement satisfy any claim that he might have had under any Prestige policy, practice or plan. Executive understands that the release provided for in this Agreement extends to all of the aforementioned claims and potential claims which arose on or before the date of the execution of this Agreement and that may arise on or before the Employment Termination Date, whether now known or unknown, suspected or unsuspected, and his participation as a member of any class asserting any such claims, and that this acknowledgment and release constitute essential terms of this Agreement. Executive understands and acknowledges the significance and consequence of this Agreement and of each specific release and waiver, and expressly consents that this Agreement shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown and unsuspected claims, demands, obligations, and causes of action, if any, as well as those relating to any other claims, demands, obligations or causes of action herein above-specified.

6. Reinstatement. Executive hereby waives any right or claim he may have to employment, re-instatement, re-assignment or re-employment with Prestige or the Company Group other than the consulting arrangement described and set forth in Section 2 of this Agreement. Executive acknowledges and agrees that he has no right to be retained beyond the Consulting Term and Prestige is retaining him for a discreet and limited eng agement. Executive's acknowledgment and agreement as to these matters are material inducements for Prestige's making certain other of its agreements including, without limitation, the payments in Section 3.

7. Publicity; No Disparaging Statements.

7.1. Executive agrees that he shall not make or authorize any disparaging communications with respect to Prestige, any member of the Company Group or any of their respective officers, directors or employees, past or present. To the extent that the foregoing prohibition might be applicable, it is not intended to prevent Executive from giving testimony pursuant to compulsory process of law. In determining what constitutes "compulsory process of law," Executive may rely on advice of counsel of his choice at his expense.

7.2. At any time following the Employment Termination Date, Prestige shall not make any disparaging statements, announcements or disclosures, except as may be required by law (including, without limitation, applicable securities laws and the rules and regulations of the New York Stock Exchange), of any information detrimental to Executive. The determination whether any disclosure is required by law shall be made by Prestige in its sole discretion.

8. <u>Business Protection Provisions</u>.

8.1 Preamble. As a material inducement to Prestige to enter into this Agreement, and the Executive's recognition of the valuable experience, knowledge and proprietary information Executive gained from his employment with Prestige, Executive warrants and agrees he will abide by and adhere to the following business protection provisions in this Section 8 and all subsections thereof.

8.2 Definitions. For purposes of this Section 8 and all subsections thereof, the following terms shall have the following meanings:

(a) "Competitive Position" shall mean any employment, consulting, advisory, directorship, agency, promotional, independent contractor or any other arrangement or relationship between Executive and any person or Entity engaged, wholly or in material part, or that is an investor or prospective investor in an Entity that is engaged wholly or in material part, in the consumer products business that is the same or similar to that in which Prestige is engaged, at the Employment Termination Date. For purposes of this Agreement, a "consumer products business that is the same o r similar" means any business (1) which competes with (a) OTC wart or skin tag treatment products (including, without limitation, salicylic acid or cryogen-based products), (b) dental devices for treatment or management of bruxism, (c) OTC cough/cold/allergy treatment products (including, without limitation, single or multi-symptom products in liquid, lozenge and strip forms), (d) inter-proximal devices, (e) powdered and liquid cleansers, (f) pediatric OTC medicinal and non-medicinal products, (g) OTC eye care products, (h) denture cleansers or adhesives, or (i) any other business which represents 5% or more of the consolidated revenues or EBITDA of Prestige for the trailing 12 months ending on the last day of the last completed calendar month immediately preceding the Employment Termination Date, or (2) in which Prestige has conducted discussions or has requested and received information relating to a possible or proposed acquisition of such business (x) within one year prior to the Employment Termination D ate and (y) during the one year period ending on the one year anniversary of the Employment Termination date.

(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 Prestige, other than "Trade Secrets" (as defined below), which is of tangible or intangible value to Prestige and the details of which are not generally known to the competitors of Prestige. Confidential Information shall also include: any ite ms that Prestige has marked "CONFIDENTIAL" or some similar designation or are otherwise identified as being confidential, at the time disclosed to the Executive.

(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 the twelve (12) month period following the Employment Termination Date; provided, however, that the Restricted Period shall be extended for a period of time equal to any period(s) of time within the twelve (12) month period following the Employment Termination Date that Executive is determined by a final non-appealable judgment from a court of competent jurisdiction to have engaged in any conduct that violates this Section 8 or any subsections thereof, the purpose of this provision being to secure for the benefit of Prestige the entire Restricted Period being bargained for by Prestige for the restrictions upon Executive's activities.

(e) "Territory" shall mean the United States of America.

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

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

8.3 Nondisclosure; Ownership of Proprietary Property.

(a) In recognition of the need of Prestige to protect its 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 Prestige and shall never, 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 Prestige of any unauthorized disclosure or use of any Trade Secrets or Confidential Information of which Executive becomes aware. Executive shall ass ist Prestige, to the extent reasonably necessary and at the sole expense of Prestige, 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 Prestige. 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. §§ 101 et seq., as amended), and Executive hereby unconditionally and irrevocably transfers and assigns to Prestige 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 an d deliver to Prestige any transfers, assignments, documents or other instruments which Prestige 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 Prestige.

(d) Executive also recognizes that all writings, illustrations, drawings and other similar materials which embody or otherwise contain Trade Secrets, Confidential Information or Work Product that Prestige may have produced during his employment or which may have been given to Executive in connection with his employment are the property of Prestige, and it is Executive's obligation to immediately return any such materials to Prestige.

8.4 Non-Interference With Executives; Non-solicitation of Employees. Executive recognizes and acknowledges that, as a result of his employment by Prestige, he has become familiar with and has acquired knowledge of Confidential Information and certain other information regarding the other executives and em ployees of Prestige. Therefore, Executive agrees that, during the twelve (12) month period (the "Non-solicitation Period") following the Employment Termination Date, Executive shall not encourage, solicit or otherwise attempt to persuade any person in the employment of Prestige to end his/her employment with Prestige or to violate any confidentiality, non-competition or employment agreement that such person may have with Prestige or any policy of Prestige. Furthermore, neither Executive nor any person or Entity acting in concert with Executive shall, during the Non-solicitation Period, employ any person who has been an employee of Prestige unless that person has ceased to be an employee of Prestige for at least six (6) months. The fact that any employee of Prestige shall respond to a general solicitation (including, without limitation, the efforts of a recruiter) of employment by, or otherwise voluntarily contact, the Executive or any other person or Entity acting in concert with the Executive shall have no impact whatsoever on the Executive's obligations contained in this Section 8.4. Executive also shall not communicate in any manner whatsoever, whether directly or indirectly, with any executive employee of Prestige on the topic of the individual's employment with Prestige, his or her plans for employment in the future, or his or her employment with any other entity, other than to say Executive is unable to engage in any such discussions. Executive may request that the restrictions set forth in this Section 8.4 be waived as to any employee whose employment has been involuntarily terminated by Prestige; <u>provided</u>, <u>however</u>, that the decision whether to waive such restriction shall be in Prestige's sole discretion and shall not be binding upon Prestige unless such waiver is evidenced by a written agreement that has been executed and delivered by, and is legally binding on, Prestige and the Executive, which, if agreed to by Prestige, may also include terms and conditions that Prestige in its sole discretion are reasonably necessary under the circumstances. Also, in the event that it is determined that any person or Entity with which Executive has an arrangement has, without any knowledge of or participation *by the Executive, engaged in any activity that would violate this Section 8.4 had Executive known of or participated in the activity, Executive shall be deemed not to have violated this section 8.4 if Executive, within thirty (30) days after becoming aware of such activity (including should Executive receive notice thereof from Prestige), severs completely his arrangement with such person or Entity.*

8.5& nbsp; Non-competition. Executive covenants and agrees to not obtain or work in a Competitive Position within the Territory during the applicable Restricted Period. In the event that the Executive is uncertain as to whether any arrangement or proposed arrangement with any person or Entity would constitute a prohibited Competitive Position, the Executive shall notify Prestige in writing of such arrangement or proposed arrangement, and Prestige shall, within thirty (30) days following its receipt of such notice, advise the Executive in writing as to whether such arrangement or proposed arrangement would constitute a prohibited Competitive Position. Prestige's approval of any arrangement or proposed arrangement pursuant to the preceding sentence will be evidenced exclusively by a written agreement that has been executed and delivered by, and is legally binding on, Prestige and the Executive, which may include terms and conditions that P restige deems reasonably necessary to preserve its goodwill and the confidentiality of the Confidential Information and Trade Secrets in accordance with this Agreement, and other terms and conditions that Prestige determines in its sole discretion are reasonably necessary under the circumstances. Also, in the event that it is determined that any person or Entity with which Executive has an arrangement has, without any knowledge of or participation by the Executive, engaged in any activity that would violate this Section 8.5 had Executive known of or participated in the activity, Executive shall be deemed not to have violated this section 8.5 if Executive, within thirty (30) days after becoming aware of such activity (including should Executive receive notice thereof from Prestige), severs completely his arrangement with such person or Entity.

8.6 Standstill. Executive covenants and agrees that, during the Non-solicitation Period, he will not in any manner (i) acquire, agree to acquire, or make any proposal (or request permission to make any proposal) to acquire any securities (or direct or indirect rights, warrants, or options to acquire any securities) or property (including the stock or assets of PBH or any of its subsidiaries) of Prestige (other than property transferred in the ordinary course of Prestige's business), unless such acquisition, agreement, or making of a proposal shall have been expressly first approved by (or in the case of a proposal, expressly first invited by) Prestige's Board of Directors, (ii) solicit proxies from Prestige's shareholders or otherw ise seek to influence or control the management or policies of Prestige , or (iii) assist (including by knowingly providing or arranging financing for that purpose) any other person or Entity in doing any of the foregoing. The Executive will not have violated or be deemed to have violated this Section 8.6 solely as a result of (i) the Executive's investment in capital stock or other securities of PBH if listed on a national securities exchange or actively traded in the over-the-counter market if the Executive, the members of the Executive's immediate family and their respective affiliates and associates together do not, directly or indirectly, hold more than two percent of all such shares of capital stock or other securities of PBH that are issued and outstanding.

8.7 Reasonable Restriction. Executive and Prestige 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 Prestige due to Executive's status and reputation in the industry and the knowledge to be acquired by Executive through his association with

Prestige's business and the public's close identification of Executive with Prestige. 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 the foregoing covenant not to compete, Executive will receive the compensation specified in Section 3 hereof, the consulting agreement specified in Section 2 hereof and other benefits from Prestige in accordance with this Agreement.

9. Releases. (a) The Executive, on behalf of the Executive and anyone claiming through the Executive, hereby agrees not to sue Prestige or other related entities of Prestige (whether or not such entities are wholly owned) or any of the past, present or future directors, officers, administrators, trustees, fiduciaries, employees, agents or attorneys of Prestige or any of such other entities, or the predecessors, successors or assigns of any of them (hereinafter referred to as the "Released Parties"), and hereby releases and discharges, fully, finally and forever, the Released Parties from any and all claims, causes of action, lawsuits, liabilities, debts, accounts, covenants, contracts, controversies, agreements, promises, sums of money, damages, judgments and demands of an y nature whatsoever, in law or in equity, both known and unknown, asserted or not asserted, contingent or matured, foreseen or unforeseen, which the Executive ever had or may presently have against any of the Released Parties arising from the beginning of time up to and including the date on which this Release is signed and delivered to Prestige, including, without limitation, all matters in any way related to the Executive's employment by Prestige, the terms and conditions thereof, any failure to promote the Executive and the termination or cessation of the Executive's employment with Prestige, and including, without limitation, (i) any claim under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the Age Discrimination in Employment Act of 1967, as amended, Title VII of the Civil Rights Act of 1964, as amended, the Civil Rights Act of 1991, the Civil Rights Act of 1866, the Older Workers' Benefit Protection Act of 1990, the Americans with Disabilities Act, the Employee Retirement Incom e Security Act of 1974, the Family and Medical Leave Act, the Worker Adjustment and Retraining Notification Act, the New York State Human Rights Law, the Westchester County Human Rights Law, or any other law relating to discrimination or retaliation in employment (in each case, as amended); (ii) any claim (whether based on federal, state or local law or regulation, statutory or decisional) relating to or arising out of Executive's employment, the terms and conditions of such employment, and/or any of the events relating directly or indirectly to or surrounding the Executive's separation from employment, including, but not limited to, breach of contract (express or implied), wrongful discharge, whistleblowing, detrimental reliance, defamation, emotional distress or compensatory or punitive damages; (iii) any claim for wages or benefits, including unused vacation time; and (iv) any claim for attorney's fees, costs, disbursements and/or the like; provided, however, that nothing contained in this Release shall apply to, or release Prestige from any obligation (i) contained in this Agreement or the Release set forth in this Section 9, (ii) to indemnify Executive as required by the Delaware General Corporation Law, Prestige's bylaws or the Indemnification Agreement, dated May 29, 2009 (the "Indemnification Agreement"), between PBH and Executive, or (iii) with respect to any vested benefit with respect to the Executive pursuant to any employee benefit or equity plan of Prestige other than any severance or retention program or practice. The Executive acknowledges that the consideration offered in conne ction with this Agreement was and is in part for this Release and such portion of such consideration is accepted by the Executive as being in full accord, satisfaction, compromise and settlement of any and all claims or potential claims, and the Executive expressly agrees that the Executive is not entitled to, and shall not receive, any further recovery of any kind from Prestige or any of the other Released Parties, and that in the event of any further proceedings whatsoever based upon any matter released herein, neither Prestige nor any of the other Released Parties shall have any further monetary or other obligation of any kind to the Executive, including any obligation for any costs, expenses or attorneys' fees incurred by or on behalf of the Executive, except as provided in this Agreement.

While the Release set forth in this Section 9 does not prevent the Executive from filing a Charge of Discrimination with the United States Equal Employment Opportunity Commission, he hereby voluntarily waives the right to file such a charge, and waives any claim to damages or personal equitable relief in the event such a Charge is filed by anyone or by the Commission itself on his behalf.

(b) The Executive expressly represents and warrants that he is the sole owner of the actual and alleged claims, demands, rights, causes of action and other matters that are released herein, that the same have not been transferred or assigned or caused to be transferred or assigned to any other person, firm, corporation or other legal entity, and that he has the full right and power to grant, execute and deliver the general release, undertakings and agreements contained herein.

(c) THE EXECUTIVE SPECIFICALLY WAIVES AND RELEASES THE RELEASED PARTIES FROM ALL CLAIMS THE EXECUTIVE MAY HAVE AS OF THE DATE THE EXECUTIVE SIGNS THIS AGREEMENT REGARDING CLAIMS OR RIGHTS ARISING UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, AS AMENDED, 29 U.S.C. § 621 ("ADEA"). THE EXECUTIVE FURTHER AGREES: (A) THAT THE EXECUTIVE'S WAIVER OF RIGHTS UNDER THIS AGREEMENT IS KNOWING AND VOLUNTARY AND IN COMPLIANCE WITH THE OLDER WORKER'S BENEFIT PROTECTION ACT OF 1990; (B) THAT THE EXECUTIVE UNDERSTANDS THE TERMS OF THIS AGREEMENT AND THE RELEASE SET FORTH IN THIS SECTION 9; (C) THAT CERTAIN BENEFITS CALLED FOR IN THIS AGREEMENT TO BE PAID FOLLOWING THE DATE OF THIS RELEASE WOULD NOT BE PROVIDED TO ANY EXECUTIVE TERMINATING HIS OR HER EMPLOYMENT WITH PRESTIGE WHO DID NOT SIGN A RELEASE OR AN AGREEMENT CONTAINING A RELEASE SIMILAR TO THE RELEASE SET FORTH IN THIS SECTION 9, THAT SUCH BENEFITS WOULD NOT HAVE BEEN PROVIDED IN THEIR ENTIRETY HAD THE EXECUTIVE NOT SIGNED THIS AGREEMENT, AND THAT SUCH BENEFITS ARE IN EXCHANGE IN PART FOR THE SIGNING OF THIS AGREEMENT AND THE RELEASE SET FORTH IN THIS SECTION 9; (D) THAT THE EXECUTIVE HAS BEEN ADVISED IN WRITING BY PRESTIGE TO CONSULT WITH AN ATTORNEY PRIOR TO EXECUTING THIS AG REEMENT; (E) THAT PRESTIGE HAS GIVEN THE EXECUTIVE A PERIOD OF AT LEAST TWENTY-ONE (21) DAYS WITHIN WHICH TO CONSIDER THIS AGREEMENT AND THE RELEASE SET FORTH IN THIS SECTION 9; (F) THAT THE EXECUTIVE REALIZES THAT FOLLOWING THE EXECUTIVE'S EXECUTION OF THIS AGREEMENT, THE EXECUTIVE HAS SEVEN (7) DAYS IN WHICH TO REVOKE THIS AGREEMENT AND THE RELEASE SET FORTH IN THIS SECTION 9 BY WRITTEN NOTICE TO PRESTIGE, AND (G) THAT THIS AGREEMENT AND RELEASE SHALL BE VOID AND OF NO FORCE AND EFFECT IF THE EXECUTIVE CHOOSES TO SO REVOKE, AND IF THE EXECUTIVE CHOOSES NOT TO SO REVOKE, THAT THIS AGREEMENT AND THE RELEASE SET FORTH IN THIS SECTION 9 THEN BECOMES EFFECTIVE AND ENFORCEABLE.

(d) Prestige hereby releases the Executive from any and all claims, demands or causes of action of any kind that it now has or hereafter may have against the Executive arising out of or related to the Executive's employment or association with Prestige, with the exception of claims, demands or causes of action arising out of or related to criminal acts, fraud or knowing wrongful conduct, that arise out of or relate to any occurrences prior to the Employment Termination Date; provided, however, that nothing contained in this Agreement shall apply to, or release the Executive from, any obligation contained in this Agreement.

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10. Remedies; Indemnification of Executive.

(a) Executive understands and acknowledges that his violation of Section 7.1 or Section 8 or any sub-section thereof would cause irreparable harm to Prestige and Prestige 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 Prestige from pursuing any remedies available to it for any breach or threatened breach of Section 7.1 or Section 8 or any sub-section thereof, including, without limitation, the recovery of actual damages from Executive or any person or entity acting in concert with Executive. Prestige shall receive injunctive relief without the necessity of posting a bond or other security, such bond or other security being hereby waived by Executive. If any part of Section 7.1 or Section 8 or any sub-section 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 provisions in this Agreement are being agreed to by Prestige in reliance upon Executive's compliance with Sections 7.1 and 8, in the event of a breach by Executive of any of the provisions of Section 7.1 or Section 8 or any sub-sections thereof, damages to Prestige would be difficult to determine and, in the event of such breach by Executive, the Consulting Term shall immediately terminate without any action on the part of Prestige and: (a) Prestige shall be released from its obligation to make any further payments or provide benefits to Executive under Section 3 hereof; (b) Prestige shall be released from its obligations under Section 7.2 hereof, and (c) any vested but unexercised options to purchase common stock of PBH and the restricted common stock of PBH in existence through March 3 1, 2011 shall be immediately forfeited by the Executive. If either Prestige or Executive brings suit to compel performance of, to interpret, or to recover damages for the breach of this Agreement, the prevailing party in such litigation shall be entitled to recover its reasonable attorneys' fees in addition to costs and necessary disbursements otherwise recoverable. Additionally, if Executive breaches any of the provisions of Section 8, any payment made or benefit provided pursuant to Section 3 as well as the value of any equity awards referenced in Section 3(b) hereof that are exercised or received by Executive shall be disgorged to Prestige by Executive on a pro-rata basis based upon the number of months during the Restricted Period during which he violated the provisions of Section 8.

(b) In recognition that certain provisions in this Agreement are being agreed to by Executive in reliance upon Prestige's compliance with Sections 3 and 7.2, in the event of a breach by Prestige of any of the provisions of Section 3 or any subsections thereof or Section 7.2, Executive will be entitled, at his option, to: (i) a release from his obligations to provide further consulting services under Section 2; (ii) a release from his obligations and restrictions provided for in Section 8; and (iii) accelerate the payment of all amounts under Section 3(a); provided, however, that notwithstanding the foregoing, Executive shall not be entitled to the releases set forth in subsections (i) and (ii) above or the acceleration of payments set forth in subsection (iii) unless Executive shall first have given Prestige five (5) business days prior notice (which notice shall describe the breach by Prestige) and Prestige shall not cure such breach during said five (5) business day period. The foregoing remedies are in addition to and not in lieu of any other contractual, legal, or equitable remedies that may be available to Executive. If either Executive or Prestige brings suit to compel performance of, to interpret, or to recover damages for the breach of th is Agreement, the prevailing party in such litigation shall be entitled to recover its

reasonable attorneys' fees in addition to costs and necessary disbursements otherwise recoverable.

(c) Prestige shall defend, hold harmless and indemnify Executive in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a consultant of Prestige during all or any portion of the Consulting Term or provided services to Prestige against expenses (including reasonable attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of Prestige and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Notwithstanding the preceding sentence, no indemnity shall be paid by Prestige: (i) in connection with any proceedin g by or in the right of Prestige in which Executive is adjudged liable to Prestige; (ii) if a final judgment or other final adjudication by a court having jurisdiction in the matter shall determine that such indemnity is not lawful; or (iii) in connection with any proceeding charging improper personal benefit to Executive if a final judgment or other final adjudication by a court having jurisdiction in the matter shall determine that such personal benefit was improper. In addition to the foregoing, Executive maintains his rights to indemnification pursuant to the Indemnification Agreement, subject to the terms thereof.

11. &nb sp;Successors. This Agreement shall inure to the benefit of and be enforceable by the Executive and by the Executive's personal or legal representatives, executors and administrators and by Prestige and its successors and assigns. In the event of the death or disability of the Executive while any amounts are payable to the Executive hereunder, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to such person or persons designated in writing by the Executive to receive such amounts or, if no person is so designated, to the Executive's estate or personal representative, as the case may be.

12. No Admissions. Neither the execution of this Agreement by Prestige nor the terms hereof constitutes an admission by Prestige, or by any agent or employee of Prestige or the Company Group, of liability or unlawful conduct in any manner.

13. Entire Agreement. This Agreement sets forth the entire understanding of the parties and merges and supersedes any prior or contemporaneous agreements (including, without limitation, the Executive's existing Employment Agreement with Prestige), whether written or oral, between the parties pertaining to the subject matter hereof. This Agreement shall be binding upon the parties and their respective heirs, executors, administrators, successors and assigns.

14. Severability. If any term or provision of this Agreement shall be held to be invalid or unenforceable for any reason, then such term or provision shall be ineffective to the extent of such invalidity or unenforceability without invalidating the remaining terms or provisions hereof, and such term or provision shall be deemed modified to the extent necessary to make it enforceable.

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15. Advice of Counsel. Executive represents and warrants:

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(a) That he has carefully read this Agreement, and understands its contents, meaning and intent; and

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(b) That, understanding this document, he has freely and voluntarily executed it with the advice of counsel aforesaid, without compulsion, coercion or duress.

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16. Amendments. Neither this Agreement nor any term hereof may be orally changed, waived, discharged, or terminated, and may be amended only by a written agreement signed by both of the parties hereto.

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17. Governing Law. This Agreement shall be governed by the laws of the State of New York without regard to the conflict of law principles of any jurisdiction.

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18. Legally Binding. The terms of this Agreement contained herein are contractual and not mere recitals.

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[Remainder of page intentionally left blank]

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IN WITNESS WHEREOF*, the parties acknowledging that they are acting of their own free will, have voluntarily caused the execution of this Agreement as of this day and year written below.*

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EXECUTIVE ACKNOWLEDGES THAT HE HAS READ THIS AGREEMENT, UNDERSTANDS IT, AND IS VOLUNTARILY ENTERING INTO IT. IN PARTICULAR, THE EXECUTIVE HAS READ AND REVIEWED THE REVIEW AND REVOCATION PERIODS THAT ARE DESCRIBED IN SECTION 9 OF THIS AGREEMENT.

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PLEASE READ THIS AGREEMENT CAREFULLY. IT CONTAINS A RELEASE OF ANY AND ALL KNOWN AND UNKNOWN CLAIMS. *< /div>*

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/s/ Peter J. Anderson
Name: Peter J. Anderson
Date: 12/2/10

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PRESTIGE BRANDS HOLDINGS, INC.
By: /s/ Matthew M. Mannelly
Name: Matthew M. Mannelly
Title: CEO
Date: 12/8/10

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Exhibit 10.5

Executive Employment Agreement

1. Employment. Prestige Brands Holdings, Inc. ("Employer") agrees to employ Ronald Lombardi ("Executive") and Executive accepts such employment for the period beginning as of December 6, 2010 and ending upon his termination pursuant to Section 1(c) hereof (the "Employment Period"), subject only to the approval of the Prestige Brands Holdings, Inc. Board of Directors (the "Board").

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(a) Position and Duties.

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(i) During the Employment Period, Executive shall serve as Chief Financial Officer of Employer and shall have the normal duties, responsibilities and authority implied by such position, subject to the power of the Chief Executive Officer of Employer and the Board to expand or limit such duties, responsibilities and authority and to override such actions.

(ii) Executive shall report to the Chief Executive Officer of Employer, and Executive shall devote his best efforts and his full business time and attention to the business and affairs of Employer and its Subsidiaries (as defined below).

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(b) Salary, Bonus and Benefits. During the Employment Period, Employer will pay Executive a base salary of $370,000 per annum (the "Annual Base Salary"), paid twice monthly, in accordance with Employer's normal payroll cycle and procedures. In addition, in fiscal years 2011 and beyond, the Executive shall be eligible for and participate in the Annual Incentive Compensation Plan (the "Annual Bonus") under which the Executive shall be eligible for an annual Target Bonus payment of 60% of Annual Base Salary, subject to the terms and conditions of the applicable Annual Incentive Compensation Plan and the discretion of the Board; provided, however, any Annual Bonus paid regarding fiscal year 2011 shall be prorated based on the duration of the Executive's employment with Employer during such fiscal year. Executive shall be eligible to participate in the Long-Term Equity Incentive Plan of Employer (the "Plan") and receive grants thereunder at the same time as grants are made to the rest of senior management; provided, however, that the Board reserves its discretion to not make an equity grant in any fiscal year. Any equity grant provided under the Plan shall have at the time of grant a value equal to Executive's Annual Base Salary then in effect at the time of grant multiplied by 150%; provided, however, at the discretion of the Board, such grant may be modified to have a value equal to no less than 120% or no greater than 180% of Executive's Annual Base Salary then in effect at the time of grant. In addition, any equity grant provided under the Plan shall automatically vest upon a Change in Control (as defined in the Plan). On the first day of the Employment Period, Executive shall receive an equity grant under the Plan with a prorated value based on the number of days of the Employment Period in fiscal year 2011 divided by 365. During the Employment Period, Executive will be entitled to such other benefits approved by the Board and made available to the senior management of Employer and its Subsidiaries, which shall include vacation time (four weeks per year), flexible spending account, 401(k) Plan (currently 65% match of up to 6% of salary, subject to IRS cap and periodic potential adjustment by the Board), expense reimbursement in accordance with the policies and procedures of Employe r, as well as medical, dental, vision, life, long term care and disability insurance (collectively, such insurance plans, the "Welfare Plans"). The Board, on a basis consistent with past practice, shall review the Annual Base Salary of Executive and may increase the Annual Base Salary by such amount as the Board, in its sole discretion, shall deem appropriate. The term "Annual Base Salary" as used in this Agreement shall refer to the Annual Base Salary as it may be so increased.

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(c) Termination. The Employment Period will continue until (i) Executive's death, Disability or resignation from employment with Employer and its Subsidiaries or (ii) Employer and its Subsidiaries decide to terminate Executive's employment with or without Cause (as defined below). If (A) Executive's employment is terminated without Cause pursuant to clause (ii) above or (B) Executive resigns from employment with Employer and its Subsidiaries for Good Reason, then, subject to Executive's execution and delivery of a Release in form and substance as set forth below, starting on the sixtieth (60th) day following Executive's termination of employment, Employer shall pay to Executive, in equal installments ratably over twelve (12) months (the “Severance Period”) in accordance with the Employer's normal payroll cycle and procedures, an aggregate amount (the “Severance”) equal to (I) his Annual Base Salary (prior to any material diminution that constitutes Good Reason for Employee's resignation), plus (II) an amount equal to the average Annual Bonus paid or payable to Executive by Employer for the last three completed fiscal years prior to the date of termination (or if Executive has not completed three (3) fiscal years prior to the date of termination, then the average Annual Bonus paid or payable to Executive by Employer will be determined based on the actual number of completed fiscal years prior to the date of termination). In calculating the average Annual Bonus for purposes of the immediately preceding sentence, in the event Executive's em ployment is terminated pursuant to this Section 1(c) during fiscal years 2012 through 2014, Executive's Annual Bonus payable hereunder shall be calculated using a fiscal year 2011 Annual Bonus payment equal to the amount that Executive would have otherwise received had Executive been employed by Employer during all of fiscal year 2011. Notwithstanding anything contained herein to the contrary, if Executive's employment with Employer terminates on or prior to March 31, 2011, Executive's Annual Bonus payment for purposes of this Section 1(c) shall equal a prorated amount of Executive's Target Bonus based on the number of days during fiscal year 2011 that Executive was employed by Employer. In addition, if Executive is entitled on the date of termination to coverage under the Welfare Plans, such coverage shall continue for Executive and Executive's covered dependents for a period ending on the first anniversary of the date of termination at the active employee cost payable by Executive with respect to those c osts paid by Executive prior to the date of termination; provided, that this coverage will not count towards the depletion of any continued health care coverage rights that Executive and Executive's dependents may have pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“COBRA”), and such rights to continued health care coverage under COBRA shall remain available to Executive and Executive's dependents after the Severance Period; provided further, that Executive's or Executive's covered dependents' rights to continued health care coverage pursuant to this Section 1(c) shall terminate at the time Executive or Executive's covered dependents become covered, as described in COBRA, under another group health plan, and shall also terminate as of the date Employer ceases to provide coverage to its senior executives generally under any such Welfare Plan. Notwithstanding the foregoing, (I) Executive shall not be entitled to receive any payments or benefits pursuant to this Section 1(c) unless Executive has executed and delivered to Employer a general release in form and substance satisfactory to Employer and (II) Executive shall be entitled to receive such payments and benefits only so long as Executive has not breached the provisions of Section 2 or Section 3 hereof. The release described in the foregoing sentence shall not require Executive to release any claims for Severance or benefits under the Welfare Plans as set forth in this Agreement, any vested employee benefits, workers compensation benefits covered by insurance or self-insurance, claims to indemnification to which Executive may be entitled under Employer's or its Subsidiaries' certificate(s) of incorporation, by-laws, any indemnification agreement or under any of Employer's or its Subsidiaries' directors or officers insurance policy(ies) or applicable law, or equity claims to contribution from Employer or its Subsidi aries or any other Person to which Executive is entitled as a matter of law in respect of any claim made against Executive for an alleged act or omission in Executive's official capacity and within the scope of Executive's duties as an officer, director or employee of Employer or its Subsidiaries. Not later than eighteen (18) months following the termination of Executive's employment, Empl oyer and its Subsidiaries for which the Executive has acted in the capacity of a senior manager, shall sign and deliver to Executive a release of claims that Employer and its Subsidiaries have against Executive; provided that, such release shall not release any claims that Employer and/or its Subsidiaries commenced prior to the date of the release(s), any claims relating to matters actively concealed by Executive, any claims to contribution from Executive to which Employer or its Subsidiaries are entitled as a matter of law or any claims arising out of mistaken indemnification by Employer and/or any of its Subsidiaries. Except as otherwise provided in this Section 1(c) or in the Employer's employee benefit plans or as otherwise requ ired by applicable law, Executive shall not be entitled to any other salary, compensation or benefits after termination of Executive's employment with Employer.

2. Confidential Information.

(a) Obligation to Maintain Confidentiality. Executive acknowledges that the information, observations and data (including trade secrets) obtained by him during the course of his performance under this Agreement concerning the business or affairs of Employer, its Subsidiaries and Affiliates ("Confidential Information") are the property of Employer, its Subsidiaries and Affiliates, as applicable, including information concerning acquisition opportunities in or reasonably related to Employer's, its Subsidiaries' and/or Affiliates' business or industry of which Executive becomes aware during the Employment Period. Therefore, Executive agrees that he will not disclose to any unauthorized Person or use for his own account (for his commercial advantage or otherwise) any Confidential Information without the Boa rd's written consent, unless and to the extent that the Confidential Information, (i) becomes generally known to and available for use by the public other than as a result of Executive's acts or omissions to act, (ii) was known to Executive prior to Executive's employment with Employer or any of its Subsidiaries or Affiliates or (iii) is required to be disclosed pursuant to any applicable law, court order or other governmental decree. Executive shall deliver to Employer on the date of termination, or at any other time Employer may request, all memoranda, notes, plans, records, reports, computer tapes, printouts and software and other documents and data (and copies thereof) relating to the Confidential Information, Work Product (as defined below) or the business of the Employer, its Subsidiaries and Affiliates (including, without limitation, all acquisition prospects, lists and contact information) which he may then possess or have under his control.

(b) Ownership of Property. Executive acknowledges that all discoveries, concepts, ideas, inventions, innovations, improvements, developments, methods, processes, programs, designs, analyses, drawings, reports, patent applications, copyrightable work and mask work (whether or not including any Confidential Information) and all registrations or applications related thereto, all other proprietary information and all similar or related information (whether or not patentable) that relate to Employer's, its Subsidiaries' and/or Affiliates' actual or anticipated business, research and development, or existing or futu re products or services and that are conceived, developed, contributed to, made, or reduced to practice by Executive (either solely or jointly with others) while employed by the Employer, its Subsidiaries and/or Affiliates (including any of the foregoing that constitutes any proprietary information or records) ("Work Product") belong to the Employer or such Subsidiary or Affiliate and Executive hereby assigns, and agrees to assign, all of the above Work Product to Employer or to such Subsidiary or Affiliate. Any copyrightable work prepared in whole or in part by Executive in the course of his work for any of the foregoing entities shall be deemed a "work made for hire" under the copyright laws, and Employer or such Subsidiary or Affiliate shall own all rights therein. To the extent that any such copyrightable work is not a "work made for hire," Executive hereby assigns and agrees to assign to Employer or such Subsidiary or Affiliate all right, title, and interest, including without limitation, copyright in and to such copyrightable work. Executive shall promptly disclose such Work Product and copyrightable work to the Board and perform all actions reasonably requested by the Board (whether during or after the Employment Period) to establish and confirm the Employer's or such Subsidiary's or Affiliate's ownership (including, without limitation, assignm ents, consents, powers of attorney, and other instruments).

(c) Third Party Information. Executive understands that Employer, its Subsidiaries and Affiliates will receive from third parties confidential or proprietary information ("Third Party Information"), subject to a duty on Employer's, its Subsidiaries' and Affiliates' part to maintain the confidentiality of such information and t o use it only for certain limited purposes. During the Employment Period and thereafter, and without in any way limiting the provisions of Section 2(a) above, Executive will hold Third Party Information in the strictest confidence and will not disclose to anyone (other than personnel and consultants of Employer, its Subsidiaries and Affiliates who need to know such information in connection with their work for Employer or any of its Subsidiaries and Affiliates) or use, except in connection with his work for Employer or any of its Subsidiaries and Affiliates, Third Party Information unless expressly authorized by a member of the Board (other than himself if Executive is on the Board) in writing.

(d) Use of Information of Prior Employers. During the Employment Period and thereafter, Executive will not improperly use or disclose any confidential information or trade secrets, if any, of any former employers or any other Person to whom Executive has an obligation of confidentiality, and will not bring onto the premises of Employer or any of its Subsidiaries or Affiliates any unpublished documents or any property belonging to any former employer or any other Person to whom Executive has an obligation of confidentiality unless consented to in writing by the former employer or Person. Executive will use in the performance of his duties only information which is (i) generally known and used by persons with training and experience comparable to Executive's and which is (x) common knowledge in the industry or (y) otherwise legally in the publ ic domain, (ii) otherwise provided or developed by Employer or any of its Subsidiaries or Affiliates or (iii) in the case of materials, property or information belonging to any former employer or other Person to whom Executive has an obligation of confidentiality, approved for such use in writing by such former employer or Person.

3. Non-competition and No Solicitation. Executive acknowledges that (i) the course of his employment with Employer he will become familiar with Employer's, its Subsidiaries' and Affiliates' trade secrets and with other confidential information concerning the Employer, its Subsidiaries and Affiliates; and (ii) his services will be of special, unique and extraordinary value to Employer and such Subsidiaries. Therefore, Executive agrees that:

(a) Non-competition. During the Employment Period and also during the period commencing on the date of termination of the Employment Period and ending on the first anniversary of the date of termination (the "Severance Period"), he shall not without the express written consent of Employer, anywhere in the United States, directly or indirectly, own, manage, control, participate in, consult with, render services for, or in any manner engage in any business (i) which competes with (a) OTC wart or skin tag treatment products (including, without limitation, salicylic acid or cryogen-bas ed products), (b) dental devices for treatment or management of bruxism, (c) OTC sore throat treatment products (including, without limitation, liquids, lozenges and strips), (d) inter-proximal *devices, (e) powdered and liquid cleansers, (f) pediatric OTC medicinal and non-medicinal products, (g) OTC eye care products, (h) denture cleansers or adhesi ves, or (i) any other business acquired by Employer and its Subsidiaries after the date hereof which represents 5% or more of the consolidated revenues or EBITDA of Employer and its Subsidiaries for the trailing 12 months ending on the last day of the last completed calendar month immediately preceding the date of termination of the Employment Period, or (ii) in which Employer and/or its Subsidiaries have conducted discussions or have requested and received information relating to the acquisition of such business by such Person (x) within one year prior to the date of termination and (y) during the Severance Period, if any. Nothing herein shall prohibit Executive from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation that is publicly traded, so long as Executive has no active participation in the business of such corporation*

(b) No solicitation. During the Employment Period and also during the Severance Period, Executive shall not directly or indirectly through another entity (i) induce or attempt to induce any employee of Employer or its Subsidiaries to leave the employ of Employer or its Subsidiaries, or in any way interfere with the relationship between Employer or its Subsidiaries and any employee thereof, (ii) hire any person who was an employee of Employer or its Subsidiaries within 180 days after such person ceased to be an employee of Employer or its Subsidiaries; provided, however, that such restriction shall not apply for a particular employee if Employer or its Subsidiaries have provided written consent to such hire, which consent, in the case of any person who was not a key employee of Employer or its Subsidiaries shall not be unreasonably withheld, (iii) induce or attempt to induce any customer, supplier, licensee or other business relation of Employer or its Subsidiaries to cease doing business with Employer or its Subsidiaries or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and Employer or its Subsidiaries or (iv) directly or indirectly acquire or attempt to acquire an interest in any business relating to the business of Employer or its Subsidiaries and with which Employer or its Subsidiaries have conducted discussions or have requested and received information relating to the acquisition of such business by Employer or its Subsidiaries in the two year period immediately pr eceding the date of termination.

(c) Enforcement. If, at the time of enforcement of Section 2 or this Section 3, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum duration, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be all owed to revise the restrictions contained herein to cover the maximum duration, scope and area permitted by law. Because Executive's services are unique and because Executive has access to Confidential Information, the parties hereto agree that money damages would be an inadequate remedy for any breach of this Agreement. Therefore, in the event of a breach or threatened breach of this Agreement, Employer, its Subsidiaries or their successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other security).

(d) Additional Acknowledgments. Executive acknowledges that the provisions of this Section 3 are in consideration of: (i) employment with the Employer, (ii) the prospective issuance of securities by Employer pursuant to the Plan and (iii) additional good and valuable consideration as set forth in this Agreement. In addition, Executive agrees and acknowledges that the restrictions contained in Section 2 and this Section 3 do not preclude Executive from earning a livelihood, nor do they unreasonably impose limitations on Executive's ability to earn a living. In addition,

Executive acknowledges (i) that the business of Employer and its Subsidiaries will be conducted throughout the United States, (ii) notwithstanding the state of incorporation or principal office of Employer or any of its Subsidiaries, or any of their respective executives or employees (including the Executive), it is expected that Employer and its Subsidiaries will have business activities and have valuable business relationships within its industry throughout the United States and (iii) as part of his responsibilities, Executive will be traveling throughout the United States in furtherance of Employer's and/or its Subsidiaries' business and their relationships. Executive agrees and acknowledges that the potential harm to Employer and its Subsidiaries of the non-enforcement of Section 2 and this Section 3 outweighs any potential harm to Executive of their enforcement by injunction or otherwise. Executive acknowledges that he has carefully read this Agreement and has given careful consideration to the restraints imposed upon Executive by this Agreement, and is in full accord as to their necess ity for the reasonable and proper protection of confidential and proprietary information of Employer and its Subsidiaries now existing or to be developed in the future. Executive expressly acknowledges and agrees that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area.

4. Miscellaneous.

(a) Survival. The provisions of Sections 1(c), 2, 3 and 4 shall survive the termination of this Agreement.

(b) Entire Agreement and Merger. This Agreement sets forth the entire understanding of the parties and merges and supersedes any prior or contemporaneous agreements, whether written or oral, between the parties pertaining to the subject matter hereof.

(c) Modification. This Agreement may not be modified or terminated orally, and no modification or waiver of any of the provisions hereof shall be binding unless in writing and signed by the party against whom the same is sought to be enforced.

(d) Waiver. Failure of a party to enforce one or more of the provisions of this Agreement or to require at any time performance of any of the obligations hereof shall not be construed to be a waiver of such provisions by such party nor to in any way affect the validity of this Agreement or such party's right thereafter to enforce any provision of this Agreement, nor to preclude such party from taking any other action at any time which it would legally be entitled to take.

(e) Successors and Assigns. Neither party shall have the right to assign this Agreement, or any rights or obligations hereunder, without the consent of the other party; provided, however, that upon the sale of all or substantially all of the assets, business and goodwill of Employer to another company, or upon the merger or consolidation of Employer with another company, this Agreement shall inure to the benefit of, and be binding upon, both Executive and the company purchasing such assets, business and goodwill, or surviving such merger or consolidation, as the case ma y be, in the same manner and to the same extent as though such other company were Employer; and provided, further, that Employer shall have the right to assign this Agreement to any Affiliate or Subsidiary of Employer. Subject to the foregoing, this Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their legal representatives, heirs, successors and permitted assigns.

(f) Communications. All notices or other communications required or permitted hereunder will be in writing and will be deemed given or delivered when delivered personally, by registered or certified mail or by overnight courier (fare prepaid) addressed as follows:

&n bsp;

(i) To Employer:	Prestige Brands Holdings, Inc. 90 North Broadway Irvington, New York 10533 Attention Chief Executive Officer
(ii) With a copy to:	Prestige Brands Holdings, Inc. 90 North Broadway Irvington, New York 10533 Attention: General Counsel
(iii) To the Employee	Ronald Lombardi 45 Metacomet View Southington, CT 06489

or to such address as a party hereto may indicate by a notice delivered to the other party. Notice will be deemed received the same day when delivered personally, five (5) days after mailing when sent by registered or certified mail, and the next business day when delivered by overnight courier. Any party hereto may change its address to which all communications and notices may be sent by addressing notices of such chang e in the manner provided.

(g) Severability. If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity and enforceability of the other provisions of this Agreement and the provision held to be invalid or unenforceable shall be enforced as nearly as possible according to its original terms and intent to eliminate such invalidity or unenforceability.

(h) Governing Law. This Agreement will be governed by, construed and enforced in accordance with the laws of the State of New York, without giving effect to its conflicts of law provisions.

(i) ;Arbitration. (a) Except as provided in subsection (b) of this Section 4(i), the following provisions shall apply to disputes between Employer 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 Employer and Executive:

(i) The parties shall first use their reasonable 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 in New York County or Westchester County, New York 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 Employer and the Executive and shall be enforceable by any court sitting within New York County or Westchester County, New York. Employer 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 4(i) 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 arbitration 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 Rules of Civil Procedure.

(b) The provisions of this Section 4(i) shall not apply to any action by the Employer seeking to enforce its rights arising out of or related to the provisions of Sections 2 and 3 of this Agreement.

(c) This Section 4(i) is intended by the Employer and the Executive to be enforceable under the Federal Arbitration Act ("FAA"). Should it be determined by any court that the FAA does not apply, then this Section 4(i) shall be enforceable under the applicable arbitratio n statutes of the State of Delaware.

(j) No Third-Party Beneficiaries. Each of the provisions of this Agreement is for the sole and exclusive benefit of the parties hereto and shall not be deemed for the benefit of any other person or entity.

(k) Section 409A of the Internal Revenue Code. (a) Notwithstanding any provisions of this Agreement to the contrary, if the Executive is considered a Specified Executive (as defined below) at termination of employment other than on account of death or Disability, under such procedures as established by the Employer in accordance with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), benefit distributions, other than those that are deemed "separation pay" under the Treas. Reg. §1.409A-1(b)(9), that are made upon termination of employment may not commence earlier than six (6) months after the date of termination. Therefore, in the event this provision is applica ble to the Executive, any distribution 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. All subsequent distributions shall be paid in the manner specified. "Specified Executive" means a key employee (as defined in Section 416(i) of the Code without regard to paragraph 5 thereof) of the Employer if any stock of the Employer is publicly traded on an established securities market or otherwise.

(b) With respect to the payment of all benefits under the Agreement, including separation pay and deferred compensation, whether a "termination of employment" takes place is determined based on the facts and circumstances surrounding the termination of the Executive's employment and whether the Employer and the Executive intended for the Executive to provide significant services for the Employer following such termination. A change in the Executive's employment status will not be considered a termination of employment if:

(i) the Executive continues to provide services as an employee of the Employer at an annual rate that is twenty percent (20%) or more *of the services rendered, on average, during the immediately preceding three full calendar years of employment (or, if employed less than three years, such lesser period) and the annual remuneration for such services is twenty percent (20%) or more of the average annual remuneration earned during the final three full calendar years of employment (or, if less, such lesser period), or< /font>*

(ii) the Executive continues to provide services to the Employer in a capacity other than as an employee of the Employer at an annual rate that is fifty percent (50%) or more of the services rendered, on average, during the immediately preceding three full calendar years of employment (or if employed less than three years, such lesser period) and the annual remuneration for such services is fifty percent (50%) or more of the average annual remuneration earned during the final three full calendar years of employment (or if less, such lesser period).

For purposes of applying the provisions of Section 409A of the Code, a reference to the Employer shall also be deemed a reference to any affiliate thereof within the contemplation of Sections 414(b) and 414(c) of the Code. For purposes of this Agreement, the definition of "termination of employment" shall apply to all uses of such term, whether capitalized or not.

(l) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

PRESTIGE BRANDS HOLDINGS, INC.

By: /s/ Matthew M. Mannelly
Name: Matthew M. Mannelly
Title: Chief Executive Officer

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By: /s/ Ron Lombardi
Name: Ronald Lombardi

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DEFINITIONS

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“Affiliate” means, with respect to any Person, any other Person who directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms “controlled” and “controlling” have meanings correlative thereto.

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“Cause” is defined as (i) your willful and continued failure to substantially perform your duties with Employer (other than any such failure resulting from your incapacity due to physical or mental illness) that has not been cured within 10 days after a written demand for substantial performance is delivered to you by the Board, which demand specifically identifies the manner in which the Board believes that you have not substantially performed your duties, (ii) the willful engaging by you in conduct which is demonstrably and materially injurious to Employer or its Affiliates, monetarily or otherwise, (iii) your conviction (or plea of nolo contendere) for any felony or any other crime involving dishonesty, fraud or moral turpitude, (iv) your breach of fiduciary duty to Employer or its Affiliates, (v) any violation of Employer's policies relating to compliance with applicable laws which have a material adverse effect on Employer or its Affiliates or (vi) your breach of any restrictive covenant. For purposes of clauses (i) and (ii) of this definition, no act, or failure to act, on your part shall be deemed "willful" unless done, or omitted to be done, by you not in good faith and without reasonable belief that your act, or failure to act, was in the best interest of Employer.

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“Disability” means the Executive: (i) is unable to e ngage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months; or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees or directors of the Employer. Medical determination of Disability may be made by either the Social Security Administration or by the provider of an accident or health plan covering employees or directors of the Employer provided that the definition of “disability” applied under such disability insurance program complies with the requirements of the preceding sentence. Upon the request of the plan administrator, the Executive must submit proof to the plan administrator of the Social Security Administration's or the provider's determination. For purposes of this Agreement the definition of “Disability” shall apply to all uses of such term, whether capitalized or not.

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“Good Reason” means that the Executive terminated his employment with the Employer because, within the twelve (12) month period preceding the Executive's termination, one or more of the following conditions arose and the Executive notified the Employer of such condition within 90 days of its occurrence and the Employer did not remedy such condition within 30 days:
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(i) a material diminution in the Executive's base salary as in effect on the date hereof or as the same may be increased from time to time;

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(ii) a material diminution in the Executive's authority, duties, or responsibilities;

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(iii) the relocation of the Employer's headquarters outside a thirty-mile radius of Irvington, New York or the Employer's requiring the Executive to be

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based at any place other than a location within a thirty-mile radius of Irvington, New York, except for reasonably required travel on the Employer's business; or

(iv) any other action or inaction that constitutes a material breach by the Employer of this Agreement.

"Person" means any person or entity, whether an individual, trustee, corporation, limited liability company, partnership, trust, unincorporated organization, business association, firm, joint venture, govern mental authority or similar entity.

"Subsidiary" of any specified Person shall mean any corporation fifty percent (50%) or more of the outstanding capital stock of which, or any partnership, joint venture, limited liability company or other entity fifty percent (50%) or more of the ownership interests of which, is directly or indirectly owned or controlled by such specified Person, or any such corporation, partnership, joint venture, limited liability company, or other entity which may otherwise be controlled, directly or indirectly, by such Person.

Exhibit 31.1

CERTIFICATIONS

I, Matthew M. 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 finan cial 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

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

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

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

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

Date:	February 9, 2011	**/s/ Matthew M. Mannelly**
		Matthew M. Mannelly
		Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Ronald M. Lombardi, 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 informatio n 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 fina ncial 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 financia l reporting.

Date:	February 9, 2011	**/s/ Ronald M. Lombardi**
		Ronald M. Lombardi
		Chief Financial Officer

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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

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I, Matthew M. 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 December 31, 2010, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as appli cable, 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 M. Mannelly

Name: Matthew M. Man nelly

Title: Chief Executive Officer

Date: February 9, 2011

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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, Ronald M. Lombardi, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Prestige Brands Holdings, Inc. on Form 10-Q for the quarter ended December 31, 2010, fully complies with the requirements of S ection 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/ Ronald M. Lombardi

Name: Ronald M. Lombardi

Title: Chief Financial Officer

Date: February 9, 2011